How To Get An Ein

How To Get An Ein *Downloaded from remodelicious.com by Lia & Boyer*

UNDERSTANDING THE EMPLOYER IDENTIFICATION NUMBER: A COMPLETE GUIDE

If you are starting a new business, forming a nonprofit, or even managing an estate, you have likely encountered the term "EIN" and wondered **how to get an EIN**. An Employer Identification Number, also known as a Federal Tax Identification Number, is a unique nine-digit number assigned by the Internal Revenue Service (IRS). It functions much like a Social Security Number but for your business entity. This number is essential for tax reporting, opening business bank accounts, hiring employees, and establishing your organization's financial identity. In this comprehensive guide, we will walk you through everything you need to know about obtaining an EIN, the different methods available, and the critical steps to take afterward. Whether you are a solo entrepreneur or managing a growing company, understanding **how to get an EIN** is a foundational step toward operating legally and efficiently in the United States.

WHAT IS AN EIN AND WHO NEEDS ONE?

An Employer Identification Number is a nine-digit code (formatted as XX-XXXXXXX) that the IRS uses to identify a business entity for tax purposes. While many people associate EINs with large corporations, they are also required for sole proprietorships, partnerships, limited liability companies (LLCs), estates, trusts, and nonprofit organizations. Knowing **how to get an EIN** is crucial because this number unlocks several essential business functions. You will need an EIN to pay federal taxes, hire employees, open a business bank account, apply for business licenses, and file tax returns. Even if you do not have employees, certain business structures, such as corporations and partnerships, are required by law to obtain an EIN. Additionally, banks often require an EIN to open a business checking account or apply for a business credit card. Learning **how to get an EIN** early in your business planning ensures you are prepared for these requirements from day one.

Business Entities That Require an EIN

Not every business needs an EIN, but many do. The following entities must obtain an EIN:

- Corporations (S Corps and C Corps)
- Partnerships
- Limited Liability Companies (LLCs) with more than one member
- LLCs that elect to be taxed as a corporation
- Nonprofit organizations (501(c) status)
- Estates and trusts
- Sole proprietorships with employees
- Any business that files excise or alcohol, tobacco, and firearms tax returns

If you operate as a sole proprietor without employees and do not file excise taxes, you may use your Social Security Number instead. However, many sole proprietors still choose to apply for an EIN to keep personal and business finances separate. Regardless of your structure, understanding **how to get an EIN** gives you the flexibility to grow your business without administrative roadblocks.

When You Do Not Need an EIN

There are situations where an EIN is not required. Sole proprietors with no employees and no excise tax obligations can use their SSN for tax filings. Single-member LLCs that are disregarded entities for tax purposes may also use the owner's SSN, though obtaining an EIN is still recommended for privacy and professionalism. If you are wondering **how to get an EIN** even when it is not mandatory, the answer is simple: you can still apply voluntarily. Many business owners find that having an EIN simplifies banking, invoicing, and tax reporting, even when not legally required.

STEP-BY-STEP GUIDE: HOW TO GET AN EIN

Applying for an EIN is a straightforward process, but it requires careful preparation. The IRS offers several methods to apply, and the one you choose will depend on your location, urgency, and personal preference. Below, we break down each step so you can confidently learn **how to get an EIN** without confusion or delay.

Determine Your Eligibility

Before you apply, make sure you are eligible. The principal business entity must be located in the United States or U.S. Territories. You must have a valid Taxpayer Identification Number (such as an SSN or ITIN) for the responsible party. The responsible party is the person who ultimately owns or controls the entity or who exercises primary control over the entity. For most small businesses, this is the owner. Knowing **how to get an EIN** begins with confirming that you meet these basic criteria. If you are an international applicant without a U.S. address, you may still apply through specific channels, which we cover later.

Gather the Required Information

To complete the application, you will need the following details:

1. Legal name and Social Security Number or Individual Taxpayer Identification Number of the responsible party
2. Legal name of the business entity as registered with the state
3. Business address and mailing address
4. County and state where the business is located
5. Business structure (sole proprietorship, LLC, corporation, partnership, etc.)
6. Reason for applying (new business, hiring employees, banking purposes, etc.)
7. Date the business was started or acquired
8. Estimated number of employees expected in the next 12 months

9. Principal business activity (construction, retail, healthcare, etc.)

Having this information ready will make the process of learning **how to get an EIN** much faster. The IRS application is designed to take only a few minutes if you are prepared.

Choose Your Application Method

The IRS provides four ways to apply for an EIN: online, by mail, by fax, and by phone. Each method has its own processing time and requirements. Understanding the differences will help you decide which approach is best for your situation.

HOW TO GET AN EIN ONLINE (THE FASTEST METHOD)

The online application is the most popular and quickest way to get an EIN. The IRS online system is available Monday through Friday from 7 a.m. to 10 p.m. Eastern Time. Applying online is completely free, and you receive your EIN immediately upon completion. To use this method, you must have a valid SSN or ITIN for the responsible party, and your principal business must be located in the United States or U.S. Territories. The online session times out after 15 minutes of inactivity, so have your information ready. If you are wondering **how to get an EIN** in the shortest possible time, the online application is your best option. The system guides you through a series of questions, and the interface is user-friendly. Once you submit the application, you can download, save, and print your EIN confirmation notice (CP 575) immediately. This official document serves as proof of your EIN and should be kept in your permanent business records.

HOW TO GET AN EIN BY MAIL OR FAX

If you prefer a paper application or do not have internet access, you can apply by mail or fax. To do this, you will need to complete Form SS-4, Application for Employer Identification Number. This form is available for download on the IRS website. Fill it out completely and accurately, then submit it to the appropriate IRS fax number or mailing address based on your business location. The fax option generally takes about four business days to receive your EIN, while the mail option can take four to five weeks. If you have time and need a physical paper trail, the mail or fax method works well. However, for most business owners learning **how to get an EIN** for the first time, the online method is strongly recommended due to the speed and convenience. When applying by fax, be sure to include a cover sheet with your contact information. The IRS will fax your EIN back to the number you provide.

HOW TO GET AN EIN BY PHONE (INTERNATIONAL APPLICANTS)

International applicants who do not have a Social Security Number or whose principal business is located outside the United States cannot use the online system. Instead, they must apply by phone or by mail. If you are calling from outside the U.S., you can reach the IRS at 267-941-1099 (this is not a toll-free number). The phone application is available Monday through Friday from 6 a.m. to 11 p.m. Eastern Time. You will need to provide the same information required on Form SS-4. The IRS agent will process your application while you are on the phone and assign your EIN immediately. This is a critical option for international entrepreneurs who are learning **how to get an EIN** for their U.S.-based business operations. Keep in mind that the responsible party for an international entity must have a valid Foreign Taxpayer Identification Number if they do not have an SSN or ITIN.

COMMON MISTAKES TO AVOID WHEN APPLYING FOR AN EIN

Even though the application process is simple, mistakes can delay your EIN or cause complications. One of the most common errors is providing incorrect information about the responsible party. The IRS requires the responsible party to have a valid Taxpayer Identification Number, and the name must match exactly as it appears on their tax return. Another common mistake is submitting multiple applications. The IRS uses a system that recognizes duplicate requests, and applying more than once can lead to delays or rejections. Many people also misunderstand **how to get an EIN** for a trust or estate and use incorrect entity details. Make sure the legal name of the entity matches state records. Additionally, do not apply for an EIN until your business is legally formed if you are registering a corporation or LLC. The IRS may verify your business registration with the state. Finally, remember that the online system is for domestic entities only. If you apply online as an international applicant, your application will be rejected. Avoiding these pitfalls will save you time and help you obtain your EIN smoothly.

HOW MUCH DOES IT COST TO GET AN EIN?

One of the best things about learning **how to get an EIN** is that the application through the IRS is completely free. There are no fees to apply online, by mail, by fax, or by phone. However, there are many third-party services that charge fees to help you apply. While these services can be convenient, they are not necessary. You can complete the application yourself in just a few minutes. Be cautious of any website that charges you for a government form or application. The only time you may need to pay is if you are using a legal or accounting professional to handle your business formation, and their fees include EIN registration as part of a larger package. For most businesses, the most direct answer to **how to get an EIN** is to go directly to the IRS website and use the free online portal.

WHAT TO DO AFTER YOU RECEIVE YOUR EIN

Once you have your EIN, your work is not finished. The next steps are essential for using your EIN effectively. First, you should open a dedicated business bank account. Most banks require an EIN to open a business checking or savings account. This separates your personal and business finances, which is important for tax purposes and liability protection. Second, register for state and local taxes. Your EIN is used for federal tax reporting, but you may also need a state tax ID or sales tax permit depending on your location and business type. Third, if you have employees, you will need to register with your state's labor department and set up payroll systems. Fourth, use your EIN when filing your annual business tax returns. For partnerships and corporations, this is mandatory. Finally, keep your CP 575 notice in a safe place. This is your official IRS document showing your assigned EIN. If you lose it, you can request a replacement or call the IRS Business & Specialty Tax Line. Understanding **how to get an EIN** is just the beginning; using it properly ensures your business remains compliant and organized.

F