



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

3.21.110

NOVEMBER 19, 2024

## EFFECTIVE DATE

(01-01-2025)

## PURPOSE

- (1) This transmits revised IRM 3.21.110, International Returns and Documents Analysis - Processing Form 1042 Withholding Returns.

## MATERIAL CHANGES

- (1) IRM 3.21.110 revised throughout to update organizational title Wage and Investment (W&I) to Taxpayer Services (TS).
- (2) IRM 3.21.110.1(2) - Changed Paper Processing Branch to Return Processing Branch.
- (3) IRM 3.21.110.1.8(1) - Added MeF file location codes.
- (4) IRM 3.21.110.3(2) - Changed Paper Processing Branch to Return Processing Branch. (IPU 24U0197 issued 02-02-2024)
- (5) IRM 3.21.110.4(1) - Corrected IRM reference for IRM Deviation Procedures. (IPU 24U0525 issued 04-15-2024)
- (6) IRM 3.21.110.7(1) - Updated the Taxpayer Advocate Service with the latest approved standardized language from the TAS document.
- (7) IRM 3.21.110.7.1(1) - Updated language for Taxpayer Advocate Service (TAS) Service Level Agreements.
- (8) IRM 3.21.110.14(2) - Added a Exception to bullet stating this is not applicable for Forms 1042 filed for calendar years starting on or after January 1, 2025.
- (9) IRM 3.21.110.15.4(3) - Updated Statute clearing exception from 2019 to 2020. (IPU 24U0197 issued 02-02-2024)
- (10) IRM 3.21.110.16(3) - Revised example to include income that is erroneously withheld upon.
- (11) IRM 3.21.110.16.3.2(4) - Added CCC "D" instruction.
- (12) IRM 3.21.110.16.3.6
  - (4) - Clarified note for editing CCC J.
  - (5) - Added TY2017 instruction for amount present on line 62b(1).
- (13) IRM 3.21.110.16.4.1(1) - Updated received date chart.
- (14) IRM 3.21.110.17(4) - Added CCC "D" instruction.
- (15) IRM 3.21.110.18.3(2) - (IPU 24U0005 issued 01-02-2024)
  - Clarified TC 014 procedures with "Pull the return for research/input of TC 014 by the Code and Edit Research Clerk."
  - Added a Note to clarify the street address as a location address and the P.O. Box as the mailing address.

- (16) IRM 3.21.110.18.4(2) - Added a Note to clarify the street address as a location address and the P.O. Box as the mailing address. (IPU 24U0005 issued 01-02-2024)
- (17) IRM 3.21.110.18.4(3) - Clarified TC 014 procedures with “Pull the return for research/input of TC 014 by the Code and Edit Research Clerk.” (IPU 24U0005 issued 01-02-2024)
- (18) IRM 3.21.110.24.4(3) - Clarified the amount that is reported on Line 63c.
- (19) IRM 3.21.110.26.2(3) - Added CCC “D” instruction.
- (20) IRM 3.21.110.28(3) -
  - a - Added Note that Ch. 3 status codes 13, 14, and 35 cannot be used for Forms 1042 filed for calendar years starting on or after January 1, 2025.
  - b - Revised instruction on recipient’s names and clarified applicable chapter 3 status codes.
- (21) IRM 3.21.110.28(4) - Added Exception the instruction will not be applicable for Forms 1042 filed for calendar years starting on or after January 1, 2025.
- (22) IRM 3.21.110.35 - Updated Section 4 title to Payments by Qualified Derivatives Dealer (QDD).
- (23) IRM 3.21.110.37(1) - Added “efile GRAPHIC print - Do Not Process” to the sixth bullet.
- (24) Exhibit 3.21.110-1 - Updated tax year.
- (25) Exhibit 3.21.110-2 - Updated tax years.
- (26) Exhibit 3.21.110-5 - Removed outdated Province, Foreign State, and Territory Abbreviations exhibit.
- (27) Revised the Internal Revenue Manual (IRM), where necessary, for the following types of editorial changes:
  - Plain language and editorial updates to improve readability.
  - IRM references, titles, citations, and links.
  - Updated tax years and figures to reflect current processing.
  - Updated glossary terms and definitions.

## EFFECT ON OTHER DOCUMENTS

IRM 3.21.110, dated November 14, 2023 (effective January 1, 2024), is superseded. The following IRM Procedural Updates (IPUs) are incorporated into this IRM: 24U0005 issued 01-02-2024, 24U0197 issued 02-02-2024 and 24U0525 issued 04-15-2024.

## AUDIENCE

Taxpayer Services, Code and Edit Tax Examiners at the Ogden Submission Processing Center (OSPC) Only

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3.21.110

Processing Form 1042 Withholding Returns

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Exhibits

- 3.21.110-1 Form 1042, Page 1, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Transcription Lines
- 3.21.110-2 Form 1042, Page 2, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Transcription Lines
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- 3.21.110-7 Form 1042 Glossary

3.21.110.1  
(11-19-2024)  
**Program Scope and Objectives**

- (1) **Purpose:** This section of the IRM provides instructions for reviewing and editing Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.
- (2) **Audience:** Tax examiners in the International Code and Edit Unit, Ogden Submission Processing Center, Taxpayer Services (TS) Division are the primary users of this IRM.
- (3) **Policy Owner:** The Director of Submission Processing is responsible for the policies in this IRM.
- (4) **Program Owner:** The Code and Edit/ERS IMF Section of the Return Processing Branch of Submission Processing is responsible for the procedures and all updates related to this IRM.
- (5) **Primary Stakeholders:** Submission Processing (SP), Modernized E-file (MeF), and Large Business and International (LB&I).
- (6) **Program Goals:** To timely and accurately code and edit Form 1042 returns to prepare them for transcription.

3.21.110.1.1  
(11-12-2021)  
**Background**

- (1) The purpose of Document Perfection is to code and edit (perfect) returns and other documents for input to the Master File (MF) through the Integrated Submission and Remittance Processing System (ISRP) or the Service Center Recognition Image Processing System (SCRIPS). In addition, Document Perfection forwards any other documents or attachments not related to the processing of the returns to function responsible for handling them.
- (2) It is not the purpose of Code and Edit to mathematically verify or to check the validity of the returns and other documents being processed unless otherwise specified in the applicable section. The computer and/or Error Correction (Resolution) performs these functions if the returns and other documents are coded and edited as prescribed in applicable subsections of this section.
- (3) Instructions in this manual are for Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.

3.21.110.1.2  
(11-17-2020)  
**Authority**

- (1) Authority for these procedures includes the following sections of the Internal Revenue Code (IRC) and their corresponding Treasury Regulations:
  - IRC 1441-1446
  - IRC 1461-1464
  - IRC 1471-1474
  - IRC 6201(a)
  - IRC 6213(b)
  - IRC 6302
  - IRC 6402(a)
  - IRC 6511

3.21.110.1.3  
(11-14-2017)  
**Responsibilities**

- (1) The Director, SP Office is responsible for monitoring operational performance for the Submission Processing campus.
- (2) The Operations Manager is responsible for monitoring operational performance for their operation.



## 3.21 International Returns and Documents Analysis

- (3) The team manager/lead is responsible for performance monitoring and ensuring employees have the tools to perform their duties.
- (4) The team employees are responsible for following the instructions contained in this IRM and maintaining updated IRM procedures.

### 3.21.110.1.4 (11-17-2020) Program Management and Review

- (1) **Program Reports:** The Monitoring Section under Submission Processing Program Management/Process Assurance monitors the Code and Edit reports.
- (2) **Program Effectiveness:** The program goals are measured by the following reviews:
  - Embedded Quality Submission Processing (EQSP)
  - Balanced Measures
  - Managerial Reviews
- (3) **Annual Review:** This IRM is updated and published annually after review by affected offices according to the clearance process established in IRM 1.11.9, Internal Management Documents, Clearing and Approving the Internal Revenue Manual (IRMs).

### 3.21.110.1.5 (11-12-2021) Program Controls

- (1) Quality Review is conducted following Embedded Quality Submission Processing (EQSP) procedures in IRM 3.30.30, Embedded Quality for Submission Processing (EQSP) System. The EQSP system provides a method to monitor, measure, and improve the quality of the work throughout Submission Processing. Review data is used to identify trends, problem areas, training needs, and opportunities for improvement. A statistical valid sample size of returns are pulled weekly and input into the EQSP system for review and to ensure IRM guidelines are followed.

### 3.21.110.1.6 (11-14-2017) Terms and Acronyms

- (1) See Exhibit 3.21.110-7 for a list of terms and definitions used within this IRM.

### 3.21.110.1.7 (11-14-2017) Related Resources

- (1) The Submission Processing Design Center has created Job Aid 2544-701 to help tax examiners with processing this form.

### 3.21.110.1.8 (11-19-2024) Introduction

- (1) The Form 1042 is processed under:
  - Program Code: 12500
  - File Source: BMF
  - Tax class: 1
  - Master File Transaction Code (MFT): 12
  - Document Code: 25
  - DLN: XX125-ddd-501-999
  - File Location Codes:
    - Paper - 29 (domestic address), 60 (Foreign address), and 78 (U.S. Possession address)
    - Modernized e-file (MeF) - 60 (Foreign address), 78 (U.S. Possession address), 88 (Foreign address) and 92/93 (Domestic address)



- 3.21.110.2  
(01-01-2020)  
**General Information**
- (1) This IRM cannot address every possibility that occurs while perfecting returns or documents. Take taxpayer intent into consideration. Refer issues not addressed in this IRM to the subject matter expert (SME), lead, or manager to determine the corrective action.
- 3.21.110.3  
(02-02-2024)  
**◆Business Master File (BMF) Consistency◆**
- (1) The purpose of this initiative is to achieve consistency in the Business Master File (BMF) Code and Edit (C&E) processing IRMs.
- (2) Ogden, Kansas City, and Return Processing Branch, BMF Code and Edit and Error Resolution System (ERS) identified and developed topics for BMF Consistency.
- (3) A ◆ (diamond) before and after titles identifies BMF Consistency subsections.
- (4) Text in normal print is the common process for BMF returns. The text in **BOLD** print is form specific and applies to this IRM only.
- 3.21.110.4  
(04-15-2024)  
**◆IRM Deviation Procedures◆**
- (1) Submit IRM deviations in writing, following instructions from IRM 1.11.2.2.3, When Procedures Deviate from the IRM, and elevate through proper channels for executive approval.
- 3.21.110.5  
(10-27-2015)  
**◆Foreign Currency◆**
- (1) For returns completed in other than U.S. currency, process as filed. However, if corresponding for missing/incomplete item(s), include a request in Letter 1791C, U.S. Annual Return of Income Paid at Source Incomplete for Processing, to resubmit in U.S. currency.
- 3.21.110.6  
(11-14-2017)  
**◆Protective Claims◆**
- (1) Remove returns marked as “Protective Claims”, “Protective Claim for Refund”, or similar statement from the batch and route to Accounts Management (AM). Notate Protective Claim in the remarks box of Form 4227, Intra-SC Reject or Routing Slip.
- Exception:** If the return is amended, do not remove from batch. Edit Computer Condition Code (CCC) “G” and follow normal processing procedures.
- 3.21.110.7  
(11-19-2024)  
**◆Taxpayer Advocate Service (TAS)◆**
- (1) .The Taxpayer Advocate Service is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they’ve tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn’t working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
- (2) TAS uses Form 12412, Operations Assistance Request (OAR), to start the OAR process of referring a case to the Taxpayer Services (TS) Division, to affect the resolution of the taxpayer’s problem. For more information, see IRM 13.1.19, Taxpayer Advocate Service, Taxpayer Advocate Case Procedures, Advocating With Operations Assistance Requests (OARs).

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- (3) Refer taxpayers to TAS when the contact meets TAS criteria see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria), or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issue the same day. See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines.
- (4) The definition of "same day resolution" is within 24 hours. The following two situations meet the definition of "same day resolution":
  - The issue can be resolved within 24 hours.
  - The IRS takes steps within 24 hours to resolve the taxpayer's issue.
- (5) When making a TAS referral, use Form 911, and forward to TAS following local procedures.
- (6) For more information, see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria, and IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria, for information on cases that TAS will no longer accept.

3.21.110.7.1  
(11-19-2024)

### ◆ Taxpayer Advocate Service (TAS) Service Level Agreements (SLA) ◆

- (1) The National Taxpayer Advocate reached agreements with the Commissioners or Chiefs of the Taxpayer Services (TS) Division, Small Business and Self-Employed (SBSE) Division, Tax Exempt Government Entities (TEGE) Division, Criminal Investigation (CI), Independent Office of Appeals, and Large Business and International (LB&I) Division, that outline the procedures and responsibilities for processing Taxpayer Advocate (TAS) casework when either the statutory or delegated authority to complete case transactions rests outside of TAS. The agreements are known as Service Level Agreements (SLAs).
- (2) The SLAs are found at <https://irs.gov.sharepoint.com/sites/TAS/SitePages/SLA.aspx>

3.21.110.8  
(11-17-2020)

### ◆ IRS Employee Contacts ◆

- (1) The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 (RRA 98) Section 3705(a) gives identification requirements for all IRS employees working tax-related matters.
- (2) All IRS employees who communicate by telephone, face-to-face, or any other method of correspondence with taxpayers or their personal representatives on tax-related matters, must give (at a minimum) the following information:
  - a. Telephone Contact - Their title (e.g., Mr., Mrs., Ms., Miss), last name, and badge identification (ID Card) number. Toll-free employees may also give their location for identification purposes. Treat faxes to taxpayers on tax-related matters as correspondence and include the required information.
  - b. Face-to-Face Contact - Their title (e.g., Mr., Mrs., Ms., Miss), give as proper during the conversation, their last name, and badge identification (ID Card) number.
  - c. Correspondence (sent to the taxpayer and authorized representatives) - A telephone number taxpayers can call for answers to questions. In addition, manually generated correspondence must have the employee's title (e.g., Mr., Mrs., Ms., Miss), last name, Integrated Data Retrieval System (IDRS) number, and letter system number, which are systemically generated by IDRS. Treat faxes to taxpayers on tax-related matters as correspondence and include the required information.

- d. Correspondence letters - Specific employee name and telephone number if the employee initiating the correspondence is in the best position to respond to any questions the taxpayer may have or if the taxpayer is being asked to give more case-related information. If the taxpayer does not need to contact a specific employee, the correspondence needs only an IRS telephone number and standard signature.
- (3) When a taxpayer requests to speak with a specific employee who previously worked their inquiry or request, or complains about the level of service previously given, make every attempt to resolve the taxpayer's inquiry. If unable to resolve the issue, refer the inquiry using established procedures to the manager.
- (4) Secretaries, receptionists, or other people who answer the telephone in functional offices need to identify themselves. They must provide their badge identification (ID Card) number only if they are answering telephones which are routinely used to give tax or account information.
- (5) It is not necessary to repeat the badge identification (ID Card) number on a subsequent contact, when the nature of an employee's work involves multiple contacts with the same taxpayer and the employee has given the taxpayer (either by telephone or in-person) their badge identification (ID Card) number on the first contact.

3.21.110.9  
(01-01-2024)  
◆ **Business Master File  
(BMF) Identity (ID)  
Theft** ◆

- (1) BMF ID Theft is increasing. If a case with attachments or correspondence showing the taxpayer is a victim of "ID Theft", give the whole case to the manager/lead.
- (2) The manager/lead will expedite the case to the Planning and Analysis (P&A) staff for referral to one of the Submission Processing (SP) BMF ID Theft liaisons. The taxpayer must show they are a victim of "ID Theft"; do not send cases that are subject to Criminal Investigation (CI), Examination (Exam), or "Fraud" review.

3.21.110.10  
(01-01-2023)  
◆ **Use of Fax for  
Taxpayer Submissions** ◆

- (1) Taxpayers may send tax return information via fax as part of return perfection even when submitting a signature. In circumstances where contact with the taxpayer was made and documented, **faxed signatures are acceptable**.
- (2) Contact with the taxpayer may be by telephone or correspondence. Follow local procedures to decide which method of contact to use.
- (3) Select the fax paragraph on the approved Correspondence Action Sheet to inform the taxpayer of the fax options.
- (4) Use the following resources to make sure you are speaking with the taxpayer or authorized representative before disclosing any tax information:
  - IRM 21.1.3.2.3, Required Taxpayer Authentication
  - IRM 21.1.3.2.4, Additional Taxpayer Authentication
- (5) Before leaving any messages on a taxpayer's answering machine, review:
  - IRM 10.5.1.6.7.2, Answering Machine or Voicemail
  - IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance

3.21.110.11  
(01-03-2023)

◆ **Edit Marks** ◆

- (1) Edit marks are entered on the return for transcription to Automatic Data Processing (ADP) System through the Integrated Submission and Remittance Processing (ISRP) system. Enter edit marks in brown, red, orange, purple or green pencil or pen.
- (2) Only edit items on the return that are for transcription except where specific instructions require editing of a non-transcribed item. Leave lines blank if the entry would be a zero amount unless otherwise instructed.
- (3) Do not obliterate, alter, or erase the original entry on a return when deleting or correcting an entry. Exercise care to ensure the original entry remains legible. Perfected entries provide a legible "edit trail" for anyone who may work with the return later.
- (4) Do not re-edit edit marks entered by other areas, such as Collections, Entity or Accounts Management, except to place the marks in the correct area or perfect for legibility.

**Exception:** Photocopied Returns.

- (5) Photocopied Returns - Re-edit or underline any valid, black edit marks. See IRM 3.21.110.14.3, Correspondence Imaging Inventory (CII) Returns, and IRM 3.21.110.16.5, Re-Entry Return Procedures.
- (6) For a description of specific edit marks, see the table below:

EDIT MARK	DESCRIPTION
"X"	Delete tax data or indicates do not transcribe an item. For example, if deleting an original entry, edit an "X" to the left of the entry to be delete. Edit the correct entry to the left or above the "X."
"/ (slash)"	Indicates do not transcribe a form or schedule.
"// \$"	Identifies the beginning and ending of a foreign country code in the entity area. For example: /EI/\$ is edited for "Ireland" or /GM/\$ is edited for "Germany."
"%" or "c/o"	Indicates an "in-care-of" name for transcription.
Circle	Indicates do not transcribe an entry. Also, deletes entity data or a received date. <b>Note:</b> If the taxpayer circles an entry, edit the entry.
Underline	Identifies an entry for transcription (e.g., name control; tax period).
Arrow	Indicates the correct placement of a misplaced entry. Use an arrow if the misplaced item is close to the correct line and there is no question where the entry belongs. <b>Note:</b> Use a double arrow to identify the same figure for transcription in two different places (along with any required transcription data between the two arrows).
Check Mark	Indicates an entry was manually math verified and is correct.

EDIT MARK	DESCRIPTION
Bracket/ Parenthesis	Indicates a negative numerical amount. <b>Note:</b> Code and Edit (C&E) is not required to bracket negative amounts when brackets are preprinted on the form or schedule or when the taxpayer clearly indicates a negative amount with brackets () or - sign. Bracket negative amounts when editing negative entries on transcription lines (e.g., computing and entering a line entry, entering a missing line entry).
Vertical Line or Decimal Point	Indicates the separation of dollars and cents.
Zero, Dash, None, or N/A	"ZERO", "DASH", "NONE", OR "NA" are valid entries except when specific instructions require editing of an entry.
Rocker	Indicates the amount paid when drawn under a remittance amount.

3.21.110.12  
(11-14-2017)  
**Unprocessable  
Conditions**

- (1) A return must contain the following specific items before it is considered processable:
  - a. A Taxpayer Identification Number (TIN) or Employer Identification Number (EIN)
  - b. A legible name (for the name control)
  - c. A valid Tax Period
  - d. Legible tax data (if tax liability is shown)
  - e. Jurat and Signature
- (2) Perfect all documents to the extent possible from schedules and other attachments.
- (3) Conditions which make a document unprocessable are:
  - a. The name is so illegible or incomplete the name control cannot be determined.
  - b. A social security number (SSN) or individual taxpayer identification number (ITIN) is used instead of the withholding agent's EIN and cannot be perfected from information on the return or attachments.
  - c. The TIN is other than nine numeric digits and cannot be perfected from information on the return or attachments.
  - d. The document has two or more different TINs.
  - e. The Taxpayer has stated they have combined liability for more than one tax period or more than one type of tax.
  - f. Tax data entries are so incomplete, illegible or contradictory the tax liability cannot be determined.
  - g. The document is mis-blocked.
  - h. The return is unsigned.
  - i. The return has only entity data and no other statements or attachments from the taxpayer.
  - j. Any condition set forth as unprocessable in the sections on processing specific documents.

## 3.21 International Returns and Documents Analysis

- (4) All Other Unprocessable Conditions — Initiate correspondence by preparing Letter 1791C CAS, if applicable unless other instructions are given in the IRM.

**Note:** Service Centers keep all refund, credit-elect, and zero balance returns In-House instead of sending the return back to the taxpayer when corresponding for signature, missing information, and supporting schedules and documentation. Document Analysis, Code and Edit, will follow the instructions they currently use for correspondence when the return cannot be sent back to the taxpayer.

3.21.110.13  
(11-14-2017)  
◆Correspondence◆

- (1) There are two types of correspondence Code and Edit may encounter:
- Correspondence received from taxpayers, and
  - Correspondence issued to taxpayers

3.21.110.13.1  
(11-14-2017)  
◆Definition of  
Correspondence from  
Taxpayers◆

- (1) Correspondence is all written communications from a taxpayer or their representative, excluding tax returns, whether solicited or unsolicited. This includes:
- Written communications in response to the IRS requests for information or data.
  - Written communications, including annotated notice responses, that provide more information or dispute a notice.
  - A telephone call that results in a written referral or research Form 4442, Inquiry Referral.
- (2) The key to identifying taxpayer correspondence is to ask the following questions:
- Is taxpayer waiting for a response from the IRS?
  - Is taxpayer waiting for the IRS to take an action?
  - Is taxpayer asking a question?

**Note:** A Post-It-Note, Sticky Note, or some other type of note stuck on the return by another function, for example “Taxpayer (TP) requests penalties be waived”, does not constitute correspondence from the taxpayer.

3.21.110.13.2  
(08-27-2021)  
◆Issuing  
Correspondence◆

- (1) Issue correspondence to resolve any conditions causing the return to be unworkable or unprocessable.

**Exception:** Do not correspond on:

- Returns prepared by Collections, IRC 6020(b)
- Returns prepared by Exam, “Substitute for Return” (SFR)
- Dummy Returns prepared by the IRS

- (2) If the return is incomplete and doesn't appear to be a return meant for filing or is a conduit for providing information (e.g., indicates “payment only”), give the return to the lead. The lead must determine the correct course of action. The lead researches for a Transaction Code (TC) 150 and any other information necessary to determine if the return should continue processing, is as an amended return, or must be routed to another function. An incomplete return could include any of the following:
- A one-page return, with or without a signature
  - Incomplete returns indicating, “Payment Only”



- Incomplete returns indicating they have previously e-filed

**Note:** This list is not all inclusive. Tax examiners may see other unusual documents not addressed in this subsection or in other areas of the IRM.

- (3) Examine the return for all unprocessable conditions before initiating correspondence.

If	And	Then
The return needs correspondence,	Requires a response,	<ol style="list-style-type: none"> <li>1. Complete an <b>approved</b> Letter 1791C CAS, indicating the MFT code, and the proper paragraphs. <b>Note:</b> Some paragraphs may require fill-ins to enter, such as tax period, form number, Document Locator Number (DLN), etc.</li> <li>2. Attach the <b>approved</b> Letter 1791C CAS, to the front of the return below the entity area.</li> <li>3. Edit Action Code 211 (First Correspondence) or 215 (International Correspondence) on the return.</li> <li>4. Finish editing the return and leave in the batch.</li> </ol>
The return needs correspondence,	Does not require a response,	<ol style="list-style-type: none"> <li>1. Complete an <b>approved</b> Letter 1791C CAS, indicating the MFT and the proper paragraphs. <b>Note:</b> Some paragraphs may require fill-ins to enter, such as tax period, form number, DLN, etc.</li> <li>2. Photocopy first page of return and attach the Letter 1791C CAS, below the entity area on front of the return copy. Be sure the name and address clearly show above the Letter 1791C CAS.</li> <li>3. Forward the copy to the correspondence area.</li> <li>4. Edit an Action Trail (e.g., 1791C SENT mmddyy) in the lower left corner going vertically up the side of the return.</li> <li>5. Finish editing the return and leave in batch.</li> </ol>

**Note:** There may be more campus exclusive letters. They are for processing specific forms or conditions. Go to the lead or manager for copies of these letters.

- (4) If missing page 2, correspond using Letter 1791C CAS, and mark Line 22.

3.21.110.13.3  
(01-03-2023)

◆ **Correspondence  
Imaging Inventory (CII)  
Returns** ◆

- (1) Correspondence Imaging Inventory (CII) is an inventory system for scanning Account Management (AM) receipts into digital images and working the cases from those images.
- (2) "CII" returns show a "CII Image - Do not correspond for Signature" stamped below the signature line or a "CII" annotation on the front of the return.
- (3) Verify all edit marks and ensure placement is correct on a "CII" return.



If	Then
The edit marks are black,	Underline the edit mark if correct or circle if incorrect.
The edit marks are red or green,	Circle if incorrect.
The edit marks are missing or incorrect,	Perfect as necessary.

(4) Follow the correspondence instructions below for “CII” returns:

If	And	Then
The “CII” return has a Form 13596, Reprocessing Returns, attached,	The return is not complete (e.g., missing signature, schedules or forms),	<ul style="list-style-type: none"> <li>a. Do not correspond.</li> <li>b. Remove the return from the batch and route to AM.</li> <li>c. If the return comes back from AM with incomplete information, send the return to AM again to secure all the missing information. Indicate “More information needed to process incomplete CII return,” or similar language on Form 4227, or other proper routing slip.</li> </ul>
The CII return has a Form 13596 attached and the return is not complete (e.g., missing signature, schedules, or forms),	The return shows correspondence was sent (e.g., CCC “3” is edited on the return),	Do not route the return to AM. Continue processing the return.
The “CII” return does not have a Form 13596 attached,	The return is not complete (e.g., missing, schedules or forms),	Follow normal correspondence procedures.

3.21.110.14  
(11-19-2024)

◆ Routing Guide for Attachments ◆

(1) Review all attachments to the return before the return can be considered processable.

- a. Only detach attachments when specifically instructed.

**Note:** Consider a return or document an “original” if it has an original signature or is stamped “Process as Original”.

- b. Edit Action Trail(s) (e.g., “2848 detached”) in the lower left corner going vertically up the side of the return.
- c. Edit the name and EIN (if not present) on the detached document. Also, edit the return received date (e.g., Rec’d MM/DD/YY) in the lower left margin of the detached document before routing.

(2) Follow the general guidelines below for each attachment:

Document	Detach	Descriptions/Actions
CP 504 or CP 504B	No	<ol style="list-style-type: none"> <li>1. Pull CP 504 to the front.</li> <li>2. Route notice and return to Accounts Management.</li> </ol>
CP 518 <b>Note:</b> Do not route to Statute Control Unit for clearance. See IRM 3.21.110.15.4, Statute Returns, for more information.	No	<p>Correspondence is attached or taxpayer's response shows:</p> <ul style="list-style-type: none"> <li>• Taxpayer disagrees they are required to file the return.</li> <li>• Only page one of the return is attached.</li> <li>• EIN on notice does not match EIN on return.</li> <li>• Return requested on notice not the same as return submitted.</li> <li>• Taxpayer asking question(s) or requesting the IRS take action(s) on their account.</li> <li>• Case involves any other IRS action(s) C&amp;E not trained to complete.</li> </ul> <p>Then, Route to Compliance Services Collection Operations (CSCO). Use return address on CP notice;</p> <ul style="list-style-type: none"> <li>• Brookhaven - Stop #662</li> <li>• Memphis - Stop #81</li> <li>• Philadelphia - 4-N31.142</li> </ul> <p>If none of the above apply, correspondence or written response to the notice is not attached, and/or "599" is notated:</p> <ol style="list-style-type: none"> <li>1. Move the notice to the back of the return.</li> <li>2. Continue processing the return.</li> </ol> <p><b>Note:</b> If the return is unsigned, but the taxpayer signed the CP notice under the jurat, it is not necessary to correspond for the signature. Notate see CP Notice and leave attached.</p>

Document	Detach	Descriptions/Actions
CP 259 and CP 959 (Spanish version) <b>Note:</b> Do not route to Statute Control Unit for clearance. See IRM 3.21.110.15.4, Statute Returns, for more information.	No	<p>Correspondence is attached or taxpayer's response shows:</p> <ul style="list-style-type: none"> <li>• Taxpayer disagrees they are required to file the return.</li> <li>• Only page one of the return is attached.</li> <li>• Employer Identification Number (EIN) on notice does not match EIN on return.</li> <li>• Return requested on notice not the same as return submitted.</li> <li>• Taxpayer asking question(s) or requesting the IRS take action(s) on their account.</li> <li>• Case involves any other IRS action(s) C&amp;E not trained to complete.</li> </ul> <p>Then, route to Compliance Services Collection Operations (CSCO). Use return address on Computer Paragraph (CP) notice:</p> <ul style="list-style-type: none"> <li>• Brookhaven - Stop #662</li> <li>• Memphis - Stop #81</li> <li>• Philadelphia - 4-N31.142</li> </ul> <p>If none of the above apply, correspondence or written response to the notice is not attached, and/or "599" is notated:</p> <ol style="list-style-type: none"> <li>1. Move the notice to the back of the return.</li> <li>2. Continue processing the return.</li> </ol> <p><b>Note:</b> If the return is unsigned, but the taxpayer signed the CP notice under the jurat, it is not necessary to correspond for the signature. Notate see CP Notice and leave attached.</p>

Document	Detach	Descriptions/Actions
<ul style="list-style-type: none"> <li>Letter 112C</li> <li>Letter 282C</li> <li>Letter 2284C</li> </ul> <p><b>Note:</b> Do not route to Statute Control Unit for clearance. See IRM 3.21.110.15.4, Statute Returns, for more information.</p>	No	<ol style="list-style-type: none"> <li>Identify which organization initiated the letter to the taxpayer (e.g., what organization signed the letter?).</li> <li>Route letters initiated by Accounts Management (AM) to Accounts Maintenance Research (AMRH): <ul style="list-style-type: none"> <li>Ogden - Mail Stop 6712</li> <li>Kansas City - Mail Stop N2 6800</li> </ul> </li> <li>Route letters initiated by Collections as follows: <ol style="list-style-type: none"> <li>If correspondence is attached or taxpayer's response shows any of the following: <ul style="list-style-type: none"> <li>Taxpayer disagrees they are required to file the return.</li> <li>Only page one of the return is attached.</li> <li>EIN on letter does not match EIN on return.</li> <li>Return requested on letter not the same as return submitted.</li> <li>Taxpayer asking question(s) or requesting the IRS take action(s) on their account.</li> <li>Case involves any other IRS action(s) C&amp;E not trained to complete.</li> </ul> <p>Then, route to Compliance Services Collection Operations (CSCO). Use return address on letter;</p> <ul style="list-style-type: none"> <li>Brookhaven - Stop #662</li> <li>Memphis - Stop #81</li> <li>Philadelphia - 4-N31.142</li> </ul> </li> <li>If none of the above apply, correspondence or written response to the letter is not attached, and/or no "599" is notated: Then, move the letter to the back of the return and continue processing.</li> </ol> </li> </ol>
Letter 5935, Offshore Compliance Status Letter	Yes	Route to: LB&I, Stop 4301, AUSC

Document	Detach	Descriptions/Actions
Includes Tax Liability for Multiple Tax Periods or Types of Tax	No	<ul style="list-style-type: none"> <li>Numbered returns, route to Rejects.</li> <li>Unnumbered returns, prepare a dummy return if possible; otherwise correspond.</li> </ul>
Other Tax Returns (original signature)	Yes	<ol style="list-style-type: none"> <li>Edit received date to the detached return.</li> <li>Route to proper function unless specifically directed otherwise.</li> </ol> <p><b>Exception:</b> Returns attached to a consolidated return will NOT be detached.</p>
Petitions in opposition of tax law provisions	Yes <b>Note:</b> Do not edit an action trail when detaching a petition.	Route to: IRS Room 3244  1111 Constitution Avenue, NW Washington, DC 20224
State Tax Returns (Original or Copy With Original Signature)	Yes	Route to Receipt and Control
State Tax Returns (Photocopy, facsimile or no signature)	No	Leave attached.
Statement Establishing <b>Reasonable Cause</b> for delinquent filing	No	<ol style="list-style-type: none"> <li>Send Letter 1382C, Penalty Removal Request Incomplete.</li> <li>Continue editing the return.</li> <li>See IRM 3.21.110.15.7, Delinquent Returns for more information.</li> </ol>
Remittance Found	No	Immediately hand carry the return and remittance to supervisor.
Request for Acknowledgement	No	No action required
Request for information or inquiries	Yes	<ol style="list-style-type: none"> <li>Photocopy any data necessary to process the return.</li> <li>Attach the copy to the return.</li> <li>Route the original attachment to the proper office for necessary action.</li> </ol>
Requests for Installment Agreement	Yes	Route as follows: Ogden - Route to Collections Mail Stop 5500. Kansas City — Route to Mail Stop P4 5000.
Request for Adjustment to another document.	Yes	Route to the proper function. The attachment must contain a name, address, EIN, and received date. Edit if missing.

Document	Detach	Descriptions/Actions
Request for money transfer	Yes	<p>If the taxpayer attaches a request to transfer money <u>to</u> the return you are processing:</p> <ol style="list-style-type: none"> <li>1. Prepare Form 3465, Adjustment Request, to route the request to Accounts Management.</li> <li>2. Detach the transfer request.</li> <li>3. Hold the return for 2 cycles before processing.</li> </ol> <p>If the taxpayer attaches a request to transfer money <u>from</u> the return you are processing:</p> <ol style="list-style-type: none"> <li>1. Prepare Form 3465, to route the request to Accounts Management.</li> <li>2. Edit CCC "X" to freeze overpayment.</li> <li>3. Detach the transfer request.</li> <li>4. Continue processing return.</li> </ol>
Request for Forms or Schedules	No	<p>If requesting current year forms:</p> <ol style="list-style-type: none"> <li>1. Prepare Form 4190, Order Form for Tax Forms and Publications.</li> <li>2. Forward to National Distribution Center (NDC) for processing.</li> </ol> <p>If requesting prior year forms:</p> <ol style="list-style-type: none"> <li>1. Prepare Form 6112, Prior Year Tax Products Order Form.</li> <li>2. Forward to National Distribution Center (NDC) for processing.</li> </ol> <p><b>Note:</b> Use the write-in sections of Form 4190 and Form 6112 for all BMF forms and schedule requests.</p>
A General Power of Attorney or a Durable Power of Attorney or Tax Information Authority is submitted on any document other than Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization	No	Take no action. Leave the Power of Attorney or Tax Authorization attached to the return. Do not route to the Centralized Authorization File (CAF) function.
Claims for Collective Refund	No	Take no action.
W-8, Certificate of Foreign Status, Series or a substitute thereof (in the form of a statement)	No	Take no action.
Form 433-B, Collection Information Statement for Businesses	Yes	Route as follows: Ogden - Route to Collections Mail Stop 5500. Kansas City - Route to Mail Stop P4 5000.
Form 433-D, Installment Agreement	Yes	Route as follows: Ogden - Route to Collections Mail Stop 5500. Kansas City - Route to Mail Stop P4 5000.

Document	Detach	Descriptions/Actions
Form 1000, Ownership Certificate	No	Take no action.
Form 1042-S Copy A/Form 1042-T	Yes	<ol style="list-style-type: none"> <li>Prior to detaching Form 1042-S Copy A and Form 1042-T, verify the following information is present on the returns and edit missing information on the appropriate return: <ul style="list-style-type: none"> <li>Withholding Agents Name</li> <li>Withholding Agents Address</li> <li>Withholding Agents EIN</li> <li>Lines 61-63 Form 1042</li> </ul> <p><b>Reminder:</b> Do not separate Form 1042-T from associated Form(s) 1042-S.</p> </li> <li>Route to Receipt and Control for rebatch.</li> </ol>
<ul style="list-style-type: none"> <li>Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Copy B (C, D, and/or E) ONLY, or</li> <li>Letter signed by "U.S. Competent Authority", or</li> <li>Taxpayer statement supporting the amount of U.S. source substitute dividends received from the withholding agent</li> </ul> <p><b>Exception:</b> Not applicable for Forms 1042 filed for calendar years starting on or after January 1, 2025.</p>	No	Leave attached to Form 1042 for verification of Line 67a/67b. See IRM 3.21.110.28, Credit for Amounts Withheld by Other Withholding Agents - Lines 67a and 67b for more information.
Form 2848, Power of Attorney and Declaration of Representative	Yes	<ol style="list-style-type: none"> <li>Edit taxpayer name and EIN on Form 2848 if missing.</li> <li>Edit received date on Form 2848.</li> </ol> <p>Route as follows:  Ogden - Route to Mail Stop 6737  Kansas City - route to:  Internal Revenue Service  5333 Getwell Rd., Mail Stop 8423  Memphis, TN 38118</p>
Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts	Yes	Route to Receipt and Control for rebatch, if original signature is on Form.



Document	Detach	Descriptions/Actions
Form 3520-A, Annual Return of Foreign Trust With a U.S. Owner	Yes	Route to Receipt and Control for rebatch, if original signature is on Form.
Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns	Yes/No	If the extension is for a different period or different Form, detach and Route to Receipt and Control for re-batch. If the Form 7004 is a photocopy do not detach.
Form 8233, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual	No	Take no action.
Form 8288, U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons of U.S. Real Property Interests	Yes	Route to the International BMF Accounts Management Foreign Investment in Real Property Tax Act (FIRPTA) Unit.
Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests	Yes	Route to the International BMF Accounts Management Foreign Investment in Real Property Tax Act (FIRPTA) Unit.
Form 8300, Report of Cash Payments over \$10,000 Received in a Trade or Business	Yes	Route to the Detroit Computer Center (DCC). This form is used to report cash payments in excess of \$10,000.
Form 8804, Annual Return for Partnership Withholding Tax (Section 1446)	Yes	Route to Receipt and Control for rebatch.
Form 8813, Partnership Withholding Tax Payment Voucher (Section 1446)	Yes	Route to the International BMF Accounts Management FIRPTA Unit.
Form 8821, Tax Information Authorization	Yes	<ol style="list-style-type: none"> <li>Edit taxpayer name and EIN on Form 8821 if missing.</li> <li>Edit received date on Form 8821.</li> <li>Edit action trail on tax return.</li> </ol> Route as follows: Ogden - Route to Mail Stop 6737 Kansas City, route to: Internal Revenue Service 5333 Getwell Rd., Mail Stop 8423 Memphis, TN 38118
Form 9465, Installment Agreement Request	Yes	Route as follows: Ogden - Route to Collections Mail Stop 5500. Kansas City - Route to Mail Stop P4 5000.

Document	Detach	Descriptions/Actions
Form 14039-B, Business Identity Theft Affidavit	No	<p>If a specific function is indicated by the envelope address or an IRS CP notice or IRS letter, place the Form 14039-B on top and route Form 14039-B and the return to the specific function.</p> <p>If Ogden or Kansas City receives a Form SS-4, Application for an Employer Identification Number and Form 14039-B route the returns to Internal Revenue Service Ogden BMF Entity Mail Stop 6273 Ogden, UT 84201.</p> <p>For the following returns:</p> <ul style="list-style-type: none"> <li>• Loose Form 14039-B.</li> <li>• No correspondence attached (e.g., no IRS CP notice or IRS letter).</li> <li>• The envelope is not addressed to a specific function.</li> </ul> <p>Place the Form 14039-B on top of the return and route to the local Image Control Team (ICT). Ogden - Mail Stop 6552. Kansas City — Mail Stop C1 6525</p>
Form 14157, Return Preparer Complaint	Yes	<p>Route to: Attn: Return Preparer Office 401 W. Peachtree Street NW Mail Stop 421-D Atlanta, Georgia 30308</p>
Form 15023, Offshore Compliance Status	Yes	<p>Route to: LB&amp;I, Stop 4301, AUSC</p>

3.21.110.15  
(01-01-2015)

**Form 1042 - Annual  
Withholding Tax Return  
for U.S. Source Income  
of Foreign Persons -  
Special Conditions**

(1) For procedures when processing unusual Form 1042 conditions, this subsection covers the following topics:

- Early-Filed Returns
- Non-Taxable Returns With No Line Entries
- Fiscal Year Returns
- Voluntary Compliance Program (VCP)
- Statute Returns
- Re-Entry Returns
- Amended Returns
- Delinquent Returns
- Compliance Secured/Prepared Returns
- IRC 6020(b) - Prepared by Collection
- Collection Secured
- Examination Prepared

- Examination Secured
- Frivolous Argument
- Refund Returns (180-Day Jeopardy and Refunds \$500,000 or more)
- Form 1042 - Prior Year Returns Processing

3.21.110.15.1  
(01-01-2024)

**Early-Filed Returns**

- (1) Early-filed returns must be held for processing at the beginning of the appropriate processing year. See Figure 3.21.110-1.
- (2) An early-filed Form 1042 for Tax Period 2025 (filed before January 1, 2026) must be held for processing until January 2026.
- (3) Edit Action Code 480 on early-filed returns to suspend them to Rejects until the returns can be processed.

DRAFT

EARLY-FILED RETURN

Form **1042**  
Department of the Treasury  
Internal Revenue Service

**Annual Withholding Tax Return for U.S. Source  
Income of Foreign Persons**  
Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

OMB No. 1545-0096  
**2025**  
~~2024~~

If this is an amended return, check here ☐

Name of withholding agent  
**William Shepherd**

Employer identification number  
**00-5684567**

For IRS Use Only

Ch. 3 Status Code  
**107 Fisher Bay**  
City or town, state or province, country, and ZIP or foreign postal code  
**Jackson, MS**

Ch. 4 Status Code

CC  
RD  
CAF  
CR  
EDC

FD  
FF  
FP  
I  
SIC

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

**Section 1 Record of Federal Tax Liability** (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		21	7		41	7	
2	Jan. 15		22	May 15		42	Sept. 15	
3	22	<b>30</b>	23	22		43	22	
4	31		24	31		44	30	
5	Jan. total	<b>30</b>	25	May total		45	Sept. total	
6	7		26	7		46	7	
7	Feb. 15		27	June 15		47	Oct. 15	
8	22		28	22		48	22	
9	28		29	30		49	31	
10	Feb. total		30	June total		50	Oct. total	
11	7		31	7		51	7	
12	Mar. 15		32	July 15		52	Nov. 15	
13	22		33	22		53	22	
14	31		34	31		54	30	
15	Mar. total		35	July total		55	Nov. total	
16	7		36	7		56	7	
17	Apr. 15		37	Aug. 15		57	Dec. 15	
18	22		38	22		58	22	
19	30		39	31		59	31	
20	Apr. total		40	Aug. total		60	Dec. total	

Note: The totals from the above table are to be entered on lines 64b through 64d (as indicated in the instructions for those lines).

61 No. of Forms 1042-S filed: a On paper  
62 Total gross amounts reported on all Forms 1042-S and 1000:  
a Total U.S. source FDAP income (other than U.S. source substitute payments) reported  
b Total U.S. source substitute payments reported:  
(1) Total U.S. source substitute dividend payments reported  
(2) Total U.S. source substitute payments reported other than substitute dividend payments  
c Total gross amounts reported (add lines 62a-b)  
d Enter gross amounts actually paid if different from gross amounts reported

3

62a 300

62b(1)

62b(2)

62c 300

62d

Third Party Designee  
Designee's name  
Phone no.  
Personal identification number (PIN)

Sign Here  
Your signature *Patricia Shepherd*  
Date *1/20/25*  
Capacity in which acting  
Daytime phone number

Paid Preparer Use Only  
Print/Type preparer's name  
Preparer's signature  
Date  
Check ☐ if self-employed  
PTIN  
Firm's name  
Firm's EIN  
Firm's address  
Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11384V

Form **1042** (2024)

480

Figure 3.21.110-1 Early-Filed Return

3.21.110.15.1

Internal Revenue Manual

Cat. No. 34025X (11-19-2024)  
Any line marked with a #  
is for Official Use Only

3.21.110.15.2  
(01-01-2015)

**Non-Taxable Returns  
With No Line Entries**

- (1) Process a signed return containing no line entries as a non-taxable return. This includes a signed return with notations such as Not Liable, etc.
- (2) Process as final any return stating **Final, No longer in business, Do not file this form**, etc. if the required signature is shown. A signature is not required if the taxpayer shows they received the wrong type of return, and another type of return is filed provided the following actions are taken before CCC "F" is entered:
  - a. Prepare Form 4227 (or Form 6882, IDRS/Master File Information Request, if your Center prefers), for research to be performed to determine whether the proper filing requirement was established for the return the taxpayer states was filed. Notate in the remarks area, "research for the entity and MFT" of the appropriate return.
  - b. If research shows the taxpayer has a filing requirement for the appropriate return, process the incorrect return as final to turn off the filing requirement.
  - c. If research shows the taxpayer does not have a filing requirement for the return, attach the research papers to the invalid return and forward to Entity Control on Form 4227 for filing requirement determination. If the filing requirement is incorrect, Entity Control changes it and notate the change on Form 4227. The return is sent back to Document Perfection to be converted to the proper return.

3.21.110.15.3  
(11-14-2017)

**Fiscal Year Returns**

- (1) If the Form 1042 shows it is a Fiscal Year return:
  - a. Change the return to show the current calendar year.
  - b. Prepare Letter 1791C CAS, to inform the withholding agent Form 1042 must be filed on a calendar year basis with the following literal:  
**"We received your Form 1042 for tax period beginning \_\_\_\_\_ and ending \_\_\_\_\_. We cannot process it because Form 1042 must cover a calendar year. Please submit a new Form 1042 covering the appropriate calendar year. If your Form 1042 reflected monies paid during two calendar years, please submit a Form 1042 for each year."**

#

3.21.110.15.4  
(02-02-2024)

**◆ Statute Returns ◆**

- (1) Any return with a received date two years and nine months or more after the Return Due Date is a potential statute control return.
- (2) Route Statute returns to the Statute Control Unit daily or more often if needed.
- (3) If any of the conditions listed below are present, **don't** route to Statute Control Unit for clearance. Instead, edit CCC "W", and continue processing.
  - Compliance IRC 6020(b) returns.
  - Secured by Examination/Collections, including TEGE or TEGE Employee Plan (EP) Exam.
  - Returns with Transaction Code "TC 59X" or "ICS" (Integrated Collections System) notated on the face of the return.
  - Returns showing "substitute returns prepared by Examination (SFR)" in top margin of the return.
  - Returns with a stamp indicating a previous clearance by Statute Control within the last 90 days.

## 3.21 International Returns and Documents Analysis

- Return is a 2020 and prior year original. Due to the COVID-19 pandemic and subsequent Submission Processing (SP) and Accounts Management (AM) site closures, SP and AM developed procedures to bypass AM statute clearance and be processed. In addition, any 2020 and prior year returns previously cleared by AM statute will not be returned by SP to AM to be cleared again if the 90-calendar day statute stamp has expired.
- (4) If a return has any of the following computer paragraphs (CPs) or letters attached, **do not** route to Statute Control Unit for clearance. Edit CCC “W” if the return needs processing. See IRM 3.21.110.14, Routing Guide for Attachments, for more information.
- CP 259, Master File Generated 1st TDI Notice
  - CP 959, Master File Generated 1st TDI Notice (Spanish version)
  - CP 518, Final Notice - Return Delinquency
  - Letter 112C, Payment/Overpayment/Credit Applied; No Record of Return Filed
  - Letter 282C, Return Not Received: Copy Requested/Received
  - Letter 2255C, Delinquent Return (Forms 720, 1041, 1065, 1120)
  - Letter 2284C, Delinquent Return (Form 940, 941, 942, 943)
- (5) If a return has a Form 12412, Operations Assistance Request (OAR), from TAS and is a potential statute control return but is not stamped, “Cleared by Statute”, give it to the lead. The lead contacts the TAS employee listed on the OAR for rejection of the return and sends it back to TAS for clearance by the Statute Control Unit.
- Note:** If the return is within 90 days of the statute expiration date, advise the TAS employee of such, and route the return directly to Statute Control for clearance.
- (6) Statute returns are unprocessable until cleared by Statute Control.

If	Then
Numbered Returns,	<ol style="list-style-type: none"> <li>1. Edit Action Code 310.</li> <li>2. Leave the return in the batch and continue processing.</li> </ol>
Unnumbered Returns,	<ol style="list-style-type: none"> <li>1. Do not continue processing.</li> <li>2. Pull the return from the batch.</li> <li>3. Attach Form 4227, Intra-SC Reject or Routing Slip, and route to Statute Control Unit.</li> </ol>

- (7) Edit CCC “W” if the Statute Control Unit stamps or shows clearance on the front of the return.
- (8) Follow the chart below to determine if CCC “W” is needed:

If	And	Then
The return received date is two years and nine months or more after the Return Due Date,	The return is stamped, "No Statute issue", "Statute N/A", or a similar statement indicating there is no statute issue,	Edit CCC "W".
The return received date is less than two years and nine months from the Return Due Date,	The return is stamped, "No Statute issue", "Statute N/A", or a similar statement indicating there is no statute issue,	Do <b>not</b> edit CCC "W".

3.21.110.15.5  
(11-12-2021)

◆ **Re-Entry Document Procedures** ◆

- (1) Reprocess a return posted to the wrong account or module to post it to the correct account module.
- (2) **Some re-entry returns may have originally been filed electronically (E-File) or via Modernized E-file (MeF). These returns may be identified by the presence of Mod E-File printouts in lieu of the actual return. Do not correspond for missing signatures on these documents.**
- (3) Each re-entry return must have a Form 3893, Re-Entry Document Control, or Form 13596, Reprocessing Returns, attached.
  - Form 3893 is used to re-input documents not posted to an account or module.
  - Form 13596 is used to reprocess documents to the correct account or module, when they had previously posted to the wrong account or module.
- (4) Always leave Form 3893 or Form 13596 on the front of the return. It must remain as a permanent part of the document.
- (5) Examine Form 3893 or Form 13596 to determine the action needed to make the return processable (See Figure 3.21.110-2)

**Caution:** If the IRS received date is two years and nine months or more after the Return Due Date, see Statute procedures before re-entering or reprocessing the return. See IRM 3.21.110.15.4, Statute Returns.

If	Then
Neither Form 3893 nor Form 13596 is present,	<ol style="list-style-type: none"> <li>1. Edit Action Code 610 to post the return to the proper account or module.</li> <li>2. Route to Receipt and Control using Form 4227, Intra-SC Reject or Routing Slip.</li> <li>3. Leave the return in the batch.</li> </ol>
Form 3893 or Form 13596 is attached,	Determine if the return is edited according to current processing instructions.



## 3.21 International Returns and Documents Analysis

**Exception:** If more than one return is in the batch and only the top Form 3893 has an entry in Box 1 (Alpha/Numeric Block Control Number), edit all returns using current processing instructions, and keep all returns clipped together.

(6) If it is determined an unprocessable condition exists, edit the proper CCC. Circle out any incorrect CCC(s) and any other edit marks no longer applicable. Re-edit according to current processing instructions.

(7) Line through DLN.

3.21.110.15.5.1  
(01-01-2024)

### ◆ Form 3893 - Re-Entry Document Control ◆

(1) Form 3893, Re-Entry Document Control, is used to re-input a return not posted to an account or module.

(2) If more than one return is in the batch and only the top Form 3893 has an entry in Box 1 (Alpha/Numeric block control no.), edit all returns using current processing instructions, and keep all returns clipped together.

(3) Circle the CCC "G", if present.

(4) Do not edit CCC "G" on amended returns.

(5) Do not send Letter 1382C, if a request for reasonable cause is attached.

(6) If the return is not edited according to current processing instructions, circle any Action Codes, Computer Condition Codes, and any other edit marks no longer applicable. Re-edit according to current processing instructions.

(7) If the return is edited according to current processing instructions, ensure the information from Form 3893 is edited on the return.

Form 3893	Action Taken
Box 14 (Remarks)	Ensure the information is edited to the return.
Box 15 (Process as)	1. Circle any green rocker and edit marks indicating a receipt of remittance. 2. Do not change any tax due amounts.

(8) Examine returns with any color other than red editing in the tax data section to determine if the corrections are due to improper perfection or taxpayer error.

If	Then
Improper perfection,	Edit the same correction in red/green (per local procedure) to the correct area.
Taxpayer error,	Leave the entries as shown on the document.

(9) An IRS received date must be present on all re-input returns.

If	Then
IRS received date is not present,	Edit an IRS received date to the middle of the return.
Multiple IRS received dates present,	Circle all but the earliest date.

- (10) When more information is still needed to make the return processable, prepare approved Correspondence Action Sheet or Form 4227, for the proper action (e.g., correspondence, research).
- (11) When perfection is not possible, edit Action Code 640 on the return, and attach Form 4227 noting, "perfection not possible", and leave in batch.

RE-ENTRY RETURN

00125 031 00600 4

Form 1042

Annual Withholding Tax Return for U.S. Source Income of Foreign Persons

2024

OMB No. 1545-0096

2023

Department of the Treasury  
Internal Revenue Service

Go to [www.irs.gov/Form1042](https://www.irs.gov/Form1042) for instructions and the latest information.

If this is an amended return, check here

Name of withholding agent

Employer identification number

For IRS Use Only

Elizabeth Maltese

00-6396651

CC

FD

Ch. 3 Status Code

Ch. 4 Status Code

RD

FF

Number, street, and room or suite no. (If a P.O. box, see instructions.)

CAF

FP

1500 Caribou Lane

CR

I

City or town, state or province, country, and ZIP or foreign postal code

EDC

SIC

Billings MT 59101

If you do not expect to file this return in the future, check here

Enter date final income paid

Section 1

Record of Federal Tax Liability (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		21	7		41	7	
2	15		22	15		42	15	
3	22		23	22		43	22	
4	31		24	31		44	30	
5	Jan. total		25	May total		45	Sept. total	
6	7		26	7		46	7	
7	15		27	15		47	15	

Re-Entry Document Control

File Type

1. Alpha/Numeric block control no.

2. Document locator number

☐ IMF

☒ BMF

☐ Other:

006

0012503100600 4

3. Batch number

4. Document count

5. Credit amount

6. Debit amount

7. Transaction code

8. Transaction date

9. Header MFT code

10. Secondary amount

11. Re-entry source code (check one)

12. DLN year digit

13. RPS return; payment has posted to same account with matching DLN

☒ R – Reprocessable: Has posted to MF incorrectly; not open on SCCF. Check applicable box in Block 19.

☐ N – Reinput of Unpostable Document: Has not posted to MF; open on SCCF. Check applicable box in Block 18. Check applicable box in Block 19.

☐ 4 – SC reinput: Has not posted to MF; open on SCCF. Check applicable box in Block 18.

4

☐

14. Remarks

15. Process as:

16. Serial number

Posted to 202312

Re-input to Post 202412

☐ Remittance (Enter the amount in Item 5 or 6)

☐ Non-Remittance (Items 5, 6, and 10 are normally blank)

17. Prepared by

Telephone ext.

Date

18. Reinput document

19. Reprocessable document (must be non-remittance)

R.A.

29XX

03/03/25

☐ SC reject

☐ EIN or SSN corrected

☐ Accounting

☐ Data Control

☐ Unpostables

☐ Tape deletion

☐ Tax period corrected

☐ Adjustments

☐ Examination

☐ Other:

☐ SCCF review

☐ Corrected to original return

☐ Collection

☐ Rejects

☐ Other:

☐

Form 3893 (Rev. 1-89)

Catalog Number 22525M

Department of the Treasury—Internal Revenue Service

Paid Preparer

Check ☐ if self-employed

Firm's EIN

Figure 3.21.110-2 Re-Entry Return

- 3.21.110.15.5.2 (11-14-2017)
- ♦ Form 13596 - Reprocessing Returns ♦
- (1) Form 13596, Reprocessing Returns, is used to reprocess a return to the correct account or module previously posted to the wrong account or module.

(2) Circle CCC “G” if present.

(3) Do not edit CCC “G” on amended returns.

(4) Do not send Letter 1382C if a request for reasonable cause is attached.

- (5) If the return is not edited according to current processing instructions, circle any Action Codes, Computer Condition Codes and edit marks no longer applicable. Re-edit according to current processing instructions.
- (6) If the return is edited according to current processing instructions ensure the information from Form 13596 is edited on the return.

Form 13596	Action Taken
TIN correction	Edit correct TIN on return.
Tax Period correction	Edit correct Tax Period ending on return.
Reasonable cause	Edit proper Computer Condition Code: a. Edit CCC "R" if the "FTF" (Failure to File) box is checked. b. Edit CCC "D" if the "FTP" (Failure to Pay) box is checked.

- (7) Examine returns with any color other than red editing in the tax data section to determine if the corrections are due to improper perfection or taxpayer error.

If	Then
Improper perfection,	Edit the same correction in red/green (per local procedure) to the correct area.
Taxpayer error,	Leave the entries as shown on the document.

- (8) An IRS received date must be present on all reprocessed returns.

If	Then
IRS received date is not present,	Edit an IRS received date to the middle of the return.
Multiple received dates are present,	Circle all but the earliest date received by the IRS.

- (9) Circle any green rocker and edit marks that indicate a receipt of remittance.
- (10) When more information is still needed to make the return processable prepare an approved Correspondence Action Sheet or Form 4227, for the proper action (e.g., correspondence, research).

3.21.110.15.6  
(01-01-2020)

◆ Amended Returns ◆

- (1) A return is considered Amended based on the following:

- The Amended Box is checked.
- Words such as "Supplemental", "Corrected", or "Additional" are present.
- Any indication from the taxpayer that a previous return was filed.

**Note:** Words such as Copy or Duplicate are not sufficient indicators and must be accompanied by a statement from the taxpayer that a previous return was filed.

## 3.21 International Returns and Documents Analysis

(2) Examine the return for attachments:

- Do not separate any related attachments submitted to explain the reason for the Amended Return. Accounts Management may use the information.
- Detach any unrelated documents and route them to correct function using Form 4227, Intra-SC Reject or Routing Slip, and edit the Action Trail on the return.

(3) Follow the instructions in the chart below when there is an indication of an amended return.

If	Then
Compliance Services Entered "TC 59X" or "ICS" on the return,	Do not edit CCC "G". Process the return as an original.
Statute stamped the return "Delinquent Original Cleared for Processing,"	Do not edit CCC "G". Process the return as an original.
Form 3893 or Form 13596 is attached,	Do not edit CCC "G". See IRM 3.21.110.15.5, Re-Entry Document Procedures.
None of the above is present,	Edit CCC "G". Do not use any other codes with CCC "G." <b>Exception:</b> CCCs "W", "3" and Error Resolution System (ERS) Action Codes may be used with CCC "G".

(4) The following data must be present on all amended returns:

- Name Control
- EIN
- Tax Period
- CCC "G"
- IRS Received Date
- Signature

**Note:** No further editing is required.

3.21.110.15.7  
(01-01-2023)

### Delinquent Returns

(1) A return is normally delinquent if it is not received on or before the Return Due Date (RDD). However, accept the return as timely filed if the received date is

#  
#  
#

or IRM 3.10.73, Batching and Numbering.

(2) Accept a return as timely if:

- The return was mailed in time to reach the IRS through normal handling within the legal period but,
- Through no fault of the taxpayer, it was not delivered or not timely delivered.

- (3) Consider a return timely if the Post Office might have sent it to another government agency in error, or if the original envelope bears a timely postmark or a timely date stamp by that agency. However, if the return was erroneously addressed to another agency, it is date stamped with the date when the IRS received it.
- (4) See IRM 3.21.110.16.4.1, Received Date Chart, for information on the due date of Form 1042.
- (5) If a return is delivered to the IRS after the date prescribed for filing, but the postmark date falls on or before the prescribed date for filing the return, then consider the return timely, and edit the timely postmark date in MMDDYY format on the dotted part of Line 62b(1).
- (6) If the Form 1042 is delinquent, check the return for an explanation of late filing. If the taxpayer attaches correspondence with a reasonable cause explanation for failure to file a timely return, take the following action:
  - a. Detach the reasonable cause explanation correspondence from the return.
  - b. Complete Form 3499, Informational Transmittal, and forward to Ogden International Accounts Management Campus (OAMC), BMF INT'L unit 1973 N Rulon White Blvd., Ogden, Utah 84404 M/S 6552. In the remarks area write "Process attached Reasonable Cause Correspondence. TC 150 to post in 4 weeks."
  - c. Prepare Correspondence Action Sheet for IDRS Letter 1382C (use paragraphs "A and S") and assign it to a clerk for input to IDRS or follow local procedures. It may or may not include the Rejects function. Photocopy page 1 of the Form 1042, LTR and attach to 1382C. Edit action trail **1382C sent** on the return and continue processing.

**Note:** Do not edit CCC "R or 7" on the return. OAMC will address the taxpayers reasonable cause letter.

**Exception:** Edit CCC "R" and continue processing if the return is stamped by the IRS: "Do not assess late file penalty"

See IRM 3.21.110.16.3.7, CCC R – Reasonable Cause for Failing to Timely File Return.

- d. Continue processing Form 1042. Do not attach the Correspondence Action Sheet, Letter 1382C to the return.

3.21.110.15.8  
(11-12-2021)  
◆ **Compliance  
Secured/Prepared  
Returns** ◆

- (1) Compliance functions secure returns from the taxpayer and prepare returns if the taxpayer does not provide them.
- (2) Compliance notates:
  - a. Prepared tax returns with "6020(b)" or "SFR" (Substitute for Return).
  - b. Secured tax returns with "TC 59X" or "ICS" or "Process as Original" with a Form 13133, Expedite Processing Cycle, attached with the "Delinquent Return" box checked.

**Note:** If "RD" (Return Delinquency) is notated on the front of the return **and not circled**, remove from the batch and route to Collections.

3.21.110.15.8.1  
(11-14-2017)

◆ **Internal Revenue Code (IRC) 6020(b) - Prepared by Collection** ◆

- (1) When the taxpayer does not file a required return, IRC 6020(b) is the authority for the IRS to prepare the return.

- (2) These returns are identified by the notation: "Prepared and signed under the authority of IRC 6020(b) of the Internal Revenue Code" which is located in the center bottom of Page 1 of the return.

- a. Returns must have an IRS received date. If missing, follow the normal procedures for editing the IRS received date. See IRM 3.21.110.16.4, Received Date.
- b. Compliance Function representatives must sign returns. If not signed, route to Compliance using Form 4227.

**Note:** Accept revenue officer (RO) typed or electronic signatures as valid signatures on the return.

- c. Edit CCC "4".

**Note:** Do not use CCC "R" with CCC "4".

- d. Do Not correspond with the taxpayer for unprocessable conditions. If the return is completely unprocessable, edit CCC "3" and continue processing.
- e. Edit CCC "D" if the Compliance Function Representative notates "Do not assess failure to pay penalty" and the return due date (without regard to extensions) is July 30, 1996 or prior.

**Note:** Do not edit CCC "D" if the return due date is after July 30, 1996 (without regard to extensions) even if the Compliance Function representative notates "Do not assess failure to pay penalty".

- f. Edit CCC "W" if the received date is more than two years and nine months after the Return Due Date. Do Not send the return to Statute Control. See IRM 3.21.110.16.3.9, CCC "W" - Return Cleared by Statute Control.

3.21.110.15.8.2  
(01-03-2023)

◆ **Collection Secured** ◆

- (1) These returns are identified by the notations: "TC 59X" or "ICS".

- a. Do Not edit CCC "G" on these returns.
- b. Use Letter 1791C CAS, to correspond for conditions that are unprocessable (e.g., missing signatures, schedules or entries).
- c. Edit CCC "W" if the received date is more than two years and nine months after the Return Due Date. Do Not send the return to Statute Control. See IRM 3.21.110.16.3, Computer Condition Codes, for more information.

**Reminder:** If there are indications penalties require suppression, edit the proper Computer Condition Code(s). See IRM 3.21.110.16.3, Computer Condition Codes, for more information.

3.21.110.15.8.3  
(11-14-2017)

◆ **Examination Prepared** ◆

- (1) These returns are identified by the notation: "SFR" or "SUBSTITUTE FOR RETURN" on Page 1.

- a. Return must have an IRS received date. If no received date is present, follow the normal procedures for editing the received date. See IRM 3.21.110.16.4, Received Dates.



- b. Do Not correspond with the taxpayer for unprocessable conditions. If the return is unprocessable, edit CCC "3" and continue processing.
- c. If Form 13133, Expedite Processing Cycle, is attached, edit the Computer Condition Codes(s) that are checked on the form.

**Note:** Do not enter CCC "D" unless the return due date (without regard to extensions) is July 30, 1996 or prior, even if the CCC "D" box is checked on Form 13133.

- d. Edit CCC "W" if the received date is more than two years and nine months after the Return Due Date. Do Not send the return to Statute Control. See IRM 3.21.110.15.4, Statute Returns.

3.21.110.15.8.4  
(11-14-2017)

◆ **Examination Secured** ◆

- (1) These returns are identified by the notation: "Process as Original" on Page 1 of the return with a Form 13133, Expedite Processing Cycle, attached with the "Delinquent Return" box checked.

- a. Do not edit CCC "G" on these returns.
- b. Use Letter 1791C CAS, to correspond for conditions that are unprocessable (e.g., missing signatures, missing schedules).
- c. Edit the Computer Condition Codes checked on Form 13133, Expedite Processing Cycle.
- d. Edit CCC "W" if the received date is more than two years and nine months after the Return Due Date. Do not send the return to Statute Control. See IRM 3.21.110.16.3.9, CCC "W" - Return Cleared by Statute Control.

**Reminder:** If Form 13133 (or something similar) shows penalties require suppression, edit the proper Computer Condition Code(s). See IRM 3.21.110.16.3, Computer Condition Codes, for more information.

3.21.110.15.9  
(04-20-2021)

◆ **Frivolous Argument** ◆

- (1) Businesses use frivolous arguments for expressing dissatisfaction with the substance, form or administration of the tax laws by trying to illegally avoid or reduce tax liabilities. See IRM 25.25.10, Frivolous Return Program, and Exhibit 3.21.110-6, Potential Frivolous Arguments for Examination Review, for a list of recognized frivolous arguments made by businesses.
- (2) Review the return to decide if it is a frivolous return.

If	Then
<p>The return meets any of the conditions shown as a frivolous return Exhibit 3.21.110-6., Potential Frivolous Arguments for Examination Review.</p> <p><b>Exception:</b> If the return shows Action Code 331 and has a Form 4227 attached with the remarks, "Refer to Exam FRP for audit after processing," continue to next procedure.</p>	<p>Remove return from the batch and place the return in the locally designated basket for Examination, Frivolous Return Program (FRP) for review.</p>

If	Then
Examination has selected the return as frivolous, <b>Example:</b> shown by an Action Code 331 and a Form 4227, with the remarks, "Refer to Exam FRP for audit after processing," but sends the return for processing.	Continue processing the return using procedures in IRM. However, do not circle or void the Action Code showing a frivolous return.

- (3) Do not consider the following returns as frivolous, unless there is other evidence of a frivolous argument:

- Returns with only zeros, blanks, or no entries.
- Returns showing "None", "Not Liable", etc.

3.21.110.15.9.1  
(11-17-2020)

◆ **Criminal Investigation**  
**(CI) Referral**◆

- (1) Criminal Investigation (CI) investigates potential criminal violations of the Internal Revenue Code (IRC) and related financial crimes. Criminal violations of the IRC include willful attempts to evade or defeat the income tax. Criminal tax violations also include the willful failure to collect or pay over tax and false claims for refunds based on bogus return information.
- (2) If CI has stamped the return, do not send for further CI action.

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Refund Claim	Ogden and Kansas City
	<ol style="list-style-type: none"> <li>1. Make a copy of the first two pages of the tax return along with any page of the return appearing suspicious.</li> <li>2. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.</li> <li>3. Route the copy to Ogden, Mail Stop 9001, Criminal Investigation (CI).</li> <li>4. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> <li>5. Edit Action Code 341 or CCC "U" (whichever is applicable) on the return. See IRM 3.21.110.15.10.</li> <li>6. Continue processing the return.</li> </ol>

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- (4) Due to the repetitive nature of the Code and Edit (C&E) function, C&E Tax Examining technicians often recognize income tax return data which is outside of the norm for data found on similar returns for each income tax return type. If C&E finds return characteristics not meeting Audit Code or Exam referral criteria it considers suspicious, CI is available to review the referral.
- (5) If a suspicious return is found, do the following:
- a. Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious.

- b. Attach Form 4227, Intra-SC Reject or Routing Slip, to the copy.
- c. Route the copy as shown on the table below.

Ogden	Kansas City
Mail Stop 9001, Criminal Investigation (CI)	Mail Stop S2 9000, Criminal Investigation (CI)

- d. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.
- e. Continue processing the return.

(6) If the return fits other criteria (e.g., Frivolous Argument), take proper action.

3.21.110.15.9.2  
(11-14-2017)

◆ **Examination (Exam)**  
"Funny Box"◆

- (1) The primary goal in identifying tax returns for examination is to promote the highest degree of voluntary compliance. Examination gives support and helps Submission Processing (SP) with any questionable return found during processing. Exam has a vast multitude of programs and tolerance criteria already found in several IRM sections. SP can refer any questionable return to Exam, unless prohibited by instructions currently found in several IRMs.

3.21.110.15.10  
(01-01-2024)

◆ **Refund Returns**  
**(45-Day Jeopardy and**  
**High Dollar Refunds)◆**

- (1) Document Perfection identifies refunds in jeopardy and requests manual refunds.

**Note:** Expedient processing of refund returns is critical if the 45-day period is about to expire.

If	Then
<p>A refund return is batched in a non-refund batch,</p>	<ol style="list-style-type: none"> <li>1. Pull the return from the non-refund batch and merge into a refund batch using local procedures.</li> <li>2. Code and edit the return as completely as possible.</li> </ol> <p><b>Note:</b> Follow the instructions below when the processing date is more than 20 days after the Received Date</p>
<p>The processing date is more than 20 days after the Received Date or the Return Due Date (whichever is later) and the refund</p> <p><b>Note:</b> “Refund” in this instruction means only the amount requested to be refunded to the taxpayer, not over-payments transferred to other periods.</p>	<ol style="list-style-type: none"> <li>1. Unnumbered Returns: <ol style="list-style-type: none"> <li>1. Pull the return from the batch.</li> <li>2. Code and edit the return as completely as possible.</li> <li>3. Edit Action Code 341 or CCC “U” (whichever is applicable).</li> </ol> <p><b>Note:</b> For returns with CCC “U”, attach Form 4227, Intra-SC Reject or Routing Slip, and check the “Reject Correction” box.</p> <li>4. Give the return to the manager for expedite processing.</li> </li></ol> <li>2. Numbered Returns: <ol style="list-style-type: none"> <li>1. Code and edit the return as completely as possible.</li> <li>2. Edit Action Code 341 (or CCC <b>U</b> as applicable) and leave in batch.</li> </ol> <p><b>Note:</b> For returns with CCC “U”, attach Form 4227 and check the “Reject Correction” box.</p> </li>

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If	Then
<p><b>Note:</b> Refund in this instruction means only the amount requested to be refunded to the taxpayer, not overpayments transferred to other periods.</p>	<p>Unnumbered Returns:</p> <ol style="list-style-type: none"> <li>1. Pull the return from the batch.</li> <li>2. Code and edit the return as completely as possible.</li> <li>3. Edit Action Code 341 or CCC "U" (whichever is applicable).</li> </ol> <p><b>Note:</b> For returns with CCC "U", attach Form 4227 and check the "Reject Correction" box.</p> <ol style="list-style-type: none"> <li>4. Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious. See IRM 3.21.110.15.9.1, Criminal Investigation (CI) Referral.</li> <li>5. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> <li>6. Expedite processing.</li> </ol> <p>Numbered Returns:</p> <ol style="list-style-type: none"> <li>1. Code and edit the return as completely as possible.</li> <li>2. Edit Action Code 341 (or CCC "U" as applicable)</li> <li>3. Attach Form 4227 to the return, edit Action Code 341 on Form 4227, and leave in batch.</li> </ol> <p><b>Note:</b> For returns with CCC "U", attach Form 4227 and check the "Reject Correction" box.</p> <ol style="list-style-type: none"> <li>4. Make a copy of the first two pages of the tax return along with any page of the return that appears suspicious. See IRM 3.21.110.15.9.1, Criminal Investigation (CI) Referral.</li> <li>5. Edit an action trail "Copy to CI", or "CI Referral", or similar language in the lower left corner going vertically up the side of the return.</li> </ol>

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3.21.110.15.11  
(11-14-2017)  
**Form 1042 - Prior Year  
Returns Processing**

- (1) Upon receipt of a prior year Form 1042 return with a tax year prior to the current processing tax year, first determine if the return is for the year shown on the return or for the current year.
- (2) If the return is for the current processing tax year,
  - a. edit the correct tax year,
  - b. draw a line thru prior year line numbers that have been changed, and
  - c. edit new Line numbers on form to conform to current year format.
  - d. If necessary, dummy the current year form.
- (3) If the return is for a prior tax year:
  - a. Edit the prior year return to conform to current year line format
  - b. Draw a line thru prior year line numbers that have been changed.
  - c. Edit new Line numbers on form to conform to current year format.
  - d. If not possible to edit the form, dummy the current year form

## 3.21 International Returns and Documents Analysis

3.21.110.15.12

(01-01-2024)

### ◆ Action Codes ◆

- (1) Action Codes are used to indicate whether correspondence, research, or some other action is needed. The Action Code sets the suspense period for the return and places the return in the workable or unworkable suspense inventory.
- (2) When necessary, assign a three-digit Action Code.
- (3) Edit the Action Code in the bottom left margin of the return.
- (4) Assign Action Codes in the following priority:
  - a. Action Code 310 (Statute Control)
  - b. Action Code 320 (Entity Control)
  - c. Action Code 4XX
  - d. Action Code 6XX
  - e. Action Code 3XX
  - f. Action Code 2XX (Correspondence)
- (5) Use the following table if more than one Action Code is needed:

If	Then
Action Codes include 211 or 215, and Action Code 341,	<ol style="list-style-type: none"> <li>1. Edit the Action Code 211 or 215 on the Form 1042.</li> <li>2. Edit Action Code 341 on the Form 4227, Intra-SC Reject or Routing Slip.</li> </ol>
Action Codes have the same priority,	<ol style="list-style-type: none"> <li>1. Edit the Action Code with the shorter suspense period on the Form 1042.</li> <li>2. Edit the second Action Code on the Form 4227, Intra-SC Reject or Routing Slip.</li> <li>3. See IRM 3.21.110.15.12(8), Action Codes for suspense periods and Exhibit 3.21.110-5</li> </ol>
Action Codes have different priorities,	<ol style="list-style-type: none"> <li>1. Edit the Action Code with the higher priority on the Form 1042.  <b>Exception:</b> Use Action Code 211 or 215 before Action Code 341 to ensure the return is complete before a manual refund is issued.</li> <li>2. Edit the second Action Code on the Form 4227, Intra-SC Reject or Routing Slip.</li> </ol>

- (6) Edit the following Action Codes when a return cannot be perfected:

Action Code	Description
211 (First Correspondence-Domestic)	<ul style="list-style-type: none"> <li>Return is illegible, incomplete, or contradictory, and therefore unprocessable.</li> <li>Taxpayer notates on the return or an attachment they are reporting tax for more than one Tax Period or for more than one type of tax.</li> <li>If the address is domestic, it is a domestic return.</li> </ul>
215 (International Correspondence)	<ul style="list-style-type: none"> <li>Return is illegible, incomplete, or contradictory, and therefore cannot be processed.</li> <li>Taxpayer notates on the return or an attachment they are reporting tax for more than one Tax Period or for more than one type of tax.</li> <li>If the address is foreign, it is a foreign return.</li> </ul>
225 (Missing Signature-Domestic Correspondence)	<ul style="list-style-type: none"> <li>Unsigned domestic return (only issue for correspondence)</li> <li>If the address is domestic, it is a domestic return.</li> </ul>
226 (Missing Signature-International Correspondence)	<ul style="list-style-type: none"> <li>Unsigned foreign return (only issue for correspondence).</li> <li>If the address is foreign, it is a foreign return.</li> </ul>
480 (Early Filed Suspense)	Early filed return.
610 (Renumbered Non-Remittance) or 611 (Renumbered with Remittance)	Mis-batched return (e.g., Form 1065 found in a Form 1042 batch of work).
640 (Void)	To delete the assigned DLN on the return (e.g., Re-Entry Returns).
650 (International)	An international return: Processed in Ogden Submission Processing Center (OSPC).

- (7) Continue perfecting the return after editing the Action Codes. For a valid list of Action Codes, see Exhibit 3.21.110-5.
- (8) For more information and applicable Action Codes, see IRM 3.12.38.3.4, Error Resolution System (ERS) Action Codes, and the exhibit in IRM 3.12.38-1, Action Codes.

3.21.110.15.13  
(01-01-2023)  
◆ **Bankruptcy** ◆

- (1) If the Form 1042 shows bankruptcy (e.g., shows “Receiver”, “Trustee”, or “Debtor in Possession”) in the entity area or on an attachment, route to Entity Control. Follow local procedures using Form 13934, Entity Document/C&E Merge Transmittal.

**Exception:** Do not route Amended returns to Entity.



## 3.21 International Returns and Documents Analysis

- (2) Completely edit the return except the name control prior to routing to Entity Control.

**Exception:** Do not route to Entity if there is an indication Entity has already edited the return, usually orange/purple editing of the EIN and name control.

3.21.110.16  
(11-19-2024)

### Form 1042 - Annual Withholding Tax Return for U.S. Source Income of Foreign Persons

- (1) Form 1042 is the annual tax return used by withholding agents to report tax withheld under sections IRC 1441-IRC 1443 on certain income of foreign persons; tax withheld under chapter 4 on withholdable payments; tax withheld under IRC 5000C on specified federal procurement payments; certain distributions made by publicly traded trusts and qualified investment entities under IRC 1445; certain payments subject to IRC 877A; distributions of effectively connected income made by publicly traded partnerships under section 1446 purposes and amounts realized subject to section 1446(f) withholding. See Exhibit 3.21.110-1.
- (2) Form 1042 is to be filed by all individuals, corporations, trusts and partnerships having the control, receipt, custody, disposal, or payment of interest, dividends, rent, salaries, etc. (amounts subject to withholding under Treas. Reg 1.1441-2(a)), to the extent any such items constitute gross income from sources within the United States to nonresident alien individuals, foreign partnerships, foreign corporations and other foreign persons.
- (3) Form 1042 must be filed whether any tax is withheld or must be withheld (i.e., income is exempt from withholding or income is erroneously withheld upon).
- (4) Payment of Taxes - Effective January 1, 2011, taxpayers must deposit tax withheld using the EFTPS. Form 8109, Federal Tax Deposit Coupon, can no longer be used.
- (5) The amount of taxes withheld determines the frequency of deposits.
  - a. If at the end of any quarter-monthly period, the total amount of undeposited taxes is \$2,000 or more, the taxes must be deposited within three business days after the end of the quarter-monthly period. A quarter-monthly period ends on the 7th, 15th, 22nd and the last day of each month.
  - b. If at the end of any month, the total amount of undeposited taxes is \$200 or more but less than \$2,000, taxes must be deposited by the 15th day of the following month.
  - c. If at the end of the year, the total amount of undeposited taxes is less than \$200, the entire amount must be deposited via EFTPS or remitted with Form 1042 on or before March 15 of the current tax year.

3.21.110.16.1  
(01-01-2015)

### Amended Return Checkbox

- (1) Identifies whether the return is an amended return or original. See IRM 3.21.110.15.6 Amended Returns.

3.21.110.16.2  
(11-14-2017)

### For IRS Use Only Box

- (1) The IRS Use Only box is used to list:
- Computer Condition Codes (CCC) IRM 3.21.110.16.3
  - Penalty and Interest Codes (PIC) IRM 3.21.110.16.5
  - Schedule Indicator Codes (SIC) IRM 3.21.110.21

3.21.110.16.3  
(11-14-2017)  
**Computer Condition  
Codes (CCC)**

- (1) Computer Condition Codes (CCC) identify special conditions or computations for the computer. CCCs post to the Master File.
- (2) CCC's are edited on the CC line of the For IRS Use Only box in the upper right corner of Form 1042.

3.21.110.16.3.1  
(01-01-2020)  
**CCC A – Qualified  
Derivatives Dealer (QDD)**

- (1) Edit CCC "A" if the taxpayer marks the box on Page 2, Section 4, identifying themselves as a Qualified Derivatives Dealer (QDD).

3.21.110.16.3.2  
(11-19-2024)  
**♦CCC D – Reasonable  
Cause for Waiver of  
Failure to Pay Penalty♦**

- (1) Do not edit CCC "D" if the taxpayer requests abatement for "Failing to Pay Timely" when the return is submitted. Send Letter 1382C, to inform the taxpayer of the proper procedure to follow to request penalty abatement if a penalty is assessed. See IRM 3.21.110.15.7(6), Delinquent Returns.
- (2) Edit CCC "D" if an internal use form or routing slip is attached and shows "Do not assess failure to pay penalty."

**Note:** Do not enter CCC "D" if the return is prepared by the IRS under IRC 6020(b) and the return due date (without regard to extensions) is after July 30, 1996.

- (3) Enter CCC "D" when **ALL** the following applies:
  - Withholding Agent's Chapter 3 status code is equal to "08" or "09."
  - There is an entry on 65b, Total paid during subsequent year.
- (4) Enter CCC **D** for tax years 2017-2024, if the filer notated "Dividend Equivalent-Partnership" anywhere on the return or attachments.

3.21.110.16.3.3  
(10-27-2015)  
**CCC E – Credit Election**

- (1) Edit CCC "E" as follows:

If	And	Then
The taxpayer has checked the credit elect box on Line 71, Form 1042,	The overpayment is \$1.00 or more on Lines 70a and/or 70b,	Edit CCC "E".
The taxpayer has attached a statement requesting a credit election,	The overpayment is \$1.00 or more on Lines 70a and/or 70b,	Edit CCC "E".
Neither the Credit Elect nor Refund box is checked on Line 71,	The overpayment is \$1.00 or more on Lines 70a and/or 70b,	Edit CCC "E".
Both the Credit Elect and the Refund box is checked on Line 71,	The overpayment is \$1.00 or more on Lines 70a and/or 70b,	Edit CCC "E".
An overpayment is to be applied to another type of tax,		Do not edit CCC "E", edit CCC "X". See IRM 3.21.110.16.3.10, CCC "X".

If	And	Then
An overpayment is the result of excess remittance paid with the return,		Do not edit CCC "E".
Only Refund box is checked,		Do not edit CCC "E".

**Note:** If CCC "F" is edited, do not edit CCC "E", instead edit CCC "S".

3.21.110.16.3.4  
(11-15-2016)

**CCC F – Final Return**

- (1) Edit CCC "F" when the final return box is checked or there is an indication the taxpayer is not liable for future returns. Notations may include, but are not limited to:

- Final
- Deceased
- Out-of-Business
- Liquidation
- Exempt Under IRC 501(c)(3)
- Dissolved
- Cites IRC 708(b)(1)(B)
- Notates, Filed in Accordance with Rev. Proc. 2003-84

**Note:** Do not edit CCC "F" if the date entered for the final income paid is after the tax period. For example, if the tax form submitted is a printed 2021 form, but the taxpayer made a handwritten entry of paying their last income on March 5, 2022, it is not a final return.

3.21.110.16.3.5  
(01-01-2015)

**♦ CCC G – Amended Return ♦**

- (1) Edit CCC "G" if there is a clear indication on the return or on an attachment that the return being processed is not the first return filed for the tax period. See IRM 3.21.110.15.6 for instructions.

3.21.110.16.3.6  
(11-19-2024)

**CCC J – Reasonable Cause for Failing to Make Timely Deposits**

- (1) Edit CCC "J" when a notation of "3121 Agreement" or "VCP" is on the return. See IRM 3.21.110.16.3.7, CCC R – Reasonable Cause for Failing to Timely File Return. Also edit a Schedule Indicator Code (SIC) of 2.

- (2) For tax years **2017-2024** enter CCC J if:

- There is an entry on Line 65b, tax paid in subsequent year **AND**
- "Dividend Equivalent Partnership" is written on the return or attachments.

**Reminder:** Also enter CCC "D" for tax years 2017-2024 ONLY, if the filer notated "Dividend Equivalent- Partnership" anywhere on the return or attachments.

- (3) Do not edit CCC "J" if the taxpayer requests abatement for Failing to Make Timely Deposits. Instead, follow the step list instructions in IRM 3.21.110.15.7 (6), Delinquent Returns.

- (4) Enter CCC J if “Withholding Under Lag Method” is noted on the return OR the withholding agent Chapter 3 status code is an “8” or “9” and there is an entry on Line 65b.

**Note:** For tax year 2019 and later, CCC J is computer generated and is not required to be edited if the Chapter 3 status code is 08 or 09 and line 65b has an entry. However, editing is still required for tax years 2017 and 2018.

- (5) **TY 2017 only:** CCC “J” is edited for an amount present on Line 62b(1).

3.21.110.16.3.7  
(01-01-2020)

**♦CCC R – Reasonable Cause for Failing to Timely File Return♦**

- (1) Do not edit CCC “R” when a reason is given by the taxpayer for a delay in filing a return. Send Letter 1382C and continue editing the return.
- (2) Edit CCC “R” on the return when any of the following conditions are present:
- There is an indication such as “Do not assess failure to file penalty” on a secured return annotated with “599”.
  - If an internal use form or routing slip is attached and shows do not assess failure to file penalty.
  - The return shows an assessment of a fraud penalty (IRC 6663 or IRC 6664).
  - A notation of “VCP” is on the return.

**Note:** All “R” coded returns must have an IRS received date. If one is not present, edit the IRS received date in the middle of the return.

**Note:** Do not use CCC “R” with CCC “4”. Do not edit CCC “R” if CCC “7” (Reasonable Cause Denied) is present.

See IRM 3.21.110.16.3.6, CCC J – Reasonable Cause for Failing to Make Timely Deposits for more information.

**Note:** Withholding under Lag Method may be noted on return. Do not edit CCC “R”, the CCC “R” is computer generated.

3.21.110.16.3.8  
(11-14-2017)

**CCC S – Refund Return**

- (1) Edit CCC “S” when the overpayment is \$1.00 or more on Lines 70a and/or 70b and:
- The refund box, Line 71, Form 1042 is checked, or
  - A statement requesting the money be refunded is attached, or
  - The return is a final return.
- (2) See IRM 3.21.110.31, Overpayment - Lines 70a and 70b for more information.

3.21.110.16.3.9  
(01-01-2015)

**♦CCC W – Return Cleared by Statute Control♦**

- (1) Edit CCC “W” when Statute Control cleared the return. See instructions in IRM 3.21.110.15.4, Statute Returns.

3.21.110.16.3.10  
(11-15-2016)

♦ **CCC X – Refund/Credit Freeze** ♦

- (1) Edit CCC “X” when any of the following conditions occur:

If	Then
The taxpayer has requested part of the refund applied to another account,	<ol style="list-style-type: none"> <li>1. Edit CCC “X”.</li> <li>2. Photocopy Page 1 of Form 1042.</li> <li>3. Prepare Form 3465, attach to the photocopy, and forward to Accounts Management.</li> <li>4. Notate “FORM 3465 prepared” on the original Form 1042.</li> </ol>
Correspondence for a signature is returned as a No reply and a refund is due,	<ol style="list-style-type: none"> <li>1. Edit CCCs “X” and “3”.</li> <li>2. Photocopy Page 1 of Form 1042.</li> <li>3. Prepare Form 3465, attach to the photocopy, and forward to Accounts Management.</li> <li>4. Notate “FORM 3465 prepared” on the original Form 1042.</li> </ol>
If the taxpayer has requested a refund on Excise Tax Only returns,	Edit CCC “X”.

**Note:** Also edit CCC “X” as noted in specific line by line instructions.

3.21.110.16.3.11  
(11-15-2016)

♦ **CCC 3 – No Reply to Correspondence** ♦

- (1) Edit CCC “3” when the taxpayer does not respond to correspondence, or the correspondence is returned undeliverable.
- (2) Edit CCC “3” when the return is unprocessable and there is a sign correspondence was sent and no reply received.
- (3) If the return is overpaid (refund) and the correspondence is for signature only, then also edit CCC “X”. See IRM 3.21.110.16.3.10, CCC X, for more information.

**Note:** There may be other times CCC “X” is edited on Refund returns, follow specific line by line instructions.

3.21.110.16.3.12  
(01-01-2015)

**CCC 4 – 6020(b) Return**

- (1) Edit CCC “4” when the IRS’s Compliance Branch has prepared a return and the revenue officer entered IRC 6020(b).

**Note:** Do not use CCC “R” with CCC “4”.

3.21.110.16.3.13  
(01-01-2015)

**CCC 7 – Reasonable Cause Denied**

- (1) CCC “7” is used when the taxpayer’s statement for failing to file or pay taxes timely is not acceptable.

**Note:** This CCC is rarely used because code and edit tax examiners do not make decisions on reasonable cause request.

- (2) Refer to the step list instructions in IRM 3.21.110.15.7 (6), Delinquent Returns.

- (3) CCC “7” cannot be used with CCCs “D, R or J”.

3.21.110.16.4  
(01-03-2023)

◆ **Received Date** ◆

- (1) The date a document is received in the Campus or IRS Office is the date stamped as the "IRS Received Date."
- (2) All 1042 returns require an IRS received date.

If	Then
	The return is considered timely.
The due date falls on a weekend or legal holiday,	The return is timely if postmarked by the first business day following the weekend or legal holiday.
postmark or shipment date is on or before the legal or extended due date,	<p>Edit the received date to agree with the postmark date or shipment date.</p> <p><b>Note:</b> The postmark or shipment date includes returns delivered by:</p> <ul style="list-style-type: none"> <li>• U.S. Postal Service,</li> <li>• Private Delivery Services, e.g., Federal Express Corporation (FedEx) or United Parcel Service (UPS), "designated" by the IRS. See IRM 3.10.72, Receiving, Extracting and Sorting, for a list of designated private delivery services, or</li> <li>• Returns with a Foreign Postmark.</li> </ul> <p><b>Note:</b> For certified mail only- If a postmark is not present, look for a "USPS.com Track and Confirm" record attached to the return (should be in front of the envelope). Use the "Acceptance" date on the record to determine timeliness and follow normal editing procedures. If the "USPS.com Track and Confirm" record is not attached, take no action.</p>

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- (3) When a **Form 1042** is delinquent and the taxpayer explains the return is late due to the rejection of a timely filed electronic return, check the return for a MeF rejection notification.

**Note:** Taxpayers are instructed to notate in red in the top margin of the return **REJECTED ELECTRONIC RETURN** to indicate the timely filed return cannot be filed electronically. The notation could be anywhere on the return

## 3.21 International Returns and Documents Analysis

and is not required, but they are required to attach a copy of the MeF rejection notification in order to show they qualify for an edited Received Date.

- (4) If a MeF rejection notification is not attached, perfection of the Received Date is not necessary. If a notification is attached, edit the IRS Received Date in MMDDYY format as follows:

**Note:** The taxpayer has 10 days to resubmit an electronically filed return after being rejected and 10 days to submit a paper return after the last rejection. The first transmission of any rejected return must have been filed before the due date of the relevant form for this rule to apply.

If	And	Then
The postmark date is within 10 days of the date of the rejection,		Edit the IRS Received Date to be the date of the rejection. For example, postmark date is 03-22-2025 and first rejection is 03-12-2025. Change Received Date to 031225.
The postmark date is more than 10 days after the date of the rejection,		Leave the IRS Received Date as is. For example, postmark date is 03-25-2025 and first rejection is 03-12-2025. Leave the Received Date as is. <b>Exception:</b> Change the Received Date to the postmark date if the postmark date makes the return timely.
There are two rejections,	Within 10 days of one another and one is within 10 days of the postmark date,	Edit the IRS Received Date to be the date of the first rejection. For example, postmark date is 03-22-2025, the second rejection is 03-12-2025. The first rejection is 03-09-2025 Change the Received Date to 030924.
There are two rejections with the time between the first rejection and the second rejection greater than 10 days,	The second rejection is within 10 days of the postmark date,	Edit the IRS Received Date to be the date of the second rejection. For example, postmark date is 03-22-2025, the second rejection is 03-12-2025. The first rejection is 03-01-2025 Change the Received Date to 031225.



If	And	Then
There are two rejections,	Not within 10 days of one another and second rejection not within 10 days of the postmark date,	<p>Leave the IRS Received Date as is.</p> <p>For example, postmark date is 03-25-2025, the second rejection is 03-12-2025. The first rejection is 03-01-2025. Leave the Received Date as is.</p> <p><b>Exception:</b> Change the Received Date to the postmark date if the postmark date makes the return timely.</p>

(5) The received date may or may not be stamped on the face of the return.

(6) A valid received date Stamp may consist of the following (MMDDYY):

- The word "Received"
- Month (alpha or numeric)
- Day (numeric 01-31)

**Example:** "1" or "01"

- Year (numeric) - four digits
- "Area Office", Campus, "Field Office", "Taxpayer Assistance Center (TAC)" plus the city, location, or functional area within one of these sites (e.g., Compliance Services Collection Operations (CSCO), Examination, Image Control Team (ICT) Correspondence Imaging Inventory (CII), Accounts Management (AM)).

**Exception:** Not all IRS offices are designated places for filing, and not all IRS employees are authorized to accept a tax return for processing. If a return has a received date stamp from other than a Taxpayer Assistance Center (TAC), Lockbox, or the IRS campus (Compliance, Accounts Management (AM), or Submission Processing (SP)), circle out the invalid received date and edit the correct received date according to instructions below. For example, returns received by the Taxpayer Advocate Service (TAS) or the IRS Office of Chief Counsel are not properly filed and a received date by that office is not the "IRS Received Date".

(7) If the IRS received date stamp is not present or the date is illegible or invalid, edit the IRS received date in MMDDYY format to the dotted part of Line 62b(1) on the Form 1042. Edit the IRS received date according to the following priority:

- The earliest legible Postmark Date (U.S. Postal Service, Foreign Postmark, or Private Delivery Service) on the envelope. Rules for using the U.S. Postal Service Postmark (USPS), Foreign Postmark, or Private Delivery Service are as follows:

If	Then
An envelope is not attached,	Use the date stamped on the face of the return.
A document was returned for insufficient postage,	Use the postmark date that coincides with the correct delivery of the return.
The postmark is missing and the envelope is <b>certified</b>	Look for the "USPS.com Track & Confirm" record that was attached to the return (should be in front of the envelope). Use the "acceptance" date on the record to determine timeliness and follow normal editing procedures. If the "USPS.com Track & Confirm" record is not attached, take no action.
An envelope has a USPS and private metered postmark,	Always use the USPS postmark.
An envelope has a foreign and private metered postmark,	Always use the foreign postmark.
An envelope has two private metered postmarks,	Always use the latest private metered postmark.
An envelope has only one private metered postmark,	Use the private metered postmark.

#  
#  
#

- b. Service Center Automated Mail Processing System (SCAMPS) digit date.
- c. Revenue officer's signature date.
- d. Signature date (only if within current year).

**Exception:** Use the signature date on prior year returns only when it is signed in the current year. DO NOT use the signature date stamp to determine the received date for replies to correspondence.

- e. Julian control date minus 10 days.
- f. Current date minus 10 days.

(8) Edit the received date as follows:

If	Then
A timely received date is the only received Date stamped on the return,	Do not edit.
Two or more dates stamped on the return,	<ol style="list-style-type: none"> <li>1. Use the earliest IRS received date stamped on the return.</li> <li>2. Circle all other dates (handwritten or stamped) not needed for transcription.</li> </ol> <p><b>Note:</b> Treat Received Dates circled out by another function as if they are not present.</p>

If	Then
A federal return is addressed to the IRS but delivered to a state agency,	Use the postmark date as the IRS received date.
A federal return is addressed to a state agency,	Use the IRS received date.
The only received date on the return is a TAS received date,	Circle out the TAS or Chief Counsel received date and edit the IRS received date according to instructions. See IRM 3.21.110.16.4(5), Received Date.

**Reminder:** Check any envelope attached to the return for remittance. If found, hand carry remittance to manager.

- (9) If a return was faxed to another area of the IRS and then sent to Submission for processing, do not edit the Enterprise Electronic Fax (EEFax) Date as the IRS received date. Edit a received date according to normal procedures. See IRM 3.21.110.16.4, Received Dates.

**Caution:** Do not use the EEFax Date as the IRS received date.

3.21.110.16.4.1  
(11-19-2024)

#### Received Date Chart

- (1) The received date chart below provides return due date information. The dates are subject to local adjustments for State/D.C. Holidays.

Calendar Year Ending Date	Due Date (Weekends and Holidays Considered)	Delinquent	(7004) Extended Due Date Weekends and Holidays Considered	Delinquent Return
12-31-24	03-17-25		09-15-25	

#

3.21.110.16.5  
(01-01-2015)

#### Penalty and Interest Code (P/I Code)

- (2) Valid characters are 1 and blank.
- (3) Edit this code on the "I" line of the For IRS Use Only box in the upper right corner of Form 1042 when the pre-computed delinquency penalty and/or interest is shown on a return with a received date (stamped or improvised)

#

#

#

#

3.21.110.17  
(11-19-2024)

#### Chapter 3 Status Code - Chapter 4 Status Code

- (1) The chapter 3 and chapter 4 status code boxes are located in the entity part of the return.
- (2) This is a 2 digit code entered by the taxpayer from the list of Status Codes provided in the Form 1042-S and its Instructions.

## 3.21 International Returns and Documents Analysis

**Note:** If the taxpayer has entered a single digit number in the box, it is not necessary to edit a "0" in front of the number.

- (3) If blank and 1042-S is attached, edit the code from 1042-S box 12b or 12c; if not present on box 12b and/or box 12c, take no action unless you are corresponding for other missing information then, correspond for Status Code if both chapter 3 and chapter 4 are blank. Use the following literal when corresponding: **"Please provide the missing chapter 3 and/or chapter 4 status code on page 1."**
- (4) Edit CCC "D" when ALL the following applies:
- If Withholding Agent's Chapter 3 status code is equal to **08** or **09**.
  - There is an entry on 65b, Total paid during subsequent year.

3.21.110.18  
(01-01-2015)

◆Entity Perfection –  
General◆

- (1) The entity section of a tax return identifies the taxpayer on the Business Master File. The entity section of the return has the following:
- a. Employer Identification Number
  - b. Name
  - c. Address

3.21.110.18.1  
(01-01-2024)

◆Entity Perfection –  
Employer Identification  
Number (EIN)◆

- (1) The EIN is a nine-digit number (XX-XXXXXXX) assigned to identify the taxpayer.
- (2) The EIN is in the upper right of Form 1042.
- a. Form 1042 cannot be processed with an SSN or an IRS ITIN.
  - b. Do not accept an SSN or ITIN in place of an EIN.
- (3) Determine the EIN as follows:

If	And	Then
If Form 1042 is filed with an SSN or ITIN instead of an EIN or QI-EIN,		<ol style="list-style-type: none"> <li>1. Circle out the SSN/ITIN.</li> <li>2. Research IDRS or attachments for EIN.</li> <li>3. If not found, attach Form 4227 to route to Entity Control.</li> </ol>
The EIN is missing,	You can determine the correct EIN from the attachments,	Arrow or edit the EIN to the correct location.
The EIN is either a Preparer Tax Identification Number (PTIN) or Individual Tax Identification Number (ITIN),	Unnumbered return,	<ol style="list-style-type: none"> <li>1. Remove return from batch.</li> <li>2. Route to Entity Control following local procedures, using Form 13934 for EIN assignment.</li> </ol>
The EIN is either a PTIN or ITIN,	Numbered return,	<ol style="list-style-type: none"> <li>1. Edit Action Code 320.</li> <li>2. Leave return in batch.</li> </ol>
Multiple EINs are present,	Unnumbered return (see Figure 3.21.110-3),	<ol style="list-style-type: none"> <li>1. Research IDRS or attachments.</li> <li>2. If found edit to proper location and circle out wrong EIN.</li> <li>3. If not found, route to Entity Control following local procedures, using Form 13934 for EIN assignment.</li> </ol>
Multiple EINs are present,	Numbered return,	Edit Action Code 320.
The EIN has any of the following conditions and cannot be determined from attachments or schedules: <ul style="list-style-type: none"> <li>• Illegible,</li> <li>• Missing,</li> <li>• Other than 9 digits,</li> <li>• All zeros, or</li> <li>• All nines or other repeating digits,</li> </ul>	Unnumbered return (see Figure 3.21.110-4),	<ol style="list-style-type: none"> <li>1. Research IDRS.</li> <li>2. If found, edit to the proper location.</li> <li>3. If not found, route to Entity Control (e.g., Form 13934).</li> </ol>
The EIN has any of the following conditions and cannot be determined from attachments or schedules: <ul style="list-style-type: none"> <li>• Illegible,</li> <li>• Missing,</li> <li>• Other than 9 digits,</li> <li>• All zeros, or</li> <li>• All nines,</li> </ul>	Numbered return,	<ol style="list-style-type: none"> <li>1. Circle out all illegible EINs, zeros, or nines.</li> <li>2. Research IDRS.</li> <li>3. If not found, edit Action Code 320.</li> </ol>
Pending, Applied for, etc., is shown in the EIN area,	Unnumbered return,	<ol style="list-style-type: none"> <li>1. Research IDRS.</li> <li>2. If found, edit to the proper location.</li> <li>3. If not found, route to Entity Control following local procedures, using Form 13934.</li> </ol>

If	And	Then
Pending, Applied for, etc., is shown in the EIN area,	Numbered return,	Edit Action Code 320.

DRAFT

MULTIPLE EINs

Form 1042

Annual Withholding Tax Return for U.S. Source Income of Foreign Persons

OMB No. 1545-0096

2024

Department of the Treasury  
Internal Revenue Service

Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

If this is an amended return, check here ☐

Name of withholding agent  
**James Harrier**

Employer identification number  
**00-5692339**

Ch. 3 Status Code  
**00-8852647**

For IRS Use Only

Ch. 4 Status Code  
**00-8852647**

CC  
RD  
CAF  
CR  
EDC

FD  
FF  
FP  
I  
SIC

Number, street, and room or suite no. (If a P.O. box, see instructions.)  
**20 Elk Ave**

City or town, state or province, country, and ZIP or foreign postal code  
**Kansas City, KS 66110**

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

Section 1 Record of Federal Tax Liability (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		21	7		41	7	
2	Jan. 15		22	May 15		42	Sept. 15	
3	22		23	22		43	22	
4	31		24	31		44	30	
5	Jan. total		25	May total		45	Sept. total	
6	7		26	7		46	7	
7	Feb. 15		27	June 15		47	Oct. 15	
8	22		28	22		48	22	
9	28		29	30		49	31	
10	Feb. total		30	June total		50	Oct. total	

Intra-SC Reject or Routing Slip

Name-Unit **924**

Date **4/11/25**

X	Route to	X	Reason	
	Accounting	<input type="checkbox"/> IMF	Missing or illegible data	
	Adjustments	<input type="checkbox"/> BMF	<input type="checkbox"/> EIN	<input type="checkbox"/> Signature
	Batching and Numbering	<input type="checkbox"/> NMF	<input type="checkbox"/> SSN	<input type="checkbox"/> Tax period
	Clearing and Deposit	<input type="checkbox"/> EPMF	<input type="checkbox"/> Name	<input type="checkbox"/> Filing requirements
	Collection	<input type="checkbox"/> IRAF	<input type="checkbox"/> Address	<input type="checkbox"/> Form
	Criminal Investigation	<input type="checkbox"/> IRP	<input type="checkbox"/> Other (specify)	
	<input type="checkbox"/> QRDT <input type="checkbox"/> ITPP	<input type="checkbox"/> CAWR	Review for necessary action	
	Data Control (Balancing)	<input type="checkbox"/> Other file:	Renumber to	
	Document Services		<input type="checkbox"/> Tax class <input type="checkbox"/> Doc. code	
<input checked="" type="checkbox"/>	Entity Control		<input type="checkbox"/> Other:	
	Error Resolution		Unpostable code: Cycle:	
	Examination (Audit)		Action Code:	
	Files		Reinput	
	Reject Correction		Questionable items	
	Returns Analysis		<input type="checkbox"/> Form W-2 <input type="checkbox"/> Contributions	
	Statute Control		<input type="checkbox"/> Other data:	
	Other activity (explain)		Other (explain)	

Multiple EINs

Form 4227 (Rev. 12-01)

Cat. No. 26915I

Department of the Treasury  
Internal Revenue Service

Preparer Use Only

Firm's name

Firm's address

Check ☐ if self-employed

PTIN

Firm's EIN

Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11384V

Form 1042 (2024)

Figure 3.21.110-3 Multiple EINs

**PARTIAL EIN**

**DRAFT**

**Form 1042**  
Department of the Treasury  
Internal Revenue Service

**Annual Withholding Tax Return for U.S. Source  
Income of Foreign Persons**

Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

OMB No. 1545-0096

**2024**

If this is an amended return, check here ☐

Name of withholding agent <b>Barbara Pinscher PC</b>		Employer identification number <b>00-96342</b>	<b>For IRS Use Only</b>	
Ch. 3 Status Code	Ch. 4 Status Code		CC	FD
Number, street, and room or suite no. (If a P.O. box, see instructions.) <b>68 Gopher Street</b>			RD	FF
City or town, state or province, country, and ZIP or foreign postal code <b>Pittsburgh, PA 15219</b>			CAF	FP
			CR	I
			EDC	SIC

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

**Section 1 Record of Federal Tax Liability** (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		21	7		41	7	
2	15		22	15		42	15	
3	22		23	22		43	22	
4	31		24	31		44	30	
5	Jan. total		25	May total		45	Sept. total	
							Oct.	
							15	
							22	
							31	
							Oct. total	
							7	
							15	
							22	
							30	
							Nov. total	
							7	
							15	
							22	
							31	
							Dec. total	
							7	
							15	
							22	
							31	
							Dec. total	

**Intra-SC Reject or Routing Slip** Name-Unit **924** Date **3/27/25**

X	Route to	X	Reason
<input type="checkbox"/>	Accounting	<input type="checkbox"/>	IMF
<input type="checkbox"/>	Adjustments	<input type="checkbox"/>	BMF
<input type="checkbox"/>	Batching and Numbering	<input type="checkbox"/>	NMF
<input type="checkbox"/>	Clearing and Deposit	<input type="checkbox"/>	EPMF
<input type="checkbox"/>	Collection	<input type="checkbox"/>	IRAF
<input type="checkbox"/>	Criminal Investigation	<input type="checkbox"/>	IRP
<input type="checkbox"/>	QRDT <input type="checkbox"/> ITPP	<input type="checkbox"/>	CAWR
<input type="checkbox"/>	Data Control (Balancing)	<input type="checkbox"/>	Other file:
<input type="checkbox"/>	Document Services		
<input checked="" type="checkbox"/>	Entity Control		
<input type="checkbox"/>	Error Resolution		
<input type="checkbox"/>	Examination (Audit)		
<input type="checkbox"/>	Files		
<input type="checkbox"/>	Reject Correction		
<input type="checkbox"/>	Returns Analysis		
<input type="checkbox"/>	Statute Control		
<input type="checkbox"/>	Other activity (explain)		

Missing or illegible data

☐ EIN ☐ Signature

☐ SSN ☐ Tax period

☐ Name ☐ Filing requirements

☐ Address ☐ Form

☐ Other (specify)

Review for necessary action

Renumber to

☐ Tax class ☐ Doc. code

☐ Other:

Unpostable code: Cycle:

Action Code:

Reinput

Questionable items

☐ Form W-2 ☐ Contributions

☐ Other data:

Other (explain)

Partial EIN

Form **4227** (Rev. 12-01)

Cat. No. 269151

Department of the Treasury  
Internal Revenue Service

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Sign Here

Your signature **Barbara Pinscher** Date **3/10/25** Capacity in which acting

Print/Type preparer's name Preparer's signature Date Check ☐ if PTIN

Figure 3.21.110-4 Partial EIN

- (4) Listed below are the most common conditions indicating an entity change requiring a new EIN.
- Individual owner dies and estate takes over business.
  - Individual owner dies, Surviving Spouse takes over when no estate is involved.
  - Individual ownership changes to a corporation.
  - Individual ownership changes to a partnership.



## 3.21 International Returns and Documents Analysis

- e. Partnership changes to individual ownership or disregarded entity (except where the resulting business changes from an individual owner to another individual owner).
- f. Partnership changes to corporation (except for elective change caused by filing Form 8832).
- g. There is a sale or exchange of 50 percent or more of the interests in a partnership within a 12-month period.
- h. Corporation changes to an individual ownership or disregarded entity (except where the resulting owner already has an EIN).
- i. Corporation changes to a partnership (except for elective change caused by filing Form 8832).
- j. Sole proprietor shows bankruptcy.

3.21.110.18.2  
(11-12-2021)

### ◆Entity Perfection – Name Control◆

- (1) The type of entity present on the return determines the name control procedures.
  - Individuals
  - Corporations
  - Partnerships
  - Trusts and Estates
  - Other organizations
- (2) The name control consists of four characters or less.
  - a. Valid characters are alpha, numeric, ampersand (&), hyphen (-), and blank. However, blanks are only valid in the last three positions.
  - b. Disregard the word “THE” in the name control only when more than one word follows.
- (3) See Document 7071-A BMF Name Control Job Aid to properly determine the name control.
- (4) Edit the name control as follows:

If	And	Then
A second name line is present and begins with "FKA" (formerly known as),	Unnumbered Return,	1. Remove return from batch. 2. Attach Form 4227 or follow local procedures. 3. Route to Entity Control.
A second name line is present and begins with "FKA" (formerly known as),	Numbered Return,	Edit Action Code 320.
A second name is present and begins with "AKA" (also known as) or "DBA" (doing business as),		Circle out the abbreviations.
Able to determine the name control,		Underline the name control.
Unable to determine the name control,	Unnumbered Return,	1. Research IDRS. 2. If not found, Route to Entity Control.
Unable to determine the name control,	Numbered Return,	Edit Action Code 352 (name research).

**Note:** If a return shows the taxpayer has filed bankruptcy (e.g., shows "receiver", "trustee", or "debtor in possession" in the entity area, signature line or an attachment), route to Entity.

3.21.110.18.3  
(01-02-2024)

◆Entity Perfection –  
In-Care-of Name◆

- (1) An in-care-of name can be identified by the words "in-care-of" or the symbols "c/o" or "%" (percent).

**Note:** Always circle out the in-care of symbol (c/o or %) if it is present with an address. Do not use the ampersand (&) or the percent sign (%) when editing address information.

- (2) Ensure the in-care-of name is located above the street address.

If	Then
The in-care-of name is located on the street address line preceding the street address,	Do not edit.
The in-care-of name is located above the first name line or below the street address,	Arrow the in-care-of name below the first name line and above the street address.
The in-care of name is shown on an attachment,	1. Edit the In-care-of name above the street address beginning with the % or c/o in the first position. 2. Continue editing the return.

If	Then
The street address for the in-care-of name is different from the street address of the Form 1042,	<ol style="list-style-type: none"> <li>1. Arrow the in-care-of street address below the in-care-of name or edit the in-care-of street address below the in-care-of name if included on an attachment.</li> <li>2. Circle the Form 1042 business address.</li> <li>3. Notate "TC 014" in the upper left margin.</li> <li>4. Pull the return for research/input of TC 014 by the Code and Edit Research Clerk.</li> </ol> <p><b>Note:</b> A TC 014 must be input to retain the street address as a location address and the P.O. Box as the mailing address.</p>

(3) Determine a change in the in-care-of name by any of the following:

- A mark in the "Name Change" box, or
- A mark in the "Address Change" box, or
- Taxpayer edits or added to the "in-care-of" name (e.g., original "in-care-of" name crossed out, new name added).

If	Then
An "in-care-of" name is changed but there is no sign of an address change,	<ol style="list-style-type: none"> <li>1. Edit the "in-care-of" name as per table above.</li> <li>2. Continue editing the return.</li> </ol>
An "in-care-of" name is present and there is a sign of an address change,	<ol style="list-style-type: none"> <li>1. Edit the "in-care-of" name as shown above.</li> <li>2. Correct the address. See IRM 3.21.110.18.4, Entity Perfection – Domestic Address.</li> <li>3. Continue editing the return.</li> </ol>

(4) "Special Considerations"

a. APO/FPO/DPO addresses us the following format:

Line	EXAMPLE:	Applicable Field
Payee Name	PVT. Willard J. Doe	02ADD
Mailing Address	Company F. PSC Box 100 167 Infantry REGT	02ADD
Payee City	APO, FPO or DPO	02CTY
Payee State	AE, AA, or AP*	02ST
Payee ZIP Code	09801	02ZIP

**Note:** \*AE is the designation for ZIPs beginning with 090-098, AA for ZIP 340, and AP for ZIPs 962-966

3.21.110.18.4  
(01-02-2024)

◆Entity Perfection –  
Domestic Address◆

- (1) Perfect the address when the mailing address (Street or P.O. Box) is not easily identified.

**Exception:** Do not perfect the address on amended returns (CCC “G”).

- (2) A business may have two addresses. One is the mailing address, and the other is the location address or physical location of the business.

**Note:** BMF ISRP is not programmed for a mailing address and a location address. A TC 014 must be input into IDRS to capture both a location address and mailing address.

- (3) Perfect the address as follows:

If	And	Then
The address has information other than a street address or P.O. Box,		No perfection is necessary. ISRP enters the complete address.
Attachment shows address was changed,		Edit the new address in the entity section of the return. Delete old address.
Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party- Business, is attached,	All the following applies: <ul style="list-style-type: none"> <li>• Mailing address information is the same,</li> <li>• Form 8822/ 8822-B, Line 7, does not list a location address,</li> <li>• No entry on Form 8822-B, Lines 8 or 9,</li> </ul>	1. Take no action. 2. Continue processing the return.
Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party- Business, is attached,	Any applies: <ul style="list-style-type: none"> <li>• Mailing address information is different,</li> <li>• Form 8822/ 8822-B, Line 7, lists a location address,</li> <li>• Form 8822-B, Lines 8 or 9, have an entry</li> </ul>	Detach Form 8822/ Form 8822-B and route to Entity Control following local procedures using Form 13934, Entity Document/C&E Merge Transmittal.
Both a P.O. Box and a street address are shown,		1. Underline the P.O. Box 2. Notate "TC 014" in the upper-left margin of the return. 3. Pull the return for research/input of TC 014 by the Code and Edit Research Clerk.  <b>Note:</b> A TC 014 must be input to retain the street address as a location address and the P.O. Box as the mailing address.  See Figure 3.21.110-5.
Two street addresses are shown,	An "in-care-of" name includes a street address other than the withholding agent's street address,	1. Circle the withholding agent's street address. 2. Notate the "TC 014" in the upper left margin. 3. Completely edit the return. 4. Pull from batch, place in designated area.

If	And	Then
Two street addresses are shown,		<ol style="list-style-type: none"> <li>Underline the second street address.</li> <li>Notate "TC 014" in the upper-left margin of the return.</li> <li>Completely edit the return.</li> <li>Pull from batch, place in designated area.</li> </ol> See Figure 3.21.110-6.
One street address is shown,	The taxpayer changed the address to a P.O. Box,	<ol style="list-style-type: none"> <li>Notate "TC 014" in the upper-left margin of the return.</li> <li>Completely edit the return.</li> <li>Pull from batch, place in designated area.</li> </ol>
The city and state are not shown on the return, but are shown on an attachment,		Edit the city and state on the form in the entity section.
The zip code is missing or illegible,	Is not available from the return or attachments,	Determine the zip code by using Exhibit 3.21.110-4.
Only the first three digits of the zip code can be determined,		Edit "01" for the fourth and fifth digits.
The National Change of address (NCOA) label is present,		Underline the name control.
No address is shown on the return or attachments,	You must research IDRS for an address,	If no address is found route the return to Entity Control following local procedures using Form 13934, Entity Document/C&E Merge Transmittal.
The address has information other than a street address or P.O. Box,		Do not perfect. ISRP enters the complete address.

**Note:** Always circle out the In Care of symbol (c/o or %) if it is present with an address. Do not use the ampersand (&) or the percent symbol (%) when editing address information.

- (4) The U.S. Postal Service established new address requirements for APO/FPO/DPO addresses. If it is an old address (i.e., APO New York, NY 191XX), convert to the new state code abbreviation based on the zip code. (i.e., the previous example would be converted to APO AE 091XX). Consider APO/FPO/DPO addresses as domestic addresses. See the Conversion Chart below:

If	Then
Only the first three digits of the zip code can be determined,	Edit 01 for the fourth and fifth digits.
No address is shown on the return or attachments,	Route the return to Entity.

## 3.21 International Returns and Documents Analysis

### “Special Considerations”

- a. APO/FPO/DPO addresses use the following format:

Line:	EXAMPLE:
Payee Name	PVT. Willard J. Doe
Mailing Address	Company F. PSC Box 100 167 Infantry REGT
Payee City	APO, FPO or DPO
Payee State	AE, AA, or AP*
Payee ZIP Code	09801

**Note:** \*AE is the designation for ZIPs beginning with 090-098, AA for ZIP 340, and AP for ZIPs 962-966

- b. The following table is an APO/FPO/DPO Conversion Chart.

City Code: APO/FPO/DPO	State Code: AA/AE/AP	State Location	ZIP Code
APO	AA	Americas	34000–34049
FPO	AA	Americas	34050–34099
DPO	AA	Americas	340XX-340XX
APO	AE	Europe	090XX-094XX and 096XX
FPO	AE	Europe	095XX
DPO	AE	Europe	090XX-098XX
APO	AP	Pacific	962XX–965XX and 98700-98759
FPO	AP	Pacific	966XX and 98760-98799
DPO	AP	Europe	962XX-966XX

**DRAFT**

Form **1042** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons  
 Department of the Treasury Internal Revenue Service  
 Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

OMB No. 1545-0096  
**2024**

If this is an amended return, check here ☐

Name of withholding agent: **Poodle Enterprises** Employer identification number: **00-4451236**

Ch. 3 Status Code: **280** Ch. 4 Status Code: **897**

Number, street, and room or suite no. (If a P.O. box, see instructions.):  
**280 Marten Rd PO Box 897**  
 City or town, state or province, country, and ZIP or foreign postal code:  
**Dallas, TX 75260**

For IRS Use Only

CC	FD
RD	FF
CAF	FP
CR	I
EDC	SIC

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

**Section 1 Record of Federal Tax Liability** (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		24	7		41	7	

Figure 3.21.110-5 P.O. Box with Street Address Edits

**DRAFT**

Form **1042** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons  
 Department of the Treasury Internal Revenue Service  
 Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

OMB No. 1545-0096  
**2024**

If this is an amended return, check here ☐

Name of withholding agent: **Steve Hound Corp** Employer identification number: **00-8569973**

Ch. 3 Status Code: **318** Ch. 4 Status Code: **45**

Number, street, and room or suite no. (If a P.O. box, see instructions.):  
**318 Badger St 45 Moose St**  
 City or town, state or province, country, and ZIP or foreign postal code:  
**Wilmington, DE 19850**

For IRS Use Only

CC	FD
RD	FF
CAF	FP
CR	I
EDC	SIC

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

**Section 1 Record of Federal Tax Liability** (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		24	7		41	7	

Figure 3.21.110-6 Two Street Address Edits

3.21.110.18.5

(01-01-2023)

◆Entity Perfection – Foreign Address◆

- (1) Use Job Aid 2324–002, Coding and Editing BMF Tax Returns, Foreign Addresses Job Aid, to edit foreign addresses.

**Note:** Submission Processing BMF Foreign Address Job Aid provides examples for editing foreign addresses.

- (2) A foreign (international) address is any address not in the 50 states or the District of Columbia.
- (3) Consider returns with Army Post Office (APO)/Fleet Post Office (FPO)/Diplomatic Post Office (DPO) addresses as domestic addresses. See IRM 3.21.110.18.4, Entity Perfection - Domestic Address.
- (4) Route returns with a foreign address to Ogden Submission Processing Center (OSPC) for processing. Prepare Letter 86C, Referring Taxpayer Inquiry/Forms to Another Office, to inform the taxpayer the IRS sent the return to Ogden.
- (5) Consider returns with addresses in the following U.S. possessions/territories as foreign for processing purposes. Edit in the same way as domestic addresses.
- a. Edit a two-character alpha code for the Possession/Territory name:



U.S. Possession/Territory	Abbreviation
American Samoa	AS
Federated States of Micronesia	FM
Guam	GU
Marshall Islands	MH
Northern Mariana Islands	MP
Palau	PW
Puerto Rico	PR
Virgin Island (U.S.)	VI

- b. A ZIP code **must** be present for U.S. Possessions/Territories. Edit the ZIP code if one is not provided. See Exhibit 3.21.110-3, U.S. Possessions ZIP Codes.
- (6) All other foreign addresses are edited the same as a domestic address with the following exceptions:
- Ensure the foreign country is the last entry in the address.
  - Circle the foreign country and edit the country code preceded by a “/” and followed by a “/\$” (e.g., **/GM/\$** is edited for Germany). See Document 7475, State and Address Abbreviations, Major City Codes (MCCs), ZIP Codes and Countries, for official foreign Country Codes.
  - Edit a unique country code for returns filed with an address in Canada. **/\$** (e.g., **/CA/\$**).
  - If the foreign address is from Australia, Brazil, Cuba, Italy, Mexico, or the Netherlands, check if the address has a province, state, or territory.

**Note:** There may be other countries with provinces, states, and territories not listed above. See Coding and Editing BMF Tax Returns, Foreign Addresses Job Aid (Number 2324-002), for more information.

If	Then
A foreign state, province, or territory is present,	<ol style="list-style-type: none"> <li>Circle out the foreign state, province or territory name</li> <li>Edit correct abbreviation.</li> </ol>
A province, state or territory is not present,	Continue editing the return.
province, state or territory is shown in abbreviated format,	Continue editing the return.

**Note:** ISRP enters the two-digit state code

- A zip code is not required on a foreign address. Foreign addresses use a postal code that is entered before the foreign country and is part of the address.

3.21.110.19  
(01-01-2020)

**Entity Perfection of Tax Period**

- (1) All returns must have a tax period. If it is missing, incomplete, or illegible, search the return or attachments for the correct period. Edit the tax period to the left of the printed Tax Year in YYYY format.
- (2) The tax period is preprinted on this current annual return. Therefore, editing usually is not required unless the tax period is changed by the taxpayer or is other than the tax period being processed (i.e., Fiscal Year, Prior Year, Delinquent, or Early Filed). See Figure 3.21.110-1.
  - a. If the taxpayer has indicated a tax period other than the period shown on the preprinted return, edit the tax period based on the taxpayer's indication.
  - b. After searching, if you are still unable to determine the tax period, process the return for the annual year currently being processed.

3.21.110.20  
(01-01-2020)

**Record of Federal Tax Liability (ROFTL) (Lines 1 through 60)**

- (1) These lines contain the Tax Liabilities for each week of the tax year.
  - (2) If present, only numeric characters are valid.
  - (3) Entries must be present in the weekly Tax Liability lines when the monthly Tax Liability lines exceed \$2,000.
  - (4) Beginning with Tax Year 2011, a 2 percent (%) tax on specified federal procurement payments is included in the ROFTL. The total liability for specified federal procurement payments is reflected on Line 64d.
  - (5) If an entry on any monthly Tax Liability line is \$2,000 or less, and the weekly Tax Liability Lines for that month are blank, double arrow the amount from the monthly total to the last weekly Tax Liability line for that month.
- Note:** Do not edit SIC 1 after monthly liability is arrowed to weekly liability.
- (6) If an entry on any monthly Tax Liability line exceeds \$2,000, and if no amounts are entered on the weekly Tax Liability lines for that month, correspond.
  - (7) If there is an entry for the Total Net Tax Liability (Line 64e) and if Lines 1 thru 60 are blank, correspond for the missing ROFTL amounts.
    - a. Do not correspond for Lines 1 thru 60 if the total amount for Line 64e is

#  
#  
#

- (8) Entries on Lines 1 thru 60 cannot contain negative amounts. If any negative entries are present,
  - a. Edit SIC 1 and continue processing the return.
  - b. ISRP will not input the quarter monthly liability amounts.

3.21.110.21  
(11-12-2021)

**Schedule Indicator Code (SIC)**

- (1) A SIC is used to notify the computer the ROFTL is:
  - a. Incomplete,
  - b. Unnecessary, or
  - c. A penalty will not be assessed.
  - d. Monthly totals are missing.

## 3.21 International Returns and Documents Analysis

(2) Edit the Schedule Indicator Code to the SIC line of the “For IRS Use Only box” in the upper right-hand corner of Form 1042.

(3) **Edit a SIC 1** if any of the following conditions exist:

- a. Negative entries are present on Lines 1 thru 60.
- b. Monthly Money totals are missing.
- c. Lines 64b, 64c, and 64d equals Line 62c.
- d. There are money amounts shown on a nontaxable return. A nontaxable return is when Line 64e shows “None”, “Dash (-)”, N/A or a “zero” is present on it.
- e. The return is prepared under IRC 6020(b).
- f. Line 64e (Total Tax Liability) equals 0.
- g. Line 64a equals Line 64e.

**Note:** No editing of the ROFTL is necessary if SIC 1 is edited.

(4) **Edit a SIC 2** if any of the following conditions exist:

- CCC “J” is edited due to a notation of 3121 Agreement or VCP on the return. See also IRM 3.21.110.16.3.7, CCC R – Reasonable Cause for Failing to Timely File Return.
- TY 2017 only: CCC “J” is edited for an amount present on Line 62b(1).

3.21.110.22  
(11-12-2021)

### Number of Forms 1042-S Filed: Lines 61a and 61b

(1) Line 61a has the number of paper-filed Form 1042-S Copy A filed.

- a. Always verify the taxpayer’s information by counting the paper Forms 1042-S “Copy A” attached and comparing the number attached with the entry on Form 1042 Line 61a and on Form 1042-T Line 1d.

**Note:** If unable to verify (no Form 1042-S Copy A attached), accept taxpayer entry and take no action.

- b. If the entry on Line 61a is correct, take no action.
- c. If the entry on Line 61a is incorrect, delete the entry and edit the correct number to the line.
- d. If blank, edit the number of Form 1042-S Copy A attached.
- e. Do not correspond for Line 61a information or Form 1042-S if not attached.

**Note:** Always verify all information on the Form 1042 prior to detaching the Form 1042-S Copy A and Form 1042-T. If entity information is missing on Form 1042-S and/or Form 1042-T, edit from Form 1042 prior to detaching.

(2) Line 61b has the number of electronically filed Form 1042-S. Accept the taxpayer’s entry.

**Note:** If Line 61b has an entry, Line 61a is blank, and there are Form 1042-S, Copy A attached, edit the number of 1042-S Copy A attached to Line 61a. If the number attached equals the entry on Line 61b, consider Line 61b a misplaced entry and delete.

(3) If Line 61a and 61b are blank and there is no indication of the number of Form 1042-S filed (paper or electronic), on either the Form 1042 or any attachments, correspond.

**Note:** Do not correspond on a non-taxable return as shown by the words “none”, “zero”, “N/A” or a “dash (-)” on Line 64e. See IRM 3.21.110.15.2, Non-Taxable Returns with No Line Entries.

3.21.110.23  
(01-01-2015)  
**Total Gross Amounts  
Reported on all Forms  
1042-S and 1000 - Line  
62**

- (1) Line 62 is header information only.
- (2) Reporting components are broken down into 62a, b(1), b(2), c, and d.

3.21.110.23.1  
(11-15-2016)  
**Total U.S. source FDAP  
Income (other than U.S.  
source substitute  
payments) Reported -  
Line 62a**

- (1) “X” any negative entries.
- (2) If blank, take the following action:
  - a. Enter the amount from Form 1042-T, Line 2.
  - b. If no Form 1042-T is attached, total the amounts from Box 2 of all Form 1042-S Copy A, attached and edit the total to Form 1042, Line 62a. DO NOT include any amounts from Form 1042-S Copy B (C, D, and/or E).
- (3) If required to edit, entries must be made in Dollars and Cents.

3.21.110.23.2  
(01-01-2019)  
**Total U.S. Source  
Substitute Dividend  
Payments reported -  
Line 62b(1)**

- (1) May or may not be present.
- (2) “X” any negative entries.

3.21.110.23.3  
(01-01-2015)  
**Total U.S. Source  
Substitute Payments  
Reported Other than  
Substitute Dividend  
Payments - Line 62b(2)**

- (1) May or may not be present.
- (2) “X” any negative entries.

3.21.110.23.4  
(11-15-2016)  
**Total Gross Amounts  
Reported - Line 62c**

- (1) May or may not be present.
- (2) If blank and there are entries leading to a total, compute and enter by adding lines 62a-b.
- (3) If required to edit, entries must be made in dollars and cents.
- (4) “X” any negative entries.

3.21.110.23.5  
(11-14-2017)  
**Gross Amounts Actually  
Paid if Different from  
Gross Amounts  
Reported - Line 62d**

- (1) May or may not be present.
- (2) All amounts must be positive.
- (3) “X” a negative entry.
- (4) If required to edit, entries must be edited in dollars and cents.

- (5) If the return is completely blank, follow instructions in IRM 3.21.110.15.2, Non-Taxable Returns With No Line Entries.

3.21.110.24  
(01-01-2015)

**Total Tax Reported as  
Withheld or Paid by  
Withholding Agent on all  
Forms 1042-S and 1000 -  
Line 63**

- (1) Line 63 is not a reporting field; it has header information only.  
(2) Reporting information is broken down in 63a, b(1), b(2), c(1), c(2), d, and e.

3.21.110.24.1  
(01-01-2015)

**Tax Withheld by  
Withholding Agent - Line  
63a**

- (1) May or may not be present.  
(2) "X" any negative entry.

3.21.110.24.2  
(01-01-2015)

**For Payments Other  
than Substitute  
Dividends - Line 63b(1)**

- (1) May or may not be present.  
(2) "X" any negative entry.

3.21.110.24.3  
(01-01-2015)

**For Substitute Dividends  
- Line 63b(2)**

- (1) May or may not be present.  
(2) "X" any negative entry.

3.21.110.24.4  
(11-19-2024)

**Adjustments to  
Withholding - Line 63c**

- (1) Line 63c is not a reporting field and contains header information only.  
(2) Reporting information is broken down in 63c(1) and 63c(2).  
(3) Line 63c, Adjustments to Overwithholding must equal the total of amounts in box 9, Overwithheld tax repaid to recipient pursuant to adjustment procedures, on all Form 1042-S filed by the withholding agent for the calendar year.

3.21.110.24.4.1  
(11-15-2016)

**Adjustments to  
Overwithholding - Line  
63c(1)**

- (1) May or may not be present, accept taxpayer's entry.  
(2) Entry is always a negative number.

3.21.110.24.4.2  
(11-15-2016)

**Adjustments to  
Underwithholding - Line  
63c(2)**

- (1) May or may not be present.  
(2) "X" a negative entry.

3.21.110.24.5  
(04-08-2016)

**Tax Paid by Withholding  
Agent - Line 63d**

- (1) May or may not be present.  
(2) "X" any negative entry.

(3) Delete entry if that line is being used as a subtotal line (i.e., Line 63a=63d=63e).

(4) This line must match the total of amounts in box 11 on all Form 1042-S.

3.21.110.24.6  
(01-01-2024)

**Total Tax Reported as  
Withheld or Paid - Line  
63e**

(1) "X" a negative entry.

(2) If Line 63e is blank:

And	Then
There are entries on Lines 63a-d,	Compute and edit to Line 63e.
Lines 63a-d are blank, and Form 1042-T is attached,	Edit the amount from Line 3a and 3b on Form 1042-T to Line 63e.
Lines 63a-d are blank, Form 1042-T is NOT attached, and one or more Form 1042-S Copy A are attached,	Compute Line 63e as follows: 1. Add amounts from 1042-S, Copy A boxes 10 plus 11. 2. Edit the total to Line 63e of Form 1042.

3.21.110.25  
(01-01-2015)

**Total Net Tax Liability -  
Line 64**

(1) Line 64 is not a reporting field; it has header information only.

(2) Reporting information is broken down in 64a, b, c, d, and e.

3.21.110.25.1  
(01-01-2020)

**Adjustments to Total Net  
Tax Liability - Line 64a**

(1) May or may not be present.

(2) May be positive or negative.

(3) TY15 and prior: A statement justifying the adjustment must be attached. Correspond if missing using Letter 1791C CAS, and open paragraph 0 (zero) with the following literal: **"Your Form 1042 for tax year xxxx contains an amount listed as an adjustment to total net tax liability. A statement justifying the adjustment must be attached. Please submit the required statement."**

**Note:** TY15 and prior - Any document stating the reason for underwithholding is acceptable.

3.21.110.25.2  
(04-28-2017)

**Total Net Tax Liability  
Under Chapter 3 - Line  
64b**

(1) May or may not be present.

(2) "X" any negative entries.

(3) If Line 64a-64d are blank and 64e has an entry, edit the Line 64e amount to Line 64b.

3.21.110.25.3 (1) May or may not be present.  
(11-14-2017)  
**Total Net Tax Liability Under Chapter 4 - Line 64c** (2) "X" any negative entries.

3.21.110.25.4 (1) May or may not be present.  
(01-01-2015)  
**Excise Tax on Specified Federal Procurement Payments - Line 64d** (2) "X" any negative entry.

3.21.110.25.5 (1) Perfect Line 64e as follows:  
(01-01-2020)  
**Total Net Tax Liability - Line 64e**

If	Then
Line 64e is blank,	Compute Line 64e by adding Line 64a thru 64d. Edit to Line 64e.
If lines 64a - 64e are blank, and there <b>are</b> money amounts on lines 1 - 60,	Correspond for missing information on Lines 64a - 64e. Use Letter 1791C CAS, use paragraph L. <b>Note:</b> Do not correspond on a non-taxable return as indicated by the words "none", "zero", "N/A", or a "dash (-)" on Line 64e.
Line 64e has entry and Lines 64a-64d are blank,	Edit the Line 64e amount to Line 64b.
Line 64e is negative,	"X" Line 64e.

3.21.110.26 (1) Line 65 is not a reporting field, it is header information only.  
(11-15-2016)  
**Total Paid by Electronic Funds Transfer (EFTPS) - Line 65** (2) Reporting information is broken down in 65a and 65b.

3.21.110.26.1 (1) May or may not be present.  
(11-15-2016)  
**Total Paid During Calendar Year - Line 65a** (2) X a negative amount.

3.21.110.26.2 (1) May or may not be present.  
(11-19-2024)  
**Total Paid During Subsequent Year - Line 65b** (2) X a negative amount.  
(3) Enter CCC **D** when **ALL** the following applies:

- There is an entry on 65b, Total paid during subsequent year.
- Withholding Agent's Chapter 3 status code is equal to "08" or "09".

3.21.110.27 (1) May or may not be present.  
(01-01-2015)

**Overpayment Applied as** (2) "X" a negative amount.  
**Credit from Prior Year -**  
**Line 66**

3.21.110.28 (1) All amounts must be positive and may or may not be present.  
(11-19-2024)

**Credit for Amounts** (2) "X" a negative amount.  
**Withheld by Other**  
**Withholding Agents -** (3) Entries on Line 67a and Line 67b must be substantiated by attaching a copy of  
**Lines 67a and 67b** Form 1042-S, Copy B (C, D, and/or E), or Form 1099. Review Form 1042 for supporting documentation.

- a. The Recipient's name on the Form 1042-S (Box 13a) must be the same as the filer's name on the Form 1042, and the Recipient Chapter 3 Status Code (Form 1042-S Box 13f) must be 09, 11, 12, 13, 14, or 35.

**Note:** The Withholding Agent named on the Form 1042-S Box 12d may not also be the recipient on Form 1042-S box 13a.

**Note:** Chapter 3 status codes 13, 14, and 35 cannot be used for Forms 1042 filed for calendar years starting on or after January 1, 2025.

- b. If the **Recipient's name** on the attached recipient's copy of Form 1042-S (box 13a) is **unknown recipient** (or some variation of **unknown recipient**), then the **Intermediary or Flow-through entity's name** on the recipient's copy of Form 1042-S (box 15d), must match the **filer's name** on Form 1042; and the **chapter 3 status code** on Form 1042-S (box 15b) must be 08, 10, 25, or 39.

**Note:** The Withholding Agent named on the Form 1042-S (box 12d) may not also be the Intermediary on the Form 1042-S.

- c. If a recipient copy of Form 1099 is attached, the recipient's name on the Form 1099 must be the same as the filer name on the Form 1042.  
d. If none of the above apply, delete the amount claimed on Line 67a or 67b, unless (4) or (5) applies.

**Note:** It is not necessary to math verify amounts on Lines 67a and 67b.

- (4) If the Form 1042-S is missing and a credit is claimed for U.S. source substitute dividends paid from a withholding agent that has not issued a Form 1042-S, the filer may attach a statement to Form 1042 to support the amount on Line 67b with all the following info:

- The withholding agent's name, address, and EIN (if known).
- The amount of U.S. source substitute dividends received from the withholding agent.
- The amount of credit forward included in connection with these substitute dividends.

**Exception:** This will no longer be applicable for Forms 1042 filed for calendar years starting on or after January 1, 2025.



If	Then
	allow the credit.
	follow instructions in (6).

#  
#  
#  
#  
#

- (5) If the taxpayer attaches a letter signed by a “U.S. Competent Authority” instead of Form 1042-S Copy B, accept the withholding amounts claimed.
- (6) If Form 1042-S, Copy B (C, D, and/or E) is missing, and no acceptable substitute statement is attached (e.g. Form 1099-INT or Form 1099-DIV), correspond using Letter 1791C CAS, and mark paragraph line 5.

#

- (7) Form 1042-S, Copy B or Form 1099 must remain attached to Form 1042 to substantiate the amount of withholding at source claimed on lines 67a and 67b. See Figure 3.21.110-7a and 7b.

**DRAFT**

Form **1042** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons OMB No. 1545-0096  
 Department of the Treasury Internal Revenue Service Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information. **2024**

If this is an amended return, check here ☐

Name of withholding agent **Don Deer DRMR** Employer identification number **00-1261964**

Ch. 3 Status Code **02** Ch. 4 Status Code **00**

Number, street, and room or suite no. (If a P.O. box, see instructions.) **500 Tiger Drive**

City or town, state or province, country, and ZIP or foreign postal code **Omaha, NE 68108**

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

**For IRS Use Only**

CC <b>S</b>	FD
RD	FF
CAF	FP
CR	I
EDC	SIC

**DRAFT**

Form 1042 (2023) Page **2**

**63** Total tax reported as withheld or paid by withholding agent on all Forms 1042-S and 1000:

a Tax withheld by withholding agent	63a	<b>15000</b>
b Tax withheld by other withholding agents:		
(1) For payments other than substitute dividends	63b(1)	
(2) For substitute dividends	63b(2)	
c Adjustments to withholding:		
(1) Adjustments to overwithholding	63c(1)	
(2) Adjustments to underwithholding	63c(2)	
d Tax paid by withholding agent	63d	
e <b>Total tax reported as withheld or paid</b> (add lines 63a-d)	63e	<b>15000</b>

**Computation of Tax Due or Overpayment**

<b>64</b> Total net tax liability		
a Adjustments to total net tax liability	64a	
b Total net tax liability under chapter 3	64b	<b>15000</b>
c Total net tax liability under chapter 4	64c	
d Excise tax on specified federal procurement payments (total payments made x 2% (0.02))	64d	
e <b>Total net tax liability</b> (add lines 64a-d)	64e	<b>15000</b>
<b>65</b> Total paid by electronic funds transfer (or with a request for extension of time to file):		
a Total paid during calendar year	65a	
b Total paid during subsequent year	65b	
<b>66</b> Enter overpayment applied as credit from 2022 Form 1042	66	
<b>67</b> Credit for amounts withheld by other withholding agents:		
a For payments other than substitute dividend payments	67a	<b>20000</b>
b For substitute dividend payments	67b	
<b>68</b> <b>Total payments.</b> Add lines 65 through 67	68	<b>20000</b>
<b>69</b> If line 64e is larger than line 68, enter balance due here	69	
<b>70a</b> Enter overpayment attributable to overwithholding on U.S. source income of foreign persons	70a	
b Enter overpayment attributable to excise tax on specified federal procurement payments	70b	<b>5000</b>
<b>71</b> Apply overpayment (sum of lines 70a and 70b) to (check one):		
<input type="checkbox"/> Credit on 2024 Form 1042 or <input checked="" type="checkbox"/> Refund		

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Your signature **Don Deer** Date **2/3/25** Capacity in which acting

Print/Type preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

Firm's name Firm's EIN

Firm's address Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 11384V Form **1042** (2024)

Figure 3.21.110-7a Form 1042 with QI 1042-S

DRAFT

DO NOT DETACH FROM 1042

Form **1042-S**

Department of the Treasury  
Internal Revenue Service

Foreign Person's U.S. Source Income Subject to Withholding

Go to [www.irs.gov/Form1042S](https://www.irs.gov/Form1042S) for instructions and the latest information.

2024

OMB No. 1545-0096

Copy B  
for Recipient

UNIQUE FORM IDENTIFIER ☐ AMENDED ☐ AMENDMENT NO.

1 Income code <b>24</b>	2 Gross income <b>200,000</b>	3 Chapter indicator. Enter "3" or "4" <b>3</b>	13e Recipient's U.S. TIN, if any <b>00-1261964</b>	13f Ch. 3 status code <b>12</b>
		3a Exemption code	4a Exemption code	13g Ch. 4 status code
		3b Tax rate <b>10.00</b>	4b Tax rate	13h Recipient's GILIN
5 Withholding allowance				13i Recipient's foreign tax identification number, if any
6 Net income				13j LOB code
7a Federal tax withheld			13k Recipient's account number	
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input checked="" type="checkbox"/>			13l Recipient's date of birth (YYYYMMDD)	
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>				
8 Tax withheld by other agents <b>20,000</b>			14a Primary Withholding Agent's Name (if applicable)	
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions)			14b Primary Withholding Agent's EIN	15 Check if pro-rata basis reporting <input type="checkbox"/>
10 Total withholding credit (combine boxes 7a, 8, and 9) <b>20,000</b>			15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code
11 Tax paid by withholding agent (amounts not withheld) (see instructions)			15c Ch. 4 status code	
12a Withholding agent's EIN <b>00-0203780</b>	12b Ch. 3 status code <b>02</b>	12c Ch. 4 status code	15d Intermediary or flow-through entity's name	
12d Withholding agent's name <b>Orallo LLC</b>			15e Intermediary or flow-through entity's GILIN	
12e Withholding agent's Global Intermediary Identification Number (GILIN)			15f Country code	15g Foreign tax identification number, if any
12f Country code <b>SP</b>	12g Foreign tax identification number, if any		15h Address (number and street)	
12h Address (number and street) <b>Calle de Poqueira 1703</b>			15i City or town, state or province, country, ZIP or foreign postal code	
12i City or town, state or province, country, ZIP or foreign postal code <b>46011 Valencia Spain</b>			16a Payer's name	16b Payer's TIN
13a Recipient's name <b>Don Deer DRMR</b>	13b Recipient's country code <b>OC</b>		16c Payer's GILIN	16d Ch. 3 status code
13c Address (number and street) <b>500 Tiger Drive</b>			16e Ch. 4 status code	
13d City or town, state or province, country, ZIP or foreign postal code <b>Omaha, NE 68108</b>			17a State income tax withheld	17b Payer's state tax no.
			17c Name of state	

(keep for your records)

Form **1042-S** (2024)

Figure 3.21.110-7b Form 1042-S remaining attached to Form 1042

(8) Intermediary Form 1042-S:

If	And	Then
Form 1042-S, Copy A is attached,	It was issued by another withholding agent,	<div>1. Line thru the "A",</div> <div>2. Edit a "B" to the right side of the "A", and</div> <div>3. Attach the 1042-S to the 1042.</div>

If	And	Then
Form 1042-S, Copy A, B, C, D, or E is attached,	Form 1042-T is also attached,	Detach Form 1042-T and Form 1042-S, Copy A, and forward them together to Batching and Numbering for processing. See Figure 3.21.110-8a, 8b, and 8c. <b>Note:</b> Leave Form 1042-S, Copies B, C, D, and E attached to the 1042 return.
Form 1042-S is attached,	The taxpayer is an Intermediary, BUT the supporting 1042-S documentation for the entry on lines 67a and 67b is not a different withholding agent (i.e., it is the same withholding agent/taxpayer),	Prepare Letter 1791C CAS, to correspond for the correct Form 1042-S document that does not list the taxpayer as the withholding agent.

DRAFT

DO NOT STAPLE

Form <b>1042-T</b> Department of the Treasury Internal Revenue Service	<b>Annual Summary and Transmittal of Forms 1042-S</b> Go to <a href="http://www.irs.gov/Form1042T">www.irs.gov/Form1042T</a> for the latest information.	OMB No. 1545-0096 <b>2024</b>
Name of withholding agent <b>Don Deer DRMR</b>	Ch. 4 status code <input type="checkbox"/> Ch. 3 status code <b>02</b>	Employer identification number <b>00-1261964</b>
Number, street, and room or suite no. <b>500 Tiger Drive</b>		
City or town, state or province, country, and ZIP or foreign postal code <b>Omaha NE 68108</b>		
<p><b>1</b> Type of paper Forms 1042-S attached:</p> <p><b>a</b> Choose only one: <input checked="" type="checkbox"/> Chapter 4 or chapter 3 (enter 4 or 3)</p> <p><b>b</b> Check only one box: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amended</p> <p><b>c</b> Check if pro rata <input type="checkbox"/></p> <p><b>d</b> Enter the number of paper Forms 1042-S attached <u>2</u></p> <p><b>e</b> Check if you are a partnership reporting withholding that occurred in the subsequent year. See instructions. <input type="checkbox"/></p> <p><b>f</b> Check if you are a Qualified Intermediary, Withholding Foreign Partnership, or Withholding Foreign Trust revising its reporting on Form 1042-S to report to a specific recipient. See instructions. <input type="checkbox"/></p> <p><b>2</b> Total gross income reported on all paper Forms 1042-S (box 2) attached . . . . . \$ <b>150,000</b></p> <p><b>3</b> Total federal tax withheld on all paper Forms 1042-S attached:</p> <p><b>a</b> Total federal tax withheld under chapter 4 . . . . . \$</p> <p><b>b</b> Total federal tax withheld under chapter 3 . . . . . \$ <b>15,000</b></p> <p><b>Caution:</b> If you have already filed a Form 1042 and an attached Form 1042-S causes the gross income or tax withheld information shown on your previously filed Form 1042 to change, you must file an amended Form 1042. See the instructions on page 2.</p> <p>If this is your FINAL return, enter an "X" here. See instructions. <input type="checkbox"/></p>		
Please return this entire page to the Internal Revenue Service.		
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.	
Your signature <i>Don Dachshund</i>	Title	Date <b>3/13/25</b> Daytime phone number
For more information and the Privacy Act and Paperwork Reduction Act Notice, see Form 1042-S.		Cat. No. 28848W Form <b>1042-T</b> (2024)

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03192025  
OGDEN, UT  
100 IRS-OSC

Figure 3.21.110-8a Detaching Form 1042-T to Accompany All 1042-S, Copies A

<b>DRAFT</b>		<b>DETACH</b>	
<b>Form 1042-S</b> Department of the Treasury Internal Revenue Service		<b>Foreign Person's U.S. Source Income Subject to Withholding</b> Go to <a href="http://www.irs.gov/Form1042S">www.irs.gov/Form1042S</a> for instructions and the latest information.	
OMB No. 1545-0096 <b>Copy A</b> for Internal Revenue Service		<b>2024</b>	
UNIQUE FORM IDENTIFIER <input type="checkbox"/> AMENDED <input type="checkbox"/> AMENDMENT NO.		1 Income code <b>25</b>	
2 Gross income <b>30,000</b>		3 Chapter indicator. Enter "3" or "4" <b>3</b>	
3a Exemption code		4a Exemption code	
3b Tax rate <b>10.00</b>		4b Tax rate	
5 Withholding allowance		13e Recipient's U.S. TIN, if any <b>000-00-5555</b>	
6 Net income		13f Ch. 3 status code <b>16</b>	
7a Federal tax withheld <b>3,000</b>		13g Ch. 4 status code	
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>		13h Recipient's GILN	
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>		13i Recipient's foreign tax identification number, if any	
8 Tax withheld by other agents		13j LOB code	
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ( )		13k Recipient's account number	
10 Total withholding credit (combine boxes 7a, 8, and 9) <b>3,000</b>		13l Recipient's date of birth (YYYYMMDD)	
11 Tax paid by withholding agent (amounts not withheld) (see instructions)		14a Primary Withholding Agent's Name (if applicable)	
12a Withholding agent's EIN <b>00-1261964</b>		14b Primary Withholding Agent's EIN	
12b Ch. 3 status code <b>02</b>		15 Check if pro-rata basis reporting <input type="checkbox"/>	
12c Ch. 4 status code		15a Intermediary or flow-through entity's EIN, if any	
12d Withholding agent's name <b>Don Deer DRMR</b>		15b Ch. 3 status code	
12e Withholding agent's Global Intermediary Identification Number (GILN)		15c Ch. 4 status code	
12f Country code <b>OC</b>		15d Intermediary or flow-through entity's name	
12g Foreign tax identification number, if any		15e Intermediary or flow-through entity's GILN	
12h Address (number and street) <b>500 Tiger Drive</b>		15f Country code	
12i City or town, state or province, country, ZIP or foreign postal code <b>Omaha NE 68108</b>		15g Foreign tax identification number, if any	
13a Recipient's name <b>Wilma Fisher</b>		15h Address (number and street)	
13b Recipient's country code <b>OC</b>		15i City or town, state or province, country, ZIP or foreign postal code	
13c Address (number and street) <b>323 Buffalo Lane</b>		16a Payer's name	
13d City or town, state or province, country, ZIP or foreign postal code <b>Phoenix, AZ 85026</b>		16b Payer's TIN	
16c Payer's GILN		16d Ch. 3 status code	
17a State income tax withheld		16e Ch. 4 status code	
17b Payer's state tax no.		17c Name of state	

For Privacy Act and Paperwork Reduction Act Notice, see instructions.
 Cat. No. 11386R      Form **1042-S** (2024)

Figure 3.21.110-8b Detaching a Form 1042-S, Copy A

Form <b>1042-S</b>		Foreign Person's U.S. Source Income Subject to Withholding		2024	OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		Go to <a href="http://www.irs.gov/Form1042S">www.irs.gov/Form1042S</a> for instructions and the latest information.		Copy A for Internal Revenue Service		
		UNIQUE FORM IDENTIFIER		AMENDED <input type="checkbox"/> AMENDMENT NO.		
1 Income code <b>25</b>	2 Gross income <b>120,000</b>	3 Chapter indicator. Enter "3" or "4" <b>3</b>	3a Exemption code	3b Tax rate <b>10.00</b>	3c Recipient's U.S. TIN, if any <b>000-00-4125</b>	13f Ch. 3 status code <b>16</b>
5 Withholding allowance		3d Exemption code		3h Recipient's GILN		13g Ch. 4 status code
6 Net income		3e Tax rate		13i Recipient's foreign tax identification number, if any		13j LOB code
7a Federal tax withheld <b>12,000</b>		3f Tax rate		13k Recipient's account number		
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>		3g Tax rate		13l Recipient's date of birth (YYYYMMDD)		
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>		3h Tax rate		14a Primary Withholding Agent's Name (if applicable)		
8 Tax withheld by other agents		3i Tax rate		14b Primary Withholding Agent's EIN		
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions)		3j Tax rate		15 Check if pro-rata basis reporting <input type="checkbox"/>		
10 Total withholding credit (combine boxes 7a, 8, and 9) <b>12,000</b>		3k Tax rate		15a Intermediary or flow-through entity's EIN, if any		
11 Tax paid by withholding agent (amounts not withheld) (see instructions)		3l Tax rate		15b Ch. 3 status code		
12a Withholding agent's EIN <b>00-1261964</b>		3m Tax rate		15c Ch. 4 status code		
12b Ch. 3 status code <b>02</b>		3n Tax rate		15d Intermediary or flow-through entity's name		
12c Ch. 4 status code		3o Tax rate		15e Intermediary or flow-through entity's GILN		
12d Withholding agent's name <b>Don Deer DRMR</b>		3p Tax rate		15f Country code		
12e Withholding agent's Global Intermediary Identification Number (GILN)		3q Tax rate		15g Foreign tax identification number, if any		
12f Country code <b>OC</b>		3r Tax rate		15h Address (number and street)		
12g Foreign tax identification number, if any		3s Tax rate		15i City or town, state or province, country, ZIP or foreign postal code		
12h Address (number and street) <b>500 Tiger Drive</b>		3t Tax rate		16a Payer's name		
12i City or town, state or province, country, ZIP or foreign postal code <b>Omaha NE 68108</b>		3u Tax rate		16b Payer's TIN		
13a Recipient's name <b>Fred Ferret</b>		3v Tax rate		16c Payer's GILN		
13b Recipient's country code <b>OC</b>		3w Tax rate		16d Ch. 3 status code		
13c Address (number and street) <b>323 Fox Lane</b>		3x Tax rate		16e Ch. 4 status code		
13d City or town, state or province, country, ZIP or foreign postal code <b>Phoenix, AZ 85026</b>		3y Tax rate		17a State income tax withheld		
		3z Tax rate		17b Payer's state tax no.		
		3aa Tax rate		17c Name of state		

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 11386R Form **1042-S** (2024)

Figure 3.21.110-8c Detaching a Form 1042-S, Copy A

3.21.110.29  
(01-01-2023)

**Total Payments - Line 68**

- (1) If Line 68 is blank or negative, and there are entries on Lines 65 thru 67, calculate and edit the amount on Line 68.

- If the total is 0 or greater, edit the amount on Line 68.
- If the total is less than 0 (negative), "X" Line 68.
- If lines 65a through 67b are blank and there is an amount on line 68, then arrow the amount on line 68 to line 69.

**Note:** If you identify a potential Erroneous Refund Return, (see IRM 3.12.38, BMF General Instructions, for more instructions), contact the lead or manager, as you may be advised to place the return in the locally designated basket for further review by Examination.

3.21.110.30  
(01-01-2015)

**Balance Due - Line 69**

- An entry may or may not be present.
- Perfect Line 69 by subtracting Line 68 from Line 64e.
- If the taxpayer has included penalty or interest in the amount for balance due, then subtract the penalty/interest from Line 69 and edit the correct amount to Line 69.

3.21.110.29

Internal Revenue Manual

Cat. No. 34025X (11-19-2024)  
Any line marked with a #  
is for **Official Use Only**

3.21.110.31  
(01-01-2023)

**Overpayment - Lines 70a  
and 70b**

- (1) If lines 70a and 70b are both blank and Line 68 is greater than Line 64e, do the following:

- a. Perfect Line 70a by subtracting Line 64e from Line 68 and enter the result on Line 70a

**Exception:** If there is an overpayment (Line 68 is greater than Line 64e), and the only liability reported is on Line 64d (i.e., lines 64a-64c are blank and only Line 64d includes an amount and that amount is equal to the total net tax liability on Line 64e if completed), then enter the overpayment on Line 70b.

- (2) Take the following actions if Line 70a and/or 70b is \$1.00 or more and the following conditions exist:

If	Then
The "Credit" box is checked on Line 71,	Edit CCC "E" on the CC line of the "For IRS Use Only" box in the right corner of Form 1042.
The "Refund" box is checked,	Edit CCC "S" on the CC line of the "For IRS Use Only" box in the right corner of Form 1042.
Neither box or both boxes are checked, and the return is not final,	Edit CCC "E" on the CC line of the "For IRS Use Only" box in the right corner of Form 1042.
Neither box or both boxes are checked, and the return is a final,	Edit CCC "F" and CCC "S" on the CC line of the "For IRS Use Only" box in the right corner of Form 1042. See Figure 3.21.110-9.
Attachment requesting money be refunded,	Edit CCC "S" on the CC line of the "For IRS Use Only" box in the right corner of Form 1042.

**Caution:** If this is an Excise Tax only return (the only return entries are in ROFTL and the same amount is on Line 64d), and the Refund box is checked, edit a CCC "X". See IRM 3.21.110.16.3.10, CCC "X".



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Form **1042**  
Department of the Treasury  
Internal Revenue Service

**Annual Withholding Tax Return for U.S. Source  
Income of Foreign Persons**  
Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

OMB No. 1545-0096  
**2024**

If this is an amended return, check here ☐

Name of withholding agent  
**Seal and Otter Inc.**

Employer identification number  
**00-9517532**

For IRS Use Only

Ch. 3 Status Code  
**CC**

Ch. 4 Status Code  
**F S**

FD

RD

FF

CAF

FP

CR

I

EDC

SIC

Number, street, and room or suite no. (If a P.O. box, see instructions.)  
**4391 Fisher Dr.**

City or town, state or province, country, and ZIP or foreign postal code  
**Salt Lake City, UT 84100**

If you do not expect to file this return in the future, check here ☒ Enter date final income paid  
**12/31/24**

**Section 1 Record of Federal Tax Liability** (do not show federal tax deposits here)

DRAFT

Form 1042 (2024)Page 2

63 Total tax reported as withheld or paid by withholding agent on all Forms 1042-S and 1000:

a Tax withheld by withholding agent63a2000.00

b Tax withheld by other withholding agents:

(1) For payments other than substitute dividends63b(1)

(2) For substitute dividends63b(2)

c Adjustments to withholding:

(1) Adjustments to overwithholding63c(1)

(2) Adjustments to underwithholding63c(2)

d Tax paid by withholding agent63d

e Total tax reported as withheld or paid (add lines 63a-d)63e2000.00

**Computation of Tax Due or Overpayment**

64 Total net tax liability

a Adjustments to total net tax liability64a2000.00

b Total net tax liability under chapter 364b100.00

c Total net tax liability under chapter 464c

d Excise tax on specified federal procurement payments (total payments made x 2% (0.02))64d

e Total net tax liability (add lines 64a-d)64e2100.00

65 Total paid by electronic funds transfer (or with a request for extension of time to file):

a Total paid during calendar year65a200.00

b Total paid during subsequent year65b

66 Enter overpayment applied as credit from 2022 Form 1042662000.00

67 Credit for amounts withheld by other withholding agents:

a For payments other than substitute dividend payments67a

b For substitute dividend payments67b

68 Total payments. Add lines 65 through 67682200.00

69 If line 64e is larger than line 68, enter balance due here69

70a Enter overpayment attributable to overwithholding on U.S. source income of foreign persons70a100.00

b Enter overpayment attributable to excise tax on specified federal procurement payments70b

71 Apply overpayment (sum of lines 70a and 70b) to (check one):

☐ Credit on 2024 Form 1042 or ☐ Refund

**Section 2 Reconciliation of Payments of U.S. Source FDAP Income**

1 Total U.S. source FDAP income required to be withheld upon under chapter 41

2 Total U.S. source FDAP income reported under chapter 42

3 Total U.S. source FDAP income required to be withheld upon under chapter 43

Figure 3.21.110-9

- 3.21.110.32  
(01-01-2020)  
Credit Elect or Refund  
Checkbox - Line 71

(1) This is a one position field that identifies whether the withholding agent has elected to apply their overpayment as a credit on next year's Form 1042 account or request a refund of their overpayment. See IRM 3.21.110.31, Overpayment – Lines 70a and 70b for possible CCC “E” or CCC “S” editing.
- 3.21.110.33  
(11-15-2016)  
Section 2 -  
Reconciliation of  
Payments of U.S. Source  
FDAP Income

(1) This section was added to the 2014 Form 1042 for withholding agents to reconcile amounts of U.S. source FDAP income reportable under chapter 4 with amounts of U.S. source FDAP income reported on all Forms 1042-S. This section was OPTIONAL for 2014 and required for 2015 and later.

#

3.21.110.33.1 (1) Accept taxpayer's entry.  
(01-01-2015)

**Section 2 Line 1 - Total  
U.S. Source FDAP  
Income Required to be  
Withheld Under Chapter  
4**

3.21.110.33.2 (1) Section 2 Line 2 is not a reporting field and is header information only.  
(11-14-2017)

**Section 2 Line 2a-e -  
Total U.S. Source FDAP  
Income Reported With  
No Withholding  
Requirement Under  
Chapter 4**

(2) Reporting components are broken down into Lines 2a, 2b, 2c, 2d, and 2e.

3.21.110.33.2.1 (1) Accept taxpayer's entry.  
(10-27-2015)

**Section 2 Line 2a -  
Amount of Income Paid  
to Recipients With No  
Chapter 4 Withholding  
Requirements**

3.21.110.33.2.2 (1) Accept taxpayer's entry.  
(10-27-2015)

**Section 2 Line 2b -  
Amount of Excluded  
Nonfinancial Payments**

3.21.110.33.2.3 (1) Accept taxpayer's entry.  
(10-27-2015)

**Section 2 Line 2c -  
Amount of Income Paid  
With Respect to  
Grandfathered  
Obligations**

3.21.110.33.2.4 (1) Accept taxpayer's entry.  
(10-27-2015)

**Section 2 Line 2d -  
Amount of Income  
Connected With the  
Conduct of a Trade or  
Business in the U.S.**

- 3.21.110.33.3  
(11-14-2017)  
**Section 2 Line 2e - Total U.S. Source FDAP Income Required to be Reported Under Chapter 4 but Not Required to be Withheld Upon Under Chapter 4**
- (1) Accept taxpayer's entry.
- (2) If blank and there are entries leading to a total, compute and edit by adding Lines 2a-2d.
- 3.21.110.33.4  
(11-14-2017)  
**Section 2 Line 3 - Total U.S. Source FDAP Income Reportable Under Chapter 4**
- (1) Accept taxpayer's entry.
- (2) If blank and there are entries leading to a total, compute and edit by adding Lines 1 and 2e.
- 3.21.110.33.5  
(11-15-2016)  
**Section 2 Line 4 - Total U.S. FDAP Income Reported on all Forms 1042-S**
- (1) Accept taxpayer's entry.
- (2) If blank, compute and edit by adding Lines 62a, 62b(1) and 62b(2) in Section 1.
- Note:** Do not compute and edit if Section 2 is blank. See IRM 3.21.110.33, Section 2 - Reconciliation of Payments of U.S. Source FDAP Income.
- 3.21.110.33.6  
(11-14-2017)  
**Section 2 Line 5 - Total Variance**
- (1) Accept taxpayer's entry.
- (2) If blank, compute and edit by subtracting Line 3 from Line 4.
- (3) Entry may be positive or negative.
- 3.21.110.33.7  
(01-01-2020)  
**Section 2 Line 6 - Variance Explanation Indicator**
- (1) If explanation is present, edit a "1" in the right margin area of Line 6. See Figure 3.21.110-10.
- (2) If explanation is NOT present, but is required, edit a "0" in the right margin area of Line 6.

#  
#

**DRAFT**

70a Overpayment attributable to excise tax on U.S. source income of foreign persons . . . . . 70a

b Enter overpayment attributable to excise tax on specified federal procurement payments . . . . . 70b

71 Apply overpayment (sum of lines 70a and 70b) to (check one):  
☐ Credit on 2024 Form 1042 or ☐ Refund

**Section 2 Reconciliation of Payments of U.S. Source FDAP Income**

1	Total U.S. source FDAP income required to be withheld upon under chapter 4 . . . . .	1	200
2	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 because:		
a	Amount of income paid to recipients whose chapter 4 status established no withholding is required . . . . .	2a	100
b	Amount of excluded nonfinancial payments . . . . .	2b	
c	Amount of income paid with respect to grandfathered obligations . . . . .	2c	400
d	Amount of income effectively connected with the conduct of a trade or business in the United States . . . . .	2d	500
e	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 (add lines 2a-d) . . . . .	2e	1000
3	Total U.S. source FDAP income reportable under chapter 4 (add lines 1 and 2e) . . . . .	3	1200
4	Total U.S. source FDAP income reported on all Forms 1042-S (from lines 62a, 62b(1), and 62b(2)) . . . . .	4	1500
5	Total variance, subtract line 3 from line 4; if amount other than zero, provide explanation on line 6 . . . . .	5	300
6	<i>The variance is a reflection from last year.</i>		

**Section 3 Potential Section 871(m) Transactions**  
Check here if any payments (including gross proceeds) were made by the withholding agent under a potential section 871(m) transaction, including a notional principal contract or other derivatives contract that references (in whole or in part) a U.S. stock or other underlying security. See instructions . . . . . ☐

**Section 4 Dividend Equivalent Payments by a Qualified Derivatives Dealer (QDD)**  
Check here if any payments were made by a QDD . . . . . ☐  
If the box is checked, you must do the following.  
(1) Attach Schedule(s) Q (Form 1042). See instructions.  
(2) Enter your EIN (other than your QI-EIN)

Form 1042 (2024)

Figure 3.21.110-10

3.21.110.34  
(11-14-2017)  
**Section 3 - Potential  
Section 871(m)  
Transactions**

- (1) This section has a checkbox but requires no editing.

3.21.110.35  
(11-19-2024)  
**Section 4 - Payments by  
Qualified Derivatives  
Dealer (QDD)**

- (1) Section 4 checkbox for QDD, requires no editing.  
(2) If the QDD checkbox is marked, edit CCC "A".  
(3) For tax year 2018 and later, Qualified Derivatives Dealer EIN must be a valid nine-digit number (XX-XXXXXXX). If QDD EIN is illegible or any repeating 9 digits, then "X" the QDD EIN. If QDD EIN has an SSN or ITIN instead of an EIN "X" QDD EIN.

3.21.110.36  
(10-27-2015)  
**Third Party Designee**

- (1) The Third Party Designee election was created to allow a withholding agent or an individual paid preparer of the return to discuss the Form 1042 with the IRS, if questions arise during processing.

3.21.110.36.1  
(01-01-2015)  
**Third Party Designee  
Indicator**

- (1) The Third Party Designee checkbox is located above the taxpayer signature line. It shows whether the taxpayer has elected to allow the Third Party Designee to answer questions about the taxpayers return as it is processed. No action is required.

3.21.110.36.2  
(01-01-2015)

**Third Party Designee  
Phone Number**

- (1) The Third Party Designee phone number is located below the checkbox. No action is required.

3.21.110.36.3  
(01-01-2015)

**Third Party Designee  
Personal Identification  
Number (PIN)**

- (1) Circle out if illegible. This field can be up to 5 characters long. The entry may be any alpha (i.e., A to Z) numeric (0 to 9), or any combination of both. The PIN number is self-selected by the taxpayer or designee. It is not assigned by the IRS.

3.21.110.37  
(11-19-2024)

**◆Signature◆**

- (1) A signature and jurat is required for all returns except the following:

**Note:** Faxed signatures are acceptable. See IRM 3.21.110.10, Use of Fax for Taxpayer Submissions.

- Returns prepared under IRC 6020(b). These returns must be signed by a Compliance Function Representative. See IRM 3.21.110.15.8.1, IRC 6020(b) – Prepared by Collection.

**Note:** Accept electronic or typed revenue officer (RO) signatures as valid on the return.

- Returns prepared by Examination, for example Substitute for Return “SFR” or “Substitute Return” See IRM 3.21.110.15.8.3 (3), Examination Prepared.

**Note:** Returns by Examination do require a signature and jurat. See IRM 3.21.110.15.8.4, Examination Secured, for more information.

- Dummy returns prepared by the IRS.
- Returns filed under IRC 501(d) (Religious or Apostolic Organization).
- Returns attached to taxpayer response to the IRS correspondence containing a jurat and the taxpayer’s signature. See paragraph (5) below.
- Re-entry returns originally filed electronically (E-File). These returns may be identified by the presence of Mod E-File printouts or **efile GRAPHIC print - Do Not Process** or “Tax Return Print (TRPRT) Do Not Process” in lieu of an actual return.

**Note:** If the efile GRAPHIC print states **efile GRAPHIC print - Do Not Process** or the TRPRT print states “TRPRT Print Do Not Process” in the top margin, circle the words “Do Not Process”.

- (2) Do not correspond for a signature on “CII” returns with a Form 13596, attached. See IRM 3.21.110.13.3, Correspondence Imaging Inventory (CII) Returns, for processing instructions on CII Returns.

- (3) If a signature is missing, correspond:

If	Then
1. The return is not signed on the line designated for the 1042 signature, or 2. The jurat is not present on the line designated for the 1042 signature (non-standard return), or 3. Only the entity information is present and there are no attachments containing tax data,	a. Edit Action Code 225 (Correspondence for Signature only) or 226 (International Correspondence for Signature only). <b>Note:</b> See IRM 3.21.110.15.12(5) b. Leave in batch and continue editing.

**Note:** Paper returns sent in by the filer stating their return was rejected through the E-file system require a signature. Form 8879 or Form 8453 is not an acceptable substitute for a paper return.

- (4) If the jurat is altered or stricken (crossed out), see IRM 3.21.110.15.9, Frivolous Arguments, for frivolous return instructions.
- (5) Accept a “signature declaration” (a signature with jurat obtained through the IRS correspondence) if attached to the return.
  - a. If the signature declaration is altered or stricken (crossed out), see IRM 3.21.110.15.9, Frivolous Arguments, for frivolous return instructions.
  - b. If the taxpayer responds with a self-prepared, “signature declaration”, it must contain the same language as the jurat on the tax return (i.e., “Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.”)
- (6) Tax examiners are not handwriting experts. Federal Regulations 301.6064-1 allows the Service to presume the signature on a return, statement, or other document is the true signature of the person who signed the document.

**Note:** Do not accept a “✓” or “X” on the signature line as a valid taxpayer signature.

- (7) Correspond one time for the signature. If you do not receive a reply after the prescribed suspense period, input the return:

If	Then
The return has an overpaid condition,	Edit CCC “3” and CCC “X” and continue processing.
The return is a balance due or zero condition,	Edit CCC “3” and continue processing.

(8) **Facsimile Signature -**

- a. Rather than providing a handwritten signature, an owner, partner, corporate officer, or duly authorized agent may use a “facsimile” (e.g., computer generated, mechanical device, or rubber stamp) signature when filing Form 1042.

**Note:** If a facsimile signature is used, the person filing the form must keep a letter, signed by the individual authorized to sign the return(s), declaring under penalties of perjury the facsimile

## 3.21 International Returns and Documents Analysis

signature on the form is the signature adopted by the authorized person and the signature was placed there by the authorized person or under the authorized person's direction.

b. Correspond if no signature is found.

(9) If Form 1042 is mailed between August 28, 2020, through October 31, 2023, accept a digital signature.

3.21.110.38  
(10-27-2015)

### ◆Preparer Signature◆

(1) A signature may or may not be present; do not correspond if not present.

(2) Do not correspond for a missing signature on any return prepared by a Compliance function.

(3) Do not question any signature on the return. Treas. Reg. 301.6064-1 allows the IRS to presume the signature on the return, statement or other document is the true signature of the person who signed the document.

(4) A constructive signature (a signature on an accompanying check, letter, etc.) is not acceptable unless the signature follows a perjury statement containing the same language as the jurat of the tax return.

3.21.110.38.1  
(01-01-2020)

### Paid Preparer Tax Identification Number (PTIN)

(1) The Preparer's EIN or PTIN is located to the right of the Preparer's Signature at the bottom of Form 1042.

**Reminder:** If the return is for 2009 or prior, then the PTIN box is named Preparer's SSN or PTIN.

(2) No action is required on amended returns.

(3) A valid PTIN begins with the alpha "P" followed by an eight-digit number (e.g., PXXXXXXX). Circle the SSN/PTIN if it is invalid or any repeating 9 digits.

(4) Valid characters are numeric (0 thru 9) and alpha "P" only.

(5) Circle the entry if:

- it does not begin with a "P",
- it is an SSN,
- it has all zeros, nines, or any repeating 9 digits, or
- it has invalid characters.

3.21.110.38.2  
(01-01-2020)

### Paid Preparer Firm's Employer Identification Number (EIN)

(1) The FIRM's EIN (Paid Preparer's EIN - 2009 and prior revisions) must be a nine-digit numeric number. The FIRM's EIN is entered in NN-NNNNNNNN format. The FIRM's EIN cannot be all zeros or all nines.

(2) No action is required on amended returns.

(3) Circle the FIRM's EIN (Paid Preparer's EIN - 2009 and prior revisions) if all zeros, all nines, or any repeating 9 digits.

3.21.110.38.3  
(01-01-2015)

◆Paid Preparer Phone  
Number◆

- (1) The Paid Preparer's Phone Number is located below the Paid Preparer's EIN at the bottom right corner of Form 1042.

**Note:** ISRP inputs the first 10-digits only.

If	Then
A complete Paid Preparer Telephone Number is located elsewhere on the return or attachments,	Edit to the "Phone No." line.
The return is amended,	No action required.
The Preparer's Phone Number is more than 10 digits,	No action required.
The Preparer's Phone Number is illegible or less than 10 digits,	Circle the incomplete or illegible phone number.

- (2) If the return is for a tax period prior to 2001, circle the telephone number.



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## Exhibit 3.21.110-1 (11-19-2024)

## Form 1042, Page 1, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Transcription Lines

**DRAFT**

Form **1042** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons  
Department of the Treasury Internal Revenue Service  
Go to [www.irs.gov/Form1042](http://www.irs.gov/Form1042) for instructions and the latest information.

OMB No. 1545-0096  
**2024**

If this is an amended return, check here ☐

Name of withholding agent \_\_\_\_\_ Employer identification number \_\_\_\_\_

Ch. 3 Status Code \_\_\_\_\_ Ch. 4 Status Code \_\_\_\_\_

Number, street, and room or suite no. (If a P.O. box, see instructions.) \_\_\_\_\_

City or town, state or province, country, and ZIP or foreign postal code \_\_\_\_\_

If you do not expect to file this return in the future, check here ☐ Enter date final income paid \_\_\_\_\_

**Section 1 Record of Federal Tax Liability** (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7	T	21	7	T	41	7	T
2	15	T	22	15	T	42	15	T
3	22	T	23	22	T	43	22	T
4	31	T	24	31	T	44	30	T
5	Jan. total	T	25	May total	T	45	Sept. total	T
6	7	T	26	7	T	46	7	T
7	15	T	27	15	T	47	15	T
8	22	T	28	22	T	48	22	T
9	28	T	29	30	T	49	31	T
10	Feb. total	T	30	June total	T	50	Oct. total	T
11	7	T	31	7	T	51	7	T
12	15	T	32	15	T	52	15	T
13	22	T	33	22	T	53	22	T
14	31	T	34	31	T	54	30	T
15	Mar. total	T	35	July total	T	55	Nov. total	T
16	7	T	36	7	T	56	7	T
17	15	T	37	15	T	57	15	T
18	22	T	38	22	T	58	22	T
19	30	T	39	31	T	59	31	T
20	Apr. total	T	40	Aug. total	T	60	Dec. total	T

Note: The totals from the above table are to be entered on lines 64b through 64d (as indicated in the instructions for those lines).

61 No. of Forms 1042-S filed: a On paper \_\_\_\_\_ b Electronically \_\_\_\_\_

62 Total gross amounts reported on all Forms 1042-S and 1000: \_\_\_\_\_

a Total U.S. source FDAP income (other than U.S. source substitute payments) reported \_\_\_\_\_ 62a T

b Total U.S. source substitute payments reported: \_\_\_\_\_

(1) Total U.S. source substitute dividend payments reported \_\_\_\_\_ 62b(1) T

(2) Total U.S. source substitute payments reported other than substitute dividend payments \_\_\_\_\_ 62b(2) T

c Total gross amounts reported (add lines 62a-b) \_\_\_\_\_ 62c T/C

d Enter gross amounts actually paid if different from gross amounts reported \_\_\_\_\_ 62d T

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS? See instructions. ☐ Yes. Complete the following. ☐ No

Designee's name \_\_\_\_\_ Phone no. \_\_\_\_\_ Personal identification number (PIN) \_\_\_\_\_

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Capacity in which acting \_\_\_\_\_

**Paid Preparer Use Only** Print/Type preparer's name \_\_\_\_\_ Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Daytime phone number \_\_\_\_\_

Firm's name \_\_\_\_\_ Firm's EIN \_\_\_\_\_

Firm's address \_\_\_\_\_ Phone no. \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 11384V Form **1042** (2024)

Exhibit 3.21.110-2 (11-19-2024)

Form 1042, Page 2, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons,  
Transcription Lines

DRAFT

Form 1042 (2024)

Page 2

63	Total tax reported as withheld or paid by withholding agent on all Forms 1042-S and 1000:		
a	Tax withheld by withholding agent	63a	T
b	Tax withheld by other withholding agents:		
(1)	For payments other than substitute dividends	63b(1)	T
(2)	For substitute dividends	63b(2)	T
c	Adjustments to withholding:		
(1)	Adjustments to overwithholding	63c(1)	( T )
(2)	Adjustments to underwithholding	63c(2)	T
d	Tax paid by withholding agent	63d	T
e	Total tax reported as withheld or paid (add lines 63a–d)	63e	T/C

Computation of Tax Due or Overpayment

64	Total net tax liability		
a	Adjustments to total net tax liability	64a	T
b	Total net tax liability under chapter 3	64b	T
c	Total net tax liability under chapter 4	64c	T
d	Excise tax on specified federal procurement payments (total payments made x 2% (0.02))	64d	T
e	Total net tax liability (add lines 64a–d)	64e	T/C
65	Total paid by electronic funds transfer (or with a request for extension of time to file):		
a	Total paid during calendar year	65a	T
b	Total paid during subsequent year	65b	T
66	Enter overpayment applied as credit from 2022 Form 1042	66	T
67	Credit for amounts withheld by other withholding agents:		
a	For payments other than substitute dividend payments	67a	T
b	For substitute dividend payments	67b	T
68	Total payments. Add lines 65 through 67	68	T/C
69	If line 64e is larger than line 68, enter balance due here	69	T/C
70a	Enter overpayment attributable to overwithholding on U.S. source income of foreign persons	70a	T
b	Enter overpayment attributable to excise tax on specified federal procurement payments	70b	T
71	Apply overpayment (sum of lines 70a and 70b) to (check one):		
	<input type="checkbox"/> Credit on 2024 Form 1042 or <input checked="" type="checkbox"/> Refund		

Section 2 Reconciliation of Payments of U.S. Source FDAP Income

1	Total U.S. source FDAP income required to be withheld upon under chapter 4	1	T
2	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 because:		
a	Amount of income paid to recipients whose chapter 4 status established no withholding is required	2a	T
b	Amount of excluded nonfinancial payments	2b	T
c	Amount of income paid with respect to grandfathered obligations	2c	T
d	Amount of income effectively connected with the conduct of a trade or business in the United States	2d	T
e	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 (add lines 2a–d)	2e	T/C
3	Total U.S. source FDAP income reportable under chapter 4 (add lines 1 and 2e)	3	T/C
4	Total U.S. source FDAP income reported on all Forms 1042-S (from lines 62a, 62b(1), and 62b(2))	4	T/C
5	Total variance, subtract line 3 from line 4; if amount other than zero, provide explanation on line 6	5	T
6			

Section 3 Potential Section 871(m) Transactions

Check here if any payments (including gross proceeds) were made by the withholding agent under a potential section 871(m) transaction, including a notional principal contract or other derivatives contract that references (in whole or in part) a U.S. stock or other underlying security. See instructions ☒

Section 4 Dividend Equivalent Payments by a Qualified Derivatives Dealer (QDD)

Check here if any payments were made by a QDD ☒

If the box is checked, you must do the following.

(1) Attach Schedule(s) Q (Form 1042). See instructions.

(2) Enter your EIN (other than your QI-EIN) T

Form 1042 (2024)

**Exhibit 3.21.110-3 (11-15-2016)****U.S. Possessions ZIP Codes*****American Samoa (AS)***

City	Zip Code
Faga'itua	96799
Leone	96799
Olosega Manua'	96799
Pago Pago	96799

***Federated States of Micronesia (FM)***

City	Zip Code
Chuuk	96942
Kosrae	96944
Pohnpei	96941
Yap	96943

***Marshall Islands (MH)***

City	Zip Code
Ebeye	96970
Majuro	96960

***Palau (PW)***

City	Zip Code
Koror	96940
Palau	96940

***Northern Mariana Islands (MP)***

City	Zip Code
Capitol Hill	96950
Rota	96951
Saipan	96950
Tinian	96952

**Exhibit 3.21.110-3 (Cont. 1) (11-15-2016)**  
**U.S. Possessions ZIP Codes**

***Virgin Islands (VI)***

<b>City</b>	<b>Zip Code</b>
Charlotte Amalie	00802
Christiansted	00820
Cruz Bay	00830
Downtown	00840
Frederiksted	00840
Kingshill	00850
Saint Croix	00820
Saint John	00830
Saint Thomas	00805
Sunny Isle	00850
Veterans Annex	00820

***Guam (GU)***

<b>City</b>	<b>Zip Code</b>
Agana	96910
Inarajan	96917
Merizo	96916
Tamuning	96931
Umatac	96915
Yona	96915

***Puerto Rico (PR)***

<b>City</b>	<b>Zip Code</b>
Adjuntas	00601
Aguada	00602
Aguadilla	00603
Agnes Buenas	00703
Aguirre	00704
Aibonito	00705
Anasco	00610

**Exhibit 3.21.110-3 (Cont. 2) (11-15-2016)****U.S. Possessions ZIP Codes**

City	Zip Code
Angeles	00611
Arecibo	00612
Arroyo	00714
Bajadero	00616
Barceloneta	00617
Barranquitas	00794
Barrio Obrero Station	00935
Bayamon	00956
Boqueron	00622
Cabo Rojo	00623
Caguas	00725
Camuy	00627
Canovanas	00729
Caparra Heights	00920
Carolina	00982
Catano	00962
Cayey	00736
Ceiba	00735
Cerro Gordon	00754
Ciales	00638
Cidra	00739
Coamo	00769
Comerio	00782
Condado	00907
Corozal	00783
Coto Laurel	00780
Culebra	00775
Dorado	00646
Ensenada	00647
Esperanza	00765
Fajardo	00738

**Exhibit 3.21.110-3 (Cont. 3) (11-15-2016)**  
**U.S. Possessions ZIP Codes**

City	Zip Code
Fernandez Juncos	00936
Florida	00650
Fort Buchanan	00934
Garrachales	00652
Guanica	00653
Guayama	00784
Guayanilla	00656
Guaynabo	00965
Gurabo	00778
Hatillo	00659
Hato Rey	00936
Hormigueros	00660
Humacao	00791
Isabela	00662
Jayuya	00664
Juana	00795
Juncos	00777
La Cumbre	00926
Lajas	00667
La Plata	00786
Lares	00669
Las Marias	00670
Las Piedras	00771
Levittown	00949
Loiza	00772
Loiza Street Station	00936
Luquillo	00773
Manati	00674
Maricao	00606
Maunabo	00707
Mayaguez	00680

**Exhibit 3.21.110-3 (Cont. 4) (11-15-2016)**  
**U.S. Possessions ZIP Codes**

City	Zip Code
Mercedita	00715
Minillas Center	00936
Moca	00676
Morovis	00687
Naguabo	00718
Naranjito	00719
Orocovis	00720
Palmer	00721
Patillas	00723
Penuelas	00624
Ponce	00731
Puerta de Tierra	00936
Puerta Real	00740
Punta Santiago	00741
Quebradillas	00678
Ramey	00603
Rincon	00677
Rio Blanco	00744
Rio Grande	00721
Rio Piedras	00927
Rosario	00636
Sabana Grande	00637
Sabana Hoyos	00688
Sabana Seca	00952
Saint Just	00978
Salinas	00751
San Antonio	00690
San Francisco	00927
San German	00683
San Juan	00936
San Lorenzo	00754



**Exhibit 3.21.110-3 (Cont. 5) (11-15-2016)****U.S. Possessions ZIP Codes**

City	Zip Code
San Sebastian	00685
Santa Isabel	00757
Santurce	00936
Toa Alta	00953
Toa Boa	00949
Trujillo Alto	00976
University	00936
Utua	00641
Vega Alta	00692
Vega Baja (box 1-9049)	00694
Vieques	00765
Villalba	00766
Yabucoa	00767
Yauco	00698

**Exhibit 3.21.110-4 (01-01-2020)****State Abbreviations and ZIP Code Ranges Including APO/FPO/DPO Zones**

State Name	State Abbreviation	Zip Code Range
Alabama	AL	350-369
Alaska	AK	995-999
Arizona	AZ	850-865
Arkansas	AR	716-729
California	CA	900-928, 930-961
Colorado	CO	800-816
Connecticut	CT	060-069
Delaware	DE	197-199
District of Columbia	DC	200, 202-205
Florida	FL	320-339, 341-342, 344, 346, 347, 349
Georgia	GA	300-319, 399
Hawaii	HI	967-968
Idaho	ID	832-838
Illinois	IL	600-629
Indiana	IN	460-479
Iowa	IA	500-528
Kansas	KS	660-679
Kentucky	KY	400-427
Louisiana	LA	700-714
Maine	ME	039-049
Maryland	MD	206-219
Massachusetts	MA	010-027, 055
Michigan	MI	480-499
Minnesota	MN	550-567
Mississippi	MS	386-397
Missouri	MO	630-658
Montana	MT	590-599
Nebraska	NE	680-693
Nevada	NV	889-898
New Hampshire	NH	030-038

**Exhibit 3.21.110-4 (Cont. 1) (01-01-2020)****State Abbreviations and ZIP Code Ranges Including APO/FPO/DPO Zones**

State Name	State Abbreviation	Zip Code Range
New Jersey	NJ	070-089
New Mexico	NM	870-884
New York	NY	005, 100-149
North Carolina	NC	270-289
North Dakota	ND	580-588
Ohio	OH	430-459
Oklahoma	OK	730-731, 734-741, 743-749
Oregon	OR	970-979
Pennsylvania	PA	150-196
Rhode Island	RI	028-029
South Carolina	SC	290-299
South Dakota	SD	570-577
Tennessee	TN	370-385
Texas	TX	733, 750-799
Utah	UT	840-847
Vermont	VT	050-054, 056-059
Virginia	VA	201, 220-246
Washington	WA	980-986, 988-994
West Virginia	WV	247-268
Wisconsin	WI	530-549
Wyoming	WY	820-831

***APO/FPO/DPO ZONE***

Name	Zip Code Range
AA	340
AE	090-098
AP	962-966

**Exhibit 3.21.110-5 (11-14-2017)****◆ Action Codes ◆**

<b>Action Code</b>	<b>Description</b>	<b>Workday Suspense Period</b>
211	First Taxpayer Correspondence	40
212	Second Taxpayer Correspondence	25
215	International Correspondence	45
225	Taxpayer Correspondence (signature only)	40
226	International Correspondence (signature only)	40
310	Statute Control	10
320	Entity Control	10
331	Frivolous Review	3
341	Manual Refund	10
342	Credit Verification	10
352	Name Research	3
360	Other-in-House Research	10
420	Management Suspense A	5
450	Management Suspense D	20
480	Early Filed Suspense	150
610	Re-number Non-Remit	0
611	Re-number Remit	0
640	Void	0
650	International	0

**Exhibit 3.21.110-6 (01-01-2020)****◆ Frivolous Arguments Criteria ◆*****Potential Frivolous Arguments for Examination Review***

<b>Frivolous Arguments</b>	<b>Explanation</b>
Alleged Churches/First Amendment	Income from non-religious sources and may claim a vow of poverty.
Altered Form	Altering any or all Line items with the intent of facilitating non-compliance with the tax laws.
Altered Jurat/UCC (Uniform Commercial Code) 1-207 or UCC 1-308	Return has income and deductions but the jurat was altered or stricken. May include reference to UCC 1-207/UCC 1-308 or a statement the return was not signed under penalties of perjury.
Amended Returns/ Form 843, Claim for Refund and Request for Abatement	Amended return or a Form 843 filed to obtain a total refund of all taxes paid in prior years, based on a tax avoidance argument.
C-Filings	<p>This frivolous position includes the following four categories:</p> <ul style="list-style-type: none"> <li>a. Files a return claiming several types of deductions, credits, or overpayments/refunds that have no relation to reality and due to their outrageous character, qualify as frivolous returns.</li> <li>b. Files a return containing the filers identifying information but does not request a refund, often lacking sufficient information to determine a tax liability.</li> <li>c. Files a return with several types of rambling dialogue and/or confusing arguments no one could reasonably view as a good faith effort to follow the law.</li> <li>d. Files a return with some type of message or protest to the IRS but does not include sufficient identifying information for the IRS to either determine the identity of the taxpayer or correspondent or return address.</li> </ul>
Challenges to Authority/Due Process	Questions several administrative authorities such as delegation orders, summons authority, Privacy Act, etc. Argues they must be afforded a hearing or a trial before taxes can be assessed or before property can be seized.
Challenges to Authority/Title 26 or "law" in Other Documents	Argues Title 26 of the United States Code is not law because it was never enacted as named.

## Exhibit 3.21.110-6 (Cont. 1) (01-01-2020)

## ◆ Frivolous Arguments Criteria ◆

Frivolous Arguments	Explanation
Collection Issues	Files frivolous documents contending several collections issues are invalid (e.g., Offers in Compromise, Collection Due Process Requests, Installment Agreements, Appeals Requests, etc.) because they are not filed and signed by someone with delegated authority. They may have no certificate of assessment attached, do not comply in form or content with a State or Local law, are not in a certain format or lack a valid OMB (Office of Management and Budget) number or other frivolous positions.
Disclaimer	Submits a disclaimer stating, “disclaims the liability for the tax due”, making the liability on the return zero.
Fifth Amendment	Assertion of the Fifth Amendment right against self-incrimination as a basis for not providing any financial information.
Foreign Income	Argues United States citizens and residents are not subject to tax on their wages or other income derived from sources within the United States, as only foreign-based income or income received by nonresident aliens and foreign S Corporations from sources within the United States is taxable.
Form 1099-OID (Original Issue Discount)	An individual or business files a return reporting false amounts of income (“Other or Miscellaneous” income) and claims a false amount of income tax withholding approximately equal to the amount of falsely reported income. Although the returns report income, they do not calculate any tax due. Some of the returns have Form 1099-OID attached, and some have Form 1096. Other false financial instruments may be filed in the place of or in addition to the Form 1099-OID such as Form 2439, promissory notes, bonds, sight drafts, etc.
IRC 861 Business Employment Tax (BMF 861)	Argument targets employers and advises them wages are exempt from withholding. These taxpayers rely on Sections 861 through 865 of the Code and the regulations (in particular, Treasury Regulation 1.861-8), promoters of this scheme advise employers to stop withholding and paying payroll taxes on their employee’s wages. In addition, some employers file amended payroll tax returns and request refunds of previously paid payroll taxes.

**Exhibit 3.21.110-6 (Cont. 2) (01-01-2020)****◆ Frivolous Arguments Criteria ◆**

<b>Frivolous Arguments</b>	<b>Explanation</b>
IRS is a Private Organization/Collects Tribute, Not Taxes	Argues the IRS is an entity named the Internal Revenue and Tax Service, Inc., which was incorporated in Delaware in 1933, it is a collection agency for the Federal Reserve Bank or is part of the United Nations and is clandestinely leading the tax-paying public into a “new world order.”
Not a Person	Argues a taxpayer is not a “person” within the meaning of IRC 7701(a)(14).
Obscene, Vulgar, Harassing	Submits documents or other materials indicating non-filing is due to dissatisfaction with tax policies or taxation in general. Often, this argument is expressed with obscene, vulgar, or crude language and characters in an extremely demeaning manner.
Protest Against Government Action/Inaction	Argues that refusal to file or pay is justified because they disagree with government policies or spending plans.
Sixteenth Amendment	Argues the Sixteenth Amendment was not properly ratified and therefore the federal government does not have the legal authority to collect an income tax without apportionment.
Straw Men	Argues the government has created an entity separate and distinct from the taxpayer - a “straw man” and any tax obligations are exclusively those of the “straw man”.
Taxes are Voluntary/Law Does Not Require	Submits a return, amended return or correspondence that argues income taxes are voluntary.
U.S. vs. Long	Submits a return with zero money amounts. To explain the zeros inserted on the form the individual references U.S. vs. Long.
Unsigned Returns	The individual completes a return but does not sign, a statement indicating disagreement with the tax system is attached or added to the return.
Valuation	Income is not taxable due to the declining fair market value of the dollar, because the dollar is not backed by gold/silver, because the value of services is offset by the value of the labor (barter income), etc.

## Exhibit 3.21.110-6 (Cont. 3) (01-01-2020)

## ◆ Frivolous Arguments Criteria ◆

Frivolous Arguments	Explanation
Zero Returns (ZERO)	<p>Submits a return with zero money amounts on all or most Line items on the form (e.g., IRC 861, Form 2439, OID, and other BMF filings that claim no income and request refunds). See Rev. Rule. "2004-34". A statement is attached claiming there is no section of the Internal Revenue Code that established an income tax liability. The statement may also have arguments about the definition of income. There are several variations on this type of filing such as those bearing the words "nunc pro tunc" and "not liable".</p> <p><b>Note:</b> Returns having only zeros, no entries, are blank or show None, Not Liable, etc. with no evidence of a frivolous argument are not to be considered as frivolous returns.</p>
Other	<p>All others including those in Notice 2010-33 or any subsequent superseding notice. See also <a href="http://www.irs.gov/Tax-Professionals/The-Truth-About-Frivolous-Tax-Arguments-Introduction">http://www.irs.gov/Tax-Professionals/The-Truth-About-Frivolous-Tax-Arguments-Introduction</a> on irs.gov. This category includes non-filer accounts resulting from initial compliance check such as cross-reference TINs.</p> <p><b>Note:</b> Frivolous arguments citing "Collection Due Process" (CDP) must be reviewed by Collections for possible referral to Appeals. See IRM 5.19.8, Collection Appeal Rights, for more information.</p>



**Exhibit 3.21.110-7 (11-17-2020)**  
**Form 1042 Glossary**

***Form 1042 Glossary Definitions***

<b>Term</b>	<b>Definition</b>
Alien	Individual who is not a citizen of the United States. The person can be either a resident or non-resident alien. Resident aliens are taxed just like U.S. citizens. Form 1042 is concerned with non-resident aliens. Complete information on aliens can be found in Pub 519.
Backup Withholding	Tax withholding from income when a person does not provide a valid TIN to payor.
Beneficial Owner	The person who is required under U.S. tax principles to include the payment in gross income on a tax return.
Calendar Year	Year ending December 31st
Chapter Three Withholding	Tax withheld from income under Title 26, Subtitle A, Chapter 3, Subchapter A, Section 1441-1443, 1445-1446, and 1461-1464 of the U.S. Code.
Chapter Four Withholding	Tax withheld on withholdable payments per Title 26, Subtitle A, Chapter 4, Sections 1471-1474 of the U.S. Code (Foreign Account Tax Compliance Act).
Collective Refund	Procedures that allow a QI/WP/WT, PFFI, or a Reporting Model 1 FFI to obtain a refund on behalf of their account holders, partners, owners, or beneficiaries pursuant to their respective agreement with the IRS. The collective refund is claimed using a Form 1042 and requires the QI/WP/WT to provide more information.
CTW	The abbreviation for <b>Chapter Three Withholding</b> .
EDC Line	Line which appears in the For IRS Use Only box in the URHC of Form 1042. This Line is not in current use.
EIN	Employer Identification Number is a nine-digit number used to identify business taxpayers on the Business Master File. The first two represent the district office code.
Fiduciary	Person responsible for handling money for someone else who cannot, for various reasons. Examples are a trustee for a trust, executor for an estate, or a receiver in a bankruptcy.
FDAP	Fixed, Determinable, Annual, Periodical Income.

**Exhibit 3.21.110-7 (Cont. 1) (11-17-2020)**  
**Form 1042 Glossary**

Term	Definition
52/53 Week Filer	Tax year which can begin or end on a day other than the first or last day of a month (with certain restrictions). It is not allowed on Form 1042.
Fiscal Year	A tax year (12 months) which ends on the last day of a month other than December, e.g., September 1, 2019 through August 31, 2020. While common on other BMF returns, a fiscal year cannot be used on Form 1042.
Flow-Through Entity	An entity that does not pay income tax itself, but through which income “flows” to another partner, beneficiary, or owner who does pay the tax. Examples include certain trusts, partnerships, S-corporations, etc.
Foreign Person	A nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person who is not a U.S. person. The term also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a Qualified Intermediary. Generally, a payment to a U.S. branch of a foreign institution is a payment to a foreign person.
For IRS Use Only Box	Outlined area in the URHC of Form 1042 into which various dates, codes and amounts are entered by the IRS, not taxpayers. It takes the place of a separate Edit Sheet (there is no edit sheet for Form 1042).
Form 1000	Document filed with the withholding agent (not to the IRS) by persons with interest on certain types of bonds. These are kept by the withholding agent, but the amounts thereon are summarized on the Form 1042.
Form 1040-NR	Individual Master File (IMF) tax return (similar to Form 1040) filed by a Non-Resident Alien with the recipient's copy of Form 1042-S attached. It is used to report income received and tax withheld, and to pay more tax or claim a refund.

**Exhibit 3.21.110-7 (Cont. 2) (11-17-2020)****Form 1042 Glossary**

Term	Definition
Form 1042-S	Form similar in function to a Form W-2 that shows the individual amount of income received by a foreign person, the tax withheld, and other information. Each receipt of income by a foreign person is recorded on a separate Form 1042-S with special requirements for additional Forms 1042-S issued for certain amounts associated with distributions from publicly traded partnerships. <b>See</b> Form 1042-S instructions. The TOTAL amount of income and tax withheld amounts from a group of Form 1042-S are reported on Form 1042. A copy of each Form 1042-S is sent to the IRS and another copy is given to the recipient, usually used to file a tax return.
Form 1042-T	Form used as a transmittal for a group of paper-filed Form 1042-S, whose amounts are summarized on the Form 1042-T. The Form 1042-T is filed and processed separately from the Form 1042.
Form W-8BEN	Form an individual provides to a withholding agent to certify to foreign status and to claim a reduced rate of withholding pursuant to a treaty (if applicable)
Form W-8BEN-E	Form an entity provides to a withholding agent to certify to its foreign status and its status for purposes of chapters 3 and 4, and to claim a reduced rate of withholding pursuant to a treaty (if applicable).
Form W-8ECI	Form a beneficial owner provides to a withholding agent to certify certain payments it receives constitute income effectively conducted with a trade or business in the U.S. (and thus is not subject to chapter 3 or 4 withholding).
Form W-8IMY	Form an entity provides to a withholding agent to certify its status as a foreign intermediary or flow-through entity and the type of intermediary or flow-through entity (simple or grantor trust, withholding or non-withholding foreign partnership, qualified or nonqualified intermediary, etc.)
Hong Kong	Treated as a separate country apart from China for tax purposes (see Pub 515). Treaties which apply to China may not apply to Hong Kong, or vice versa (see Pub 901).

**Exhibit 3.21.110-7 (Cont. 3) (11-17-2020)**  
**Form 1042 Glossary**

Term	Definition
Income, Foreign-Source	Income from sources outside of the United States. Not taxable to foreign persons by the IRS.
Income, U.S.-Source	Income from sources within the United States. Potentially (depending on Treaty provisions) taxable to foreign persons by the IRS.
Intermediary	Person (U.S. or foreign) who acts as a custodian, broker, nominee, or otherwise as an agent for another person, regardless of whether that other person is the beneficial owner of the amount paid, a flow-through entity, or another intermediary. A foreign intermediary can be either a Qualified Intermediary (QI) or a Nonqualified Intermediary (NQI) and shows which by the EIN used on the return.
Jurat	Certification on an affidavit declaring when, where and before whom it was sworn. It remains attached to the tax return.
MeF	Modernized Electronic Filing
Nonresident Alien (NRA)	Citizen of a foreign country who has not fulfilled the requirements to be a resident alien. An NRA is subject to tax on U.S.-sourced income or income associated with a U.S. trade or business. Form 1042 summarizes the amounts of income paid and the taxes withheld from a group of NRAs (or other foreign persons) for whom the withholding agent is responsible. The NRA, when filing a Form 1040-NR and claiming a credit for an amount withheld reported to them on a Form 1042-S, attaches a copy of their Form 1042-S in support of the claimed credit. This is similar to when a U.S. citizen or resident alien files a Form 1040 with a Form W-2 attached.
Participating Foreign Financial Institution (PFFI)	Foreign financial institution that agreed to follow the requirements of an FFI agreement with the IRS with respect to its chapter 4 withholding obligations. A withholding agent that is a PFFI uses a chapter 4 status code of 05. A PFFI can claim a collective refund using Form 1042 and following the applicable procedures.

**Exhibit 3.21.110-7 (Cont. 4) (11-17-2020)**  
**Form 1042 Glossary**

Term	Definition
Possessions, U.S.	Primarily Guam, U.S. Virgin Islands (NOT the British Virgin Islands), American Samoa and the Commonwealth of the Northern Mariana Islands (CNMI). Puerto Rico is not actually a U.S. possession but is included in IRS information on possessions (such as Pub 570). The Palau Islands are now (since 1993) an independent country but are treated as a U.S. possession for tax purposes. A complete list of U.S. possessions can be found in Publication 570.
Qualified Derivatives Dealer (QDD)	A QI home office or branch that qualifies and has been approved for QDD status and meets the requirements of a QDD and the other requirements in the QI agreement and Treasury regulations, including assuming primary chapter 3 and 4 withholding responsibilities and primary Form 1099 reporting and backup withholding responsibilities for payments made as a QDD. A QDD acts as a QDD for all payments made as a principal with respect to potential section 871(m) transactions and all payments received as a principal with respect to potential section 871(m) transactions and underlying securities, excluding any payments made or received by the QDD to the extent the payment is treated as effectively connected with the conduct of a trade or business within the United States within the meaning of section 864. A QDD does not act as a QDD for any other payments. A QDD must follow the naming convention specified in the QI agreement.
Qualified Intermediary	Foreign institution, primarily banks or investment firms, approved by the IRS to withhold U.S. Federal taxes and assume primary responsibility for their clients to pay those U.S. Federal taxes.
Qualified Intermediary Employer Identification Number (QI-EIN)	A QI-EIN is the employer identification number assigned by the IRS to a QI. A QI's QI-EIN is only to be used when the QI is acting as a QI.
Recipient	Nonresident alien, fiduciary, withholding foreign partnership or withholding foreign trust, foreign corporation, qualified intermediary, or certain U.S. branches of U.S. persons that received payments from a withholding agent. It does not include a non-qualified intermediary or certain qualified intermediaries with respect to payments subject to section 1446 withholding.

**Exhibit 3.21.110-7 (Cont. 5) (11-17-2020)**  
**Form 1042 Glossary**

Term	Definition
Reimbursement Procedures	Procedures to allow a withholding agent to repay a beneficial owner for an overwithheld amount (by the earlier of the date on which a Form 1042-S is filed or the due date for filing such Form), and then reimburse itself by reducing any subsequent deposits made before the end of the following calendar year. The reduced tax liability is reported on Lines 1-60 of the Form 1042 for the period during which the reimbursement occurred, and the total tax withheld is reported as total deposits.
ROFTL	Record of Federal Tax Liability found in the center of Form 1042 showing a breakdown of tax liability during the applicable quarter-monthly period.
Special Character	Any character used in a field on the error register that is NOT a numeric, alpha or blank (such as a slash, hyphen, period, ampersand, etc.).
Taxpayer Identification Number (TIN)	Nine-digit number that identifies a taxpayer and must appear on every IRS form. There are several types of TINs:
SSN	Nine-digit number assigned by the Social Security Administration to an individual for wage and tax reporting purposes.
ITIN	<b>Individual Taxpayer Identification Number</b> assigned by the Internal Revenue Service Austin Campus due to an accepted Form W-7/Form W-7SP/ application. This is a nine-digit valid permanent number beginning with 9 and fourth and fifth digits being 50 through 65, 70 through 88, 90 through 92, and 94 through 99. Appears on MCC or IDRS transcripts with an asterisk and pound sign differentiating it from temporary SSN which are invalid. See also: TIN.
Tax Liability	Foreign persons are subject to U.S. tax at a 30 percent rate on certain fixed or determinable annual or periodical (FDAP) income received from U.S. sources. Income includes interest, dividends, rents, royalties, premiums, capital gains, annuities, compensation, etc. The 30 percent rate can be reduced depending on tax treaty provisions or other provisions under the IRC. Different tax rates apply to distributions by publicly traded partnerships to foreign persons and to amounts realized from sales of interests in these partnerships subject to section 1446(f) withholding.

**Exhibit 3.21.110-7 (Cont. 6) (11-17-2020)**  
**Form 1042 Glossary**

Term	Definition
Tax Treaty	Agreement modifying the tax requirements between the United States and another country, such as the reduction of the usual 30 percent tax rate on income. Complete information on tax treaties can be found in Pub 901.
Title 26	Large division or portion of a still-larger work. Title 26 is that portion of the U.S. Code that is the Internal Revenue Code (IRC).
U.S. Code	Arrangement (codification) by subject matter of the general and permanent laws of the United States. It is divided by broad subjects into fifty titles (Title 26 is the Internal Revenue Code). It is published every six years, with annual supplements, by an office in the U.S. House of Representatives.
U.S. Person	<ul style="list-style-type: none"> <li>• A citizen or resident of the United States.</li> <li>• A domestic partnership.</li> <li>• A domestic corporation.</li> <li>• Any estate other than a foreign estate.</li> <li>• Any trust if: <ul style="list-style-type: none"> <li>a. A court within the United States is able to exercise primary supervision over the administration of the trust and</li> <li>b. One or more United States persons have the authority to control all substantial decisions of the trust.</li> </ul> </li> <li>• Any other person that is not a foreign person.</li> </ul>
Withholdable Payment	Payment defined in Treas. Reg. section 1.1473-1(a) subject to withholding under chapter 4 of the Code. These are certain payments of U.S. source fixed determinable annual or periodical income (not effectively connected with a trade or business within the United States).
Withholding Agent	US or foreign person that has control, receipt, custody, disposal or payment of any income of a foreign person that is subject to withholding. The withholding agent may be an individual, corporation, trust, estate, association or partnership, or any other entity.

**Exhibit 3.21.110-7 (Cont. 7) (11-17-2020)****Form 1042 Glossary**

<b>Term</b>	<b>Definition</b>
Withholding Foreign Partnership (WP) or Withholding Foreign Trust (WT)	Foreign partnership or trust that has entered into withholding agreement with the IRS that requires it to assume withholding and reporting responsibilities for payments made to its partners, beneficiaries or owners. Part I of Form W-8IMY identifies a WP or WT. (See Form W-8IMY)
Withholding Rate	Percentage of income withheld as tax. The rate can be modified by treaty.





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