

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

INCOME TAX

Rev. Rul. 2012-23, page 359.

Interest rates; underpayments and overpayments. The rates for interest determined under section 6621 of the Code for the calendar quarter beginning October 1, 2012, will be 3 percent for overpayments (2 percent in the case of a corporation), 3 percent for the underpayments, and 5 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 will be 0.5 percent.

EMPLOYEE PLANS

Notice 2012-56, page 370.

Weighted average interest rate update; corporate bond indices; 30-year Treasury securities; segment rates. This notice contains updates for the corporate bond weighted average interest rate for plan years beginning in September 2012; the 24-month average segment rates; the funding transitional segment rates applicable for September 2012; and the minimum present value transitional rates for August 2012. The rates in this notice reflect certain changes implemented by the Moving Ahead for Progress in the 21st Century Act, Public Law 112-141 (MAP-21).

ESTATE TAX

Rev. Rul. 2012-26, page 358.

Special use value; farms; interest rates. The 2012 interest rates to be used in computing the special use value of farm real property for which an election is made under section 2032A of the Code are listed for estates of decedents.

Finding Lists begin on page ii.
Index for July through September begins on page iv.

ADMINISTRATIVE

Rev. Proc. 2012-36, page 374.

This procedure provides specifications for filing Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding, Electronically*. This procedure will be reproduced as the current revision of Publication 1187. Rev. Proc. 2011-50 superseded.

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and en-

force the law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are compiled semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations,

court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

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Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 2032A.—Valuation of Certain Farm, Etc., Real Property

26 CFR 20.2032A-4: Method of valuing farm real property.

Special use value; farms; interest rates. The 2012 interest rates to be used in computing the special use value of farm real property for which an election is made under section 2032A of the Code are listed for estates of decedents.

Rev. Rul. 2012-26

This revenue ruling contains a list of the average annual effective interest rates on new loans under the Farm Credit System. This revenue ruling also contains a list of the states within each Farm Credit System Bank Territory.

Under § 2032A(e)(7)(A)(ii) of the Internal Revenue Code, rates on new Farm

Credit System Bank loans are used in computing the special use value of real property used as a farm for which an election is made under § 2032A. The rates in Table 1 of this revenue ruling may be used by estates that value farmland under § 2032A as of a date in 2012.

Average annual effective interest rates, calculated in accordance with § 2032A(e)(7)(A) and § 20.2032A-4(e) of the Estate Tax Regulations, to be used under § 2032A(e)(7)(A)(ii), are set forth in the accompanying Table of Interest Rates (Table 1). The states within each Farm Credit System Bank Territory are set forth in the accompanying Table of Farm Credit System Bank Territories (Table 2).

Rev. Rul. 81-170, 1981-1 C.B. 454, contains an illustrative computation of an average annual effective interest rate. The rates applicable for valuation in 2010 and 2011 are in Rev. Rul. 2011-17, 2011-33

I.R.B. 160. For rate information for years prior to 2010, see Rev. Rul. 2009-21, 2009-30 I.R.B. 162, and other revenue rulings that are referenced therein.

DRAFTING INFORMATION

The principal author of this revenue ruling is Lane Damazo of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling, contact Lane Damazo at (202) 622-3090 (not a toll-free call).

| REV. RUL. 2012-26 TABLE 1 | |
|--|------|
| TABLE OF INTEREST RATES | |
| (Year of Valuation 2012) | |
| Farm Credit System Bank Servicing State in Which Property is Located | Rate |
| AgFirst, FCB | 6.19 |
| AgriBank, FCB | 5.61 |
| CoBank, ACB | 5.15 |
| Texas, FCB | 5.50 |

| REV. RUL. 2012-26 TABLE 2 | |
|--|---|
| TABLE OF FARM CREDIT SYSTEM BANK TERRITORIES | |
| Farm Credit System Bank | Location of Property |
| AgFirst, FCB | Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, Pennsylvania, South Carolina, Virginia, West Virginia. |
| AgriBank, FCB | Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin, Wyoming. |
| CoBank, ACB | Alaska, Arizona, California, Colorado, Connecticut, Hawaii, Idaho, Kansas, Maine, Massachusetts, Montana, New Hampshire, New Jersey, New Mexico, New York, Nevada, Oklahoma, Oregon, Rhode Island, Utah, Vermont, Washington. |
| Texas, FCB | Alabama, Louisiana, Mississippi, Texas. |

Section 6621.—Determination of Rate of Interest

26 CFR 301.6621-1: Interest rate.

Interest rates; underpayments and overpayments. The rates for interest determined under section 6621 of the Code for the calendar quarter beginning October 1, 2012, will be 3 percent for overpayments (2 percent in the case of a corporation), 3 percent for the underpayments, and 5 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 will be 0.5 percent.

Rev. Rul. 2012-23

Section 6621 of the Internal Revenue Code establishes the interest rates on overpayments and underpayments of tax. Under section 6621(a)(1), the overpayment rate is the sum of the federal short-term rate plus 3 percentage points (2 percentage points in the case of a corporation), except the rate for the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the sum of the federal short-term rate plus 0.5 of a percentage point. Under section 6621(a)(2), the underpayment rate is the sum of the federal short-term rate plus 3 percentage points.

Section 6621(c) provides that for purposes of interest payable under section 6601 on any large corporate underpayment, the underpayment rate under section 6621(a)(2) is determined by substituting “5 percentage points” for “3 percentage points.” See section 6621(c) and section

301.6621-3 of the Regulations on Procedure and Administration for the definition of a large corporate underpayment and for the rules for determining the applicable date. Section 6621(c) and section 301.6621-3 are generally effective for periods after December 31, 1990.

Section 6621(b)(1) provides that the Secretary will determine the federal short-term rate for the first month in each calendar quarter. Section 6621(b)(2)(A) provides that the federal short-term rate determined under section 6621(b)(1) for any month applies during the first calendar quarter beginning after that month. Section 6621(b)(3) provides that the federal short-term rate for any month is the federal short-term rate determined during that month by the Secretary in accordance with section 1274(d), rounded to the nearest full percent (or, if a multiple of 1/2 of 1 percent, the rate is increased to the next highest full percent).

Notice 88-59, 1988-1 C.B. 546, announced that, in determining the quarterly interest rates to be used for overpayments and underpayments of tax under section 6621, the Internal Revenue Service will use the federal short-term rate based on daily compounding because that rate is most consistent with section 6621 which, pursuant to section 6622, is subject to daily compounding.

The federal short-term rate determined in accordance with section 1274(d) during July 2012 is the rate published in Revenue Ruling 2012-21, 2012-32 I.R.B. 123 to take effect beginning August 1, 2012. The federal short-term rate, rounded to the nearest full percent, based on daily compounding determined during the month

of July 2012 is 0 percent. Accordingly, an overpayment rate of 3 percent (2 percent in the case of a corporation) and an underpayment rate of 3 percent are established for the calendar quarter beginning October 1, 2012. The overpayment rate for the portion of a corporate overpayment exceeding \$10,000 for the calendar quarter beginning October 1, 2012, is 0.5 percent. The underpayment rate for large corporate underpayments for the calendar quarter beginning October 1, 2012, is 5 percent. These rates apply to amounts bearing interest during that calendar quarter.

The 3 percent rate also applies to estimated tax underpayments for the fourth calendar quarter in 2012.

Interest factors for daily compound interest for annual rates of 0.5 percent are published in Appendix A of this Revenue Ruling. Interest factors for daily compound interest for annual rates of 2 percent, 3 percent and 5 percent are published in Tables 57, 59, and 63 of Rev. Proc. 95-17, 1995-1 C.B. 611, 613, and 617.

Annual interest rates to be compounded daily pursuant to section 6622 that apply for prior periods are set forth in the tables accompanying this revenue ruling.

DRAFTING INFORMATION

The principal author of this revenue ruling is Deborah Colbert-James of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this revenue ruling, contact Ms. Colbert-James at (202) 622-8143 (not a toll-free call).

APPENDIX A

| 365 Day Year | | | | | |
|-----------------------------|-------------|------|-------------|------|-------------|
| 0.5% Compound Rate 184 Days | | | | | |
| Days | Factor | Days | Factor | Days | Factor |
| 1 | 0.000013699 | 63 | 0.000863380 | 125 | 0.001713784 |
| 2 | 0.000027397 | 64 | 0.000877091 | 126 | 0.001727506 |
| 3 | 0.000041096 | 65 | 0.000890801 | 127 | 0.001741228 |
| 4 | 0.000054796 | 66 | 0.000904512 | 128 | 0.001754951 |
| 5 | 0.000068495 | 67 | 0.000918223 | 129 | 0.001768673 |
| 6 | 0.000082195 | 68 | 0.000931934 | 130 | 0.001782396 |
| 7 | 0.000095894 | 69 | 0.000945646 | 131 | 0.001796119 |
| 8 | 0.000109594 | 70 | 0.000959357 | 132 | 0.001809843 |
| 9 | 0.000123294 | 71 | 0.000973069 | 133 | 0.001823566 |
| 10 | 0.000136995 | 72 | 0.000986781 | 134 | 0.001837290 |
| 11 | 0.000150695 | 73 | 0.001000493 | 135 | 0.001851013 |
| 12 | 0.000164396 | 74 | 0.001014206 | 136 | 0.001864737 |
| 13 | 0.000178097 | 75 | 0.001027918 | 137 | 0.001878462 |
| 14 | 0.000191798 | 76 | 0.001041631 | 138 | 0.001892186 |
| 15 | 0.000205499 | 77 | 0.001055344 | 139 | 0.001905910 |
| 16 | 0.000219201 | 78 | 0.001069057 | 140 | 0.001919635 |
| 17 | 0.000232902 | 79 | 0.001082770 | 141 | 0.001933360 |
| 18 | 0.000246604 | 80 | 0.001096484 | 142 | 0.001947085 |
| 19 | 0.000260306 | 81 | 0.001110197 | 143 | 0.001960811 |
| 20 | 0.000274008 | 82 | 0.001123911 | 144 | 0.001974536 |
| 21 | 0.000287711 | 83 | 0.001137625 | 145 | 0.001988262 |
| 22 | 0.000301413 | 84 | 0.001151339 | 146 | 0.002001988 |
| 23 | 0.000315116 | 85 | 0.001165054 | 147 | 0.002015714 |
| 24 | 0.000328819 | 86 | 0.001178768 | 148 | 0.002029440 |
| 25 | 0.000342522 | 87 | 0.001192483 | 149 | 0.002043166 |
| 26 | 0.000356225 | 88 | 0.001206198 | 150 | 0.002056893 |
| 27 | 0.000369929 | 89 | 0.001219913 | 151 | 0.002070620 |
| 28 | 0.000383633 | 90 | 0.001233629 | 152 | 0.002084347 |
| 29 | 0.000397336 | 91 | 0.001247344 | 153 | 0.002098074 |
| 30 | 0.000411041 | 92 | 0.001261060 | 154 | 0.002111801 |
| 31 | 0.000424745 | 93 | 0.001274776 | 155 | 0.002125529 |
| 32 | 0.000438449 | 94 | 0.001288492 | 156 | 0.002139257 |
| 33 | 0.000452154 | 95 | 0.001302208 | 157 | 0.002152985 |
| 34 | 0.000465859 | 96 | 0.001315925 | 158 | 0.002166713 |
| 35 | 0.000479564 | 97 | 0.001329641 | 159 | 0.002180441 |
| 36 | 0.000493269 | 98 | 0.001343358 | 160 | 0.002194169 |
| 37 | 0.000506974 | 99 | 0.001357075 | 161 | 0.002207898 |
| 38 | 0.000520680 | 100 | 0.001370792 | 162 | 0.002221627 |
| 39 | 0.000534386 | 101 | 0.001384510 | 163 | 0.002235356 |
| 40 | 0.000548092 | 102 | 0.001398227 | 164 | 0.002249085 |
| 41 | 0.000561798 | 103 | 0.001411945 | 165 | 0.002262815 |
| 42 | 0.000575504 | 104 | 0.001425663 | 166 | 0.002276544 |
| 43 | 0.000589211 | 105 | 0.001439381 | 167 | 0.002290274 |
| 44 | 0.000602917 | 106 | 0.001453100 | 168 | 0.002304004 |
| 45 | 0.000616624 | 107 | 0.001466818 | 169 | 0.002317734 |
| 46 | 0.000630331 | 108 | 0.001480537 | 170 | 0.002331465 |
| 47 | 0.000644039 | 109 | 0.001494256 | 171 | 0.002345195 |
| 48 | 0.000657746 | 110 | 0.001507975 | 172 | 0.002358926 |
| 49 | 0.000671454 | 111 | 0.001521694 | 173 | 0.002372657 |
| 50 | 0.000685161 | 112 | 0.001535414 | 174 | 0.002386388 |
| 51 | 0.000698869 | 113 | 0.001549133 | 175 | 0.002400120 |
| 52 | 0.000712578 | 114 | 0.001562853 | 176 | 0.002413851 |
| 53 | 0.000726286 | 115 | 0.001576573 | 177 | 0.002427583 |
| 54 | 0.000739995 | 116 | 0.001590293 | 178 | 0.002441315 |
| 55 | 0.000753703 | 117 | 0.001604014 | 179 | 0.002455047 |
| 56 | 0.000767412 | 118 | 0.001617734 | 180 | 0.002468779 |

365 Day Year

0.5% Compound Rate 184 Days – Continued

| Days | Factor | Days | Factor | Days | Factor |
|------|-------------|------|-------------|------|-------------|
| 57 | 0.000781121 | 119 | 0.001631455 | 181 | 0.002482511 |
| 58 | 0.000794831 | 120 | 0.001645176 | 182 | 0.002496244 |
| 59 | 0.000808540 | 121 | 0.001658897 | 183 | 0.002509977 |
| 60 | 0.000822250 | 122 | 0.001672619 | 184 | 0.002523710 |
| 61 | 0.000835960 | 123 | 0.001686340 | | |
| 62 | 0.000849670 | 124 | 0.001700062 | | |

366 Day Year

0.5% Compound Rate 184 Days

| Days | Factor | Days | Factor | Days | Factor |
|------|-------------|------|-------------|------|-------------|
| 1 | 0.000013661 | 63 | 0.000861020 | 125 | 0.001709097 |
| 2 | 0.000027323 | 64 | 0.000874693 | 126 | 0.001722782 |
| 3 | 0.000040984 | 65 | 0.000888366 | 127 | 0.001736467 |
| 4 | 0.000054646 | 66 | 0.000902040 | 128 | 0.001750152 |
| 5 | 0.000068308 | 67 | 0.000915713 | 129 | 0.001763837 |
| 6 | 0.000081970 | 68 | 0.000929387 | 130 | 0.001777522 |
| 7 | 0.000095632 | 69 | 0.000943061 | 131 | 0.001791208 |
| 8 | 0.000109295 | 70 | 0.000956735 | 132 | 0.001804893 |
| 9 | 0.000122958 | 71 | 0.000970409 | 133 | 0.001818579 |
| 10 | 0.000136620 | 72 | 0.000984084 | 134 | 0.001832265 |
| 11 | 0.000150283 | 73 | 0.000997758 | 135 | 0.001845951 |
| 12 | 0.000163947 | 74 | 0.001011433 | 136 | 0.001859638 |
| 13 | 0.000177610 | 75 | 0.001025108 | 137 | 0.001873324 |
| 14 | 0.000191274 | 76 | 0.001038783 | 138 | 0.001887011 |
| 15 | 0.000204938 | 77 | 0.001052459 | 139 | 0.001900698 |
| 16 | 0.000218602 | 78 | 0.001066134 | 140 | 0.001914385 |
| 17 | 0.000232266 | 79 | 0.001079810 | 141 | 0.001928073 |
| 18 | 0.000245930 | 80 | 0.001093486 | 142 | 0.001941760 |
| 19 | 0.000259595 | 81 | 0.001107162 | 143 | 0.001955448 |
| 20 | 0.000273260 | 82 | 0.001120839 | 144 | 0.001969136 |
| 21 | 0.000286924 | 83 | 0.001134515 | 145 | 0.001982824 |
| 22 | 0.000300590 | 84 | 0.001148192 | 146 | 0.001996512 |
| 23 | 0.000314255 | 85 | 0.001161869 | 147 | 0.002010201 |
| 24 | 0.000327920 | 86 | 0.001175546 | 148 | 0.002023889 |
| 25 | 0.000341586 | 87 | 0.001189223 | 149 | 0.002037578 |
| 26 | 0.000355252 | 88 | 0.001202900 | 150 | 0.002051267 |
| 27 | 0.000368918 | 89 | 0.001216578 | 151 | 0.002064957 |
| 28 | 0.000382584 | 90 | 0.001230256 | 152 | 0.002078646 |
| 29 | 0.000396251 | 91 | 0.001243934 | 153 | 0.002092336 |
| 30 | 0.000409917 | 92 | 0.001257612 | 154 | 0.002106025 |
| 31 | 0.000423584 | 93 | 0.001271291 | 155 | 0.002119715 |
| 32 | 0.000437251 | 94 | 0.001284969 | 156 | 0.002133405 |
| 33 | 0.000450918 | 95 | 0.001298648 | 157 | 0.002147096 |
| 34 | 0.000464586 | 96 | 0.001312327 | 158 | 0.002160786 |
| 35 | 0.000478253 | 97 | 0.001326006 | 159 | 0.002174477 |
| 36 | 0.000491921 | 98 | 0.001339685 | 160 | 0.002188168 |
| 37 | 0.000505589 | 99 | 0.001353365 | 161 | 0.002201859 |
| 38 | 0.000519257 | 100 | 0.001367044 | 162 | 0.002215550 |
| 39 | 0.000532925 | 101 | 0.001380724 | 163 | 0.002229242 |
| 40 | 0.000546594 | 102 | 0.001394404 | 164 | 0.002242933 |
| 41 | 0.000560262 | 103 | 0.001408085 | 165 | 0.002256625 |
| 42 | 0.000573931 | 104 | 0.001421765 | 166 | 0.002270317 |
| 43 | 0.000587600 | 105 | 0.001435446 | 167 | 0.002284010 |
| 44 | 0.000601269 | 106 | 0.001449127 | 168 | 0.002297702 |
| 45 | 0.000614939 | 107 | 0.001462808 | 169 | 0.002311395 |

366 Day Year
0.5% Compound Rate 184 Days – Continued

| Days | Factor | Days | Factor | Days | Factor |
|------|-------------|------|-------------|------|-------------|
| 46 | 0.000628608 | 108 | 0.001476489 | 170 | 0.002325087 |
| 47 | 0.000642278 | 109 | 0.001490170 | 171 | 0.002338780 |
| 48 | 0.000655948 | 110 | 0.001503852 | 172 | 0.002352473 |
| 49 | 0.000669618 | 111 | 0.001517533 | 173 | 0.002366167 |
| 50 | 0.000683289 | 112 | 0.001531215 | 174 | 0.002379860 |
| 51 | 0.000696959 | 113 | 0.001544897 | 175 | 0.002393554 |
| 52 | 0.000710630 | 114 | 0.001558580 | 176 | 0.002407248 |
| 53 | 0.000724301 | 115 | 0.001572262 | 177 | 0.002420942 |
| 54 | 0.000737972 | 116 | 0.001585945 | 178 | 0.002434636 |
| 55 | 0.000751643 | 117 | 0.001599628 | 179 | 0.002448331 |
| 56 | 0.000765315 | 118 | 0.001613311 | 180 | 0.002462025 |
| 57 | 0.000778986 | 119 | 0.001626994 | 181 | 0.002475720 |
| 58 | 0.000792658 | 120 | 0.001640678 | 182 | 0.002489415 |
| 59 | 0.000806330 | 121 | 0.001654361 | 183 | 0.002503110 |
| 60 | 0.000820003 | 122 | 0.001668045 | 184 | 0.002516806 |
| 61 | 0.000833675 | 123 | 0.001681729 | | |
| 62 | 0.000847348 | 124 | 0.001695413 | | |

TABLE OF INTEREST RATES
PERIODS BEFORE JUL. 1, 1975 — PERIODS ENDING DEC. 31, 1986
OVERPAYMENTS AND UNDERPAYMENTS

| PERIOD | RATE | In 1995-1 C.B. DAILY RATE TABLE |
|----------------------------|------|------------------------------------|
| Before Jul. 1, 1975 | 6% | Table 2, pg. 557 |
| Jul. 1, 1975—Jan. 31, 1976 | 9% | Table 4, pg. 559 |
| Feb. 1, 1976—Jan. 31, 1978 | 7% | Table 3, pg. 558 |
| Feb. 1, 1978—Jan. 31, 1980 | 6% | Table 2, pg. 557 |
| Feb. 1, 1980—Jan. 31, 1982 | 12% | Table 5, pg. 560 |
| Feb. 1, 1982—Dec. 31, 1982 | 20% | Table 6, pg. 560 |
| Jan. 1, 1983—Jun. 30, 1983 | 16% | Table 37, pg. 591 |
| Jul. 1, 1983—Dec. 31, 1983 | 11% | Table 27, pg. 581 |
| Jan. 1, 1984—Jun. 30, 1984 | 11% | Table 75, pg. 629 |
| Jul. 1, 1984—Dec. 31, 1984 | 11% | Table 75, pg. 629 |
| Jan. 1, 1985—Jun. 30, 1985 | 13% | Table 31, pg. 585 |
| Jul. 1, 1985—Dec. 31, 1985 | 11% | Table 27, pg. 581 |
| Jan. 1, 1986—Jun. 30, 1986 | 10% | Table 25, pg. 579 |
| Jul. 1, 1986—Dec. 31, 1986 | 9% | Table 23, pg. 577 |

TABLE OF INTEREST RATES
FROM JAN. 1, 1987 — DEC. 31, 1988

| | OVERPAYMENTS | | | UNDERPAYMENTS | | |
|----------------------------|--------------|-------|-----|---------------|-------|-----|
| | 1995-1 C.B. | | | 1995-1 C.B. | | |
| | RATE | TABLE | PG | RATE | TABLE | PG |
| Jan. 1, 1987—Mar. 31, 1987 | 8% | 21 | 575 | 9% | 23 | 577 |
| Apr. 1, 1987—Jun. 30, 1987 | 8% | 21 | 575 | 9% | 23 | 577 |
| Jul. 1, 1987—Sep. 30, 1987 | 8% | 21 | 575 | 9% | 23 | 577 |
| Oct. 1, 1987—Dec. 31, 1987 | 9% | 23 | 577 | 10% | 25 | 579 |
| Jan. 1, 1988—Mar. 31, 1988 | 10% | 73 | 627 | 11% | 75 | 629 |
| Apr. 1, 1988—Jun. 30, 1988 | 9% | 71 | 625 | 10% | 73 | 627 |
| Jul. 1, 1988—Sep. 30, 1988 | 9% | 71 | 625 | 10% | 73 | 627 |

TABLE OF INTEREST RATES
FROM JAN. 1, 1987 — DEC. 31, 1998 – Continued

| | OVERPAYMENTS | | | UNDERPAYMENTS | | |
|----------------------------|--------------|-------|-----|---------------|-------|-----|
| | 1995-1 C.B. | | | 1995-1 C.B. | | |
| | RATE | TABLE | PG | RATE | TABLE | PG |
| Oct. 1, 1988—Dec. 31, 1988 | 10% | 73 | 627 | 11% | 75 | 629 |
| Jan. 1, 1989—Mar. 31, 1989 | 10% | 25 | 579 | 11% | 27 | 581 |
| Apr. 1, 1989—Jun. 30, 1989 | 11% | 27 | 581 | 12% | 29 | 583 |
| Jul. 1, 1989—Sep. 30, 1989 | 11% | 27 | 581 | 12% | 29 | 583 |
| Oct. 1, 1989—Dec. 31, 1989 | 10% | 25 | 579 | 11% | 27 | 581 |
| Jan. 1, 1990—Mar. 31, 1990 | 10% | 25 | 579 | 11% | 27 | 581 |
| Apr. 1, 1990—Jun. 30, 1990 | 10% | 25 | 579 | 11% | 27 | 581 |
| Jul. 1, 1990—Sep. 30, 1990 | 10% | 25 | 579 | 11% | 27 | 581 |
| Oct. 1, 1990—Dec. 31, 1990 | 10% | 25 | 579 | 11% | 27 | 581 |
| Jan. 1, 1991—Mar. 31, 1991 | 10% | 25 | 579 | 11% | 27 | 581 |
| Apr. 1, 1991—Jun. 30, 1991 | 9% | 23 | 577 | 10% | 25 | 579 |
| Jul. 1, 1991—Sep. 30, 1991 | 9% | 23 | 577 | 10% | 25 | 579 |
| Oct. 1, 1991—Dec. 31, 1991 | 9% | 23 | 577 | 10% | 25 | 579 |
| Jan. 1, 1992—Mar. 31, 1992 | 8% | 69 | 623 | 9% | 71 | 625 |
| Apr. 1, 1992—Jun. 30, 1992 | 7% | 67 | 621 | 8% | 69 | 623 |
| Jul. 1, 1992—Sep. 30, 1992 | 7% | 67 | 621 | 8% | 69 | 623 |
| Oct. 1, 1992—Dec. 31, 1992 | 6% | 65 | 619 | 7% | 67 | 621 |
| Jan. 1, 1993—Mar. 31, 1993 | 6% | 17 | 571 | 7% | 19 | 573 |
| Apr. 1, 1993—Jun. 30, 1993 | 6% | 17 | 571 | 7% | 19 | 573 |
| Jul. 1, 1993—Sep. 30, 1993 | 6% | 17 | 571 | 7% | 19 | 573 |
| Oct. 1, 1993—Dec. 31, 1993 | 6% | 17 | 571 | 7% | 19 | 573 |
| Jan. 1, 1994—Mar. 31, 1994 | 6% | 17 | 571 | 7% | 19 | 573 |
| Apr. 1, 1994—Jun. 30, 1994 | 6% | 17 | 571 | 7% | 19 | 573 |
| Jul. 1, 1994—Sep. 30, 1994 | 7% | 19 | 573 | 8% | 21 | 575 |
| Oct. 1, 1994—Dec. 31, 1994 | 8% | 21 | 575 | 9% | 23 | 577 |
| Jan. 1, 1995—Mar. 31, 1995 | 8% | 21 | 575 | 9% | 23 | 577 |
| Apr. 1, 1995—Jun. 30, 1995 | 9% | 23 | 577 | 10% | 25 | 579 |
| Jul. 1, 1995—Sep. 30, 1995 | 8% | 21 | 575 | 9% | 23 | 577 |
| Oct. 1, 1995—Dec. 31, 1995 | 8% | 21 | 575 | 9% | 23 | 577 |
| Jan. 1, 1996—Mar. 31, 1996 | 8% | 69 | 623 | 9% | 71 | 625 |
| Apr. 1, 1996—Jun. 30, 1996 | 7% | 67 | 621 | 8% | 69 | 623 |
| Jul. 1, 1996—Sep. 30, 1996 | 8% | 69 | 623 | 9% | 71 | 625 |
| Oct. 1, 1996—Dec. 31, 1996 | 8% | 69 | 623 | 9% | 71 | 625 |
| Jan. 1, 1997—Mar. 31, 1997 | 8% | 21 | 575 | 9% | 23 | 577 |
| Apr. 1, 1997—Jun. 30, 1997 | 8% | 21 | 575 | 9% | 23 | 577 |
| Jul. 1, 1997—Sep. 30, 1997 | 8% | 21 | 575 | 9% | 23 | 577 |
| Oct. 1, 1997—Dec. 31, 1997 | 8% | 21 | 575 | 9% | 23 | 577 |
| Jan. 1, 1998—Mar. 31, 1998 | 8% | 21 | 575 | 9% | 23 | 577 |
| Apr. 1, 1998—Jun. 30, 1998 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jul. 1, 1998—Sep. 30, 1998 | 7% | 19 | 573 | 8% | 21 | 575 |
| Oct. 1, 1998—Dec. 31, 1998 | 7% | 19 | 573 | 8% | 21 | 575 |

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 — PRESENT
NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS

| | 1995-1 C.B. | | |
|----------------------------|-------------|-------|-----|
| | RATE | TABLE | PG |
| Jan. 1, 1999—Mar. 31, 1999 | 7% | 19 | 573 |
| Apr. 1, 1999—Jun. 30, 1999 | 8% | 21 | 575 |
| Jul. 1, 1999—Sep. 30, 1999 | 8% | 21 | 575 |
| Oct. 1, 1999—Dec. 31, 1999 | 8% | 21 | 575 |
| Jan. 1, 2000—Mar. 31, 2000 | 8% | 69 | 623 |

TABLE OF INTEREST RATES
 FROM JANUARY 1, 1999 — PRESENT
 NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS – Continued

| | RATE | 1995-1 C.B. TABLE | PG |
|----------------------------|------|----------------------|-----|
| Apr. 1, 2000—Jun. 30, 2000 | 9% | 71 | 625 |
| Jul. 1, 2000—Sep. 30, 2000 | 9% | 71 | 625 |
| Oct. 1, 2000—Dec. 31, 2000 | 9% | 71 | 625 |
| Jan. 1, 2001—Mar. 31, 2001 | 9% | 23 | 577 |
| Apr. 1, 2001—Jun. 30, 2001 | 8% | 21 | 575 |
| Jul. 1, 2001—Sep. 30, 2001 | 7% | 19 | 573 |
| Oct. 1, 2001—Dec. 31, 2001 | 7% | 19 | 573 |
| Jan. 1, 2002—Mar. 31, 2002 | 6% | 17 | 571 |
| Apr. 1, 2002—Jun. 30, 2002 | 6% | 17 | 571 |
| Jul. 1, 2002—Sep. 30, 2002 | 6% | 17 | 571 |
| Oct. 1, 2002—Dec. 31, 2002 | 6% | 17 | 571 |
| Jan. 1, 2003—Mar. 31, 2003 | 5% | 15 | 569 |
| Apr. 1, 2003—Jun. 30, 2003 | 5% | 15 | 569 |
| Jul. 1, 2003—Sep. 30, 2003 | 5% | 15 | 569 |
| Oct. 1, 2003—Dec. 31, 2003 | 4% | 13 | 567 |
| Jan. 1, 2004—Mar. 31, 2004 | 4% | 61 | 615 |
| Apr. 1, 2004—Jun. 30, 2004 | 5% | 63 | 617 |
| Jul. 1, 2004—Sep. 30, 2004 | 4% | 61 | 615 |
| Oct. 1, 2004—Dec. 31, 2004 | 5% | 63 | 617 |
| Jan. 1, 2005—Mar. 31, 2005 | 5% | 15 | 569 |
| Apr. 1, 2005—Jun. 30, 2005 | 6% | 17 | 571 |
| Jul. 1, 2005—Sep. 30, 2005 | 6% | 17 | 571 |
| Oct. 1, 2005—Dec. 31, 2005 | 7% | 19 | 573 |
| Jan. 1, 2006—Mar. 31, 2006 | 7% | 19 | 573 |
| Apr. 1, 2006—Jun. 30, 2006 | 7% | 19 | 573 |
| Jul. 1, 2006—Sep. 30, 2006 | 8% | 21 | 575 |
| Oct. 1, 2006—Dec. 31, 2006 | 8% | 21 | 575 |
| Jan. 1, 2007—Mar. 31, 2007 | 8% | 21 | 575 |
| Apr. 1, 2007—Jun. 30, 2007 | 8% | 21 | 575 |
| Jul. 1, 2007—Sep. 30, 2007 | 8% | 21 | 575 |
| Oct. 1, 2007—Dec. 31, 2007 | 8% | 21 | 575 |
| Jan. 1, 2008—Mar. 31, 2008 | 7% | 67 | 621 |
| Apr. 1, 2008—Jun. 30, 2008 | 6% | 65 | 619 |
| Jul. 1, 2008—Sep. 30, 2008 | 5% | 63 | 617 |
| Oct. 1, 2008—Dec. 31, 2008 | 6% | 65 | 619 |
| Jan. 1, 2009—Mar. 31, 2009 | 5% | 15 | 569 |
| Apr. 1, 2009—Jun. 30, 2009 | 4% | 13 | 567 |
| Jul. 1, 2009—Sep. 30, 2009 | 4% | 13 | 567 |
| Oct. 1, 2009—Dec. 31, 2009 | 4% | 13 | 567 |
| Jan. 1, 2010—Mar. 31, 2010 | 4% | 13 | 567 |
| Apr. 1, 2010—Jun. 30, 2010 | 4% | 13 | 567 |
| Jul. 1, 2010—Sep. 30, 2010 | 4% | 13 | 567 |
| Oct. 1, 2010—Dec. 31, 2010 | 4% | 13 | 567 |
| Jan. 1, 2011—Mar. 31, 2011 | 3% | 11 | 565 |
| Apr. 1, 2011—Jun. 30, 2011 | 4% | 13 | 567 |
| Jul. 1, 2011—Sep. 30, 2011 | 4% | 13 | 567 |
| Oct. 1, 2011—Dec. 31, 2011 | 3% | 11 | 565 |
| Jan. 1, 2012—Mar. 31, 2012 | 3% | 59 | 613 |
| Apr. 1, 2012—Jun. 30, 2012 | 3% | 59 | 613 |
| Jul. 1, 2012—Sep. 30, 2012 | 3% | 59 | 613 |
| Oct. 1, 2012—Dec. 31, 2012 | 3% | 59 | 613 |

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 — PRESENT
CORPORATE OVERPAYMENTS AND UNDERPAYMENTS

| | OVERPAYMENTS | | | UNDERPAYMENTS | | |
|----------------------------|--------------|-------|-----|---------------|-------|-----|
| | 1995-1 C.B. | | | 1995-1 C.B. | | |
| | RATE | TABLE | PG | RATE | TABLE | PG |
| Jan. 1, 1999—Mar. 31, 1999 | 6% | 17 | 571 | 7% | 19 | 573 |
| Apr. 1, 1999—Jun. 30, 1999 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jul. 1, 1999—Sep. 30, 1999 | 7% | 19 | 573 | 8% | 21 | 575 |
| Oct. 1, 1999—Dec. 31, 1999 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jan. 1, 2000—Mar. 31, 2000 | 7% | 67 | 621 | 8% | 69 | 623 |
| Apr. 1, 2000—Jun. 30, 2000 | 8% | 69 | 623 | 9% | 71 | 625 |
| Jul. 1, 2000—Sep. 30, 2000 | 8% | 69 | 623 | 9% | 71 | 625 |
| Oct. 1, 2000—Dec. 31, 2000 | 8% | 69 | 623 | 9% | 71 | 625 |
| Jan. 1, 2001—Mar. 31, 2001 | 8% | 21 | 575 | 9% | 23 | 577 |
| Apr. 1, 2001—Jun. 30, 2001 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jul. 1, 2001—Sep. 30, 2001 | 6% | 17 | 571 | 7% | 19 | 573 |
| Oct. 1, 2001—Dec. 31, 2001 | 6% | 17 | 571 | 7% | 19 | 573 |
| Jan. 1, 2002—Mar. 31, 2002 | 5% | 15 | 569 | 6% | 17 | 571 |
| Apr. 1, 2002—Jun. 30, 2002 | 5% | 15 | 569 | 6% | 17 | 571 |
| Jul. 1, 2002—Sep. 30, 2002 | 5% | 15 | 569 | 6% | 17 | 571 |
| Oct. 1, 2002—Dec. 31, 2002 | 5% | 15 | 569 | 6% | 17 | 571 |
| Jan. 1, 2003—Mar. 31, 2003 | 4% | 13 | 567 | 5% | 15 | 569 |
| Apr. 1, 2003—Jun. 30, 2003 | 4% | 13 | 567 | 5% | 15 | 569 |
| Jul. 1, 2003—Sep. 30, 2003 | 4% | 13 | 567 | 5% | 15 | 569 |
| Oct. 1, 2003—Dec. 31, 2003 | 3% | 11 | 565 | 4% | 13 | 567 |
| Jan. 1, 2004—Mar. 31, 2004 | 3% | 59 | 613 | 4% | 61 | 615 |
| Apr. 1, 2004—Jun. 30, 2004 | 4% | 61 | 615 | 5% | 63 | 617 |
| Jul. 1, 2004—Sep. 30, 2004 | 3% | 59 | 613 | 4% | 61 | 615 |
| Oct. 1, 2004—Dec. 31, 2004 | 4% | 61 | 615 | 5% | 63 | 617 |
| Jan. 1, 2005—Mar. 31, 2005 | 4% | 13 | 567 | 5% | 15 | 569 |
| Apr. 1, 2005—Jun. 30, 2005 | 5% | 15 | 569 | 6% | 17 | 571 |
| Jul. 1, 2005—Sep. 30, 2005 | 5% | 15 | 569 | 6% | 17 | 571 |
| Oct. 1, 2005—Dec. 31, 2005 | 6% | 17 | 571 | 7% | 19 | 573 |
| Jan. 1, 2006—Mar. 31, 2006 | 6% | 17 | 571 | 7% | 19 | 573 |
| Apr. 1, 2006—Jun. 30, 2006 | 6% | 17 | 571 | 7% | 19 | 573 |
| Jul. 1, 2006—Sep. 30, 2006 | 7% | 19 | 573 | 8% | 21 | 575 |
| Oct. 1, 2006—Dec. 31, 2006 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jan. 1, 2007—Mar. 31, 2007 | 7% | 19 | 573 | 8% | 21 | 575 |
| Apr. 1, 2007—Jun. 30, 2007 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jul. 1, 2007—Sep. 30, 2007 | 7% | 19 | 573 | 8% | 21 | 575 |
| Oct. 1, 2007—Dec. 31, 2007 | 7% | 19 | 573 | 8% | 21 | 575 |
| Jan. 1, 2008—Mar. 31, 2008 | 6% | 65 | 619 | 7% | 67 | 621 |
| Apr. 1, 2008—Jun. 30, 2008 | 5% | 63 | 617 | 6% | 65 | 619 |
| Jul. 1, 2008—Sep. 30, 2008 | 4% | 61 | 615 | 5% | 63 | 617 |
| Oct. 1, 2008—Dec. 31, 2008 | 5% | 63 | 617 | 6% | 65 | 619 |
| Jan. 1, 2009—Mar. 31, 2009 | 4% | 13 | 567 | 5% | 15 | 569 |
| Apr. 1, 2009—Jun. 30, 2009 | 3% | 11 | 565 | 4% | 13 | 567 |
| Jul. 1, 2009—Sep. 30, 2009 | 3% | 11 | 565 | 4% | 13 | 567 |
| Oct. 1, 2009—Dec. 31, 2009 | 3% | 11 | 565 | 4% | 13 | 567 |
| Jan. 1, 2010—Mar. 31, 2010 | 3% | 11 | 565 | 4% | 13 | 567 |
| Apr. 1, 2010—Jun. 30, 2010 | 3% | 11 | 565 | 4% | 13 | 567 |
| Jul. 1, 2010—Sep. 30, 2010 | 3% | 11 | 565 | 4% | 13 | 567 |
| Oct. 1, 2010—Dec. 31, 2010 | 3% | 11 | 565 | 4% | 13 | 567 |
| Jan. 1, 2011—Mar. 31, 2011 | 2% | 9 | 563 | 3% | 11 | 565 |
| Apr. 1, 2011—Jun. 30, 2011 | 3% | 11 | 565 | 4% | 13 | 567 |
| Jul. 1, 2011—Sep. 30, 2011 | 3% | 11 | 565 | 4% | 13 | 567 |
| Oct. 1, 2011—Dec. 31, 2011 | 2% | 9 | 563 | 3% | 11 | 565 |
| Jan. 1, 2012—Mar. 31, 2012 | 2% | 57 | 611 | 3% | 59 | 613 |

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 — PRESENT
CORPORATE OVERPAYMENTS AND UNDERPAYMENTS – Continued

| | OVERPAYMENTS | | | UNDERPAYMENTS | | |
|----------------------------|--------------|-------|-----|---------------|-------|-----|
| | 1995-1 C.B. | | | 1995-1 C.B. | | |
| | RATE | TABLE | PG | RATE | TABLE | PG |
| Apr. 1, 2012—Jun. 30, 2012 | 2% | 57 | 611 | 3% | 59 | 613 |
| Jul. 1, 2012—Sep. 30, 2012 | 2% | 57 | 611 | 3% | 59 | 613 |
| Oct. 1, 2012—Dec. 31, 2012 | 2% | 57 | 611 | 3% | 59 | 613 |

TABLE OF INTEREST RATES FOR
LARGE CORPORATE UNDERPAYMENTS
FROM JANUARY 1, 1991 — PRESENT

| | RATE | 1995-1 C.B. TABLE | PG |
|----------------------------|------|----------------------|-----|
| Jan. 1, 1991—Mar. 31, 1991 | 13% | 31 | 585 |
| Apr. 1, 1991—Jun. 30, 1991 | 12% | 29 | 583 |
| Jul. 1, 1991—Sep. 30, 1991 | 12% | 29 | 583 |
| Oct. 1, 1991—Dec. 31, 1991 | 12% | 29 | 583 |
| Jan. 1, 1992—Mar. 31, 1992 | 11% | 75 | 629 |
| Apr. 1, 1992—Jun. 30, 1992 | 10% | 73 | 627 |
| Jul. 1, 1992—Sep. 30, 1992 | 10% | 73 | 627 |
| Oct. 1, 1992—Dec. 31, 1992 | 9% | 71 | 625 |
| Jan. 1, 1993—Mar. 31, 1993 | 9% | 23 | 577 |
| Apr. 1, 1993—Jun. 30, 1993 | 9% | 23 | 577 |
| Jul. 1, 1993—Sep. 30, 1993 | 9% | 23 | 577 |
| Oct. 1, 1993—Dec. 31, 1993 | 9% | 23 | 577 |
| Jan. 1, 1994—Mar. 31, 1994 | 9% | 23 | 577 |
| Apr. 1, 1994—Jun. 30, 1994 | 9% | 23 | 577 |
| Jul. 1, 1994—Sep. 30, 1994 | 10% | 25 | 579 |
| Oct. 1, 1994—Dec. 31, 1994 | 11% | 27 | 581 |
| Jan. 1, 1995—Mar. 31, 1995 | 11% | 27 | 581 |
| Apr. 1, 1995—Jun. 30, 1995 | 12% | 29 | 583 |
| Jul. 1, 1995—Sep. 30, 1995 | 11% | 27 | 581 |
| Oct. 1, 1995—Dec. 31, 1995 | 11% | 27 | 581 |
| Jan. 1, 1996—Mar. 31, 1996 | 11% | 75 | 629 |
| Apr. 1, 1996—Jun. 30, 1996 | 10% | 73 | 627 |
| Jul. 1, 1996—Sep. 30, 1996 | 11% | 75 | 629 |
| Oct. 1, 1996—Dec. 31, 1996 | 11% | 75 | 629 |
| Jan. 1, 1997—Mar. 31, 1997 | 11% | 27 | 581 |
| Apr. 1, 1997—Jun. 30, 1997 | 11% | 27 | 581 |
| Jul. 1, 1997—Sep. 30, 1997 | 11% | 27 | 581 |
| Oct. 1, 1997—Dec. 31, 1997 | 11% | 27 | 581 |
| Jan. 1, 1998—Mar. 31, 1998 | 11% | 27 | 581 |
| Apr. 1, 1998—Jun. 30, 1998 | 10% | 25 | 579 |
| Jul. 1, 1998—Sep. 30, 1998 | 10% | 25 | 579 |
| Oct. 1, 1998—Dec. 31, 1998 | 10% | 25 | 579 |
| Jan. 1, 1999—Mar. 31, 1999 | 9% | 23 | 577 |
| Apr. 1, 1999—Jun. 30, 1999 | 10% | 25 | 579 |
| Jul. 1, 1999—Sep. 30, 1999 | 10% | 25 | 579 |
| Oct. 1, 1999—Dec. 31, 1999 | 10% | 25 | 579 |
| Jan. 1, 2000—Mar. 31, 2000 | 10% | 73 | 627 |
| Apr. 1, 2000—Jun. 30, 2000 | 11% | 75 | 629 |
| Jul. 1, 2000—Sep. 30, 2000 | 11% | 75 | 629 |
| Oct. 1, 2000—Dec. 31, 2000 | 11% | 75 | 629 |
| Jan. 1, 2001—Mar. 31, 2001 | 11% | 27 | 581 |
| Apr. 1, 2001—Jun. 30, 2001 | 10% | 25 | 579 |

TABLE OF INTEREST RATES FOR
LARGE CORPORATE UNDERPAYMENTS
FROM JANUARY 1, 1991 — PRESENT — Continued

| | RATE | 1995-1 C.B. TABLE | PG |
|----------------------------|------|----------------------|-----|
| Jul. 1, 2001—Sep. 30, 2001 | 9% | 23 | 577 |
| Oct. 1, 2001—Dec. 31, 2001 | 9% | 23 | 577 |
| Jan. 1, 2002—Mar. 31, 2002 | 8% | 21 | 575 |
| Apr. 1, 2002—Jun. 30, 2002 | 8% | 21 | 575 |
| Jul. 1, 2002—Sep. 30, 2002 | 8% | 21 | 575 |
| Oct. 1, 2002—Dec. 30, 2002 | 8% | 21 | 575 |
| Jan. 1, 2003—Mar. 31, 2003 | 7% | 19 | 573 |
| Apr. 1, 2003—Jun. 30, 2003 | 7% | 19 | 573 |
| Jul. 1, 2003—Sep. 30, 2003 | 7% | 19 | 573 |
| Oct. 1, 2003—Dec. 31, 2003 | 6% | 17 | 571 |
| Jan. 1, 2004—Mar. 31, 2004 | 6% | 65 | 619 |
| Apr. 1, 2004—Jun. 30, 2004 | 7% | 67 | 621 |
| Jul. 1, 2004—Sep. 30, 2004 | 6% | 65 | 619 |
| Oct. 1, 2004—Dec. 31, 2004 | 7% | 67 | 621 |
| Jan. 1, 2005—Mar. 31, 2005 | 7% | 19 | 573 |
| Apr. 1, 2005—Jun. 30, 2005 | 8% | 21 | 575 |
| Jul. 1, 2005—Sep. 30, 2005 | 8% | 21 | 575 |
| Oct. 1, 2005—Dec. 31, 2005 | 9% | 23 | 577 |
| Jan. 1, 2006—Mar. 31, 2006 | 9% | 23 | 577 |
| Apr. 1, 2006—Jun. 30, 2006 | 9% | 23 | 577 |
| Jul. 1, 2006—Sep. 30, 2006 | 10% | 25 | 579 |
| Oct. 1, 2006—Dec. 31, 2006 | 10% | 25 | 579 |
| Jan. 1, 2007—Mar. 31, 2007 | 10% | 25 | 579 |
| Apr. 1, 2007—Jun. 30, 2007 | 10% | 25 | 579 |
| Jul. 1, 2007—Sep. 30, 2007 | 10% | 25 | 579 |
| Oct. 1, 2007—Dec. 31, 2007 | 10% | 25 | 579 |
| Jan. 1, 2008—Mar. 31, 2008 | 9% | 71 | 625 |
| Apr. 1, 2008—Jun. 30, 2008 | 8% | 69 | 623 |
| Jul. 1, 2008—Sep. 30, 2008 | 7% | 67 | 621 |
| Oct. 1, 2008—Dec. 31, 2008 | 8% | 69 | 623 |
| Jan. 1, 2009—Mar. 31, 2009 | 7% | 19 | 573 |
| Apr. 1, 2009—Jun. 30, 2009 | 6% | 17 | 571 |
| Jul. 1, 2009—Sep. 30, 2009 | 6% | 17 | 571 |
| Oct. 1, 2009—Dec. 31, 2009 | 6% | 17 | 571 |
| Jan. 1, 2010—Mar. 31, 2010 | 6% | 17 | 571 |
| Apr. 1, 2010—Jun. 30, 2010 | 6% | 17 | 571 |
| Jul. 1, 2010—Sep. 30, 2010 | 6% | 17 | 571 |
| Oct. 1, 2010—Dec. 31, 2010 | 6% | 17 | 571 |
| Jan. 1, 2011—Mar. 31, 2011 | 5% | 15 | 569 |
| Apr. 1, 2011—Jun. 30, 2011 | 6% | 17 | 571 |
| Jul. 1, 2011—Sep. 30, 2011 | 6% | 17 | 571 |
| Oct. 1, 2011—Dec. 31, 2011 | 5% | 15 | 569 |
| Jan. 1, 2012—Mar. 31, 2012 | 5% | 63 | 617 |
| Apr. 1, 2012—Jun. 30, 2012 | 5% | 63 | 617 |
| Jul. 1, 2012—Sep. 30, 2012 | 5% | 63 | 617 |
| Oct. 1, 2012—Dec. 31, 2012 | 5% | 63 | 617 |

TABLE OF INTEREST RATES FOR CORPORATE
OVERPAYMENTS EXCEEDING \$10,000
FROM JANUARY 1, 1995 — PRESENT

| | RATE | 1995-1 C.B. TABLE | PG |
|----------------------------|------|----------------------|-----|
| Jan. 1, 1995—Mar. 31, 1995 | 6.5% | 18 | 572 |
| Apr. 1, 1995—Jun. 30, 1995 | 7.5% | 20 | 574 |
| Jul. 1, 1995—Sep. 30, 1995 | 6.5% | 18 | 572 |
| Oct. 1, 1995—Dec. 31, 1995 | 6.5% | 18 | 572 |
| Jan. 1, 1996—Mar. 31, 1996 | 6.5% | 66 | 620 |
| Apr. 1, 1996—Jun. 30, 1996 | 5.5% | 64 | 618 |
| Jul. 1, 1996—Sep. 30, 1996 | 6.5% | 66 | 620 |
| Oct. 1, 1996—Dec. 31, 1996 | 6.5% | 66 | 620 |
| Jan. 1, 1997—Mar. 31, 1997 | 6.5% | 18 | 572 |
| Apr. 1, 1997—Jun. 30, 1997 | 6.5% | 18 | 572 |
| Jul. 1, 1997—Sep. 30, 1997 | 6.5% | 18 | 572 |
| Oct. 1, 1997—Dec. 31, 1997 | 6.5% | 18 | 572 |
| Jan. 1, 1998—Mar. 31, 1998 | 6.5% | 18 | 572 |
| Apr. 1, 1998—Jun. 30, 1998 | 5.5% | 16 | 570 |
| Jul. 1, 1998—Sep. 30, 1998 | 5.5% | 16 | 570 |
| Oct. 1, 1998—Dec. 31, 1998 | 5.5% | 16 | 570 |
| Jan. 1, 1999—Mar. 31, 1999 | 4.5% | 14 | 568 |
| Apr. 1, 1999—Jun. 30, 1999 | 5.5% | 16 | 570 |
| Jul. 1, 1999—Sep. 30, 1999 | 5.5% | 16 | 570 |
| Oct. 1, 1999—Dec. 31, 1999 | 5.5% | 16 | 570 |
| Jan. 1, 2000—Mar. 31, 2000 | 5.5% | 64 | 618 |
| Apr. 1, 2000—Jun. 30, 2000 | 6.5% | 66 | 620 |
| Jul. 1, 2000—Sep. 30, 2000 | 6.5% | 66 | 620 |
| Oct. 1, 2000—Dec. 31, 2000 | 6.5% | 66 | 620 |
| Jan. 1, 2001—Mar. 31, 2001 | 6.5% | 18 | 572 |
| Apr. 1, 2001—Jun. 30, 2001 | 5.5% | 16 | 570 |
| Jul. 1, 2001—Sep. 30, 2001 | 4.5% | 14 | 568 |
| Oct. 1, 2001—Dec. 31, 2001 | 4.5% | 14 | 568 |
| Jan. 1, 2002—Mar. 31, 2002 | 3.5% | 12 | 566 |
| Apr. 1, 2002—Jun. 30, 2002 | 3.5% | 12 | 566 |
| Jul. 1, 2002—Sep. 30, 2002 | 3.5% | 12 | 566 |
| Oct. 1, 2002—Dec. 31, 2002 | 3.5% | 12 | 566 |
| Jan. 1, 2003—Mar. 31, 2003 | 2.5% | 10 | 564 |
| Apr. 1, 2003—Jun. 30, 2003 | 2.5% | 10 | 564 |
| Jul. 1, 2003—Sep. 30, 2003 | 2.5% | 10 | 564 |
| Oct. 1, 2003—Dec. 31, 2003 | 1.5% | 8 | 562 |
| Jan. 1, 2004—Mar. 31, 2004 | 1.5% | 56 | 610 |
| Apr. 1, 2004—Jun. 30, 2004 | 2.5% | 58 | 612 |
| Jul. 1, 2004—Sep. 30, 2004 | 1.5% | 56 | 610 |
| Oct. 1, 2004—Dec. 31, 2004 | 2.5% | 58 | 612 |
| Jan. 1, 2005—Mar. 31, 2005 | 2.5% | 10 | 564 |
| Apr. 1, 2005—Jun. 30, 2005 | 3.5% | 12 | 566 |
| Jul. 1, 2005—Sep. 30, 2005 | 3.5% | 12 | 566 |
| Oct. 1, 2005—Dec. 31, 2005 | 4.5% | 14 | 568 |
| Jan. 1, 2006—Mar. 31, 2006 | 4.5% | 14 | 568 |
| Apr. 1, 2006—Jun. 30, 2006 | 4.5% | 14 | 568 |
| Jul. 1, 2006—Sep. 30, 2006 | 5.5% | 16 | 570 |
| Oct. 1, 2006—Dec. 31, 2006 | 5.5% | 16 | 570 |
| Jan. 1, 2007—Mar. 31, 2007 | 5.5% | 16 | 570 |
| Apr. 1, 2007—Jun. 30, 2007 | 5.5% | 16 | 570 |
| Jul. 1, 2007—Sep. 30, 2007 | 5.5% | 16 | 570 |
| Oct. 1, 2007—Dec. 31, 2007 | 5.5% | 16 | 570 |
| Jan. 1, 2008—Mar. 31, 2008 | 4.5% | 62 | 616 |
| Apr. 1, 2008—Jun. 30, 2008 | 3.5% | 60 | 614 |
| Jul. 1, 2008—Sep. 30, 2008 | 2.5% | 58 | 612 |

TABLE OF INTEREST RATES FOR CORPORATE
OVERPAYMENTS EXCEEDING \$10,000
FROM JANUARY 1, 1995 — PRESENT — Continued

| | RATE | 1995-1 C.B. TABLE | PG |
|----------------------------|-------|----------------------|-----|
| Oct. 1, 2008—Dec. 31, 2008 | 3.5% | 60 | 614 |
| Jan. 1, 2009—Mar. 31, 2009 | 2.5% | 10 | 564 |
| Apr. 1, 2009—Jun. 30, 2009 | 1.5% | 8 | 562 |
| Jul. 1, 2009—Sep. 30, 2009 | 1.5% | 8 | 562 |
| Oct. 1, 2009—Dec. 31, 2009 | 1.5% | 8 | 562 |
| Jan. 1, 2010—Mar. 31, 2010 | 1.5% | 8 | 562 |
| Apr. 1, 2010—Jun. 30, 2010 | 1.5% | 8 | 562 |
| Jul. 1, 2010—Sep. 30, 2010 | 1.5% | 8 | 562 |
| Oct. 1, 2010—Dec. 31, 2010 | 1.5% | 8 | 562 |
| Jan. 1, 2011—Mar. 31, 2011 | 0.5%* | | |
| Apr. 1, 2011—Jun. 30, 2011 | 1.5% | 8 | 562 |
| Jul. 1, 2011—Sep. 30, 2011 | 1.5% | 8 | 562 |
| Oct. 1, 2011—Dec. 31, 2011 | 0.5%* | | |
| Jan. 1, 2012—Mar. 31, 2012 | 0.5%* | | |
| Apr. 1, 2012—Jun. 30, 2012 | 0.5%* | | |
| Jul. 1, 2012—Sep. 30, 2012 | 0.5%* | | |
| Oct. 1, 2012—Dec. 31, 2012 | 0.5%* | | |

Part III. Administrative, Procedural, and Miscellaneous

Update for Weighted Average Interest Rates, Yield Curves, and Segment Rates

Notice 2012-56

This notice provides guidance as to the corporate bond weighted average interest rate and the permissible range of interest rates specified under § 412(b)(5)(B)(ii)(II) of the Internal Revenue Code as in effect for plan years beginning before 2008. It also provides guidance on the corporate bond monthly yield curve (and the corresponding spot segment rates), and the 24-month average segment rates under § 430(h)(2). In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008, the 30-year Treasury weighted average rate under § 431(c)(6)(E)(ii)(I), and the minimum present value segment rates under § 417(e)(3)(D) as in effect for plan years beginning after 2007. These rates re-

flect certain changes implemented by the Moving Ahead for Progress in the 21st Century Act, Public Law 112-141 (MAP-21). MAP-21 provides that for purposes of § 430(h)(2), the segment rates are limited by the applicable maximum percentage or the applicable minimum percentage based on the average of segment rates over a 25 year period. Additional guidance related to the new legislation will be issued in the future.

CORPORATE BOND WEIGHTED AVERAGE INTEREST RATE

Sections 412(b)(5)(B)(ii) and 412(l)(7)(C)(i) provide that the interest rates used to calculate current liability and to determine the required contribution under § 412(l) for plan years beginning in 2004 through 2007 must be within a permissible range based on the weighted average of the rates of interest on amounts invested conservatively in long term investment grade corporate bonds during the

4-year period ending on the last day before the beginning of the plan year.

Notice 2004-34, 2004-1 C.B. 848, provides guidelines for determining the corporate bond weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability. That notice establishes that the corporate bond weighted average is based on the monthly composite corporate bond rate derived from designated corporate bond indices. The methodology for determining the monthly composite corporate bond rate as set forth in Notice 2004-34 continues to apply in determining that rate. See Notice 2006-75, 2006-2 C.B. 366.

The composite corporate bond rate for August 2012 is 4.01 percent. Pursuant to Notice 2004-34, the Service has determined this rate as the average of the monthly yields for the included corporate bond indices for that month.

The following corporate bond weighted average interest rate was determined for plan years beginning in the month shown below.

| For Plan Years Beginning in | | Corporate Bond Weighted Average | Permissible Range | |
|-----------------------------|------|---------------------------------|-------------------|------|
| Month | Year | | 90% | 100% |
| September | 2012 | 5.25 | 4.73 | 5.25 |

YIELD CURVE AND SEGMENT RATES

Generally, except for certain plans under sections 104 and 105 of the Pension Protection Act of 2006, § 430 of the Code specifies the minimum funding requirements that apply to single employer plans pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan's target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates ("segment rates"), each of

which applies to cash flows during specified periods. To the extent provided under § 430(h)(2)(C)(iv), these segment rates are adjusted by the applicable percentage of the 25-year average segment rates for the period ending September 30 of the year preceding the calendar year in which the plan year begins. However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates.

Notice 2007-81, 2007-2 C.B. 899, provides guidelines for determining the monthly corporate bond yield curve, and the 24-month average corporate bond

segment rates used to compute the target normal cost and the funding target. Pursuant to Notice 2007-81, the monthly corporate bond yield curve derived from August 2012 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of August 2012 are, respectively, 1.13, 3.71, and 4.52. The three 24-month average corporate bond segment rates applicable for September 2012, without adjustment by the applicable percentage of the 25-year average segment rates, are as follows:

| 24-Month Segment Rates Without Adjustment by 25-Year Average Segment Rates | | |
|--|----------------|---------------|
| First Segment | Second Segment | Third Segment |
| 1.75 | 4.62 | 5.72 |

For plan years beginning in 2012, the 24-month average segment rates determined under § 430(h)(2)(C)(iv) must be not less than 90% nor greater than 110% of the 25-year average segment rates. Pursuant to Notice 2012–55, I.R.B. 2012–36, the first, second, and third 25-year segment rates applicable for plan years beginning in 2012 are 6.15, 7.61, and 8.35, respectively. Therefore, for plan years beginning in 2012, the three adjusted 24-month average corporate bond segment rates applicable for September 2012, taking into account the applicable percentage of the 25-year average segment rates, are as follows:

2012, the three adjusted 24-month average corporate bond segment rates applicable for September 2012, taking into account the applicable percentage of the 25-year average segment rates, are as follows:

2012, the three adjusted 24-month average corporate bond segment rates applicable for September 2012, taking into account the applicable percentage of the 25-year average segment rates, are as follows:

| <u>Adjusted 24-Month Average Segment Rates, Using Applicable Percentage of 25-Year Average Segment Rates</u> | | | | |
|--|--|--------------------------|---------------------------|--------------------------|
| <u>Applicable month</u> | <u>For Plan Years Beginning in</u> | <u>First Segment</u> | <u>Second Segment</u> | <u>Third Segment</u> |
| September 2012 | 2012 | 5.54 | 6.85 | 7.52 |

The 25-year average segment rates for the period ending September 30, 2012 have not been determined yet. The Service will issue additional guidance on the September 2012 adjusted 24-month average segment rates applicable for plan years beginning in 2013 when those 25-year average segment rates are determined.

Secretary may by regulations prescribe. Section 1.417(e)–1(d)(3) of the Income Tax Regulations provides that the applicable interest rate for a month is the annual rate of interest on 30-year Treasury securities as specified by the Commissioner for that month in revenue rulings, notices or other guidance published in the Internal Revenue Bulletin.

multiemployer plans pursuant to § 412. Section 431(c)(6)(B) specifies a minimum amount for the full-funding limitation described in section 431(c)(6)(A), based on the plan’s current liability. Section 431(c)(6)(E)(ii)(I) provides that the interest rate used to calculate current liability for this purpose must be no more than 5 percent above and no more than 10 percent below the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year. Notice 88–73, 1988–2 C.B. 383, provides guidelines for determining the weighted average interest rate. The following rates were determined for plan years beginning in the month shown below.

30-YEAR TREASURY SECURITIES INTEREST RATES

Section 417(e)(3)(A)(ii)(II) (prior to amendment by PPA) defines the applicable interest rate, which must be used for purposes of determining the minimum present value of a participant’s benefit under § 417(e)(1) and (2), as the annual rate of interest on 30-year Treasury securities for the month before the date of distribution or such other time as the

The rate of interest on 30-year Treasury securities for August 2012 is 2.77 percent. The Service has determined this rate as the average of the yield on the 30-year Treasury bond maturing in May 2042 determined each day through August 8, 2012, and the yield on the 30-year Treasury bond maturing in August 2042 determined each day for the balance of the month.

Generally for plan years beginning after 2007, § 431 specifies the minimum funding requirements that apply to

| <u>For Plan Years Beginning in</u> | | <u>30-Year Treasury Weighted Average</u> | <u>Permissible Range</u> | | |
|--|-------------|--|--------------------------|-----------|-------------|
| <u>Month</u> | <u>Year</u> | | <u>90%</u> | <u>to</u> | <u>105%</u> |
| September | 2012 | 3.73 | 3.35 | | 3.91 |

MINIMUM PRESENT VALUE SEGMENT RATES

In general, the applicable interest rates under § 417(e)(3)(D) are segment rates computed without regard to a 24-month average. For plan years beginning in

2008 through 2011, the applicable interest rates are the monthly spot segment rates blended with the applicable rate under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning in 2007. Notice 2007–81 provides guidelines for determining the minimum present value segment rates.

Pursuant to that notice, the minimum present value transitional segment rates determined for August 2012, taking into account the August 2012 30-year Treasury rate of 2.77 stated above, are as follows:

Minimum Present Value Segment Rates for August 2012

| <u>For Plan Years Beginning in</u> | <u>First Segment</u> | <u>Second Segment</u> | <u>Third Segment</u> |
|--|--------------------------|---------------------------|--------------------------|
| 2011 | 1.46 | 3.52 | 4.17 |
| 2012 | 1.13 | 3.71 | 4.52 |

DRAFTING INFORMATION

The principal author of this notice is Tony Montanaro of the Employee Plans,

Tax Exempt and Government Entities Division. Mr. Montanaro may be e-mailed at *RetirementPlanQuestions@irs.gov*.

Table I
 Monthly Yield Curve for August 2012
 Derived from August 2012 Data

| <i>Maturity</i> | <i>Yield</i> | <i>Maturity</i> | <i>Yield</i> | <i>Maturity</i> | <i>Yield</i> | <i>Maturity</i> | <i>Yield</i> | <i>Maturity</i> | <i>Yield</i> |
|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| 0.5 | 0.37 | 20.5 | 4.43 | 40.5 | 4.53 | 60.5 | 4.57 | 80.5 | 4.60 |
| 1.0 | 0.60 | 21.0 | 4.43 | 41.0 | 4.53 | 61.0 | 4.58 | 81.0 | 4.60 |
| 1.5 | 0.81 | 21.5 | 4.43 | 41.5 | 4.53 | 61.5 | 4.58 | 81.5 | 4.60 |
| 2.0 | 0.99 | 22.0 | 4.44 | 42.0 | 4.53 | 62.0 | 4.58 | 82.0 | 4.60 |
| 2.5 | 1.12 | 22.5 | 4.44 | 42.5 | 4.53 | 62.5 | 4.58 | 82.5 | 4.60 |
| 3.0 | 1.24 | 23.0 | 4.44 | 43.0 | 4.54 | 63.0 | 4.58 | 83.0 | 4.60 |
| 3.5 | 1.35 | 23.5 | 4.44 | 43.5 | 4.54 | 63.5 | 4.58 | 83.5 | 4.60 |
| 4.0 | 1.47 | 24.0 | 4.44 | 44.0 | 4.54 | 64.0 | 4.58 | 84.0 | 4.60 |
| 4.5 | 1.60 | 24.5 | 4.45 | 44.5 | 4.54 | 64.5 | 4.58 | 84.5 | 4.60 |
| 5.0 | 1.76 | 25.0 | 4.45 | 45.0 | 4.54 | 65.0 | 4.58 | 85.0 | 4.60 |
| 5.5 | 1.92 | 25.5 | 4.45 | 45.5 | 4.54 | 65.5 | 4.58 | 85.5 | 4.60 |
| 6.0 | 2.10 | 26.0 | 4.45 | 46.0 | 4.54 | 66.0 | 4.58 | 86.0 | 4.60 |
| 6.5 | 2.29 | 26.5 | 4.45 | 46.5 | 4.55 | 66.5 | 4.58 | 86.5 | 4.60 |
| 7.0 | 2.48 | 27.0 | 4.46 | 47.0 | 4.55 | 67.0 | 4.58 | 87.0 | 4.60 |
| 7.5 | 2.66 | 27.5 | 4.46 | 47.5 | 4.55 | 67.5 | 4.58 | 87.5 | 4.60 |
| 8.0 | 2.85 | 28.0 | 4.46 | 48.0 | 4.55 | 68.0 | 4.59 | 88.0 | 4.61 |
| 8.5 | 3.02 | 28.5 | 4.47 | 48.5 | 4.55 | 68.5 | 4.59 | 88.5 | 4.61 |
| 9.0 | 3.19 | 29.0 | 4.47 | 49.0 | 4.55 | 69.0 | 4.59 | 89.0 | 4.61 |
| 9.5 | 3.35 | 29.5 | 4.47 | 49.5 | 4.55 | 69.5 | 4.59 | 89.5 | 4.61 |
| 10.0 | 3.49 | 30.0 | 4.48 | 50.0 | 4.55 | 70.0 | 4.59 | 90.0 | 4.61 |
| 10.5 | 3.62 | 30.5 | 4.48 | 50.5 | 4.56 | 70.5 | 4.59 | 90.5 | 4.61 |
| 11.0 | 3.74 | 31.0 | 4.48 | 51.0 | 4.56 | 71.0 | 4.59 | 91.0 | 4.61 |
| 11.5 | 3.84 | 31.5 | 4.49 | 51.5 | 4.56 | 71.5 | 4.59 | 91.5 | 4.61 |
| 12.0 | 3.94 | 32.0 | 4.49 | 52.0 | 4.56 | 72.0 | 4.59 | 92.0 | 4.61 |
| 12.5 | 4.02 | 32.5 | 4.49 | 52.5 | 4.56 | 72.5 | 4.59 | 92.5 | 4.61 |
| 13.0 | 4.09 | 33.0 | 4.49 | 53.0 | 4.56 | 73.0 | 4.59 | 93.0 | 4.61 |
| 13.5 | 4.15 | 33.5 | 4.50 | 53.5 | 4.56 | 73.5 | 4.59 | 93.5 | 4.61 |
| 14.0 | 4.20 | 34.0 | 4.50 | 54.0 | 4.56 | 74.0 | 4.59 | 94.0 | 4.61 |
| 14.5 | 4.25 | 34.5 | 4.50 | 54.5 | 4.56 | 74.5 | 4.59 | 94.5 | 4.61 |
| 15.0 | 4.28 | 35.0 | 4.50 | 55.0 | 4.57 | 75.0 | 4.59 | 95.0 | 4.61 |
| 15.5 | 4.31 | 35.5 | 4.51 | 55.5 | 4.57 | 75.5 | 4.59 | 95.5 | 4.61 |
| 16.0 | 4.34 | 36.0 | 4.51 | 56.0 | 4.57 | 76.0 | 4.59 | 96.0 | 4.61 |
| 16.5 | 4.36 | 36.5 | 4.51 | 56.5 | 4.57 | 76.5 | 4.60 | 96.5 | 4.61 |
| 17.0 | 4.38 | 37.0 | 4.51 | 57.0 | 4.57 | 77.0 | 4.60 | 97.0 | 4.61 |
| 17.5 | 4.39 | 37.5 | 4.52 | 57.5 | 4.57 | 77.5 | 4.60 | 97.5 | 4.61 |
| 18.0 | 4.40 | 38.0 | 4.52 | 58.0 | 4.57 | 78.0 | 4.60 | 98.0 | 4.61 |
| 18.5 | 4.41 | 38.5 | 4.52 | 58.5 | 4.57 | 78.5 | 4.60 | 98.5 | 4.61 |
| 19.0 | 4.42 | 39.0 | 4.52 | 59.0 | 4.57 | 79.0 | 4.60 | 99.0 | 4.61 |
| 19.5 | 4.42 | 39.5 | 4.52 | 59.5 | 4.57 | 79.5 | 4.60 | 99.5 | 4.61 |
| 20.0 | 4.43 | 40.0 | 4.53 | 60.0 | 4.57 | 80.0 | 4.60 | 100.0 | 4.61 |

Use this Revenue Procedure to prepare Tax Year 2012 and prior year information returns for submission to Internal Revenue Service (IRS) using electronic filing.

Caution to filers:

Please read this publication carefully. Persons or businesses required to file information returns electronically may be subject to penalties for failure to file or include correct information if the instructions in this Revenue Procedure are not followed.

Important notes:

The IRS internet connection for filing information returns electronically is <http://fire.irs.gov> and <http://fire.test.irs.gov>. The Filing Information Returns Electronically (FIRE) system *and the test system* will be down from 6 p.m. ET *December 14, 2012, through January 02, 2013* for yearly updates. In addition, the FIRE system may be down every Wednesday from 2:00 a.m. to 5:00 a.m. ET for programming updates. The FIRE system will not be available for submissions during these times.

Form 4419, *Application for Filing Information Returns Electronically (FIRE)*, is subject to review before the approval to transmit electronically is granted. IRS may require additional documentation. If a determination is made concerning the validity of the documents transmitted electronically, IRS has the authority to revoke the Transmitter Control Code (TCC) and terminate the release of the files.

The FIRE system does not provide fill-in forms for filing information returns.

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Part A. General

Revenue Procedures are generally revised annually to reflect legislative and form changes. Comments concerning this Revenue Procedure, or suggestions for making it more helpful, can be addressed to:

Internal Revenue Service
Attn: Information Returns Branch
230 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

Sec. 1. Purpose

Note: Refer to Part A, Sec. 13, for definitions of terms and codes used in this publication.

.01 This Revenue Procedure supersedes *Rev. Proc. 2011–50* published as Publication 1187 (Rev. 10/2011), *Specifications for Filing Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding, Electronically.*

.02 The purpose of this Revenue Procedure is to provide the specifications for filing Form 1042-S with IRS electronically through the IRS Filing Information Returns Electronically (FIRE) system. The system is designed to support the electronic filing of information returns only. This Revenue Procedure must be used to prepare current and prior year information returns *filed beginning January 1, 2013, and received by IRS by December 31, 2013.*

.03 All data received for processing will be given the same protection as individual income tax returns (Form 1040). IRS will process the data and determine if the records are formatted and coded according to this Revenue Procedure.

.04 Generally, the box names on the paper Form 1042-S correspond with the fields used to file electronically; however, if discrepancies occur, the instructions in this Revenue Procedure must be followed when filing electronically.

.05 The following Revenue Procedures and publications provide more detailed filing procedures for certain information returns:

- (a) *Instructions for Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding*
- (b) Publication 1179, *General Rules and Specifications for Substitute Forms 1096, 1097, 1098, 1099, 3921, 3922, 5498, 8935, W-2G and 1042-S*
- (c) Publication 1239, *Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Electronically*
- (d) Publication 1220, *Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G, Electronically*
- (e) Publication 3609, *Filing Information Returns Electronically (FIRE)*
- (f) Form 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*
- (g) Publication 4810, *Specifications for Filing Form 8955-SSA, Annual Registration Statement of Identifying Separated Participants With Deferred Vested Benefits, Electronically*

.06 IRS does not process Forms W-2. Paper or electronic filing of Forms W-2 must be sent to SSA. IRS does, however, process Form 8508, *Request for Waiver From Filing Information Returns Electronically* (Forms W-2, W-2G, 1042-S, 1097-BTC, 1098 Series, 1099 Series, 3921, 3922, 5498 Series, and 8027) and Form 8809, *Application for Extension of Time to File Information Returns* for Forms W-2 as well as requests for an extension of time to provide the employee copies of Forms W-2.

.07 Specifications for filing Forms W-2, *Wage and Tax Statements*, electronically are available from the Social Security Administration (SSA) only. Filers can call 1-800-SSA-6270 to obtain the telephone number of the SSA Employer Service Liaison Officer for their area.

.08 Every withholding agent (defined in Part A, Sec. 13) must file an information return on Form 1042-S to report amounts of U.S. sourced income that was paid during the preceding calendar year. See Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, for additional guidance on what is considered U.S. sourced income. Form 1042-S must be filed even if there was no tax withheld because the income was exempt from tax under a U.S. tax treaty or the Code. This includes the exemption for income that is effectively connected with the conduct of a trade or business in the United States, or the tax withheld was released to the recipient. Amounts paid to bona fide residents of U.S. possessions and territories are not subject to reporting on Form 1042-S if the beneficial owner of the income is a U.S. citizen, national, or resident alien.

Caution: If filing Form 1042-S, Form 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*, must also be filed. See Form 1042 for more information.

Sec. 2. What's New for Tax Year 2012

.01 "Nature of Changes-Current Year" has been changed to "What's New for Tax Year 2012".

.02 The tax year must be updated with the four-digit reporting year (2011 to 2012), unless reporting prior year data.

.03 Form 4419, *Application for Filing Information Returns Electronically (FIRE)*, must be submitted at least 45 days before the due date of the return(s) to allow IRS the minimum amount of time necessary to process and respond to applications.

.04 Income code 20 "Earnings as an Artist or Athlete" has been deleted.

.05 There are two new income codes. Use income code 42 for earnings as an artist or athlete if there is no central withholding agreement. Use income code 43 for earnings as an artist or athlete if there is a central withholding agreement.

.06 Added a Province Code chart in the Recipient "Q" Record, positions 336-337.

Reminders

In this publication, all titles of forms and publications and pertinent changes for Tax Year 2012 are emphasized by the use of *italics*. Portions of text that require special attention are in boldface text.

Filers are encouraged to read the publication in its entirety.

Sec. 3. Where To File and How to Contact the IRS, Information Returns Branch (IRB)

.01 All information returns filed through the FIRE system are processed at IRS. General inquiries concerning the electronic filing of Forms 1042-S may be sent to the following address:

Internal Revenue Service
Information Returns Branch
Attn: 1042-S Reporting
230 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

.02 All requests for an extension of time to file information returns with IRS filed on Form 8809 or requests for an extension to provide recipient copies, and requests for undue hardship waivers filed on Form 8508 should be sent to the following address:

Internal Revenue Service
Information Returns Branch
Attn: Extension of Time Coordinator
240 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

.03 The telephone numbers and web addresses for questions about specifications for electronic submissions are:

Internal Revenue Service
1-866-455-7438
Outside the U.S. 1-304-263-8700

Telecommunication Device for the Deaf (TDD)
1-304-579-4827

Fax
Within the U.S. — 1-877-477-0572
Outside the U.S. — 1-304-579-4105

Electronic Filing – FIRE system
Production URL — <http://fire.irs.gov>
Test URL — <http://fire.test.irs.gov>

To Obtain Forms:
By phone — 1-800-TAX-FORM (1-800-829-3676)
[IRS.gov](http://www.irs.gov) — Online Ordering for Information Returns and Employer Returns
<http://www.irs.gov/formspubs/page/0,,id=10768,00.html>

.04 The current *Instructions for Form 1042-S* have been included in Publication 1187 for the convenience of filers. The Form 1042-T is used only to transmit Copy A of paper Forms 1042-S. When filing paper returns, follow the mailing instructions on Form 1042-T and submit the paper returns to:

Internal Revenue Service
Ogden Service Center
P.O. Box 409101
Ogden, UT 84409

.05 Form 4419, *Application for Filing Information Returns Electronically (FIRE)*, Form 8809, *Application for Extension of Time to File Information Returns*, and Form 8508, *Request for Waiver From Filing Information Returns Electronically*, may be faxed to IRS at 1-877-477-0572 or 1-304-579-4105.

.06 Electronic Products and Services Support, Information Returns Branch (IRB), answers electronic, paper filing, and tax law questions from the payer community relating to the correct preparation and filing of information returns (Forms 1096, 1097, 1098, 1099, 3921, 3922, 8935, 5498, 8027, and W-2G). IRB also answers questions relating to the electronic filing of Forms 1042-S and 8955-SSA. Call 1-866-455-7438 or 1-304-263-8700 for specific information about electronic filing of Forms 1042-S, 8027, and 8955-SSA. Inquiries pertaining to backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers are also addressed by IRB. Assistance is available year-round to payers, transmitters, and employers, Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern Time, by calling 1-866-455-7438 or by email at mccirp@irs.gov. When sending emails concerning specific file information, include the company name and the electronic filename or Transmitter Control Code. Please do not submit TINs or attachments, because electronic mail is not secure and the information may be compromised. The Telecommunications Device for the Deaf (TDD) toll number is 1-304-579-4827. Call as soon as questions arise to avoid the busy filing seasons at the end of January, February, and March. Recipients of information returns (payees) should continue to contact 1-800-829-1040 with any questions on how to report the information returns data on their tax returns.

Note: IRB assistants do not answer tax law questions concerning the requirements for withholding of tax on payments of U.S. source income to foreign persons under Chapter 3 of the Internal Revenue Code (IRC). If such assistance is needed, call 1-267-941-1000 (not a toll-free number) or write to:

Internal Revenue Service
International Accounts
Philadelphia, PA 19255-0725.

.08 Filers should not contact IRB if they have received a penalty notice and need additional information or are requesting an abatement of the penalty. A penalty notice contains an IRS representative's name and/or telephone number for contact purposes; or, the filer may be instructed to respond in writing to the address provided. IRB does not issue penalty notices and does not have the authority to abate penalties. For penalty information, refer to the Penalty section of the *Instructions for Form 1042-S*.

.09 Make requests for paper Forms 1042-S by calling the IRS at 1-800-TAX-FORM (1-800-829-3676) or ordering online from the IRS website at www.IRS.gov/formspubs.

.10 Questions pertaining to electronic filing of Forms W-2 must be directed to the Social Security Administration (SSA). Filers can call 1-800-772-6270 to obtain the telephone number of the SSA Employer Service Liaison Officer for their area.

.11 A taxpayer or authorized representative may request a copy of a tax return, including Form W-2 filed with a return, by submitting Form 4506, *Request for Copy of Tax Return*, to IRS. This form may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). For any questions regarding this form, call 1-267-941-1000. This is not a toll-free number.

Sec. 4. Filing and Retention Requirements

.01 The regulations under section 6011(e)(2)(A) of the Internal Revenue Code provide that any person, including a corporation, partnership, individual, estate, and trust, who is required to file 250 or more information returns must file such returns electronically. Withholding agents who meet the threshold of 250 or more Forms 1042-S are required to submit the information electronically.

Note: Even though filers may submit up to 249 information returns on paper, IRS encourages filers to transmit those information returns electronically. Filers are encouraged to file information returns electronically even if they do not meet the required 250 information returns threshold.

.02 All filing requirements apply individually to each reporting entity as defined by its separate Taxpayer Identification Number (TIN), [Social Security Number (SSN), Employer Identification Number (EIN), Individual Taxpayer Identification Number (ITIN), or Qualified Intermediary Employer Identification Number (QI-EIN), Withholding Foreign Partnership Employer Identification Number (WP-EIN), Withholding Foreign Trust Employer Identification Number (WT-EIN)]. For example, if a corporation with several branches or locations uses the same EIN, the corporation must aggregate the total volume of returns to be filed for that EIN and apply the filing requirements to each type of return accordingly.

.03 These requirements apply separately to both originals and amended records filed electronically.

.04 The requirements do not apply if the filer establishes undue hardship (See Part D, Sec. 5).

.05 Current and prior year data must be submitted in separate electronic transmissions. Each tax year must be a separate electronic file.

.06 Filers who have prepared their information returns in advance of the due date should submit this information to IRS no earlier than January 1 of the year the return is due.

.07 Do not report duplicate information. If a filer submits returns electronically, identical paper documents must not be filed. Duplicate filing may result in penalty notices being sent to recipients.

.08 Withholding agents should retain a copy of the information returns filed with the IRS or have the ability to reconstruct the data for at least three years from the due date of the returns.

Sec. 5. Vendor List – Publication 1582

.01 IRS maintains a list of vendors who support electronic filing. Publication 1582, *Information Returns Vendor List*, contains the names of service bureaus that will produce or submit files for electronic filing. It also contains the names of vendors who provide software packages for payers who wish to produce electronic files on their own computer systems. This list is compiled as a courtesy and in no way implies IRS approval or endorsement.

.02 If filers engage a service bureau to prepare files on their behalf, the filers must not also report this data, as it will create a duplicate filing situation which may cause penalty notices to be generated.

.03 Publication 1582 is updated periodically. The most recent revision is available on the IRS website at www.IRS.gov. For an additional list of software providers, log on to www.IRS.gov and type "Business e-file Providers" in the Search box.

.04 If you are a new vendor and would like to be listed in the online Publication 1582 or if you are listed and the information is incorrect or incomplete, submit a letter to the following address:

Internal Revenue Service
Information Returns Branch
230 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430-5201

The request should include:

- (a) Company name
- (b) Address (include city, state, and ZIP code)
- (c) Telephone and FAX number (include area code)
- (d) Email address
- (e) Contact person
- (f) Website
- (g) Type(s) of service provided (for example, service bureau and/or software)
- (h) Method of filing (only electronic filing is acceptable)
- (i) Type(s) of return(s)

Sec. 6. Form 4419, Application for Filing Information Returns Electronically (FIRE)

.01 Transmitters are required to submit Form 4419, *Application for Filing Information Returns Electronically (FIRE)*, to request authorization to file information returns with IRS. A single Form 4419 should be filed. IRS encourages transmitters who file for multiple withholding agents or qualified intermediaries to submit one application and to use the assigned Transmitter Control Code (TCC) for all. Form 4419 is subject to review before approval to transmit electronically is granted. IRS may require additional documentation. If a determination is made concerning the validity of the documents transmitted electronically, IRS has the authority to revoke the Transmitter Control Code (TCC) and terminate the release of files.

Note: An additional Form 4419 is required for filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G. Form 8027, *Employer's Annual Information Return of Tip Income and Allocated Tips*, and Form 8955-SSA, *Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits*, also require separate Forms 4419. See the back of Form 4419 for detailed instructions.

.02 Electronically filed returns may not be submitted to IRS until the application has been approved. Please read the instructions on the back of Form 4419 carefully. Form 4419 is included in Publication 1187 for the filer's use. This form may be photocopied. Additional forms may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). The form is also available at www.irs.gov.

.03 Upon approval, a five-character alphanumeric Transmitter Control Code (TCC) beginning with the digits "22" will be assigned and included in an approval letter. The TCC must be coded in the Transmitter "T" Record. If a transmitter uses more than one TCC to file, each TCC must be reported on a separate electronic transmission. Please make sure that electronic files are submitted using the correct TCC.

.04 If any of the information (Name, TIN or Address) on Form 4419 changes, please notify IRS in writing by fax or mail so the IRS database can be updated. The transmitter should include the TCC in all correspondence.

.05 Form 4419 may be submitted anytime during the year; however, it must be submitted to IRS at least *45 days* before the due date of the return(s) for current year processing. This will allow IRS the minimum amount of time necessary to process and respond to applications. Form 4419 may be faxed to IRS at 877-477-0572 or 304-579-4105 (not toll-free). In the event that computer equipment or software is not compatible with IRS, a waiver may be requested to file returns on paper documents.

.06 IRS encourages a transmitter who files for multiple withholding agents to submit one application and to use the assigned TCC for all withholding agents.

.07 If a withholding agent's files are prepared by a service bureau, it may not be necessary for the withholding agent to submit an application to obtain a TCC. Some service bureaus will produce files, code their own TCC on the file, and send it to IRS for the withholding agent. Other service bureaus will prepare electronic files for the withholding agent to submit directly to IRS. These service bureaus may require the withholding agent to obtain a TCC to be coded in the Transmitter "T" Record. Withholding agents should contact their service bureaus for further information.

.08 Once a transmitter is approved to file electronically, it is not necessary to reapply each year unless:

- (a) The withholding agent has discontinued filing electronically for two consecutive years; the withholding agent's TCC may have been reassigned by IRS. Withholding agents who are aware that the TCC assigned will no longer be used are requested to notify IRS so these numbers may be reassigned;

(b) The withholding agent's electronic files were transmitted in the past by a service bureau using the service bureau's TCC, but now the withholding agent has computer equipment compatible with that of IRS and wishes to prepare his or her own files. The withholding agent must request a TCC by filing Form 4419.

.09 One Form 4419 may be submitted per TIN. Multiple TCCs will only be issued to withholding agents with multiple TINs. Only one TCC will be issued per TIN unless the filer has checked the application for the following forms in addition to the Form 1042-S: Forms 1097, 1098, 1099, 3921, 3922, 5498, W-2G, 8935, 8955-SSA and/or 8027. A separate TCC will be assigned for these forms.

.10 Approval to file does not imply endorsement by IRS of any computer software or of the quality of tax preparation services provided by a service bureau or software vendor.

Sec. 7. Due Dates

.01 The due dates for filing paper returns with IRS also applies to electronic filing of Form 1042-S. Filing of these returns is on a calendar year basis.

.02 Form 1042-S filed electronically must be submitted to IRS on or before March 15.

.03 If any due date falls on a Saturday, Sunday, or legal holiday, the return or statement is considered timely if filed or furnished on the next day that is not a Saturday, Sunday, or legal holiday.

.04 Statements to recipients must be postmarked on or before March 15.

Sec. 8. Validation of Information Returns at IRS Service Center

.01 The accuracy of data reported on Form 1042-S is reviewed and validated at the IRS Service Center. All fields indicated as "Required" in the record layouts in Part C must contain valid information. If the Service identifies an error, filers will be notified and required to provide correct information.

.02 Be sure to review Notice 2006-35, 2006-14 I.R.B. 708 for know-your-customer rules.

.03 The tax rate entered must be a valid tax rate based on the Internal Revenue Code or on a valid treaty article. The valid treaty rate is based on the recipient's country of residence for tax purposes. The rate selected must be justified by the appropriate treaty. A valid Tax Rate Table is located in the *Instructions for Form 1042-S*.

.04 The Gross Income amount field must reflect pretax income. The Gross Income amount is the total income paid before any deduction of tax at source. This amount field must be reported in whole dollars only, rounding to the nearest dollar amount.

.05 If a qualified intermediary, withholding foreign partnership, or withholding foreign trust is acting as such, either as a withholding agent or as a recipient, the TIN reported must be a QI-EIN, WP-EIN, or WT-EIN and must begin with "98." See the definition of a QI in Part A, Sec 13 or in the *Instructions for Form 1042-S*.

.06 Country Codes used must be valid codes taken from the Country Code Table. Generally, the use of "OC" or "UC" will generate an error condition. If a recipient is claiming treaty benefits, the Country Code can never be "OC" or "UC".

.07 If a recipient is an "UNKNOWN RECIPIENT" or "WITHHOLDING RATE POOL," no address should be present. These are the only two situations where a street address is not required.

.08 A U.S. TIN for a recipient is now generally required, particularly for most treaty benefits. The exceptions are very limited and are listed in Publication 515 and the current *Instructions for Form 1042-S*. Use recipient U.S. TIN type indicator 4 when a U.S. TIN is required but was not provided. Reduced tax rates are not applicable when using the TIN type 4 indicator.

.09 Apply the following formulas to determine U.S. Federal Tax Withheld (field positions 359-370 of the Recipient "Q" Record). Applying the formulas will determine what the correct amount of withholding should be. If a different amount was withheld, enter the amount that was actually withheld. The U.S. Federal Tax Withheld amount must be added to Withholding by Other Agents (field positions 371-382) and the total of the two fields will be reflected in the Total Withholding Credit (field positions 383-394). Also, ensure the appropriate indicator is used in position 761 (U.S. Federal Tax Withheld Indicator). All field positions described below are in the Recipient "Q" Record.

Income Codes (15, 16, 17, 18, 19 and 42)

Gross Income (positions 6-17)

- Withholding Allowance (positions 18-29)

= Net Income (positions 30-41)

X Tax Rate (positions 42-45)

= U.S. Federal Tax Withheld (positions 359-370)

All Other Income Codes

Gross Income (positions 6-17)

X Tax Rate (positions 42-45)

= U.S. Federal Tax Withheld (positions 359-370)

.10 The following is how to correctly report an Unknown Recipient. All entries are in the Recipient "Q" Record.

(a) Tax Rate (positions 42-45) must be 3000.

- (b) Exemption Code (positions 46–47) is 00.
- (c) Recipient Code (positions 92–93) is 20.
- (d) Recipient’s Name Line-1 (positions 94–133) must have “UNKNOWN” or “UNKNOWN RECIPIENT.”
- (e) Recipient’s Name Line-2 (positions 134–173) must be blank.
- (f) Recipient’s address (positions 214–337) must be blank.
- (g) Recipient’s Country Code (positions 338–339) is UC.

.11 When making a payment to an international organization (such as, United Nations) or a tax-exempt organization under IRC 501(a), use Country Code “OC.” Use “UC” only when there is an “UNKNOWN RECIPIENT.”

.12 When using Exemption Code 4, the Recipient Country of Residence Code for Tax Purposes MUST be a VALID treaty country (for example, if the recipient is a tax resident of Northern Ireland use United Kingdom). Do not use Exemption Code 4 unless the exemption of tax is based on a treaty claim. If the tax treaty reduces the tax rate but does not exempt the payment, enter 00 or blanks for the exemption code as indicated in the “Q” Record instructions for positions 46–47.

.13 Generally, payments under Income Codes 06 and 08 are not exempt from withholding, however, certain exceptions apply. See the *Instructions for Form 1042-S*.

.14 If income is from gambling winnings (Income Code 28) or is not specified (Income Code 50), the tax rate must generally be 30%. This type of income is only exempt from withholding at source if the exemption is based on a tax treaty. These treaties are listed in Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

.15 If Income Code 42 or 43 (Earnings as an Artist or Athlete) is used, the Recipient Code must be 09. Do not use Recipient Code 01 (Individual), 02 (Corporation), or 03 (Partnership). Generally, the tax rate cannot be reduced even if a treaty may apply. *If compensation that otherwise would be covered under Income Codes 16 through 19 is directly attributable to the recipient’s occupation as an artist or athlete, use Income Code 42 or 43 instead.*

.16 When paying scholarship and fellowship grants (Income Code 15), the Recipient’s Country of Residence for Tax Purposes must be identified and cannot be “OC” or “UC.” Grants that are exempt under Code Section 117 are not required to be reported on Form 1042-S.

Note: Grants that are exempt under IR Code 117 include only the amounts provided for tuition, fees, books, and supplies to a qualified student. Amounts provided for room and board can only be exempted under a tax treaty and must be reported on Form 1042-S whether exempt from tax or not.

.17 If a student is receiving compensation (Income Code 19), or a teacher, or a researcher is receiving compensation (Income Code 18), all or part of which is exempted from tax under a tax treaty, the Country of Residence for Tax Purposes must be identified and cannot be “OC” or “UC.”

Sec. 9. Amended Returns

.01 If a Form 1042-S was filed with the IRS and the filer later discovered an error in the filing, an amended Form 1042-S must be filed as soon as possible.

Note: If any information amended on Form(s) 1042-S changes the information previously reported on Form 1042, the filer must also correct the Form 1042 by filing an amended return.

.02 The electronic filing requirement for information returns of 250 or more applies separately to both original and amended returns.

| | |
|---------------------------------|--|
| E X A M P L E | If a withholding agent has 100 Forms 1042-S to be amended, they can be filed on paper because they fall under the 250 threshold. However, if the withholding agent has 300 Forms 1042-S to be amended, they must be filed electronically because they exceed the 250 threshold. If for some reason a withholding agent cannot file the 300 amended returns electronically, to avoid penalties, a request for a waiver must be submitted before filing on paper. If a waiver is approved for original documents, any amended returns for the same type of return will be covered under that waiver. |
|---------------------------------|--|

.03 Amended returns should be filed as soon as possible. Amended returns filed after August 1 may be subject to the maximum penalty of \$100 per return. Amended returns filed by August 1 may be subject to a lesser penalty. For information on penalties, refer to the Penalty section of the current paper Instructions for Form 1042-S. However, if a withholding agent discovers errors after August 1, the withholding agent is still required to file amended returns or be subject to a penalty for intentional disregard of the filing requirements. If a record is incorrect, all fields on that record must be completed with the correct information. Submit amended returns only for the returns filed in error. Do not submit the entire file. Furnish amended statements to recipients as soon as possible.

Note: Do not include original returns and amended returns in the same electronic file.

.04 If filers discover that certain information returns were omitted on their original file, they must not code these documents as amended returns. The file must be coded and submitted as an original file.

.05 Prior year data, original and amended, must be filed according to the requirements of this Revenue Procedure. If submitting prior year amended returns, use the record format for the current year and submit in a separate transmission. Use the actual year designation of the amended return in Field Positions 2–5 of the Transmitter “T” Record. A separate electronic transmission must be made for each tax year.

.06 In general, filers should submit amended returns for returns filed within the last 3 calendar years.

.07 All paper returns, whether original or amended, must be filed with:

Internal Revenue Service
Ogden Service Center
P.O. Box 409101
Ogden, UT 84409

.08 The Recipient “Q” Record provides a 20-position field (positions 72–91) for the recipient’s account number assigned by the withholding agent. This number should be included on the initial return and on the amended return. This is especially important when more than one information return of the same type is reported for a recipient. The account number is used by IRS to determine which information return is being amended. It is vital that each information return reported for a recipient have a unique account number. Do not enter a TIN in this field.

.09 The record sequence for filing amended returns is the same as for original returns.

.10 Following is a chart showing the steps to take when amending Form 1042-S:

Guidelines for Filing Amended Returns Electronically

One transaction is required to make the following corrections properly.

| Error Made on the Original Return | How To File the Amended Return |
|---|--|
| <p><u>ERROR TYPE 1</u></p> <p>1. Original return was filed with one or more of the following errors:</p> <ul style="list-style-type: none"> (a) Incorrect money amount (b) Incorrect codes and/or check boxes (c) Incorrect address (d) Form 1042-S submitted in error – should not have been submitted <p>Note 1: If a Form 1042-S was submitted in error, all fields must be exactly the same as the original record except all money amounts must be zeros.</p> | <p><u>CORRECTION</u></p> <ul style="list-style-type: none"> A. Prepare a new file. The first record on the file will be the Transmitter “T” Record. B. Make a separate “W” Record for each withholding agent being reported with a Return Type Indicator of “1” (1 = Amended) in field position 2. Enter a “G” (Amended Return Indicator) in position 810. C. The Recipient “Q” Records must show the correct record information with a Return Type Indicator of “1” for amended in field position 2. (See Note 1.) Enter a “G” (Amended Return Indicator) in position 810. D. Prepare a separate Reconciliation “C” Record for each withholding agent (“W” Record) being reported summarizing the preceding amended “Q” Records. E. The last record on the file will be the End of Transmission “F” Record. |

File layout one step corrections

| | | | | | |
|------------------------------|--|--|--|------------------------------|--------------------------------------|
| Transmitter “T” Record | Amended coded Withholding Agent “W” Record | Amended coded Recipient “Q” Record | Amended coded Recipient “Q” Record | Reconciliation “C” Record | End of Transmission “F” Record |
|------------------------------|--|--|--|------------------------------|--------------------------------------|

Guidelines for Filing Amended Returns Electronically

Two (2) separate transactions (files) are required to make the following corrections properly. Follow the guidelines for both Transactions 1 and 2. Do not use the two step correction process to correct money amounts.

Error Made on the Original Return

How To File the Amended Return

ERROR TYPE 2

CORRECTION

1. Original "Q" Records were filed with one or more of the following errors:
- (a) No Recipient TIN (SSN, EIN, ITIN, QI-EIN)
 - (b) Incorrect Recipient TIN
 - (c) Incorrect Recipient name
 - (d) Incorrect Recipient name and address

Transaction 1: Identify incorrect returns.

Note 2: The Record Sequence Number will be different since this is a counter number and is unique to each file.

- A. Prepare a new file. The first record on the file will be the Transmitter "T" Record.
- B. Make a separate "W" Record for each withholding agent being reported. The information in the "W" Record will be exactly the same as it was in the original submission except for the Return Type Indicator of "1" (1 = Amended) in field position 2 and the Amended Return Indicator in position 810 must be a "G". (See **Note 2**.)
- C. The Recipient "Q" Records must contain exactly the same information as submitted previously, except, insert the Amended Return Indicator Code of "1" in Field Position 2 of the "Q" Records, and enter "0" (zeros) in all payment amounts. Enter the Return Type Indicator of "1" in position 2 and the Amended Return Indicator of "G" in position 810 of all "Q" Records. (See **Note 2**.)
- D. Prepare a separate Reconciliation "C" Record for each withholding agent being reported summarizing the preceding "Q" Records.
- E. Continue with Transaction 2 to complete the correction. (See **Note 3**.)

Note 3: Step 1 and Step 2 can be included in the same electronic file. If separate files for Step 1 and Step 2 are submitted, each file must have a complete set of "T, W, Q, C and F" records.

Transaction 2: Report the correct information.

- A. Make a separate "W" Record for each withholding agent being reported. The Return Type Indicator must be "1" in position 2. The Amended Indicator of "C" must be entered in position 810.
 - B. The Recipient "Q" Records must show the correct information. The Return Type Indicator in position 2 must be "1" and the Amended Return Indicator must be "C".
 - C. Prepare a separate Reconciliation "C" Record for each withholding agent being reported summarizing the preceding "Q" Records.
 - D. The last record on the file will be the End of Transmission "F" Record.
-

STEP 1 FILE

| | | | | | |
|------------------------------|--|--|--|--|---------------------------------|
| Transmitter "T" Record | Amended coded Withholding Agent "W" Record | Amended coded Recipient "Q" Record | Amended coded Recipient "Q" Record | Amended coded Recipient "Q" Record | Reconciliation "C" Record |
|------------------------------|--|--|--|--|---------------------------------|

STEP 2 FILE

| | | | | | |
|--|--|--|--|---------------------------------|---|
| Amended coded Withholding Agent "W" Record | Amended coded Recipient "Q" Record | Amended coded Recipient "Q" Record | Amended coded Recipient "Q" Record | Reconciliation "C" Record | End of Transmission "F" Record |
|--|--|--|--|---------------------------------|---|

.11 When correcting the Withholding Agent "W" Record, follow the two step correction process. When the "W" Record is being corrected, every Recipient "Q" Record reported under that incorrect "W" Record must be amended by zero filling all of the amount fields as described in Error Type 2, Transaction 1.

.12 For information on when an amended Form 1042 is required, refer to the *Instructions for Form 1042*.

Sec. 10. Taxpayer Identification Number (TIN)

.01 Section 6109 of the Internal Revenue Code establishes the general requirements under which a person is required to furnish a U.S.TIN to the person obligated to file the information return.

.02 The Withholding Agent must provide its EIN, QI-EIN, WP-EIN or WT-EIN as appropriate, in the "W" Record and "T" Record, if the Withholding Agent is also the transmitter.

.03 A recipient U.S.TIN (SSN, ITIN, EIN, QI-EIN, WP-EIN, WT-EIN) must be provided on every "Q" Record when:

- (a) The tax rate is less than 30% (See the *Instructions for Form 1042-S* for exceptions.)
- (b) The income is effectively connected with the conduct of a trade or business in the United States
- (c) A recipient claims tax treaty benefits (generally)
- (d) The recipient is a Qualified Intermediary
- (e) An NRA individual is claiming exemption from withholding on independent personal services
- (f) Other situations may apply, see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*

.04 In the event the recipient does not have a U.S.TIN, the withholding agent should advise the recipient to take the necessary steps to apply for one.

.05 The recipient's U.S.TIN and name combination are used to associate information returns reported to IRS with corresponding information on the recipient's tax return. It is imperative that correct U.S.Taxpayer Identification Numbers (TINs) for recipients be provided to IRS. Do not enter hyphens or alpha characters. Entering all zeros, ones, twos, etc., will have the effect of an incorrect TIN.

.06 The withholding agent and recipient names with associated TINs should be consistent with the names and TINs used on other tax returns.

Note: A withholding agent must have a valid EIN, QI-EIN, WP-EIN, and/or WT-EIN. It is no longer valid for a withholding agent to use SSNs and ITINs.

Sec. 11. Effect on Paper Returns and Statements to Recipients

.01 Electronic reporting of Form 1042-S eliminates the need to submit paper documents to the IRS.

CAUTION: Do not send Copy A of the paper forms to the IRS for any forms filed electronically. This may result in duplicate filing.

.02 Withholding agents are responsible for providing statements to the recipients as outlined in the current *Instructions for Form 1042-S*. Refer to the *Instructions for Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding* for guidance on furnishing statements to recipients.

.03 Statements to recipients should be clear and legible. If the official IRS form is not used, the filer must adhere to the specifications and guidelines in Publication 1179, *General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns*.

.04 The address for filing paper Forms 1042-S and Form 1042 is:

Internal Revenue Service
Ogden Service Center
P.O. Box 409101
Ogden, UT 84409

Do not send paper Forms 1042-S or 1042 to IRB.

Sec. 12. Penalties Associated With Information Returns

.01 The following penalties generally apply to the person required to file information returns. The penalties apply to electronic filers as well as to paper filers.

.02 Failure To File Correct Information Returns by the Due Date (Section 6721). If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if, you fail to file timely, if you fail to include all information required to be shown on a return, or if you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file electronically, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms that are machine readable.

The amount of the penalty is based on when you file the correct information return. The penalty is:

- **\$30** per information return if you correctly file within 30 days of the due date of the return (See Part A, Sec. 7.02); maximum penalty \$250,000 per year (\$75,000 for small businesses).
- **\$60** per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$500,000 per year (\$200,000 for small businesses).
- **\$100** per information return if you correctly file after August 1 or you do not file required information returns; maximum penalty \$1.5 million per year (\$500,000 for small businesses).

.03 A late filing penalty may be assessed for a replacement file which is not transmitted by the required date. See Part B, Sec. 4.05, for more information on replacement files.

.04 Intentional disregard of filing requirements. If failure to file a correct information return is due to intentional disregard of the filing or correct information requirements, the penalty is at least \$250 per information return with no maximum penalty.

.05 Failure To Furnish Correct Payee Statements (Section 6722). Refer to Instruction for Form 1042-S for information regarding penalties which may apply for a failure to furnish correct payee statements.

Sec. 13. Definition of Terms

| Element | Description |
|--------------------------------------|--|
| Amended Return | An amended return is an information return submitted by the transmitter to amend an information return that was previously submitted to and processed by IRS, but contained erroneous information. |
| Beneficial Owner | The beneficial owner of income is, generally, the person who is required under U.S. tax principles to include the income in gross income on a tax return. For additional information and special conditions see Definitions in the <i>Instructions for Form 1042-S</i> . |
| Employer Identification Number (EIN) | A nine-digit number assigned by IRS for federal tax reporting purposes. |
| Electronic Filing | Submission of information returns electronically by the Internet. See Part B of this publication for specific information on electronic filing. |

| Element | Description |
|--|--|
| File | For purposes of this Revenue Procedure, a file consists of one Transmitter “T” Record at the beginning of the file, a Withholding Agent “W” Record, followed by the Recipient “Q” Record(s), a Reconciliation “C” Record summarizing the number of preceding “Q” Records and total of preceding money fields. Follow with any additional “W”, “Q”, and “C” Record sequences as needed. The last record on the file is the End of Transmission “F” Record. Nothing should be reported after the End of Transmission “F” Record. |
| Filer | Person (may be withholding agent and/or transmitter) submitting information returns to IRS. |
| Filing Year | The calendar year in which the information returns are being submitted to IRS. |
| Flow-Through Entity | A flow-through entity is a foreign partnership (other than a withholding foreign partnership) or a foreign simple or grantor trust (other than a withholding foreign trust). For any payments for which a reduced rate withholding under an income tax treaty is claimed, any entity is considered to be a flow-through entity if it is considered to be fiscally transparent under IRC Section 894 with respect to the payment by an interest holder’s jurisdiction. |
| Foreign Person | A foreign person includes 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. |
| Gross Income | Gross income includes income from all sources, except certain items expressly excluded by statute. Gross income is the starting point for computing adjusted gross income and taxable income. |
| Individual Taxpayer Identification Number (ITIN) | A nine-digit number issued by IRS to individuals who are required to have a U.S. taxpayer identification number for tax purposes but are not eligible to obtain a Social Security Number (SSN). An ITIN may be used for tax purposes only. |
| Information Return | The vehicle for withholding agents to submit required tax information about a recipient to IRS. For this Revenue Procedure, it is information about a foreign person’s U.S. source income subject to withholding, and the information return is Form 1042-S. |
| Intermediary | An intermediary is a person 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. |
| Nonqualified Intermediary (NQI) | A Nonqualified Intermediary is a foreign intermediary who is not a U.S. person and is not a Qualified Intermediary. |
| Payer | A payer is the person for whom the withholding agent acts as a paying agent pursuant to an agreement whereby the withholding agent agrees to withhold and report a payment. |
| Presumption Rules | The presumption rules are those rules prescribed under Chapter 3 and Chapter 61 of the Internal Revenue Code that a withholding agent must follow to determine the status of a beneficial owner as a U.S. or foreign person when it cannot reliably associate a payment with valid documentation. |

| Element | Description |
|--|---|
| Pro-Rata Basis Reporting | If the withholding agent has agreed that an NQI may provide information allocating a payment to its account holders under the provisions of Regulations section 1.1441-1(e) (3) (iv) (D), and the NQI fails to allocate payment in a withholding rate pool to the specific recipients in the pool, the withholding agent must file a Form 1042-S for each recipient on a pro-rata basis. |
| Qualified Intermediary (QI) | A Qualified Intermediary is a foreign intermediary who is a party to a withholding agreement with the IRS, in which it agrees to comply with the relevant terms of Chapters 3 and 61 of the Internal Revenue Code and is in a country with approved know your- customer rules. See Notice 2006-35. |
| Qualified Intermediary Employer Identification | A nine-digit number assigned by IRS to a QI for Federal tax reporting purposes. A QI-EIN is only to be used when a QI is acting as a qualified intermediary. |
| Recipient | Person (nonresident alien individual, fiduciary, foreign partnership, foreign corporation, Qualified Intermediary, Withholding Rate Pool, or other foreign entity) who receives payments from a withholding agent as a beneficial owner or as a qualified intermediary acting on behalf of a beneficial owner. A non-qualified intermediary cannot be a recipient. |
| Replacement File | A replacement file is an information return file sent by the filer at the request of IRS because of certain errors encountered while processing the filer's original submission. |
| Service Bureau | Person or organization with whom the withholding agent has a contract to prepare and/or submit information return files to IRS. A parent company submitting data for a subsidiary is not considered a service bureau. |
| Social Security Number (SSN) | A nine-digit number assigned by the Social Security Administration to an individual for wage and tax reporting purposes. |
| Special Character | Any character that is not a numeric, an alpha, or a blank. The only special characters that are acceptable within an electronic file are ampersand (&), hyphen (-), comma (,), apostrophe ('), forward slash (/), pound sign (#), period (.), and the percent (%). |
| Taxpayer Identification Number (TIN) | Refers to either an Employer Identification Number (EIN), Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or a Qualified Intermediary Employer Identification Number (QI-EIN). |
| Tax Year | The year in which payments were made by a withholding agent to a recipient. |
| Transmitter | Refers to the person or organization submitting file(s) electronically. The transmitter may be the payer, agent of the payer, or withholding agent. |
| Transmitter Control Code (TCC) | A five-character alphanumeric number assigned by IRS to the transmitter prior to filing electronically. An application Form 4419 must be filed with IRS to receive this number. This number is inserted in the Transmitter "T" Record (field positions 190-194) of the file and must be present before the file can be processed. Transmitter Control Codes assigned to 1042-S filers will always begin with "22". |
| Unknown Recipient | For this Revenue Procedure, an unknown recipient is a recipient for whom no documentation has been received by a withholding agent or intermediary or for which documentation received cannot be reliably associated. This includes incomplete documentation. An unknown recipient is always subject to withholding at the maximum applicable rate. No reduction of or exemption from tax may be applied under any circumstances. |

| Element | Description |
|--|--|
| Vendor | Vendors include service bureaus that produce information return files for withholding agents. Vendors also include companies that provide software for those who wish to produce their own electronic files. |
| Withholding Agent | Any person, U.S. or foreign, who has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity. The term withholding agent also includes, but is not limited to, a qualified intermediary, a nonqualified intermediary, a withholding foreign partnership, a withholding foreign trust, a flow-through entity, a U.S. branch of a foreign insurance company or foreign bank that is treated as a U.S. person, and an authorized foreign agent. A person may be a withholding agent under U.S. law even if there is no requirement to withhold from a payment or even if another person has already withheld the required amount from a payment. |
| Withholding Foreign Partnership (WP) or Withholding Foreign Trust (WT) | A foreign partnership or trust that has entered into a withholding or Withholding Foreign Trust agreement with the IRS in which it agrees to assume primary withholding responsibility for all payments that are made to it for its partners, beneficiaries, or owners. |

Sec. 14. State Abbreviations

.01 The following state and U.S. territory abbreviations must be used when developing the state code portion of address fields. This table provides state and territory abbreviations.

Table 4: State & U.S. Territory Abbreviations

| State | Code | State | Code | State | Code |
|----------------------|------|---------------------|------|-----------------------|------|
| Alabama | AL | Kentucky | KY | Ohio | OH |
| Alaska | AK | Louisiana | LA | Oklahoma | OK |
| American Samoa | AS | Maine | ME | Oregon | OR |
| Arizona | AZ | Maryland | MD | Pennsylvania | PA |
| Arkansas | AR | Massachusetts | MA | Puerto Rico | PR |
| California | CA | Michigan | MI | Rhode Island | RI |
| Colorado | CO | Minnesota | MN | South Carolina | SC |
| Connecticut | CT | Mississippi | MS | South Dakota | SD |
| Delaware | DE | Missouri | MO | Tennessee | TN |
| District of Columbia | DC | Montana | MT | Texas | TX |
| Florida | FL | Nebraska | NE | Utah | UT |
| Georgia | GA | Nevada | NV | Vermont | VT |
| Guam | GU | New Hampshire | NH | Virginia | VA |
| Hawaii | HI | New Jersey | NJ | (U.S.) Virgin Islands | VI |
| Idaho | ID | New Mexico | NM | Washington | WA |
| Illinois | IL | New York | NY | West Virginia | WV |
| Indiana | IN | North Carolina | NC | Wisconsin | WI |
| Iowa | IA | North Dakota | ND | Wyoming | WY |
| Kansas | KS | No. Mariana Islands | MP | | |

.02 When reporting APO/FPO addresses, use the following format:

EXAMPLE:

Recipient Name: PVT Willard J. Doe
Mailing Address: Company F, PSC Box 100
167 Infantry REGT
Recipient City: APO (or FPO)
Recipient State: AE, AA, or AP*
Recipient ZIP Code: 098010100

*AE is the designation for ZIP codes beginning with 090–098, AA for ZIP code 340, and AP for ZIP codes 962–966.

Part B. Electronic Filing Specifications

Note 1: The Filing Information Returns Electronically (FIRE) system does not provide fill-in forms, except for Form 8809, *Application for Extension of Time to File Information Returns*. Filers must program files according to the Record Layout Specifications contained in this publication. For a list of software providers, log on to www.irs.gov and type “*Business e-file Providers*” in the search box. (See Part A, Sec. 5.)

Note 2: The FIRE system has scheduled downtime every Wednesday from 2:00 a.m. to 5:00 a.m. (ET) for programming updates and for two weeks at the end of December for yearly updates. The FIRE system will not be available for submissions during these times.

Sec. 1. General

.01 Electronic filing of Form 1042-S (originals, amended and replacement files) is a reporting method for filers submitting 250 or more Forms 1042-S. Payers who are under the filing threshold requirement are encouraged to file electronically.

.02 All electronic filing of information returns are received at IRS through the Filing Information Returns Electronically (FIRE) system. To connect to the FIRE system, point the browser to <http://fire.irs.gov>. The system is designed to support the electronic filing of information returns only.

.03 For files submitted through the FIRE system, it is the responsibility of the filer to check the status of the file within five business days to verify the results of the transmission. Information about the errors including the number of errors, a description, and the first occurrence will be provided on the FIRE system. If additional information is needed to understand the errors, the filer can call 1–866–455–7438 or outside the U.S. at 1–304–263–8700.

.04 The electronic filing of information returns is not affiliated with any other IRS electronic filing programs. Filers must obtain separate approval to participate in each program. Only inquiries concerning electronic filing of information returns should be directed to IRB.

.05 Files submitted to IRS electronically must be in standard ASCII code. See Part C, Record Format Specifications and Record Layouts, for the proper record format. Do not send paper forms with the same information as electronically submitted files. This may create duplicate reporting resulting in penalty notices.

.06 Form 8809, *Application for Extension of Time to File Information Returns*, is available as a fill-in form on the FIRE system. Filers that do not already have a User ID and password should refer to Part B, Sec. 7. At the Main Menu, click “Extension of Time Request” and then click “Fill-in Extension Form.” This option is only used to request an automatic 30-day extension and must be completed by the due date of the return for each withholding agent requesting an extension. Print the approval page for your records. Refer to Part D for additional details.

Sec. 2. Electronic Filing Approval Procedure

.01 Filers must obtain a Transmitter Control Code (TCC) prior to submitting files electronically. Refer to Part A, Sec. 6, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers must create their own user ID, password, and Personal Identification Number (PIN). See Part B, Sec. 5, for more information on the PIN requirements.

.03 If a filer is submitting files for more than one TCC, it is not necessary to create a separate User ID and password for each TCC.

.04 All passwords must remain confidential. It is the user’s responsibility to remember the password and not allow the password to be compromised. Passwords are created by the user during the first logon and must be eight alphanumeric characters containing at least one uppercase, one lowercase, and one numeric. The FIRE system requires users to change passwords every 90 days or at the first logon attempt after that time period. Users can change passwords at any time from the Main Menu. The previous 24 passwords cannot be used. Filers who forget the password or PIN may call 1–866–455–7438 or outside the U.S. at 1–304–263–8700 for assistance.

Sec. 3. Test Files

.01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for all new electronic filers to test hardware and software. If filers wish to submit an electronic test file for Tax Year 2012 (returns to be filed in 2013), it must be submitted to IRS no earlier than *November 1, 2012*, and no later than *February 15, 2013*.

.02 IRS encourages all electronic filers to submit a test. To connect to the FIRE test system, point the browser to <http://fire.test.irs.gov>.

.03 The test file must consist of a sample of each type of record:

- (a) (a) Transmitter "T" Record
- (b) (b) Withholding Agent "W" Record
- (c) (c) Multiple Recipient "Q" Records (at least 11 recommended)
- (d) (d) Reconciliation "C" Record
- (e) (e) End of Transmission "F" Record

.04 Use the Test Indicator "TEST" (upper case) in Field Positions 195–198 of the "T" Record to show this is a test file.

.05 IRS will check the file to ensure it meets the specifications of this Revenue Procedure. For current filers, sending a test file will provide the opportunity to ensure the software reflects all required programming changes. Filers are reminded that not all validity, consistency, or math error tests will be conducted.

.06 Filers who encounter problems while transmitting the electronic test file can contact IRS at 1–866–455–7438 or outside the U.S. at 1–304–263–8700 for assistance.

.07 Within five days after a file has been submitted, filers will be notified by email as to the acceptability of the file if a valid email address was provided on the "Verify Your Filing Information" screen. If using email filtering software, configure the software to accept email from fire@irs.gov and irs.e-helpmail@irs.gov. If the file is bad or an email has not been received within five days, the filer must return to <http://fire.test.irs.gov> to determine what errors are in the file by clicking on CHECK FILE STATUS.

Sec. 4. Electronic Submissions

.01 Electronically filed information may be submitted to IRS 24 hours a day, seven days a week. Technical assistance is available Monday through Friday between 8:30 a.m. and 4:30 p.m. (ET) by calling 1–866–455–7438 or outside the U.S. at 1–304–263–8700.

.02 The FIRE system has scheduled downtime from *December 14, 2012 through January 2, 2013*. This allows IRS to make yearly updates to reflect current year changes. In addition, the FIRE system may be down every Wednesday from 2:00 a.m. to 5:00 a.m. (ET) for programming updates. The FIRE system will not be available for submissions during these times.

.03 A file may not exceed 899,999 records. When sending files larger than 10,000 records electronically, data compression is encouraged. WinZip and PKZip are the only acceptable compression packages. IRS cannot accept self-extracting zip files or compressed files containing multiple files. The time required to transmit information returns electronically will vary depending on the type of connection to the internet and if data compression is used. The time required to transmit a file can be reduced by as much as 95 percent by using compression. Transmitters that experience problems transmitting files with a scripting process should contact IRS at 1–866–455–7438 or 1–304–263–8700 for assistance.

.04 Transmitters may create files using self assigned filename(s). Files submitted electronically will be assigned a new unique filename by the FIRE system. The filename assigned by the FIRE system will consist of submission type (TEST, ORIG [original], AMEN [amended return], and REPL [replacement]), the filer's TCC, and a four-digit sequence number. The sequence number will be incremental for every file sent. For example, if this is the first original file for the calendar year and the TCC is 22000, the IRS assigned filename would be ORIG.22000.0001. Record the filename. This information will be needed by IRS to identify the file if assistance is required.

.05 If a file is submitted timely, but is "bad," the filer will have up to 60 days from the day the file was transmitted to transmit an acceptable replacement file. If an acceptable replacement file is not received within 60 days, the payer could be subject to late filing penalties. This only applies to files originally submitted electronically.

.06 The following definitions have been provided to help distinguish between an amended return and a replacement:

- An **amended return** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS, but contained erroneous information.

Note: Amended returns should only be submitted for records that have been submitted incorrectly, not the entire file.

- A **replacement** is an information return file sent by the filer because the CHECK FILE STATUS option on the FIRE system indicated the original/amended file was bad. After the necessary changes have been made, the file must be transmitted through the FIRE system.

Note: Filers should never transmit anything to IRS as a "Replacement" file unless the CHECK FILE STATUS option on the FIRE system indicates the file is bad.

.07 The TCC in the Transmitter “T” Record must be the TCC used to transmit the file; otherwise, the file will be considered an error.

Sec. 5. PIN Requirements

.01 The user will be prompted to create a PIN consisting of ten (10) numeric characters when establishing an initial User ID name and password.

.02 The PIN is required each time an ORIGINAL, AMENDED, or REPLACEMENT file is sent electronically and is permission to release the file. It is not needed for a TEST file. An authorized agent/transmitter may enter their PIN; however, the withholding agent is responsible for the accuracy of the returns. The withholding agent will be liable for penalties for failure to comply with filing requirements. If there is a problem with a PIN, filers should call 1-866-455-7438 or outside the U.S. at 1-304-263-8700 for assistance.

.03 If the file is “good”, it is released for mainline processing after ten (10) calendar days from receipt. Contact IRS within this ten-day period if there is a reason the file should not be released for further processing.

.04 If the file is bad, follow normal replacement procedures.

Sec. 6. Electronic Filing Specifications

.01 The FIRE system is designed exclusively for the filing of Forms 1042-S, 1097, 1098, 1099, 3921, 3922, 5498, 8027, 8955-SSA and W-2G.

.02 A transmitter must have a TCC (see Part A, Sec. 6) before a file can be transmitted.

.03 Within five days of the electronic transmission, the results of the electronic transmission(s) will be sent to the email address that was provided on the “Verify Your Filing Information” screen. If using email filtering software, configure the software to accept email from fire@irs.gov and irs.e-helpmail@irs.gov. If the file is bad, the filer must return to <http://fire.irs.gov> (or <http://fire.test.irs.gov> if a test file) to determine what errors are in the file by clicking on “CHECK FILE STATUS.”

Sec. 7. Connecting to the FIRE System

.01 Have the TCC and TIN available before connecting.

.02 Turn off pop-up blocking software before transmitting files.

.03 Make sure the browser supports the security standards listed below.

.04 Set the browser to receive “cookies.” Cookies are used to preserve the User ID status.

.05 Point the browser to <http://fire.irs.gov> to connect to the FIRE system or <http://fire.test.irs.gov> to connect to the FIRE test system (November 1 through February 15).

.06 FIRE Internet Security Technical Standards are:

- HTTP 1.1 Specification (<http://www.w3.org/Protocols/rfc2616/rfc2616.txt>)
- SSL 3.0 or TLS 1.0. SSL and TLS are implemented using SHA and RSA 1024 bits during the asymmetric handshake.

The filer can use one of the following encryption algorithms, listed in order of priority, using SSL or TLS:

- AES 256-bit (FIPS-197)
- AES 128-bit (FIPS-197)
- TDES 168-bit (FIPS-46-3)

.07 First time connection to the FIRE System (If there has been a previous logon, skip to Subsequent Connections to the FIRE System.)

- Click **“Create New Account”**
- Fill out the registration form and click **“Submit”**
- Create the **User ID**
- Create and verify **password** (See Part B Section 2.04 for password rules)
- Click **“Create”**
- If the message **“Account Created”** is received, click **“OK”**
- Create and verify the ten-digit self-assigned Personal Identification Number (PIN)
- Click **“Submit”**
- If the message **“Your PIN has been successfully created!”** is received, click **“OK”**
- Read the bulletin(s) and/or **“Click here to continue”**

.08 Subsequent connections to the FIRE System

- Click **“Log On”**
- Enter the **User ID**
- Enter the **Password** (The password is case sensitive)
- Read the bulletin(s) and/or **“Click here to continue”**

.09 Uploading a file to the FIRE System

At the Menu Options:

- Click **“Send Information Returns”**
- Enter the **TCC**
- Enter the **TIN**
- Click **“Submit”**

The system will display the company name, address, city, state, ZIP code, telephone number, contact, and email address. This information will be used to email the transmitter regarding the transmission. Update as appropriate and/or click **“Accept.”**

Note: Please provide an accurate email address for the correct person to receive the email and to avoid having the email returned to IRS as undeliverable. If SPAM filtering software is being used, configure it to allow an email from fire@irs.gov and irs.e-helpmail@irs.gov.

Click one of the following:

- **Original File**
- **Replacement File**
- **Amended File**
- **Test File** (This option will only be available from November 1 through February 15 at <http://fire.test.irs.gov>.)
- Enter the ten-digit PIN (If sending a test file, there is no prompt for this.)
- Click **“Submit”**
- Click **“Browse”** to locate the file and open it
- Click **“Upload”**

When the upload is complete, the screen will display the total bytes received and the IRS assigned filename for the file. If this information is not displayed on the screen, IRS may not have received the file.

To verify, go to the “CHECK FILE STATUS” option on the Main Menu. If the filename is displayed, the count is equal to “0,” and the results indicate “not yet processed,” IRB received the file. If the filename is not displayed, send the file again.

If there are more files to upload for that TCC:

- Click “**File Another?**” otherwise
- Click “**Main Menu**”

It is the filer’s responsibility to check the acceptability of submitted files. If an email is not received within five business days or an email is received and it indicates the file is bad, log back into the FIRE system and click on CHECK FILE STATUS to view the results of the file.

.10 Checking the FILE STATUS

If the correct email address was provided on the “Verify Your Filing Information” screen when the file was sent, an email will be sent regarding the FILE STATUS. If the results in the email indicate “Good, not Released” and the “Count of Payees” is correct, the filer is finished with this file. If the email indicates any other results, follow the instructions below.

—At the Main Menu:

- Click “**Check File Status**”
- Enter the **TCC**
- Enter the **TIN**
- Click “**Search**”

—If the “Results” indicate:

“**Good, Not Released**” – If the “Count of Payees” is correct, the filer is finished with this file. The file will automatically be released after ten calendar days unless the filer contacts IRB within this timeframe.

“**Good, Released**” – The file has been released to our mainline processing.

“**Bad**” – The file has errors. Click on the filename to view the error message(s). Fix the errors, and resubmit the file timely as a “replacement.”

“**Not yet processed**” – The file has been received, but results are not available. Please check back in a few days.

—*Click on the desired file for a detailed report of your transmission.*

- When finished, click “**Log Out**”
- Click “**Close Web Browser**”

Sec. 8. Common Problems and Questions

.01 Publication 1187 is a Revenue Procedure used to provide the electronic filing specifications and format to filers of Forms 1042-S, it is not a tax law document. Therefore, this publication cannot provide for all possible reporting situations. For any given record entry, it is the responsibility of the filer to make sure the relevant tax law is applied to the record entry being made.

FORMAT ERRORS

1. Incorrect TIN indicator in the “W” Record.

Ensure the correct TIN Indicator is used. A U.S. withholding agent always has an EIN. Only a foreign withholding agent that has entered into a Qualified Intermediary agreement with the IRS can have a QI-EIN. If the withholding agent is a foreign company, then a foreign address must be entered in the withholding agent address fields.

2. Blank or invalid information in the Withholding Agent’s name and address fields.

The IRS error correction process requires that the “W” Record be checked for validity before the “Q” Record can be corrected. Ensure that the withholding agent’s Name, EIN, Street Address, City, and State or Country is present along with the appropriate Postal or ZIP Code. The Withholding Agent’s Name Line-1 must contain the withholding agent’s name.

3. Missing Recipient TIN in the “Q” Record.

A Recipient TIN must be present in order to allow a reduction or exemption from withholding at the 30% tax rate. The only major exceptions to this rule involve payments of portfolio interest, dividends, and certain royalty payments. If the recipient doesn’t have a TIN, one must be applied for and provided to the withholding agent before a reduction or exemption of withholding is allowed.

4. Invalid recipient name and address information.

The recipient name entered in Recipient’s Name Line-1 must be the same name shown on the withholding certification document provided to and retained by the withholding agent. Recipient’s Street Line-1 should only show the official street address. Use Recipient’s Street Line-2 for additional internal distribution information such as mail stop numbers or attention information. Follow the instructions for entry of foreign postal codes, cities, and countries. Do not input all information in the City field. Use the appropriate fields and codes.

5. Incorrect use of Recipient Code 20 (Unknown Recipient).

This Recipient Code may be used only if no withholding certification document has been provided to and retained by the withholding agent, or the withholding certification document provided to and retained has been determined by the withholding agent to be incomplete or otherwise unreliable. If Recipient Code 20 is used, the Recipient Name Line-1 must contain the words “UNKNOWN” or “UNKNOWN RECIPIENT” and the other name and address fields must be blank.

6. Incorrect use of Recipient Code 20 and the Tax Rate and U.S. Tax Withheld fields.

If Recipient Code 20 is used, the Tax Rate and the U.S. Tax Withheld must always be 30%. Exemption Code 04 (treaty exemption) is not allowed when using Recipient Code 20.

7. Incorrect use of Country Codes in the “Q” Record.

There are three places in the “Q” Record where country information must be entered. Generally, the information entered in these three fields should be consistent. The country list in the *Instructions for Form 1042-S* is comprehensive. Do not use any code that is not on the list. Read the *Instructions for Form 1042-S* regarding the use of “OC” and “UC.” Do not use these two codes under any other circumstances than those specifically indicated in the instructions.

8. Incorrect reporting of Tax Rates in the “Q” Record.

A valid Tax Rate Table is included in the *Instructions for Form 1042-S*. Please refer to the table and only use the tax rates listed. “Blended rates” are not allowed. If a tax rate for a given recipient changes during the year, two “Q” Records must be submitted.

FORMAT ERRORS

9. Total amounts reported in the “C” Record do not equal the total amounts reported in the “Q” Records.

The total Gross Income and Total Withholding Credit reported in the “Q” Records must equal the Total Gross Income and Total Withholding Credit reported in the corresponding “C” Record.

10. The following are other major errors associated with electronic filing:

- a. Invalid characters. The only valid characters are those characters listed in Note 3 at the beginning of the “T,” “W,” and “Q” Records.
 - b. “Q” Record Positions 383–394 (Total Withholding Credit) must equal the amounts in Positions 359–370 (U.S. Tax Withheld) and Positions 371–382 (Withholding by Other Agents).
 - c. “C” Record Positions 31–45 must reflect the aggregate of the preceding “Q” records, positions 383–394 (Total Withholding Credit).
 - d. “Q” Record Positions 42–45 (Tax Rate) must reflect a valid tax rate.
 - e. “Q” Record Positions 46–47 (Exemption Code) must reflect a valid code and the exemption code must be compatible with the tax rate. For example, if a zero tax (0000) rate is entered in positions 42–45, the appropriate exemption code of 01–09 must be used in positions 46–47.
-

NON-FORMAT ERRORS

1. SPAM filters are not set to receive email from fire@irs.gov and irs.ehelpmail@irs.gov.

To receive emails concerning files, processing results, reminders and notices, set the SPAM filter to receive email from fire@irs.gov and irs.e-helpmail@irs.gov.

2. Incorrect email provided.

When the “Verify Your Filing Information” screen is displayed, make sure the correct email address is listed. If not, update the screen with the correct email address.

3. Transmitter does not check the FIRE system to determine why the file is bad.

Generally, the results of a file transfer are posted to the FIRE system within five business days. If the correct email address was provided on the “Verify Your Filing Information” screen when the file was sent, an email will be sent regarding the FILE STATUS. If the results in the email indicate “Good” for test, or “Good, Not Released” for production and the “count of payees” is correct, the filer is finished with this file. If any other results are received, follow the instructions in the “Check File Status” option. If the file contains errors, get an online listing of the errors. If the file status is good, but the file should not be processed, contact IRS within ten calendar days from the transmission of the file.

4. Transmitter uses the TCC assigned for filing 1098, 1099, 5498 or W-2G Forms.

Filers must use the Form 1042-S TCC, which begins with “22,” to transmit Form 1042-S files. If the correct TCC is not used, it will automatically be considered an error.

5. Incorrect file is not replaced timely.

If a file is bad, fix the file, and resubmit timely as a replacement. An acceptable replacement file must be submitted within 60 days from the day the original file was transmitted.

NON-FORMAT ERRORS

6. Transmitter compresses several files into one.

Only compress one file at a time. For example, if there are ten uncompressed files to send, compress each file separately and send ten separate compressed files.

7. Transmitter sends a file and “CHECK FILE STATUS” indicates that the file is good, but the transmitter wants to send another file containing the same information.

Once a file has been transmitted, a replacement file cannot be sent unless “CHECK FILE STATUS” indicates the file is bad (five business days after the file was transmitted). If a file should not be processed, contact IRS at 1-866-455-7438 or outside the U.S. at 1-304-263-8700 to see if this is a possibility.

8. Transmitter sends an original file that is good, and then sends an amended file for the entire file even though there are only a few changes.

The amended file, containing the proper coding, should only contain the records needing correction, not the entire file. Improper submission can result in duplicate reporting of payee information.

9. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

10. Transmitter has one TCC, but is filing for multiple companies. Which TIN should be used when logging into the FIRE system to send the file?

When sending the file electronically, enter the TIN of the company assigned to the TCC.

11. Transmitter sent the wrong file, what should be done?

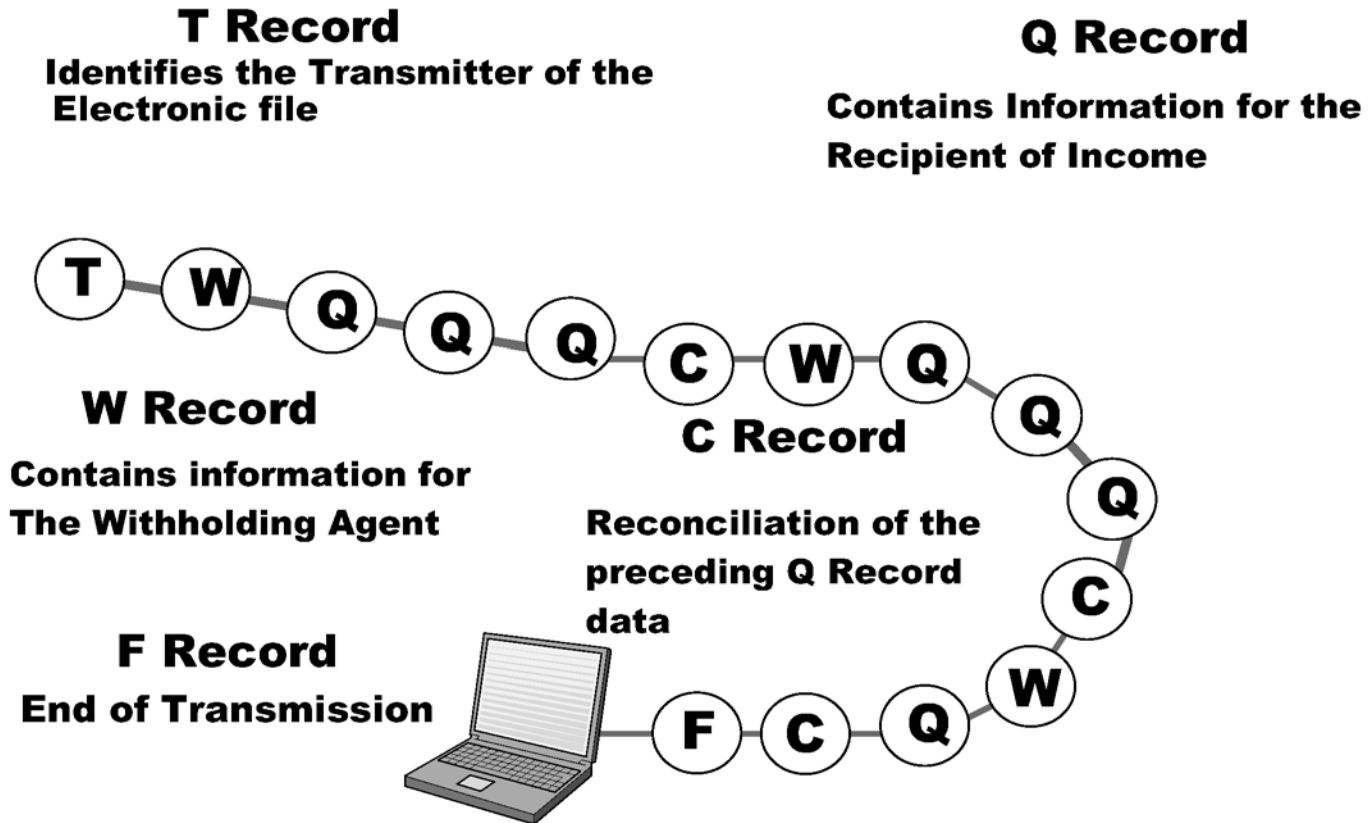
Call IRS at 1-866-455-7438 or outside the U.S. at 1-304-263-8700. IRS may be able to stop the file before it has been processed.

Part C. Record Format Specifications and Record Layouts

Sec. 1. File Layout Diagram

File Format

Each record must be 820 positions.



Sec. 2. General

.01 The specifications contained in this part of the Revenue Procedure define the required formation and contents of the records to be included in the electronic files.

Sec. 3. Transmitter "T" Record

.01 The Transmitter "T" Record identifies the entity preparing and transmitting the file. The transmitter and the withholding agent may be the same, but they need not be. The "T" Record contains information which is critical if it is necessary for IRS to contact the filer.

.02 The first record of a file must be a Transmitter "T" Record. The "T" Record must appear on each electronic file; otherwise, a replacement file will be requested.

.03 The "T" Record is a fixed length of 820 positions.

.04 All alpha characters entered in the "T" Record must be upper case.

Note 1: For all fields marked "**Required**," the transmitter must provide the information described under Description and Remarks. If required fields are not completed in accordance with this Revenue Procedure, IRS will contact the filer to request a replacement file. For those fields not marked "**Required**," a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field position(s) and for the indicated length.

Note 2: A copy of the current *Instructions for Form 1042-S* is included at the end of this publication. These instructions must be used for the proper coding of each field in this record where applicable. The instructions are updated each year as required. Publication 1187 may not be revised every year. Be sure to use the most current *Instructions for Form 1042-S* when coding files.

Note 3: The only valid characters for electronic filing are alpha, numeric, blank, ampersand (&), hyphen(-), comma (,), apostrophe (’), forward slash (/), pound sign (#), period (.), and the percent (%). The percent [% (used as “in care of”)] is valid in the first position only. Do not use special characters that are unique to a language other than English. Inclusion of any characters other than those identified as valid in the instructions will result in a “Bad File” status.

Record Name: Transmitter “T” Record

| Field Position | Field Title | Length | Description and Remarks |
|----------------|--|--------|--|
| 1 | Record Type | 1 | Required. Enter “T.” |
| 2–5 | Tax Year | 4 | Required. Enter the year for which income and withholding are being reported. |
| 6–14 | Transmitter’s Taxpayer Identification Number (TIN) | 9 | Required. Enter the Taxpayer Identification Number of the Transmitter. This can be an Employer Identification Number (EIN), Qualified Intermediary Number (QI-EIN), Withholding Partnership (WP-EIN), or a Withholding Trust (WTEIN). Do not enter blanks, hyphens or alpha characters. |
| 15–54 | Transmitter’s Name | 40 | Required. Enter the name of the transmitter of the file. Abbreviate if necessary to fit the 40-character limit. Omit punctuation, if possible. Left-justify the information and fill unused positions with blanks. |

Note: Do not use special characters in names or addresses that are unique to a language other than English. For example: å = A, æ = A, ũ = U, Ø = O, ñ = N, etc.

| | | | |
|---------|-----------------------|----|---|
| 55–94 | Transmitter’s Address | 40 | Required. Enter the full mailing address of the transmitter. This includes the number, street, and apartment or suite number (P.O. Box can be used if mail is not delivered to street address). Abbreviate as needed to fit the 40-character limit. Omit punctuation, if possible. Left-justify the information and fill unused positions with blanks. |
| 95–114 | City | 20 | Required. Enter the city or town (or other locality name) of the transmitter. If applicable, enter APO or FPO only. Left-justify the information and fill unused positions with blanks. |
| 115–116 | State Code | 2 | Required if U.S. Transmitter. Enter only the valid U.S. Postal Service State Code. Do not spell out the state name. Refer to the State Code Table Part A, Sec. 14. If this field is not utilized, enter blanks. |
| 117–118 | Province Code | 2 | Required if Foreign Country Code is “CA” (Canada). Enter only the two-alpha character Province Code as shown in the Province Code table below. Do not spell out the Province Name. If the foreign country is other than Canada, enter blanks. |

| Province Code | Province | Province Code | Province |
|---------------|-------------------------|---------------|----------------------|
| AB | Alberta | NU | Nunavut |
| BC | British Columbia | ON | Ontario |
| MB | Manitoba | PE | Prince Edward Island |
| NB | New Brunswick | QC | Quebec |
| NL | Newfoundland & Labrador | SK | Saskatchewan |
| NS | Nova Scotia | YT | Yukon Territory |
| NT | Northwest Territories | | |

Record Name: Transmitter "T" Record

| Field Position | Field Title | Length | Description and Remarks |
|--|------------------------------------|--------|---|
| 119-120 | Country Code | 2 | Required if Foreign Transmitter. If the Country Code is present, the State Code field must be blank. Enter only the two-alpha Country Code from the Country Code table. Do not spell out the Country Name. |
| Note: Country Codes: The list of country codes provided in the current <i>Instructions for Form 1042-S</i> includes all internationally recognized country codes and must be used to ensure the proper coding of the Country Code field. This list is updated each year as required. Do not enter U.S. in the Country Code field. | | | |
| 121-129 | Postal or ZIP Code | 9 | Required. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions, and APO/FPO). For foreign addresses enter the alphanumeric foreign postal code, if applicable. Left-justify the information and fill unused positions with blanks. |
| 130-169 | Contact Name | 40 | Required. Enter the name of the person to contact if any questions should arise with the transmission. Left-justify the information and fill unused positions with blanks. |
| 170-189 | Contact Telephone Number | 20 | Required. Enter the contact person's telephone number, and extension, if applicable. If foreign, provide appropriate codes for international calls. Left-justify the information and fill unused positions with blanks. |
| 190-194 | Transmitter Control Code (TCC) | 5 | Required. Enter the five-character alphanumeric TCC assigned ONLY for Form 1042-S reporting. (The first two numbers will always be 22.) Alpha characters must be upper case. |
| 195-198 | Test Indicator | 4 | Required if this is a test file. Enter the word "TEST." Otherwise, enter blanks. |
| 199 | Prior Year Indicator | 1 | Required. Enter a "P" only if reporting prior year data; otherwise, enter blank. Do not enter a "P" for current year information. |
| 200-810 | Reserved | 611 | Enter blanks. |
| 811-818 | Record Sequence Number | 8 | Required. Enter the number of the record as it appears within the file. The record sequence number for the "T" Record will always be "1" (one), since it is the first record on the file and there can only be one "T" Record in a file. Each record, thereafter, must be incremental by one in ascending numerical sequence, that is, 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" Record sequence number would appear as "00000001" in the field, the first "W" Record would be "00000002," the first "Q" Record, "00000003," the second "Q" Record, "00000004," and so on until the final record of the file, the "F" Record. |
| 819-820 | Blank or Carriage Return Line Feed | 2 | Enter blanks or carriage return line feed (CR/LF) characters. |

Transmitter "T" Record Layout

| | | | | | |
|-------------|---------------|-------------------|--------------------|-----------------------|--------------------------|
| Record Type | Tax Year | Transmitter's TIN | Transmitter's Name | Transmitter's Address | City |
| 1 | 2-5 | 6-14 | 15-54 | 55-94 | 95-114 |
| State Code | Province Code | Country Code | Postal or ZIP Code | Contact Name | Contact Telephone Number |
| 115-116 | 117-118 | 119-120 | 121-129 | 130-169 | 170-189 |

| | | | | | |
|---------|----------------|----------------------|----------|------------------------|------------------------------------|
| TCC | Test Indicator | Prior Year Indicator | Reserved | Record Sequence Number | Blank or Carriage Return Line Feed |
| 190–194 | 195–198 | 199 | 200–810 | 811–818 | 819–820 |

Sec. 4. Withholding Agent “W” Record

.01 The “W” Record identifies the Withholding Agent.

.02 Enter a “W” Record after the initial “T” Record on the file, followed by the Recipient “Q” Record(s), and a Reconciliation “C” Record. Do not report for a withholding agent if there are no corresponding Recipient “Q” Records.

.03 Several “W” Records for different Withholding Agents may appear on the same Transmitter’s file.

.04 Each “W” Record is a fixed length of 820 positions.

.05 All alpha characters entered in the “W” Record must be uppercase.

Note 1: For all fields marked “**Required**,” the transmitter must provide the information described under Description and Remarks. If required fields are not completed in accordance with this Revenue Procedure, the file may not process correctly. For those fields not marked “**Required**,” a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field position(s) and for the indicated length.

Note 2: A copy of the *Instructions for Form 1042-S* is included at the end of this publication. These instructions must be used for the proper coding of each field in this record, where applicable. The list of country codes in the instructions includes all recognized country codes and must be used for coding. The instructions are updated each year as required. Publication 1187 may not be revised every year. Be sure to use the most current *Instructions for Form 1042-S* when coding files.

Note 3: The only valid characters for electronic filing are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), apostrophe (’), forward slash (/), pound sign (#), period (.), and the percent (%). The percent [% (used as “in care of”)] is valid in the first position only. Do not use special characters that are unique to a language other than English. Inclusion of any characters other than those identified as valid in the instructions will result in a “Bad File” status.

Record Name: Withholding Agent “W” Record

| Field Position | Field Title | Length | Description and Remarks | | | | | | |
|----------------|--------------------------|--------------------------|---|----------|---|--------------|---|---|--------------------------|
| 1 | Record Type | 1 | Required. Enter “W.” | | | | | | |
| 2 | Return Type Indicator | 1 | <p>Required. Enter the one position value below to identify whether the record is Original or Amended. If submitting a replacement file, use the same indicator as the file being replaced (for example, if replacing an amended file the indicator would be 1). Do not enter a blank or alpha character.</p> <p>Acceptable Values are:</p> <table> <tr> <td>0 (Zero)</td> <td>=</td> <td>Original</td> </tr> <tr> <td>1</td> <td>=</td> <td>Amended</td> </tr> </table> | 0 (Zero) | = | Original | 1 | = | Amended |
| 0 (Zero) | = | Original | | | | | | | |
| 1 | = | Amended | | | | | | | |
| 3 | Pro Rata Basis Reporting | 1 | <p>Required. Enter the one position value below to identify if reporting on a Pro Rata Basis. Acceptable Values are:</p> <p>Acceptable Values are:</p> <table> <tr> <td>0 (Zero)</td> <td>=</td> <td>Not Pro Rata</td> </tr> <tr> <td>1</td> <td>=</td> <td>Pro Rata Basis Reporting</td> </tr> </table> | 0 (Zero) | = | Not Pro Rata | 1 | = | Pro Rata Basis Reporting |
| 0 (Zero) | = | Not Pro Rata | | | | | | | |
| 1 | = | Pro Rata Basis Reporting | | | | | | | |

Record Name: Withholding Agent “W” Record

| Field Position | Field Title | Length | Description and Remarks | | | | | | | | | |
|--|-----------------------------------|------------------------|--|---|---|-----|---|---|------------------------|---|---|---------|
| 4–12 | Withholding Agent’s EIN | 9 | Required. Enter the nine-digit Employer Identification Number of the Withholding Agent. Do not enter blanks, hyphens or alpha characters. An EIN consisting of all the same digits (for example, 11111111) is not acceptable. Do not enter the recipient’s TIN in this field. | | | | | | | | | |
| Note: See the <i>Instructions for Form 1042-S</i> to determine when a Qualified Intermediary, Withholding Foreign Partnership, or Withholding Foreign Trust must provide its QI-EIN, WP-EIN or WT-EIN in this field. | | | | | | | | | | | | |
| 13 | Withholding Agent’s EIN Indicator | 1 | Required. Enter the Withholding Agent’s EIN indicator from the following values: <table style="margin-left: 40px; border: none;"> <tr> <td>0</td> <td>=</td> <td>EIN</td> </tr> <tr> <td>1</td> <td>=</td> <td>QI-EIN, WP-EIN, WT-EIN</td> </tr> <tr> <td>2</td> <td>=</td> <td>NQI-EIN</td> </tr> </table> | 0 | = | EIN | 1 | = | QI-EIN, WP-EIN, WT-EIN | 2 | = | NQI-EIN |
| 0 | = | EIN | | | | | | | | | | |
| 1 | = | QI-EIN, WP-EIN, WT-EIN | | | | | | | | | | |
| 2 | = | NQI-EIN | | | | | | | | | | |
| Note: Use EIN indicator 1 only if the Withholding Agent’s EIN begins with “98” <u>AND</u> the Withholding Agent, Withholding Trust, or Withholding Partnership has entered into a withholding agreement with the IRS. | | | | | | | | | | | | |
| 14–53 | Withholding Agent’s Name Line-1 | 40 | Required. Enter the Withholding Agent’s Name as established when filing for the EIN or QI-EIN which appears in positions 4–12 of the “W” Record. Left-justify the information and fill unused positions with blanks. | | | | | | | | | |
| Note: Do not use special characters in names or addresses that are unique to a language other than English. For example: å = A, æ = A, ũ = U, Ø = O, ñ = N, etc. | | | | | | | | | | | | |
| 54–93 | Withholding Agent’s Name Line-2 | 40 | Enter supplementary withholding agent’s name information; otherwise, enter blanks. Use this line for additional names (for example, partners or joint owners), for trade names, stage names, aliases, or titles. Also use this line for “in care of” or “via.” Left-justify the information and fill unused positions with blanks. See Note 3 at the beginning of the “W” Record. | | | | | | | | | |
| 94–133 | Withholding Agent’s Name Line-3 | 40 | See the description for Withholding Agent’s Name Line-2. | | | | | | | | | |
| 134–173 | Withholding Agent’s Street Line-1 | 40 | Required. Enter the mailing address of the withholding agent. The street address should include the number, street, and apartment or suite number (or P.O. Box if mail is not delivered to a street address). Abbreviate as needed. Left-justify the information and fill unused positions with blanks. | | | | | | | | | |
| 174–213 | Withholding Agent’s Street Line-2 | 40 | Enter supplementary withholding agent street address information. Otherwise, enter blanks. | | | | | | | | | |
| 214–253 | Withholding Agent’s City | 40 | Required. Enter the city or town (or other locality name). Enter APO or FPO only if applicable. Do not enter a foreign postal code in the city field. Left-justify the information and fill unused positions with blanks. | | | | | | | | | |
| 254–255 | Withholding Agent’s State Code | 2 | Required if Withholding Agent has a U.S. address. Enter the valid U.S. Postal Service state code. If not using a U.S. state, territory, or APO/FPO identifiers, enter blanks. Do not use any of the two character Country Codes in the State Code Field. | | | | | | | | | |
| Note: If the withholding agent has a U.S. address, leave the country code in positions 258–259 blank. | | | | | | | | | | | | |

Record Name: Withholding Agent “W” Record

| Field Position | Field Title | Length | Description and Remarks | | | | | | | | |
|---|---|---------------|---|-------------|-------------------|---|---|---|---|-------|---|
| 256–257 | Withholding Agent’s Province Code | 2 | Required if Foreign Country Code is “CA” (Canada). Enter only the two-alpha character Province Code as shown in the Province Code Table. See the “T” record positions 117–118 for the Province Code Table. Do not spell out the Province Name. If the foreign country is other than Canada, enter blanks. | | | | | | | | |
| 258–259 | Withholding Agent’s Country Code | 2 | Required if QI or NQI or other foreign withholding agent. Enter only the two-alpha Country Code from the Country Code Table. Do not spell out the Country Name. | | | | | | | | |
| Note: COUNTRY CODES: The list of country codes provided in the current <i>Instructions for Form 1042-S</i> includes all internationally recognized country codes and MUST be used to ensure the proper coding of the Country Code field. This list is updated each year as required. Do not enter U.S. in the Country Code field. | | | | | | | | | | | |
| 260–268 | Postal or ZIP Code | 9 | Required. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions, and APO/FPO). For foreign addresses enter the alphanumeric foreign postal code, if applicable. Left-justify the information and fill unused positions with blanks. | | | | | | | | |
| 269–272 | Tax Year | 4 | Required. Enter the four-digit current tax year, unless a “P” was entered in the Prior Year Indicator Field of the “T” Record. All recipient “Q” Records must be a report of payments for one year only. Different tax years may not appear on the same file. | | | | | | | | |
| 273–317 | Withholding Agent Contact Name | 45 | Required. Enter the name of the person the IRS can contact if questions arise concerning this filing. Left-justify the information and fill unused positions with blanks. | | | | | | | | |
| 318–362 | Withholding Agent’s Department Title | 45 | Required. Enter the title of the contact person or the department that can answer inquiries concerning this filing. Left-justify the information and fill unused positions with blanks. | | | | | | | | |
| 363–382 | Contact Telephone Number and Extension | 20 | Required. Enter the telephone number of a person to contact regarding electronic files. Omit hyphens. If no extension is available, left-justify the information and fill unused positions with blanks. If foreign, provide the appropriate code(s) for international calls. | | | | | | | | |
| 383 | Final Return Indicator | 1 | Required. Enter the one position value below to indicate whether Forms 1042-S will be filed in the future. 0 (Zero) = will be filing 1 = will not be filing | | | | | | | | |
| 384–809 | Reserved | 426 | Enter blanks. | | | | | | | | |
| 810 | Amended Return Indicator | 1 | Required for amended returns only. Enter the appropriate code: <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Definition</u></th> </tr> </thead> <tbody> <tr> <td>G</td> <td>A one-step transaction amended return or the first of a two-step transaction amended return</td> </tr> <tr> <td>C</td> <td>The second transaction of a two-step transaction amended return</td> </tr> <tr> <td>Blank</td> <td>If this is not a return being submitted to amend information already processed by IRS</td> </tr> </tbody> </table> | <u>Code</u> | <u>Definition</u> | G | A one-step transaction amended return or the first of a two-step transaction amended return | C | The second transaction of a two-step transaction amended return | Blank | If this is not a return being submitted to amend information already processed by IRS |
| <u>Code</u> | <u>Definition</u> | | | | | | | | | | |
| G | A one-step transaction amended return or the first of a two-step transaction amended return | | | | | | | | | | |
| C | The second transaction of a two-step transaction amended return | | | | | | | | | | |
| Blank | If this is not a return being submitted to amend information already processed by IRS | | | | | | | | | | |

Note: Amended C and G coded records must be reported using separate Payer “W” Records. Refer to Part A, Sec. 9, for specific instructions on how to file amended returns.

Non-coded records cannot be submitted in an Amended file.

Record Name: Withholding Agent "W" Record

| Field Position | Field Title | Length | Description and Remarks |
|----------------|------------------------------------|--------|--|
| 811-818 | Record Sequence Number | 8 | Required. Enter the number of the record as it appears within the file. The record sequence number for the "T" Record will always be "1" (one), since it is the first record on the file and there can be only one "T" Record in a file. Each record, thereafter, must be incremental by one in ascending numerical sequence, that is, 2, 3, 4, etc. Right-justify numbers with leading zeros in the field. For example, the "T" Record sequence number would appear as "00000001" in the field, the first "W" Record would be "00000002," the first "Q" Record, "00000003," the second "Q" Record, "00000004," and so on until the final record of the file, the "F" Record. |
| 819-820 | Blank or Carriage Return Line Feed | 2 | Enter blanks or carriage return line feed (CR/LF) characters. |

Withholding Agent "W" Record Layout

| Record Type | Return Type Indicator | Pro Rata Basis Reporting | Withholding Agent's EIN | Withholding Agent's EIN Indicator | Withholding Agent's Name Line-1 | Withholding Agent's Name Line-2 |
|-------------|-----------------------|--------------------------|-------------------------|-----------------------------------|---------------------------------|---------------------------------|
| 1 | 2 | 3 | 4-12 | 13 | 14-53 | 54-93 |

| Withholding Agent's Name Line-3 | Withholding Agent's Street Line-1 | Withholding Agent's Street Line-2 | Withholding Agent's City | Withholding Agent's State Code | Withholding Agent's Province Code | Withholding Agent's Country Code |
|---------------------------------|-----------------------------------|-----------------------------------|--------------------------|--------------------------------|-----------------------------------|----------------------------------|
| 94-133 | 134-173 | 174-213 | 214-253 | 254-255 | 256-257 | 258-259 |

| Postal or ZIP Code | Tax Year | Withholding Agent Contact Name | Withholding Agent's Department Title | Contact Telephone Number and Extension | Final Return Indicator | Reserved |
|--------------------|----------|--------------------------------|--------------------------------------|--|------------------------|----------|
| 260-268 | 269-272 | 273-317 | 318-362 | 363-382 | 383 | 384-809 |

| Amended Return Indicator | Record Sequence Number | Blank or Carriage Return Line Feed |
|--------------------------|------------------------|------------------------------------|
| 810 | 811-818 | 819-820 |

Sec. 5. Recipient "Q" Record

.01 The "Q" Record contains name and address information for the Recipient of Income, Non-Qualified Intermediary or Flow-Through Entity, Payer, and all data concerning the income paid and tax withheld that is required to be reported under U.S. law. Each Recipient "Q" Record is treated as if it were a separate Form 1042-S.

.02 The "Q" Record is restricted to one type of income, one type of exemption code, and one tax rate. Under certain circumstances, it may be necessary to submit more than one "Q" Record for the same recipient. Failure to provide multiple Recipient "Q" Records

when necessary may generate math computation errors during processing. This will result in IRS contacting you for correct information.

.03 Following are some of the circumstances when more than one “Q” Record for a recipient would be required:

- (a) Different types of income. For example, Recipient X derived income from Capital Gains (Income Code 09) and Industrial Royalties (Income Code 10). A separate “Q” Record must be reported for each Income Code. Each “Q” Record must reflect the Gross Income Paid and any U.S. Federal Tax withheld by the withholding agent(s) pertaining to that Income Code.
- (b) Change in Country Code during the year. For example, the Withholding Agent received notification by Form W-8BEN that the recipient’s country of residence for tax purposes changed from country X to country Y. A separate “Q” Record must be reported for each Country Code providing Gross Income Paid, Tax Rate, any U.S. Federal Tax Withheld by the withholding agent(s), and Exemption Code, if any. The amounts reported must be based on each country.
- (c) Change in a country’s tax treaty rate during the year. For example, effective April 1, country X changes its tax treaty rate from ten percent to twenty percent. A separate “Q” Record must be reported for each of the tax rates. Provide the Gross Income Paid, Tax Rate, and any U.S. Federal Tax Withheld by the withholding agent(s) under each tax rate.

.04 All recipient “Q” Records for a particular Withholding Agent must be written after the corresponding Withholding Agent “W” Record, followed by a Reconciliation “C” Record, and before the “W” Record for another Withholding Agent begins.

.05 All alpha characters entered in the “Q” Record must be upper case.

.06 The “Q” Record is a fixed length of 820 positions.

.07 Report income and tax withheld in whole dollars only. Round up or down as appropriate. To round off amounts to the nearest whole dollar, drop amounts under 50 cents and increase amounts of 50 to 99 cents to the next whole dollar. If there are two or more amounts to add together, figure the amount to be reported by including cents when adding and only round off the total figure to be reported. Do not enter cents.

Note 1: For all fields marked “**Required**,” the transmitter must provide the information described under Description and Remarks. If required fields are not completed in accordance with this Revenue Procedure, the file will not process correctly. IRS will contact the filer to request a replacement file. For those fields not marked “**Required**,” a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field position(s) and for the indicated length.

Note 2: A copy of the *Instructions for Form 1042-S* is included at the end of this publication. These instructions must be used for the proper coding of each field in this record where applicable. The list of country codes in the instructions includes all recognized country codes and must be used for coding. The instructions are updated each year as required. Publication 1187 may not be revised every year. Be sure to use the most current *Instructions for Form 1042-S* for coding files.

Note 3: The only valid characters for electronic filing are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), apostrophe (’), forward slash (/), pound sign (#), period (.), and the percent (%). The percent [% (used as “in care of”)] is valid in the first position only. Do not use special characters that are unique to a language other than English. Inclusion of any characters other than those identified as valid in the instructions will result in a “Bad File” status.

Record Name: Recipient “Q” Record

| Field Positions | Field Title | Length | Description and Remarks |
|-----------------|--------------------------|--------|---|
| 1 | Record Type | 1 | Required. Enter “Q.” |
| 2 | Return Type Indicator | 1 | Required. Enter the one position value below to identify whether the record is Original or Amended. If submitting a replacement file, use the same indicator as the file being replaced (for example, if replacing an amended file, the indicator would be 1). This must be the same value as in the “W” Record. Values are: 0 (Zero) = Original 1 = Amended |
| 3 | Pro Rata Basis Reporting | 1 | Required. Enter the one position value below to identify whether reporting on a Pro Rata Basis. This must be the same value as in the “W” Record. Values are: 0 (Zero) = Not Pro Rata 1 = Pro Rata Basis Reporting |
| 4-5 | Income Code | 2 | Required. Enter the two-position value EXACTLY as it appears from the income code table. The Income Code must accurately reflect the type of income paid. Do not enter blanks or 00 (zeros). |

Record Name: Recipient "Q" Record

| Field Positions | Field Title | Length | Description and Remarks |
|--|--|---------------|---|
| Note: Refer to the <i>Instructions for Form 1042-S</i> for more information. | | | |
| 6–17 | Gross Income | 12 | Required. Enter the gross income amount in whole dollars only, rounding to the nearest dollar (do not enter cents). For example, report \$600.75 as 000000000601. An income amount of zero cannot be shown. Only amended returns can report zero amounts. Numeric characters only, right-justify information and fill unused positions with zeros. |
| Note: Do not report negative amounts in any amount field. | | | |
| 18–29 | Withholding Allowance | 12 | Used with Income Codes 15, 16, 17, 18, 19, 42, or 43 only. Enter the withholding allowance amount in whole dollars only, rounding to the nearest dollar (do not enter cents). Numeric characters only, right-justify the information and fill unused positions with zeros. If this field is not used enter blanks. |
| 30–41 | Net Income | 12 | Required if a Dollar Amount is Entered in the Withholding Allowance Field. Enter the net income in whole dollars only, rounding to the nearest dollar (do not enter cents). An amount other than zero must be shown. Numeric characters only, right-justify the information and fill unused positions with zeros. If this field is not utilized, enter blanks. |
| 42–45 | Tax rate | 4 | Required. Enter the correct Tax Rate applicable to the income in the gross income field or net income field, as appropriate. Enter the Tax Rate as a two-digit whole number and two-digit decimal (for example, enter 27.50% as 2750, 15% as 1500 or 7% as 0700). See Note below. |
| Note: The correct Tax Rate must be entered, even if withholding was at a lesser rate. See the current <i>Instructions for Form 1042-S</i> . | | | |
| 46–47 | Exemption Code | 2 | Required. Read Carefully. <ul style="list-style-type: none"> • If the tax rate entered is 0%, enter the appropriate exemption code "01" through "10" from the <i>Instructions for Form 1042-S</i>. • If the tax rate entered is 1% through 30%, enter "00." • If the tax rate entered is greater than 30%, blank fill. Do not enter "00." See the current <i>Instructions for Form 1042-S</i> for circumstances under which Exemption Code "99" must be used. |
| Note: If an incorrect amount of tax was withheld, report the amount that was actually withheld and use the correct tax rate in field positions 42–45. | | | |
| 48–49 | Recipient's Country of Residence Code for Tax Purposes | 2 | Required. Enter the two-character Country Code for which the recipient is a resident for tax purposes and on which the tax treaty benefits are based, whether applying a tax treaty benefit to this payment or not. The rate of tax withheld is determined by this code. |
| Note: Do not enter U.S. in the Country Code field. Enter "OC" (other country) <u>only</u> when the country of residence does not appear on the list or the payment is made to an international organization. If making a payment to a QI or QI withholding rate pool, enter the country code of the QI. | | | |
| 50–59 | Reserved | 10 | Enter blanks. |
| 60–71 | Amount Repaid | 12 | This field should be completed only if: a recipient was repaid an amount that was over-withheld and the withholding agent is going to be reimbursed by reducing, by the amount of tax actually repaid, the amount of any deposit made for a payment period in the calendar year following the calendar year of withholding. Otherwise, enter zeros. |
| 72–91 | Recipient Account Number | 20 | Enter the account number assigned by the withholding agent to the recipient. Do not enter the recipient's U.S. or foreign TIN. If an account number is not assigned, enter blanks. This field may contain numeric characters, alpha characters, blanks, or hyphens. Left-justify the information and fill unused positions with blanks. |
| 92–93 | Recipient Code | 2 | Required. Enter the appropriate Recipient Code. Refer to the list of appropriate codes in the current paper <i>Instructions for Form 1042-S</i> . No other codes or values are valid. |

Record Name: Recipient "Q" Record

| Field Positions | Field Title | Length | Description and Remarks |
|---|---------------------------|----------------------|--|
| Note: If recipient code "20" is used, the Recipient's Name Line-1 must be "UNKNOWN" or "UNKNOWN RECIPIENT" and the Recipient's Name Lines 2 and 3 must be BLANK. The tax rate must be 30%. | | | |
| 94-133 | Recipient's Name Line-1 | 40 | Required. Provide the complete name of the recipient. If the recipient has a U.S. TIN, enter the name as established when applying for the TIN. If recipient code "20" is used, enter "UNKNOWN" or "UNKNOWN RECIPIENT." Recipient's Name Lines 2 and 3 must be blank. See the <i>Instructions for Form 1042-S</i> for specific information about "UNKNOWN RECIPIENTS" and "WITHHOLDING RATE POOLS" See Note 3 at the beginning of the "Q" Record |
| Note 1: A Non-Qualified Intermediary (NQI) can NEVER be entered as the recipient. | | | |
| Note 2: Do not use special characters in names or addresses that are unique to a language other than English. For example: å = A, æ = A, u = U, Ø= O, ñ = N, etc. | | | |
| 134-173 | Recipient's Name Line-2 | 40 | Enter supplementary recipient name information including titles; otherwise, enter blanks. Use this line for additional names (for example, partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for "in care of," "Attn," or "via". See Note 3 at the beginning of the "Q" Record. |
| 174-213 | Recipient's Name Line-3 | 40 | See the description for Recipient's Name Line-2. |
| 214-253 | Recipient's Street Line-1 | 40 | Required. Enter the mailing address of the recipient. The street address should include the number, street, apartment, or suite number (or P.O. Box if mail is not delivered to a street address). Abbreviate as needed. Left-justify the information and fill unused positions with blanks. See Note 3 at the beginning of the "Q" Record. |
| 254-293 | Recipient's Street Line-2 | 40 | Enter supplementary recipient street address information. If a P.O. Box is used in addition to a street address, enter it here. Left-justify the information and fill unused positions with blanks. |
| 294-333 | Recipient's City | 40 | Required. Enter the city or town (or other locality name). Enter the APO or FPO only, if applicable. Do not enter a foreign postal code in the city field. Left-justify the information and fill unused positions with blanks. |
| 334-335 | Recipient's State | 2 | Required if U.S. address. Enter the two-character State Code abbreviation. If no U.S. state, territory, or APO/FPO identifier is applicable, enter blanks. Do not use any of the two character Country Codes in the State Code Field. |
| Note: If the recipient has a U.S. address, leave the province code in positions 336-337 and country code in positions 338-339 blank. | | | |
| 336-337 | Recipient's Province Code | 2 | Required if the Recipient Country Code in positions 338-339 is "CA." Enter only the two-alpha character Province Code as shown in the Province Code Table below. Do not spell out the Province Name. If the foreign country is other than Canada, enter blanks. |
| Province Code | Province | Province Code | Province |
| AB | Alberta | NU | Nunavut |
| BC | British Columbia | ON | Ontario |
| MB | Manitoba | PE | Prince Edward Island |
| NB | New Brunswick | QC | Quebec |
| NL | Newfoundland & Labrador | SK | Saskatchewan |
| NS | Nova Scotia | YT | Yukon Territory |
| NT | Northwest Territories | | |
| 338-339 | Recipient's Country Code | 2 | Required if the recipient has a foreign address. Enter the two-character Country Code abbreviation. See the <i>Instructions for Form 1042-S</i> for the appropriate codes. |

Note 1: If the state code is entered in positions 334-335, leave this field blank.

Record Name: Recipient “Q” Record

| Field Positions | Field Title | Length | Description and Remarks |
|-----------------|-------------|--------|-------------------------|
|-----------------|-------------|--------|-------------------------|

Note 2: COUNTRY CODES: The list of country codes provided in the current *Instructions for Form 1042-S* includes all internationally recognized country codes and must be used to ensure the proper coding of the Country Code field. This list is updated each year as required. If making a payment to a QI, enter the country code of the QI.

Note 3: Enter “UC” (unknown country) only if the payment is to an unknown recipient.

| | | | |
|---------|--------------------|---|---|
| 340–348 | Postal or ZIP Code | 9 | Required. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions, and APO/FPO). For foreign addresses enter the alphanumeric foreign postal code, if applicable. Left justify the information and fill unused positions with blanks. |
|---------|--------------------|---|---|

| | | | |
|---------|----------------------|---|---|
| 349–357 | Recipient’s U.S. TIN | 9 | Enter the recipient’s nine-digit U.S. Taxpayer Identification Number (TIN). Do not enter hyphens, alpha characters, or TINS consisting of all the same digits (for example, 11111111 or 99999999) as these are not valid TINs. If a TIN is not required under regulations, or is required but has not been provided by the recipient, enter blanks. |
|---------|----------------------|---|---|

Note: U.S. TINs are now required for most recipients. See the *Instructions for Form 1042-S*.

| | | | |
|-----|---------------------------|---|---|
| 358 | Recipient’s U.S. TIN Type | 1 | Required. Enter the recipient’s U.S. TIN type indicator from the following values: <ul style="list-style-type: none"> • 0 = No TIN required • 1 = SSN/ITIN • 2 = EIN • 3 = QI-EIN, WP-EIN, WT-EIN • 4 = TIN required but not provided |
|-----|---------------------------|---|---|

Note: Use EIN indicator 3 only if the Withholding Agent’s EIN begins with “98” and the Withholding Agent, Withholding Trust, or Withholding Partnership has entered into a withholding agreement with the IRS.

| | | | |
|---------|----------------------------|----|---|
| 359–370 | U. S. Federal Tax Withheld | 12 | Required. Enter U.S. Federal tax withheld by the withholding agent. Enter the amount in whole dollars, rounding to the nearest dollar (do not enter cents). For example, report \$600.25 as 000000000600. Numeric characters only, right-justify the information and fill unused positions with zeros. If there was no withholding, enter all zeros. |
|---------|----------------------------|----|---|

| | | | |
|---------|-----------------------------|----|---|
| 371–382 | Withholding By Other Agents | 12 | Required. For withholding agents reporting Form 1042-S information that has already been subject to withholding by another withholding agent, enter the amount withheld by the other agent. Enter the amount in whole dollars, rounding to the nearest dollar (do not enter cents). For example, report \$600.25 as 000000000600. Numeric characters only, right-justify the information and fill unused positions with zeros. If there was no withholding, enter all zeros. |
|---------|-----------------------------|----|---|

Note: If claiming a credit on Form 1042 (line 66) because of withholding by other agents, attach a copy of the Form 1042-S to Form 1042 to support the credit. For additional guidance, please review the *Instructions for Form 1042*.

| | | | |
|---------|--------------------------|----|---|
| 383–394 | Total Withholding Credit | 12 | Required. Enter the aggregate amount of U.S. Federal tax withheld by you and any other withholding agent. Enter the amount in whole dollars, rounding to the nearest dollar (do not enter cents). For example, report \$600.25 as 000000000600. Numeric characters only, right-justify the information and fill unused positions with zeros. If there was no withholding, enter all zeros. |
|---------|--------------------------|----|---|

Note: If the Total Withholding Credit, (aggregate amounts of U.S. Federal Tax Withheld and Withholding By Other Agents) was either under or over reported, see Field Position 761 of the “Q” Record.

| | | | |
|---------|----------|---|---------------|
| 395–400 | Reserved | 6 | Enter blanks. |
|---------|----------|---|---------------|

| | | | |
|---------|-----------------------------|----|--|
| 401–440 | NQI/FLW-THR/PTP Name Line-1 | 40 | Provide the complete name of the NQI/FLW-THR or PTP Entity. It is very important that the complete name of the NQI/FLW-THR or PTP entity be provided. Left-justify the information and fill unused positions with blanks. See Note 3 at the beginning of the “Q” Record. |
|---------|-----------------------------|----|--|

Note 1: A nominee that is the withholding agent under Code Section 1446 must enter the Publicly Traded Partnership’s (PTP) name and other information in the NQI/FLW-THR fields; positions 401–666.

Record Name: Recipient “Q” Record

| Field Positions | Field Title | Length | Description and Remarks |
|--|---|--------|--|
| Note 2: All NQI/FLW-THR fields are REQUIRED if the NQI/FLW-THR entity is involved in the payment structure, EXCEPT FOR THE NQI/FLW-THR TIN. | | | |
| 441–480 | NQI/FLW-THR/PTP Name Line–2 | 40 | Enter supplementary information; otherwise, enter blanks. Use this line for additional names (for example, partners or joint owners), for trade names, stage names, aliases, or titles. Also use this line for “in care of” or “via”. See Note 3 at the beginning of the “Q” Record. |
| 481–520 | NQI/FLW-THR/PTP Name Line–3 | 40 | See the description for NQI/FLW-THR/PTP Name Line–2. |
| 521–522 | Reserved | 2 | Enter blanks. |
| 523–562 | NQI/FLW-THR/PTP Street Line–1 | 40 | Enter the mailing address of the NQI/FLW-THR or PTP entity. The street address should include the number, street, apartment, or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Left-justify the information and fill unused positions with blanks. |
| 563–602 | NQI/FLW-THR/PTP Street Line–2 | 40 | Enter supplementary NQI/FLW-THR or PTP entity street address information; otherwise, enter blanks. |
| 603–642 | NQI/FLW-THR/PTP City | 40 | Enter the city or town (or other locality name). Left-justify the information and fill unused positions with blanks. |
| 643–644 | NQI/FLW-THR/PTP State Code | 2 | Enter the two-alpha character state code (see table Part A, Sec. 14). If a state code or APO/FPO is not applicable, enter blanks. |
| 645–646 | NQI/FLW-THR/PTP Province Code | 2 | Enter the two-alpha character Province Code abbreviation, if applicable. See “T” Record positions 117–118. |
| 647–648 | NQI/FLW-THR/PTP Country Code | 2 | Enter the two-character Country Code abbreviation, where the NQI/FLW-THR or PTP is located. If the NQI/FLW-THR or PTP has a U.S. address, enter blanks. |
| 649–657 | NQI/FLW-THR/PTP Postal Code or ZIP Code | 9 | Enter the alphanumeric foreign postal code or U.S. ZIP Code for all U.S. addresses including territories, possessions, and APO/FPO. Enter the code in the left most position and blank fill the remaining positions. |
| 658–666 | NQI/FLW-THR/PTP U.S. TIN | 9 | Enter the NQI/FLW-THR or PTP nine-digit U.S. Taxpayer Identification Number (TIN), if any. Do not enter hyphens or alpha characters. |
| 667–706 | Payer’s Name | 40 | Enter the name of the Payer of Income if different from the Withholding Agent. Abbreviate as needed. If the Withholding Agent and Payer are the same, enter blanks. |
| 707–715 | Payer’s U.S. TIN | 9 | Enter the Payer’s U.S. Taxpayer Identification Number if there is an entry in the Payer Name Field; otherwise, enter blanks. |
| 716–727 | State Income Tax Withheld | 12 | If State Tax has been withheld, enter that amount in whole dollars (do not enter cents). Right-justify the information and fill unused positions with zeros. If this field is not utilized, enter zeros. |

Note: This amount is not included in the U.S. Federal Tax fields.

Record Name: Recipient "Q" Record

| Field Positions | Field Title | Length | Description and Remarks |
|--|-------------------------------------|-------------|---|
| 728-737 | Payer's State Tax Number | 10 | Enter the employer state I.D. number if assigned by the state. Left-justify the information and fill unused positions with blanks. |
| 738-739 | Payer's State Code | 2 | Enter the two-character State Code abbreviation. |
| 740-760 | Special Data Entries | 21 | This field may be used for the filer's own purposes. If this field is not utilized, enter blanks. |
| 761 | U.S. Federal Tax Withheld Indicator | 1 | <p>Required. Indicate if the U.S. Federal tax withheld was correct or incorrect using the following values:</p> <ul style="list-style-type: none"> • 0 = Correctly reported • 1 = Over withheld • 2 = Under withheld |
| Note : Please refer to Total withholding Credit positions 383-394. | | | |
| 762-783 | Recipient's Foreign Tax I.D. Number | 22 | Enter the recipient's identifying number. Use only characters listed in Note 3. Left-justify the information and fill unused positions with blanks. |
| 784-809 | Reserved | 26 | Enter blanks. |
| 810 | Amended Return Indicator | 1 | Required for amended returns only. Enter the appropriate code: |
| | | <u>Code</u> | <u>Definition</u> |
| | | G | A one-step transaction amended return or the first of a two-step transaction amended return |
| | | C | The second transaction of a two-step transaction amended return |
| | | Blank | If this is not a return being submitted to amend information already processed by IRS |
| Note: Amended C and G coded records must be reported using separate Payer "W" Records. Refer to Part A, Sec. 9, for specific instructions on how to file amended returns. Non-coded records cannot be submitted in Amended files. | | | |
| 811-818 | Record Sequence Number | 8 | <p>Required. Enter the number of the record as it appears within the file. The record sequence number for the "T" Record will always be "1" (one), since it is the first record on the file and there can only be one "T" Record in a file. Each record, thereafter, must be incremental by one in ascending numerical sequence, that is, 2, 3, 4, etc. Right-justify numbers with leading zeros in the field. For example, the "T" Record sequence number would appear as "00000001" in the field, the first "W" Record would be "00000002," the first "Q" Record, "00000003," the second "Q" Record, "00000004," and so on until the final record of the file, the "F" Record.</p> |
| 819-820 | Blank or Carriage Return Line Feed | 2 | Enter blanks or carriage return line feed (CR/LF) characters. |

Recipient “Q” Record Layout

| | | | | | | |
|-------------|-----------------------|--------------------------|-------------|--------------|-----------------------|------------|
| Record Type | Return type Indicator | Pro rata Basis Reporting | Income Code | Gross Income | Withholding Allowance | Net Income |
| 1 | 2 | 3 | 4-5 | 6-17 | 18-29 | 30-41 |

| | | | | | | |
|----------|----------------|--|----------|---------------|--------------------------|----------------|
| Tax Rate | Exemption Code | Recipient’s Country of Residence Code for Tax Purposes | Reserved | Amount Repaid | Recipient Account Number | Recipient Code |
| 42-45 | 46-47 | 48-49 | 50-59 | 60-71 | 72-91 | 92-93 |

| | | | | | | |
|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|------------------|-------------------|
| Recipient’s Name Line-1 | Recipient’s Name Line-2 | Recipient’s Name Line-3 | Recipient’s Street Line-1 | Recipient’s Street Line-2 | Recipient’s City | Recipient’s State |
| 94-133 | 134-173 | 174-213 | 214-253 | 254-293 | 294-333 | 334-335 |

| | | | | | | |
|---------------------------|--------------------------|--------------------|----------------------|---------------------------|---------------------------|-----------------------------|
| Recipient’s Province Code | Recipient’s Country Code | Postal or ZIP Code | Recipient’s U.S. TIN | Recipient’s U.S. TIN Type | U.S. Federal Tax Withheld | Withholding By Other Agents |
| 336-337 | 338-339 | 340-348 | 349-357 | 358 | 359-370 | 371-382 |

| | | | | | | |
|--------------------------|----------|-----------------------------|-----------------------------|-----------------------------|----------|-------------------------------|
| Total Withholding Credit | Reserved | NQI/FLW-THR/PTP Name Line-1 | NQI/FLW-THR/PTP Name Line-2 | NQI/FLW-THR/PTP Name Line-3 | Reserved | NQI/FLW-THR/PTP Street Line-1 |
| 383-394 | 395-400 | 401-440 | 441-480 | 481-520 | 521-522 | 523-562 |

| | | | | | | |
|-------------------------------|----------------------|----------------------------|-------------------------------|------------------------------|---|--------------------------|
| NQI/FLW-THR/PTP Street Line-2 | NQI/FLW-THR/PTP City | NQI/FLW-THR/PTP State Code | NQI/FLW-THR/PTP Province Code | NQI/FLW-THR/PTP Country Code | NQI/FLW-THR/PTP Postal Code or ZIP Code | NQI/FLW-THR/PTP U.S. TIN |
| 563-602 | 603-642 | 643-644 | 645-646 | 647-648 | 649-657 | 658-666 |

| | | | | | | |
|--------------|------------------|---------------------------|--------------------------|--------------------|----------------------|-------------------------------------|
| Payer’s Name | Payer’s U.S. TIN | State Income Tax Withheld | Payer’s State Tax Number | Payer’s State Code | Special Data Entries | U.S. Tax Federal Withheld Indicator |
| 667-706 | 707-715 | 716-727 | 728-737 | 738-739 | 740-760 | 761 |

| | | | | |
|-------------------------------------|----------|--------------------------|------------------------|------------------------------------|
| Recipient’s Foreign Tax I.D. Number | Reserved | Amended Return Indicator | Record Sequence Number | Blank or Carriage Return Line Feed |
| 762-783 | 784-809 | 810 | 811-818 | 819-820 |

Sec. 6. Reconciliation “C” Record

.01 The “C” Record is a fixed record length of 820 positions and all positions listed are required. The “C” Record is a summary of the number of “Q” Records for each Withholding Agent, Gross Amount Paid, and Total Withholding Credit.

.02 This record will be written after the last “Q” Record filed for a given withholding agent. For each “W” Record and group of “Q” Records on the file, there must be a corresponding “C” Record.

.03 All alpha characters entered in the “C” Record must be upper case.

Record Name: Reconciliation “C” Record

| Field Positions | Field Title | Length | Description and Remarks |
|-----------------|------------------------------------|--------|--|
| 1 | Record Type | 1 | Required. Enter “C.” |
| 2–9 | Total “Q” records | 8 | Required. Enter the total number of “Q” Records for this withholding agent. Do not enter all zeros. For example, 53 “Q” Records are entered as 00000053. See Part A, Sec. 4, Filing and Retention Requirements. Right-justify the information and fill unused positions with zeros. |
| 10–15 | Blank | 6 | Enter blanks. |
| 16–30 | Total Gross Amount Paid | 15 | Required. Enter the total gross income amount in whole dollars (do not enter cents). For example report \$600.00 as 000000000000600. An income amount other than zero must be shown. Right-justify the information and fill unused positions with zeros. |
| 31–45 | Total Withholding Credit | 15 | Required. Enter the total aggregate amount of tax withheld by you and any other withholding agent. This is the aggregate total amount from the U.S. Federal Tax Withheld and Withholding By Other Agents fields. Enter the amount in whole dollars (do not enter cents). For example report \$600.00 as 000000000000600. Right-justify the information and fill unused positions with zeros. |
| 46–810 | Reserved | 765 | Enter blanks. |
| 811–818 | Record Sequence Number | 8 | Required. Enter the number of the record as it appears within the file. The record sequence number for the “T” Record will always be “1” (one), since it is the first record on the file and there can only be one “T” Record in a file. Each record, thereafter, must be incremental by one in ascending numerical sequence, that is, 2, 3, 4, etc. Right-justify numbers with leading zeros in the field. For example, the “T” Record sequence number would appear as “00000001” in the field, the first “W” Record would be “00000002,” the first “Q” Record, “00000003,” the second “Q” Record, “00000004,” and so on until the final record of the file, the “F” Record. |
| 819–820 | Blank or Carriage Return Line Feed | 2 | Enter blanks or carriage return line feed (CR/LF) characters. |

Reconciliation "C" Record Layout

| | | | | | | |
|-------------|-------------------|-------|-------------------------|--------------------------|----------|------------------------|
| Record Type | Total "Q" Records | Blank | Total Gross Amount Paid | Total Withholding Credit | Reserved | Record Sequence Number |
| 1 | 2-9 | 10-15 | 16-30 | 31-45 | 46-810 | 811-818 |

| |
|------------------------------------|
| Blank or Carriage Return Line Feed |
| 819-820 |

Sec. 7. End of Transmission "F" Record

.01 The "F" Record is a fixed record length of 820 positions and all positions listed are required. The "F" Record is a summary of the number of withholding agents in the entire file.

.02 This record will be written after the last "C" Record of the entire file. End the file with an End of Transmission "F" Record. No data will be read after the "F" Record. Only a "C" Record may precede the "F" Record.

.03 All alpha characters entered in the "F" Record must be upper case.

Record Name: End of Transmission "F" Record

| Field Positions | Field Title | Length | Description and Remarks |
|-----------------|------------------------------------|--------|--|
| 1 | Record Type | 1 | Required. Enter "F." |
| 2-4 | Withholding Agent Count | 3 | Required. Enter the total number of withholding agents on this file. This count must be the same as the total number of "W" Records. Right-justify the information and fill unused positions with zeros. |
| 5-810 | Reserved | 806 | Enter blanks. |
| 811-818 | Record Sequence Number | 8 | Required. Enter the number of the record as it appears within the file. The record sequence number for the "T" Record will always be "1" (one), since it is the first record on the file and there can only be one "T" Record in a file. Each record, thereafter, must be incremental by one in ascending numerical sequence, that is, 2, 3, 4, etc. Right-justify numbers with leading zeros in the field. For example, the "T" Record sequence number would appear as "00000001" in the field, the first "W" Record would be "00000002," the first "Q" Record, "00000003," the second "Q" Record, "00000004," and so on until the final record of the file, the "F" Record. |
| 819-820 | Blank or Carriage Return Line Feed | 2 | Enter blanks or carriage return line feed (CR/LF) characters. |

End of Transmission "F" Record Layout

| | | | | |
|-------------|-------------------------|----------|------------------------|------------------------------------|
| Record Type | Withholding Agent Count | Reserved | Record Sequence Number | Blank or Carriage Return Line Feed |
| 1 | 2-4 | 5-810 | 811-818 | 819-820 |

Part D. Extensions of Time and Waivers

Sec. 1. General - Extensions

.01 Withholding agents can get an automatic 30-day extension of time to file by completing Form 8809, *Application for Extension of Time to File Information Returns*. In addition, a request for an extension of time can be submitted in an electronic file or online through the Filing Information Returns Electronically (FIRE) system.

Note: IRS encourages the withholding agent/transmitter community to use the online fill-in form in lieu of the paper Form 8809. A transmitter control code (TCC) is not required to use the online fill-in form option.

.02 To complete the fill-in Form 8809 online on the FIRE system, (See Part B, Sec. 7, for instructions on connecting to the FIRE system.) at the Main Menu, click “Extension of Time Request” and then click “Fill-in Extension Form.” This option is only used to request an automatic 30-day extension. Extension requests completed online through the FIRE system receive an instant response if completed properly and timely.

.03 A paper Form 8809 may be submitted to IRS at the address listed in .08 of this section. This form may be used to request an extension of time to file information returns submitted on paper or filed electronically. A separate form must be completed for each withholding agent. Form 8809 may be computer generated or photocopied. Be sure to use the most recently updated version and include all the pertinent information.

.04 To be considered, an extension request must be postmarked, transmitted or completed online by the due date of the returns; otherwise, the request will be denied. (See Part A, Sec. 7, for due dates.) If requesting an extension of time to file several types of forms, use one Form 8809; however, Form 8809 or an extension file must be submitted no later than the earliest due date. For example, if requesting an extension of time to file both Forms 1099-INT and 1042-S, submit Form 8809 on or before February 28 (or March 15 if filing the returns electronically). A signature and a reason for the request are not required when requesting an automatic 30-day extension.

.05 As soon as it is apparent that a 30-day extension of time to file is needed, an extension request should be submitted. Request an extension for the current tax year only. IRS does not begin processing extension requests until January. It may take up to 30 days for IRS to respond to a paper extension request. Extensions completed online through the FIRE system receive instant results.

.06 Under certain circumstances, a request for an extension of time may be denied. When a denial letter is received, any additional or necessary information must be resubmitted within twenty days of the date of the letter.

.07 Requesting an extension of time for multiple withholding agents should be done by completing the online fill-in form or in an electronic file (see Sect. 3 for the record layout) through the FIRE system. A separate Form 8809 must be completed online for each withholding agent when using the fill-in form option.

.08 All requests for an extension of time filed on paper Forms 8809 must be sent using the following address:

Internal Revenue Service
Information Returns Branch
Attn: Extension of Time Coordinator
240 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

Note: Due to the large volume of mail received by IRS and the time factor involved in processing Extension of Time (EOT) requests, it is imperative that the attention line be present on all envelopes or packages containing Form 8809.

.09 Requests for extensions of time to file postmarked by the United States Postal Service on or before the due date of the returns, and delivered by United States mail to IRS after the due date, are treated as timely under the “timely mailing as timely filing” rule. A similar rule applies to designated private delivery services (PDSs). Notice 97–26, 1997–17 I.R.B. 6, provides rules for determining the date that is treated as the postmark date. For items delivered by a non-designated Private Delivery Service (PDS), the actual date of receipt by IRS will be used as the filing date. For items delivered by a designated PDS, but through a type of service not designated in Notice 2004–83, 2004–52 I.R.B. 1030 the actual date of receipt by IRS will be used as the filing date. The timely mailing rule also applies to furnishing statements to recipients and participants.

.10 Transmitters requesting an extension of time with an electronic file will receive the file status results online. If the extension requests are denied, the transmitters will receive a denial letter accompanied by a list of withholding agents covered under that denial.

.11 If an extension request is approved, the approval notification should be kept on file. Do not send the approval notification or copy of the approval notification to IRS or to the service center where the paper returns are filed. (*An exception to this rule is: When filing Form 8027 on paper only, attach a copy of the approval letter. If an approval letter has not been received, attach a copy of the timely filed Form 8809.*)

.12 If an additional extension of time is needed, a Form 8809 and/or extension file must be sent by the initial extended due date. Check the box on the form to indicate that an additional extension is being requested. Failure to properly complete and sign Form

8809 may cause delays in processing the request or result in a denial. Carefully read and follow the instructions on the back of Form 8809. Be sure to include the reason an additional extension is needed. If requesting a second 30-day extension of time, submit the information return files as soon as prepared. Do not wait for the IRS response to your second extension request. Requests for an additional extension of time to file information returns are not automatically granted. Requests for additional time are granted only in cases of extreme hardship or catastrophic event. The IRS will send a letter of explanation approving or denying requests for an additional extension of time. (Refer to .11 of this Section.)

Sec. 2. Specifications for Filing Extensions of Time Electronically

.01 The specifications in Sec. 3 include the required 200-byte record layout for extensions of time to file requests submitted electronically. The instructions for the information that is to be entered in the record are also included. Filers are advised to read this section in its entirety to ensure proper filing.

.02 If a filer does not have a Transmitter Control Code (TCC), Form 4419, *Application for Filing Information Returns Electronically (FIRE)*, must be submitted to obtain a TCC. This number must be used to submit extension requests in an electronic file. (See Part A, Sec. 6.)

.03 If requesting an additional extension of time, a Form 8809 must be faxed to IRB the same day as the transmission. Be sure to include a signature and the reason an additional extension is needed.

.04 Do not submit tax year 2012 extension requests filed electronically before *January 4, 2013*.

Sec. 3. Record Layout - Extension of Time

.01 Positions 6 through 188 of the following record should contain information about the withholding agent for whom the extension of time to file is being requested. Do not enter transmitter information in these fields. Only one TCC may be present in a file.

Record Layout for Extension of Time

| Field Position | Field Title | Length | Description and Remarks |
|----------------|---|--------|--|
| 1–5 | Transmitter Control Code | 5 | Required. Enter the five-character alphanumeric Transmitter Control Code (TCC) issued by IRS. Only one TCC per file is acceptable. |
| 6–14 | Withholding Agent TIN | 9 | Required. Enter the valid nine-digit EIN/SSN assigned to the withholding agent. Do not enter blanks, hyphens or alpha characters. All zeros, ones, twos, etc., will have the effect of an incorrect TIN. For foreign entities that are not required to have a TIN, this field may be blank; however, the Foreign Entity Indicator in position 187 must be set to “X.” |
| 15–54 | Withholding Agent Name | 40 | Required. Enter the name of the withholding agent whose TIN appears in positions 6–14. Left-justify the information and fill unused positions with blanks. |
| 55–94 | Second Withholding Agent Name | 40 | Required. If additional space is needed, this field may be used to continue name line information (for example, c/o First National Bank); otherwise, enter blanks. |
| 95–134 | Withholding Agent Address | 40 | Required. Enter the withholding agent’s address. The street address should include the number, street, apartment, or suite number (or P.O. box if mail is not delivered to a street address) |
| 135–174 | Withholding Agent City | 40 | Required. Enter the withholding agent’s city, town, or post office. |
| 175–176 | Withholding Agent State | 2 | Required. Enter the withholding agent’s valid U.S. Postal Service state abbreviation. (Refer to Part A, Sec. 14.) |
| 177–185 | Withholding Agent ZIP Code | 9 | Required. Enter the withholding agent’s ZIP Code. If using a five-digit ZIP Code, left-justify the information and fill unused positions with blanks. |
| 186 | Document Indicator (See Note below.) | 1 | Required. Enter “4.” |

Note: Do not enter any other values in this field. Submit a separate record for each document. For example, when requesting an extension for Form 1099-INT and Form 1042-S for the same withholding agent, submit one record with “2” coded in this field and another record with “4” coded in this field. When requesting an extension for Form 1099-DIV and Form 1099-MISC for the same withholding agent, submit one record with “2” coded in this field.

Record Layout for Extension of Time

| Field Position | Field Title | Length | Description and Remarks |
|---|--|--------|---|
| 187 | Foreign Entity Indicator | 1 | Enter "X" if the withholding agent is a foreign entity. |
| 188 | Recipient Request Indicator (See Note below.) | 1 | Enter "X" if the extension request is to furnish statements to the recipients of the information returns. |
| Note: A separate file is required for this type of extension request. A file must contain either all blanks or all Xs in this field. | | | |
| 189-198 | Blank | 10 | Enter blanks. |
| 199-200 | Blank | 2 | Enter blanks or carriage return/line feed (CR/LF) characters. |

Extension of Time Record Layout

| | | | | | |
|--------------------------|-----------------------|------------------------|-------------------------------|---------------------------|------------------------|
| Transmitter Control Code | Withholding Agent TIN | Withholding Agent Name | Second Withholding Agent Name | Withholding Agent Address | Withholding Agent City |
| 1-5 | 6-14 | 15-54 | 55-94 | 95-134 | 135-174 |

| | | | | | |
|-------------------------|----------------------------|--------------------|--------------------------|--------------------------|---------|
| Withholding Agent State | Withholding Agent Zip Code | Document Indicator | Foreign Entity Indicator | Foreign Entity Indicator | Blank |
| 175-176 | 177-185 | 186 | 187 | 188 | 189-198 |

| |
|----------------|
| Blank or CR/LF |
| 199-200 |

Sec. 4. Extension of Time for Recipient Copies of Information Returns

.01 Request an extension of time to furnish the statements to recipients of Forms 1042-S by submitting a letter to IRS at the address listed in Part D, Sec.1.08. The letter should contain the following information:

- (a) Withholding agent name
- (b) TIN
- (c) Address
- (d) Type of return
- (e) Specify that the extension request is to provide statements to recipients
- (f) Reason for the delay
- (g) Signature of withholding agent or duly authorized person

.02 Requests for an extension of time to furnish statements to recipients of Forms 1042-S are not automatically approved. If approved, an extension will allow a maximum of 30 days from the due date. The request must be postmarked no later than the date the statements are due to the recipients.

.03 Generally, only the withholding agent may sign the letter requesting the extension for recipient copies. If a transmitter has a contractual agreement with a withholding agent to submit extension requests on the withholding agent's behalf, the transmitter should state so in the letter requesting the extension.

.04 Requests for extensions of time to file recipient copies for more than ten withholding agents are required to be submitted electronically. (See Sec. 3, for the record layout.). When requesting extensions of time for recipient copies, a signed letter must be faxed to IRB by the transmitter the same day as the transmission. Be sure to include the reason an extension for the recipient copies is needed.

.05 Transmitters submitting an extension of time for recipient copies with an electronic file should not submit a list of withholding agent names and TINs with the letter since this information is included in the electronic file.

.06 The online fill-in Form 8809 extension option cannot be used to request an extension to furnish statements to recipients.

Sec. 5. Form 8508, Request for Waiver From Filing Information Returns Electronically

.01 If a withholding agent is required to file electronically but fails to do so and does not have an approved waiver on record, the withholding agent will be subject to a penalty of \$100 per return in excess of 250. (For penalty information, refer to the Penalty Section of the *2012 General Instructions for Certain Information Returns*.)

.02 If withholding agents are required to file original or amended returns electronically, but such filing would create an undue hardship, they may request a waiver from these filing requirements by submitting Form 8508, *Request for Waiver from Filing Information Returns Electronically*, to IRS. Form 8508 can be obtained on the IRS website at www.irs.gov or by calling 1-800-829-3676.

.03 Although a withholding agent may submit as many as 249 returns on paper, IRS encourages electronic filing. Once the 250 threshold has been met, filers are required to submit any returns in excess of 250 electronically. If a waiver for original documents is approved, any corrections for the same type of returns will be covered under that waiver.

.04 Generally, only the withholding agent may sign Form 8508. A transmitter may sign if given power-of-attorney; however, a letter signed by the withholding agent stating this fact must be attached to Form 8508.

.05 A transmitter must submit a separate Form 8508 for each withholding agent. Do not submit a list of withholding agents.

.06 All information requested on Form 8508 must be provided to IRS for the request to be processed.

.07 The waiver, if approved, will provide exemption from the electronic filing requirement for the current tax year only. Withholding agents may not apply for a waiver for more than one tax year at a time.

.08 Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form.

.09 Filers are encouraged to submit Form 8508 to IRS at least 45 days before the due date of the returns. IRS does not process waiver requests until January. Waiver requests received prior to January are processed on a first come, first serve basis.

.10 All waiver requests must be sent to the following address:

Internal Revenue Service
Information Returns Branch
Attn: Extension of Time Coordinator
240 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

.11 File Form 8508 for the W-2 series of forms with IRS, not SSA.

.12 Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth in the regulations under section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS to respond to a waiver request.

.13 If a waiver request is approved, keep the approval letter on file. Do not send a copy of the approved waiver to the service center where the paper returns are filed.

.14 An approved waiver only applies to the requirement for filing information returns electronically. The withholding agent must still timely file information returns with the appropriate service center on the official IRS paper forms or an acceptable substitute form.

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as “rulings”) that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A

and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in laws or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in a new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the substance

of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.

ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel’s Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.

PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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Key to Abbreviations:

| | |
|-----|----------------------------------|
| Ann | Announcement |
| CD | Court Decision |
| DO | Delegation Order |
| EO | Executive Order |
| PL | Public Law |
| PTE | Prohibited Transaction Exemption |
| RP | Revenue Procedure |
| RR | Revenue Ruling |
| SPR | Statement of Procedural Rules |
| TC | Tax Convention |
| TD | Treasury Decision |
| TDO | Treasury Department Order |

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Internal Revenue Service

Washington, DC 20224

Official Business
Penalty for Private Use, \$300

INTERNAL REVENUE BULLETIN

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