

**1992**

Department of the Treasury  
Internal Revenue Service

# Instructions for Forms 1042 and 1042S

(Section references are to the Internal Revenue Code unless otherwise noted.)

## Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times are:

	<b>Form 1042</b>	<b>Form 1042S</b>
<b>Recordkeeping</b>	6 hr., 13 min.	4 hr., 47 min.
<b>Learning about the law or the form</b>	4 hr., 31 min.	1 hr., 40 min.
<b>Preparing the form</b>	6 hr., 40 min.	2 hr., 44 min.
<b>Copying, assembling, and sending the form to the IRS</b>	32 min.	16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0096), Washington, DC 20503. **DO NOT** send the tax forms to either of these offices. Instead, see **Where and When To File** below.

## General Instructions

### Purpose of Form

Use **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, to report tax withheld on nonresident aliens, foreign partnerships, foreign corporations, and nonresident alien or foreign fiduciaries of an estate or trust, and to transmit any paper document **Forms 1042S**, Foreign Person's U.S. Source Income Subject to Withholding.

### Who Must File

Every U.S. withholding agent who receives, controls, has custody of, disposes of, or pays a fixed or determinable annual or periodic income, and certain Canadian withholding agents, must file an annual return for the preceding calendar year on Form 1042. The withholding agent must transmit with Form 1042 the information called for on Form 1042S.

Also, file Form 1042 if you pay gross investment income to foreign

private foundations that are subject to the tax under section 4948(a).

You must file Form 1042 whether or not any tax was withheld or was required to be withheld if you are required to file Form 1042S. Form 1042S must be filed to report all items of income described under **Income Subject to Withholding** on page 2, except income that is required to be reported on Form W-2.

### Where and When To File

File Form 1042 and any paper document Forms 1042S, along with other required forms and attachments, with the Internal Revenue Service Center, Philadelphia, PA 19255, by March 15, 1993. You are also required to furnish Form 1042S to the recipient of the income.

If you need more time, you may file **Form 2758**, Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns, to request an extension of time to file Forms 1042 and 1042S. However, Form 2758 does not extend the time for payment of tax.

### Magnetic Tape Reporting

Generally, you must use magnetic tape to file 250 or more Forms 1042S.

**A.** Standard mail shipments should be addressed to:

Internal Revenue Service  
Martinsburg Computing Center  
Magnetic Media Reporting  
P.O. Box 1359  
Martinsburg, WV 25401-1359

**B.** Shipments by land carriers (e.g., UPS) should be addressed to:

Internal Revenue Service  
Martinsburg Computing Center  
Magnetic Media Reporting  
Route 9 and Needy Road  
Martinsburg, WV 25401

Note on the address side of the shipment:

DELIVER UNOPENED TO TAPE LIBRARY. MAGNETIC MEDIA REPORTING, BOX \_\_\_\_ OF \_\_\_\_.

Magnetic tape reporting to the IRS for Forms 1042S must be on a calendar year basis. The dates prescribed for filing paper documents with the IRS also apply to magnetic tape filing. Files must be submitted to the Martinsburg Computing Center by March 15, 1993.

Get **Pub. 1187** for requirements and conditions for filing Forms 1042S on magnetic tape. You may also call the Martinsburg Computing Center at (304) 263-8700, for more information.

### Who Is a Withholding Agent

Any person required to withhold the tax is a withholding agent. A withholding agent may be an individual, trust, estate, partnership, corporation, government agency, association, or tax-exempt foundation, whether domestic or foreign.

If you are a nominee, representative, fiduciary, or partnership in Canada and you receive dividends from sources in the United States for the account of any person who is not entitled to the reduced rate granted under the tax treaty between the United States and Canada, you are a withholding agent and you must withhold the additional tax due on the income. Send the

additional U.S. tax withheld, in U.S. dollars, with Form 1042 to the Internal Revenue Service Center, Philadelphia, PA 19255, by March 15, 1993.

## Income Subject to Withholding

Generally, fixed or determinable annual or periodic income from sources in the United States is subject to withholding. This includes interest, dividends, rents, salaries, wages, premiums, annuities, or other gains, profits, or income unless specifically exempted under the Internal Revenue Code or a tax treaty.

Payers of income are required to withhold and deduct a tax from the income at the rate in effect when the payment is made.

You do not have to withhold tax on any of the above income (other than compensation for personal services) if: (1) the income is effectively connected with the conduct of a trade or business in the United States; (2) the income is includable in the recipient's gross income for the tax year under section 871(b)(2), 842, or 882(a)(2); and (3) the recipient has filed **Form 4224**, Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States, or a written statement giving the same information shown on Form 4224.

The tax paid at the source on tax-free covenant bond interest payable to a domestic or resident fiduciary and allocable to any nonresident alien beneficiary under section 652 or 662 is allowable, pro rata, as a credit against the tax required to be withheld by the fiduciary from the income of the beneficiary.

## Income Exempt From Withholding

**Interest on deposits.**—No withholding (or reporting) is required on interest paid on deposits to nonresident aliens, foreign partnerships, or foreign corporations if such interest is not effectively connected with the conduct of a trade or business in the United States. For this purpose, the term "deposits" means amounts that are on deposit with a U.S. bank, savings and loan association, or similar institution, and from certain deposits with an insurance company.

**Compensation of alien students, teachers, and researchers.—Form 8233**, Exemption From Withholding on Compensation for Independent Personal Services of a Nonresident

Alien Individual, can be used by nonresident alien students, teachers, and researchers to claim exemption from withholding on compensation for services that are exempt from taxation under a U.S. tax treaty. Students must provide the information required by Revenue Procedure 87-8, 1987-1 C.B. 366. Teachers and researchers must provide the information required by Revenue Procedure 87-9, 1987-1 C.B. 368. All these individuals must also provide the information required by Form 8233, disregarding references to independent personal services, and then submit the form to their withholding agent.

**Portfolio interest.**—Generally, for obligations issued after July 18, 1984, no withholding is required on interest paid on portfolio debt investments to nonresident aliens, foreign partnerships, or foreign corporations.

- For interest on a **registered obligation not targeted to foreign markets** to qualify as portfolio interest and not be subject to 30% withholding, you must receive from the beneficial owner of the obligation a **Form W-8**, Certificate of Foreign Status, or a substitute statement; or you must receive a statement from a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its trade or business that the institution has received a Form W-8 or substitute statement. The institution must also attach a copy of Form W-8 or the substitute statement.

Even though the portfolio interest is not subject to 30% withholding, you must prepare a Form 1042S (or magnetic tape report) to report the interest payment. Attach a copy of the Form W-8 or the substitute you received to Form 1042.

- You may treat interest on a **registered obligation that is targeted to foreign markets** as portfolio interest if you do not have actual knowledge that the beneficial owner is a U.S. person and you receive the required certification from a payee that is a financial institution or a member of a clearing organization. (See Regulations section 35a.9999-5, A-12, A-14, and A-15.) If you pay the interest to a beneficial owner that is not a financial institution or a member of a clearing organization, you must receive a Form W-8 or substitute statement from the beneficial owner for the interest to be exempt from withholding. However, a U.S. withholding agent that is a foreign branch of a U.S. financial institution is not required to receive a Form W-8 if the beneficial owner provides the

withholding agent with documentary evidence that the beneficial owner is not a U.S. person. Do not file Form 1042S to report interest not subject to withholding on registered obligations targeted to foreign markets when a Form W-8 is not required.

- You need not receive Form W-8 or substitute for **bearer obligations targeted to foreign markets**. Treat the interest on a bearer obligation as portfolio interest not subject to 30% withholding if the obligation is considered targeted to foreign markets. Do not file Form 1042S to report interest not subject to withholding on bearer obligations when a Form W-8 is not required.

## Additional Information

For more information, get **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

## Withholding on Dispositions of U.S. Real Property Interests by Publicly Traded Trusts and Real Estate Investment Trusts (REITs)

Regulations section 1.1445-8 provides rules for withholding required on the disposition of a U.S. real property interest by a publicly traded trust or a REIT. The special rules of Regulations section 1.1445-8 only apply to distributions by a publicly traded trust or a REIT.

In general, when a publicly traded trust or a REIT makes a distribution to a foreign person attributable to the disposition of a U.S. real property interest, it must withhold tax under section 1445. However, this withholding liability is shifted to the person that pays the distribution to a foreign person (or to the account of the foreign person) if the special notice requirement of Regulations section 1.1445-8(f) and other requirements of Regulations section 1.1445-8(b)(1) are satisfied.

The amount subject to withholding for a distribution by a publicly traded trust is determined under the large trust rules of Regulations section 1.1445-5(c)(3). The amount subject to withholding for a distribution by a REIT generally is the amount of each share or beneficial interest designated by the REIT as a capital gain dividend, multiplied by the number of shares or certificates of beneficial interests owned by a foreign person. If the withholding liability is shifted to the payer of the distribution under Regulations section 1.1445-8(b), the payer will receive notice as described

in Regulations section 1.1445-8(f) of the amount of the distribution subject to withholding.

The rate of withholding is as follows: **(1)** distribution by a publicly traded trust that makes recurring sales of growing crops and timber, 10%; **(2)** distribution by a publicly traded trust not described in **(1)** above, 34%; **(3)** distribution by a REIT, 34%.

To determine whether an interest holder is a foreign person, see Regulations section 1.1445-8(e).

Use Forms 1042 and 1042S to report and pay over the withheld amounts. All other withholding required under section 1445 is reported and paid over using **Form 8288**, U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests, and **Form 8288-A**, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests.

The rules of Regulations section 1.1461-4 control how and when to obtain refunds of overwithheld amounts. Thus, the early refund procedure in Regulations section 1.1445-6(g) does not apply to persons whose payments were withheld under Regulations section 1.1445-8.

## Publicly Traded Partnerships (Section 1446 Withholding Tax)

The term "publicly traded partnership" means any partnership in which interests are regularly traded on an established securities market (regardless of the number of its partners). However, it does not include a publicly traded partnership treated as a corporation under the general rule of section 7704(a).

A publicly traded partnership that has effectively connected income, gain or loss, must pay a withholding tax under section 1446 from distributions to a foreign partner and file Forms 1042 and 1042S, unless an election is made to pay a withholding tax based on effectively connected taxable income allocable to foreign partners. See Pub. 515 for details.

**Effectively connected income** from a non-publicly traded partnership should be reported on **Form 8804**, Annual Return for Partnership Withholding Tax (Section 1446), and **Form 8805**, Foreign Partner's Information Statement of Section 1446 Withholding Tax.

## Income Tax Withholding on Wages, Pensions, Annuities, and Certain Other Deferred Income

Use **Form 941**, Employer's Quarterly Federal Tax Return, to report income tax withheld under section 3402 from wages paid to a nonresident alien employee. Also use Form 941 (or **Form 941E**, Quarterly Return of Withheld Federal Income Tax and Medicare Tax) to report income tax withheld under section 3405 from pensions, annuities, and certain other deferred income paid to a nonresident alien individual. However, if the recipient has elected under section 3405(a)(2) or (b)(3) not to have withholding under section 3405, such payments are subject to withholding under section 1441 and the tax withheld is to be reported using Forms 1042 and 1042S.

## Tax Treaties

Residents of certain foreign countries having tax treaties with the United States may be entitled to reduced rates of, or exemptions from, tax under the applicable tax treaty. See Pub. 515 for the procedures recipients must follow to establish that they qualify for a reduced rate of tax, or an exemption from tax.

## Deposit Requirements

Generally, you must deposit the tax withheld and required to be shown on Form 1042 with an authorized financial institution or a Federal Reserve bank or branch using a Federal Tax Deposit Coupon (**Form 8109**) from the coupon book that the IRS sent you. Please do not use anyone else's coupons. If you do not have your coupons when a deposit is due, contact your IRS district office. To avoid a penalty, do not mail your deposits directly to the IRS. The following rules explain how often you must make deposits.

**Note:** *If you are requesting an extension of time to file using Form 2758, follow these rules to see if you must make a deposit of any balance due or if you can pay it with Form 2758.*

**1. If at the end of any quarter-monthly period the total amount of undeposited taxes is \$2,000 or more**, you must deposit the taxes within 3 banking days after the end of the quarter-monthly period. (A quarter-monthly period ends on the 7th, 15th, 22nd, and last day of the month.) To determine banking days, do not count any local holidays

observed by authorized financial institutions, as well as Saturdays, Sundays, and legal holidays. The deposit requirements are considered met if: **(a)** you deposit at least 90% of the actual tax liability for the deposit period, and **(b)** if the quarter-monthly period is in a month other than December, you deposit any underpayment with your first deposit that is required to be made after the 15th day of the following month. Any underpayment of \$200 or more for a quarter-monthly period ending in December must be deposited by January 31.

**2. If at the end of any month the total amount of undeposited taxes is \$200 or more but less than \$2,000**, you must deposit the taxes by the 15th day of the following month.

**Exception to Rule 2.** If you made a deposit of \$2,000 or more during the month (except December) under Rule 1 above, carry over any balance of less than \$2,000 to the next month. If you made a deposit of \$2,000 or more during December, any balance of less than \$2,000 should be paid directly to the IRS along with your Form 1042 by March 15, 1993.

**3. If at the end of the year the total amount of undeposited taxes is less than \$200**, you may either pay the taxes directly to the IRS along with your Form 1042 or deposit them by March 15, 1993.

If you are requesting an extension of time to file using Form 2758, you can either pay the taxes directly to the IRS with Form 2758, or deposit them by March 15, 1993.

**Completing Form 8109, Federal Tax Deposit Coupon.**—In most cases, you will fill out a deposit coupon following the instructions in **How to determine the proper tax period** in the coupon book. However, if a deposit liability arises from a distribution reportable on Form 1042 for the prior year, darken the 4th quarter box on Form 8109. If the distribution is reportable for the current year, darken the 1st quarter box. In all cases, follow the coupon book instructions for completing the rest of the deposit coupon.

**Deposits made by foreign corporations.**—Fill in a preinscribed Federal Tax Deposit Coupon showing the "Amount of Deposit" in U.S. dollars. Mail the completed coupon with a bank draft in U.S. dollars to:

Federal Reserve Bank of Philadelphia  
P.O. Box 66  
Philadelphia, PA 19105 USA  
Attn: Treasury Tax and Loan Unit

## Interest and Penalties

If you file Form 1042 or Forms 1042S late, fail to furnish correct Forms 1042S, or fail to pay or deposit the tax when due, you may be liable for penalties and interest unless you can show that failure to file or pay was due to reasonable cause and not willful neglect.

**1. Interest.** Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

**2. Late filing of Form 1042.** The penalty for not filing Form 1042 when due (including extensions) is usually 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax.

**3. Late filing of correct Form 1042S.** A penalty may be imposed for failure to file each correct and complete Form 1042S when due (including extensions). The penalty, based on when you file a correct Form 1042S, is:

- \$15 per Form 1042S if you correctly file within 30 days; maximum penalty \$75,000 per year (\$25,000 for a small business). A small business, for this purpose, is defined as having average annual gross receipts of \$5 million or less for the most recent 3 tax years (or for the period of its existence, if shorter) ending before the calendar year in which the Forms 1042S are due.
- \$30 per Form 1042S if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$150,000 per year (\$50,000 for a small business).
- \$50 per Form 1042S if you file after August 1 or you do not file correct Forms 1042S; maximum penalty \$250,000 per year (\$100,000 for a small business).

If you intentionally disregard the requirement to report correct information, the penalty per Form 1042S is increased to \$100 or, if greater, 10% of the total amount of items required to be reported, with no maximum penalty. For more information, see sections 6721 and 6724.

**4. Failure to furnish correct Form 1042S to payee.** A penalty of \$50 may be imposed for each failure to

furnish Form 1042S to the recipient when due. The penalty may also be imposed for failing to include all required information or furnishing incorrect information on Form 1042S. The maximum penalty is \$100,000 for all failures to furnish correct payee statements during a calendar year. If you intentionally disregard the requirement to report correct information, each \$50 penalty is increased to \$100 or, if greater, 10% of the total amount of items required to be reported, and the \$100,000 maximum does not apply. See sections 6722 and 6724 for more information.

**5. Late payment of tax.** The penalty for not paying tax when due is usually ½ of 1% of the unpaid tax, for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the unpaid tax.

**6. Failure to deposit tax when due.** The penalty for failure to deposit tax when due is 2% for deposits not more than 5 days late, 5% for deposits more than 5 days late but not more than 15 days late, and 10% for deposits more than 15 days late. The penalty is increased to 15% if the tax is not deposited within 10 days after the date of the first delinquency notice sent to the taxpayer.

**7. Other penalties.** There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

## Specific Instructions for Withholding Agents

### Form 1042

**Note:** *If you are a withholding agent for many clients, you must make required Federal Tax Deposits (FTDs) and file only one Form 1042 (consolidating all Form 1042S recipient information), using your name, address, and employer identification number (EIN), regardless of the number of different clients, branches, divisions, or types of income for which you are the withholding agent.*

**Address.**—Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and you have a P.O. box, show the P.O. box number instead of the street address.

**Line 61.**—The amount on Line 61 must equal the sum of the monthly totals as listed on the Record of Federal Tax Liability. No adjustments

can be made on this line. Adjustments can only be made on the appropriate Tax Liability column of the Record of Federal Tax Liability.

**Line 63.**—The amount on line 63a should equal the sum of all Forms 1042S, line 3, column (b), plus the amount shown on **Forms 1000**, Ownership Certificate. If during 1992 you withheld more tax than required, you may release it to the recipient any time before you file Form 1042 for the year. In this case, enter in column (g) of Form 1042S the tax withheld less any tax released. The amount on line 63b should equal the sum of all Forms 1042S, line 3, column (g), plus the tax assumed from Forms 1000. If it does not, attach a statement explaining the difference.

To determine tax withheld on remuneration for labor or personal services that a nonresident alien performs in the United States, a deduction for personal exemptions, to the extent permitted by section 873(b)(3), is allowed. This deduction is prorated on the basis of \$6.28 a day for 1992 for each exemption for the period in which the alien performs the services in the United States. Attach a statement to Form 1042 explaining the amount of compensation for labor or personal services in the United States and the amount of exemptions prorated. For more information, see Pub. 515.

**Lines 68 and 69.**—You may claim an overpayment shown on line 68 as a refund or a credit. Check either box on line 69 to show which you are claiming. If you claim a credit, it can reduce your required deposits of withheld tax for 1993.

### Forms You Must Send With Form 1042

You must send Copy A of all paper document Forms 1042S when you file Form 1042 even if income is exempt from tax withholding. Also, see **Magnetic Tape Reporting** on page 1.

Attach to Form 1042 a copy of each Form 8233 you received. Also attach copies of any Forms W-8 or substitute statements received from beneficial owners of interest on registered obligations not targeted to foreign markets.

### Form 1042S

Complete Form 1042S to report income subject to withholding under section 1441 or 1442 of the Internal Revenue Code (and Regulations section 1.1445-8) paid to nonresident aliens, foreign partnerships, foreign

corporations, or nonresident alien or foreign fiduciaries of estates or trusts. Form 1042S is also used by publicly traded partnerships who must pay a tax under section 1446 by withholding from distributions to foreign partners. File Copy A with the Internal Revenue Service. Copies B, C, and D are for the recipient, and Copy E is for your records.

You must file a Form 1042S even if: **(1)** you did not withhold tax because the income was exempt from tax under a U.S. tax treaty or the Code, including the exemption for income effectively connected with conducting a trade or business in the United States; or **(2)** you released the tax withheld to the recipient.

**Alien entertainers, athletes, etc.—**

Nonresident alien entertainers, athletes, and similar individuals subject to U.S. income tax withholding for performances or participation in athletic events in the United States can request central withholding agreements and qualify for reduced rates of withholding. For more information, see Pub. 515.

**Completing Form 1042S.**—Be sure to enter the correct income code,

exemption code, country code, country name, and recipient code on Form 1042S. These items determine the correct rate of tax to be applied to the gross amount of income paid. The recipient's country of residence for tax purposes (the country in which the recipient is resident for that country's tax laws, which entitles the recipient to the benefits of that country's tax treaty) is extremely important in order to reconcile the tax per return for administrative purposes and to identify the information required to be furnished to a foreign government under a mutual exchange of information agreement provided under the treaty. The country shown in box 8 may be different from the country shown in the address in box 7. The income codes, exemption codes, and recipient codes are listed on the back of Copy C and below. The country code for the country of which the recipient is a resident for tax purposes is listed on page 6 of these instructions.

**Note:** When reporting gambling winnings, use Income Code 28. If the official Form 1042S is used to report gambling winnings during 1993, cross out 1992 and insert 1993.

You must obtain and enter a U.S. taxpayer identification number for **(1)** any citizen or resident of the United States, and **(2)** any recipient whose income is effectively connected with the conduct of a trade or business in the United States (in which case Exemption Code 1 should be entered in column (f)), and **(3)** any nonresident alien individual claiming exemption from withholding on compensation for independent personal services (in which case Exemption Code 4 should be entered in column (f)).

In column (g) enter any withheld tax minus any tax that has been released (repaid) to the recipient. At your option, you may use line 6 to enter the recipient's account number assigned by you.

**Caution:** Be sure to reconcile amounts on Forms 1042S and magnetic tape files with amounts on Form 1042, to avoid unnecessary correspondence with the IRS.

**Note:** Liability for withheld tax.—Every person required to deduct and withhold any tax under Chapter 3 of the Code is liable for such tax. See section 1461.

**Column (a).**—Enter the appropriate income code.

**Code      Type of Income**

- 01** Interest paid by U.S. obligors—general
- 02** Interest on real property mortgages
- 03** Interest paid to controlling foreign corporations
- 04** Interest paid by foreign corporations (U.S. agents)
- 05** Interest on tax-free covenant bonds
- 06** Dividends paid by U.S. corporations—general
- 07** Dividends paid by U.S. subsidiaries to foreign parent corporations
- 08** Dividends paid by foreign corporations
- 09** Capital gains
- 10** Industrial royalties
- 11** Motion picture or television copyright royalties
- 12** Other royalties (e.g., copyright, recording, publishing)
- 13** Real property income and natural resources royalties
- 14** Pensions, annuities, alimony, and/or insurance premiums
- 15** Scholarship or fellowship grants
- 16** Compensation for independent personal services\*
- 17** Compensation for dependent personal services\*
- 18** Compensation for teaching\*
- 19** Compensation during training\*
- 20** Earnings as an artist or athlete
- 24** Real estate investment trust (REIT) distributions of capital gains
- 25** Trust distributions subject to IRC section 1445
- 26** Unsevered growing crops and timber distributions by a trust subject to IRC section 1445
- 27** Publicly traded partnership distributions subject to IRC section 1446
- 28** Gambling winnings
- 50** Other income (specify)

\*If compensations covered under Income Codes 16–19 are directly attributable to the recipient's occupation as an artist or athlete, Income Code 20 should be used. Also, wherever appropriate, Recipient Code 09 should be used instead of Recipient Code 01 (individual), 02 (corporation), or 03 (partnership).

\*\*Income that is not from U.S. sources received by a nonresident alien is not taxable and need not be reported on Form 1042S.

**Column (f).**—If the tax rate entered in column (e) is 0%, enter the appropriate exemption code.

**Code      Authority for Exemption**

- 1** Income effectively connected with a U.S. trade or business
- 2** Exempt under the Internal Revenue Code (specify IRC section)
- 3** Income is not from U.S. sources\*\*
- 4** Exempt under tax treaty

**Line 4.**—Enter the appropriate recipient code.

**Code      Type of Recipient**

- 01** Individual\*
- 02** Corporation\*
- 03** Partnership\*
- 04** Fiduciary
- 05** Nominee
- 06** Government or International Organization
- 07** Tax-Exempt Organization (IRC section 501(a))
- 08** Private Foundation
- 09** Artist or athlete
- 19** Other (specify)
- 20** Type of recipient unknown

## Country Codes

Enter in column (h) the code, from the list below, for the country of which the recipient is a resident for tax purposes. These codes are used by the IRS to provide information to all tax treaty countries for purposes of their tax administration. Generally, the recipient's country for both tax and mailing purposes will be the same. In some cases, however, two different countries are involved.

<b>Country</b>	<b>Code</b>								
Afghanistan	AF	Cape Verde	CV	Guinea	GV				
Albania	AL	Cayman Islands	CJ	Guinea-Bissau	PU				
Algeria	AG	Central African Republic	CT	Guyana	GY				
American Samoa	AQ	Chad	CD	Haiti	HA				
Andorra	AN	Chile	CI	Heard Island and McDonald Islands	HM				
Angola	AO	China, People's Republic of	CH	Honduras	HO				
Anguilla	AV	Christmas Island (Indian Ocean)	KT	Hong Kong	HK				
Antarctica	AY	Clipperton Island	IP	Howland Island	HQ				
Antigua and Barbuda	AC	Cocos (Keeling) Islands	CK	Hungary	HU				
Argentina	AR	Colombia	CO	Iceland	IC				
Armenia	AM	Comoros	CN	India	IN				
Aruba	AA	Congo	CF	Indonesia	ID				
Ashmore and Cartier Islands	AT	Cook Islands	CW	Iran	IR				
Australia	AS	Coral Sea Islands Territory	CR	Iraq	IZ				
Austria	AU	Costa Rica	CS	Iraq-Saudi Arabia Neutral Zone	IY				
Azerbaijan	AJ	Croatia	HR	Ireland	EI				
Azores	PO	Cuba	CU	Isle of Man	IM				
Bahamas, The	BF	Cyprus	CY	Israel	IS				
Bahrain	BA	Czechoslovakia	CZ	Italy	IT				
Baker Island	FQ	Denmark	DA	Ivory Coast	IV				
Bangladesh	BG	Djibouti	DJ	Jamaica	JM				
Barbados	BB	Dominica	DO	Jan Mayen	JN				
Bassas da India	BS	Dominican Republic	DR	Japan	JA				
Belarus	BO	Ecuador	EC	Jersey	JE				
Belgium	BE	Egypt	EG	Johnston Atoll	JQ				
Belize	BH	El Salvador	ES	Jordan	JO				
Benin	BN	Equatorial Guinea	EK	Juan de Nova Island	JU				
Bermuda	BD	Estonia	EN	Kazakhstan	KZ				
Bhutan	BT	Ethiopia	ET	Kenya	KE				
Bolivia	BL	Europa Island	EU	Kingman Reef	KQ				
Bosnia-Hercegovina	BK	Falkland Islands (Islas Malvinas)	FA	Kiribati	KR				
Botswana	BC	Faroe Islands	FO	Korea, Democratic People's Republic of (North)	KN				
Bouvet Island	BV	Fiji	FJ	Korea, Republic of (South)	KS				
Brazil	BR	Finland	FI	Kuwait	KU				
British Indian Ocean Territory	IO	France	FR	Kyrgyzstan	KG				
Brunei	BX	French Guiana	FG	Laos	LA				
Bulgaria	BU	French Polynesia	FP	Latvia	LG				
Burkina Faso	UV	French Southern and Antarctic Lands	FS	Lebanon	LE				
Burma	BM	Gabon	GB	Lesotho	LT				
Burundi	BY	Gambia, The	GA	Liberia	LI				
Cambodia	CB	Gaza Strip	GZ	Libya	LY				
Cameroon	CM	Germany	GM	Liechtenstein	LS				
Canada	CA	Georgia	GG	Lithuania	LH				
Canary Islands	SP	Ghana	GH	Luxembourg	LU				
		Gibraltar	GI	Macau	MC				
		Glorioso Islands	GO	Macedonia	MK				
		Greece	GR	Madagascar	MA				
		Greenland	GL	Malawi	MI				
		Grenada	GJ	Malaysia	MY				
		Guadeloupe	GP	Maldives	MV				
		Guam	GQ	Mali	ML				
		Guatemala	GT	Malta	MT				
		Guernsey	GK	Marshall Islands	RM				

<b>Country</b>	<b>Code</b>	<b>Philippines . . . . .</b>	<b>RP</b>	<b>Tajikistan . . . . .</b>	<b>TI</b>
Martinique . . . . .	MB	Pitcairn Island . . . . .	PC	Tanzania, United Republic of . . . TZ	
Mauritania . . . . .	MR	Poland . . . . .	PL	Thailand . . . . .	TH
Mauritius . . . . .	MP	Portugal . . . . .	PO	Togo . . . . .	TO
Mayotte . . . . .	MF	Puerto Rico . . . . .	RQ	Tokelau . . . . .	TL
Mexico . . . . .	MX	Qatar . . . . .	QA	Tonga . . . . .	TN
Micronesia, Federated States of.	FM	Reunion . . . . .	RE	Trinidad and Tobago . . . . .	TD
Midway Islands . . . . .	MQ	Romania . . . . .	RO	Tromelin Island . . . . .	TE
Moldova . . . . .	MD	Russia . . . . .	RS	Trust Territory of the Pacific Islands . . . . .	PS
Monaco . . . . .	MN	Rwanda . . . . .	RW	Tunisia . . . . .	TS
Mongolia . . . . .	MG	St. Kitts and Nevis . . . . .	SC	Turkey . . . . .	TU
Montenegro . . . . .	MW	St. Helena . . . . .	SH	Turkmenistan . . . . .	TX
Montserrat . . . . .	MH	St. Lucia . . . . .	ST	Turks and Caicos Islands . . . . .	TK
Morocco . . . . .	MO	St. Pierre and Miquelon . . . . .	SB	Tuvalu . . . . .	TV
Mozambique . . . . .	MZ	St. Vincent and the Grenadines . . . . .	VC	Uganda . . . . .	UG
Namibia . . . . .	WA	San Marino . . . . .	SM	Ukraine . . . . .	UP
Nauru . . . . .	NR	Sao Tome and Principe . . . . .	TP	United Arab Emirates . . . . .	TC
Navassa Island . . . . .	BO	Saudi Arabia . . . . .	SA	United Kingdom . . . . .	UK
Nepal . . . . .	NP	Senegal . . . . .	SG	Uruguay . . . . .	UY
Netherlands . . . . .	NL	Serbia . . . . .	SR	Uzbekistan . . . . .	UZ
Netherlands Antilles . . . . .	NA	Seychelles . . . . .	SE	Vanuatu . . . . .	NH
New Caledonia . . . . .	NC	Sierra Leone . . . . .	SL	Vatican City . . . . .	VT
New Zealand . . . . .	NZ	Singapore . . . . .	SN	Venezuela . . . . .	VE
Nicaragua . . . . .	NU	Slovenia . . . . .	SI	Vietnam . . . . .	VM
Niger . . . . .	NG	Solomon Islands . . . . .	BP	Virgin Islands (British) . . . . .	VI
Nigeria . . . . .	NI	Somalia . . . . .	SO	Virgin Islands (U.S.) . . . . .	VQ
Niue . . . . .	NE	South Africa . . . . .	SF	Wake Island . . . . .	WO
Norfolk Island . . . . .	NF	Spain . . . . .	SP	Wallis and Futuna . . . . .	WF
Northern Ireland . . . . .	UK	Spratly Islands . . . . .	PG	West Bank . . . . .	WE
Northern Mariana Islands . . . . .	CQ	Sri Lanka . . . . .	CE	Western Sahara . . . . .	WI
Norway . . . . .	NO	Sudan . . . . .	SU	Western Samoa . . . . .	WS
Oman . . . . .	MU	Suriname . . . . .	NS	Yemen . . . . .	YM
Pakistan . . . . .	PK	Svalbard . . . . .	SV	Yugoslavia . . . . .	YO
Palmyra Atoll . . . . .	LQ	Swaziland . . . . .	WZ	Zaire . . . . .	CG
Panama . . . . .	PM	Sweden . . . . .	SW	Zambia . . . . .	ZA
Papua New Guinea . . . . .	PP	Switzerland . . . . .	SZ	Zimbabwe . . . . .	ZI
Paracel Islands . . . . .	PF	Syria . . . . .	SY	Other Countries . . . . .	OC
Paraguay . . . . .	PA	Taiwan . . . . .	TW		
Peru . . . . .	PE				