



**Specifications for Filing Form 1042-S,  
Foreign Person's U.S. Source Income  
Subject to Withholding, Electronically**

**Rev. Proc. 2012-36**

Reprinted from IR Bulletin 2012-39  
Dated September 24, 2012



## FIRST TIME FILERS QUICK REFERENCE GUIDE

1. FORM 4419 – Submit Form 4419, *Application for Filing Information Returns Electronically (FIRE)* (see the forms section in the back of Publication 1187), to IRS no later than *forty five* days before the due date of your information returns. IRS will issue a Transmitter Control Code (TCC). The TCC is required on all files and correspondence. The Form 4419 is subject to review before the approval to transmit electronically is granted and may require additional documentation at the request of IRS. 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.
2. FILING METHOD – For more information on filing information returns (Forms 1097, 1098 Series, 1099 Series, 3921, 3922, 5498 Series, 8935, 8955-SSA, 1042-S, and W-2G) electronically via the Internet, see Part B of Publication 1187.
3. FILE FORMAT – The format must conform to the specifications in Publication 1187, Part C. Filers may contact an outside vendor to purchase software or transmit files. Publication 1582, *Information Returns Vendor List*, contains the names of service bureaus that will produce or submit files for electronic filing. The most recent revision is available on the IRS website at [IRS.gov](http://IRS.gov). For an additional list of software providers, log on to [IRS.gov](http://IRS.gov) and type “Business e-file Providers” in the Search box.
4. TEST FILES – Filers are not required to submit a test file; however, IRS encourages the submission of a test file for all new electronic filers to test hardware and software. See Part B, Sec. 3 of Publication 1187.
5. COMMON PROBLEMS – Review Part B, Sec. 8 of Publication 1187 to avoid common processing and/or format errors before submitting your file.

### FOR ASSISTANCE

Contact the IRS

Toll-free 1-866-455-7438

Monday through Friday from 8:30 am to 4:30 pm ET

**NOTE:**

**Following is a list of related instructions and forms for filing Information Returns Electronically:**

- **Current Instructions for Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding***
- **Form 4419, *Application for Filing Information Returns Electronically (FIRE)***
- **Form 8505, *Request for Waiver From Filing Information Returns Electronically***
- **Form 8809, *Application for Extension of Time To File Information Returns***
- **Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities* (for general information and explanation of tax law associated with Form 1042-S)**
- **Publication 901, *U.S. Tax Treaties***

These forms and instructions can be obtained by calling 1-800-829-3676 or on the IRS website at IRS.gov.

**Rev. Proc. 2012-36**

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** - 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](mailto: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 assistors 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](http://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](http://www.irs.gov). For an additional list of software providers, log on to [www.irs.gov](http://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](http://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)

All Other Income Codes

Gross Income (positions 6-17)

Gross Income (positions 6-17)

– Withholding Allowance (positions 18-29)

X Tax Rate (positions 42-45)

= Net Income (positions 30-41)

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

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.



If a withholding agent has 100 Forms 1042-S to be amended, they can be  
**E** filed on paper because they fall under the 250 threshold. However,  
**X** if the withholding agent has 300 Forms 1042-S to be amended, they must be  
**A** filed electronically because they exceed the 250 threshold.  
**M** If for some reason a withholding agent cannot file the 300 amended returns  
**P** electronically, to avoid penalties, a request for a waiver must be submitted  
**L** before filing on paper. If a waiver is approved for original documents, any  
**E** 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
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**ERROR TYPE 1**

**CORRECTION**

1. Original return was filed with one or more of the following errors:
  - (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

**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.

- 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
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## Guidelines for Filing Amended Returns Electronically

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**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.**

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Error Made on the Original Return

How To File the Amended Return

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### **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

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

**Transaction 1:** Identify incorrect returns.

- 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**.)

**Guidelines for Filing Amended Returns Electronically (continued)**

**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

**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.

File layouts **two** step corrections

**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
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**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
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.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

<b>Element</b>	<b>Description</b>
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.
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.

<b>Element</b>	<b>Description</b>
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.
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.



<b>Element</b>	<b>Description</b>
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".

<b>Element</b>	<b>Description</b>
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.
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 1: State & U.S. Territory Abbreviations**

<b>State</b>	<b>Code</b>	<b>State</b>	<b>Code</b>	<b>State</b>	<b>Code</b>
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

**Table 1: State & U.S. Territory Abbreviations (continued)**

<b>State</b>	<b>Code</b>	<b>State</b>	<b>Code</b>	<b>State</b>	<b>Code</b>
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.

**User Notes**

## User Notes

## 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](http://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)** Transmitter "T" Record
- (b)** Withholding Agent "W" Record
- (c)** Multiple Recipient "Q" Records (at least 11 recommended)
- (d)** Reconciliation "C" Record
- (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](mailto:fire@irs.gov) and [irs.e-helpmail@irs.gov](mailto: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](mailto:fire@irs.gov) and [irs.e-helpmail@irs.gov](mailto: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](mailto:fire@irs.gov) and [irs.e-helpmail@irs.gov](mailto: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**

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### **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.

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**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.

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**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..

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**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.

---

**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**

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### **1. SPAM filters are not set to receive email from [fire@irs.gov](mailto:fire@irs.gov) and [irs.e-helpmail@irs.gov](mailto:irs.e-helpmail@irs.gov).**

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

---

### **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.

---

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**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.

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**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.

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## **User Notes**

## User Notes



# Part C. Record Format Specifications and Record Layouts

## Sec. 1. File Layout Diagram

### File Format

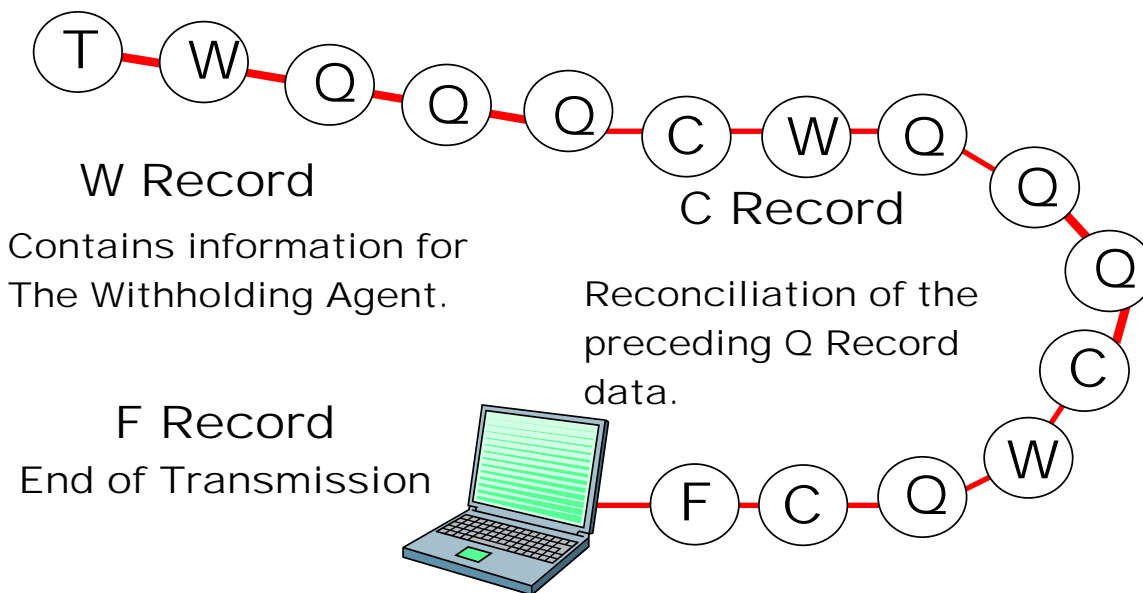
Each record must be 820 positions.

#### T Record

Identifies the Transmitter of the Electronic file.

#### Q Record

Contains Information for the Recipient of Income.



## 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 Positions	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter “T.”
2-5	Tax Year	4	<b>Required.</b> Enter the year for which income and withholding are being reported.
6-14	Transmitter’s Taxpayer Identification Number (TIN)	9	<b>Required.</b> 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 (WT-EIN). Do not enter blanks, hyphens or alpha characters.

**Record Name: Transmitter "T" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
15-54	Transmitter's Name	40	<b>Required.</b> 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.
<b>Note:</b> Do not use special characters in names or addresses that are unique to a language other than English. For example: å = A, æ = A, ú = U, Ø = O, ñ = N, etc.			
55-94	Transmitter's Address	40	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required if U.S. Transmitter.</b> 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	<b>Required if Foreign Country Code is "CA" (Canada).</b> 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.

<b>Province Code</b>	<b>Province</b>	<b>Province Code</b>	<b>Province</b>
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**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
119-120	Country Code	2	<b>Required if Foreign Transmitter. If the Country Code is present, the State Code field must be blank.</b> Enter only the two-alpha Country Code from the Country Code table. Do not spell out the Country Name.
<p><b>Note:</b> 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.</p>			
121-129	Postal or ZIP Code	9	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> Enter the five-character alphanumeric TCC assigned ONLY for Form 1042-S reporting. (The first two numbers will always be <b>22</b> .) Alpha characters must be upper case.
195-198	Test Indicator	4	<b>Required if this is a test file.</b> Enter the word "TEST." Otherwise, enter blanks.
199	Prior Year Indicator	1	<b>Required.</b> 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.

**Record Name: Transmitter "T" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
811-818	Record Sequence Number	8	<b>Required.</b> 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 Positions	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter “W.”
2	Return Type Indicator	1	<b>Required.</b> 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. Acceptable Values are: 0 (Zero) = Original 1 = Amended

**Record Name: Withholding Agent "W" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
3	Pro Rata Basis Reporting	1	<b>Required.</b> Enter the one position value below to identify if reporting on a Pro Rata Basis. Acceptable Values are: 0 (Zero) = Not Pro Rata 1 = Pro Rata Basis Reporting
4-12	Withholding Agent's EIN	9	<b>Required.</b> 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, 111111111) is not acceptable. Do not enter the recipient's TIN in this field.
<b>Note:</b> 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	<b>Required.</b> Enter the Withholding Agent's EIN indicator from the following values: 0 = EIN 1 = QI-EIN, WP-EIN, WT-EIN 2 = NQI-EIN
<b>Note:</b> 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	<b>Required.</b> 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.
<b>Note:</b> 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 <b>Note 3</b> 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.

**Record Name: Withholding Agent “W” Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
134-173	Withholding Agent’s Street Line-1	40	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required if Withholding Agent has a U.S. address.</b> 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.
<b>Note:</b> If the withholding agent has a U.S. address, leave the country code in positions 258-259 blank.			
256-257	Withholding Agent’s Province Code	2	<b>Required if Foreign Country Code is “CA” (Canada).</b> 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	<b>Required if QI or NQI or other foreign withholding agent.</b> 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 *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. Do not enter U.S. in the Country Code field.



**Record Name: Withholding Agent "W" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
260-268	Postal or ZIP Code	9	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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.

**Record Name: Withholding Agent "W" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>	
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 an Amended file.

811-818	Record Sequence Number	8	<b>Required.</b> 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
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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
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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
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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
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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.

<b>Record Name: Recipient "Q" Record</b>			
<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
1	Record Type	1	<b>Required.</b> Enter "Q."
2	Return Type Indicator	1	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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).

**Note:** Refer to the *Instructions for Form 1042-S* for more information.

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**Record Name: Recipient "Q" Record**

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<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
6-17	Gross Income	12	<b>Required.</b> 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.
<b>Note:</b> Do not report negative amounts in any amount field.			
18-29	Withholding Allowance	12	<b>Used with Income Codes 15, 16, 17, 18, 19, 42, or 43 only.</b> 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	<b>Required if a Dollar Amount is Entered in the Withholding Allowance Field.</b> Enter the net income in whole dollars only, rounding to the nearest dollar (do not enter cents). An amount other than zero <b>must</b> 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	<b>Required.</b> 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 <b>Note</b> below.

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**Note:** The correct Tax Rate must be entered, even if withholding was at a lesser rate. See the current *Instructions for Form 1042-S*.

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**Record Name: Recipient "Q" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
46-47	Exemption Code	2	<p><b>Required. Read Carefully.</b></p> <ul style="list-style-type: none"> <li>• If the tax rate entered is 0%, enter the appropriate exemption code "01" through "10" from the <i>Instructions for Form 1042-S</i>.</li> <li>• If the tax rate entered is 1% through 30%, enter "00."</li> <li>• If the tax rate entered is greater than 30%, blank fill. Do not enter "00."</li> </ul> <p>See the current <i>Instructions for Form 1042-S</i> for circumstances under which Exemption Code "99" must be used.</p>

**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	<p><b>Required.</b> 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.</p>
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**Note:** Do not enter U.S. in the Country Code field. Enter "OC" (other country) only 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	<p>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.</p>
72-91	Recipient Account Number	20	<p>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.</p>

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**Record Name: Recipient "Q" Record**

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Field Positions	Field Title	Length	Description and Remarks
92-93	Recipient Code	2	<b>Required.</b> Enter the appropriate Recipient Code. Refer to the list of appropriate codes in the current paper Instructions for Form 1042-S. No other codes or values are valid.

**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	<b>Required.</b> 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 <b>Note 3</b> at the beginning of the "Q" Record.
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**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, ú = 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 <b>Note 3</b> at the beginning of the "Q" Record.
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**Record Name: Recipient "Q" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
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	<b>Required.</b> 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 <b>Note 3</b> 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	<b>Required.</b> 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.
334-335	Recipient's State	2	<b>Required if U.S. address.</b> 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	<b>Required if the Recipient Country Code in positions 338-339 is "CA."</b> 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.
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<b>Province Code</b>	<b>Province</b>	<b>Province Code</b>	<b>Province</b>
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		

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**Record Name: Recipient “Q” Record**

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Field Positions	Field Title	Length	Description and Remarks
338-339	Recipient’s Country Code	2	<b>Required if the recipient has a foreign address.</b> Enter the two-character Country Code abbreviation. See the <i>Instructions for Form 1042-S</i> for the appropriate codes.

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

**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	<b>Required.</b> 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, 111111111 or 999999999) 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	<b>Required.</b> Enter the recipient’s U.S. TIN type indicator from the following values: <ul style="list-style-type: none"> <li>• 0 = No TIN required</li> <li>• 1 = SSN/ITIN</li> <li>• 2 = EIN</li> <li>• 3 = QI-EIN, WP-EIN, WT-EIN</li> <li>• 4 = TIN required but not provided</li> </ul>
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**Record Name: Recipient "Q" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
<p><b>Note:</b> 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.</p>			
359-370	U. S. Federal Tax Withheld	12	<b>Required.</b> 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	<b>Required.</b> 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.
<p><b>Note:</b> 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 <i>Instructions for Form 1042</i>.</p>			
383-394	Total Withholding Credit	12	<b>Required.</b> 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.
<p><b>Note:</b> 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.</p>			
395-400	Reserved	6	Enter blanks.

**Record Name: Recipient "Q" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
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.
<b>Note 1:</b> 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.			
<b>Note 2:</b> 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.

**Record Name: Recipient "Q" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
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.

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	<b>Required.</b> Indicate if the U. S. Federal tax withheld was correct or incorrect using the following values: <ul style="list-style-type: none"> <li>• 0 = Correctly reported</li> <li>• 1 = Over withheld</li> <li>• 2 = Under withheld</li> </ul>

**Record Name: Recipient "Q" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>								
<b>Note : Please refer to Total withholding Credit positions 383-394.</b>											
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:								
			<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										
<b>Note:</b> 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	<b>Required.</b> 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.								

**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
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42-45                      46-47                      448-49                      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
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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
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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
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383-394                      395-400                      401-440                      441-480                      481-520                      521-522                      523-562

**Recipient "Q" Record Layout (continued)**

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
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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
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762-783      84-809      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.

<b>Record Name: Reconciliation “C” Record</b>			
<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
1	Record Type	1	<b>Required.</b> Enter “C.”
2-9	Total “Q” Records	8	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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.

**Record Name: Reconciliation "C" Record**

<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
811-818	Record Sequence Number	8	<b>Required.</b> 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
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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.

<b>Record Name: End of Transmission “F” Record</b>			
<b>Field Positions</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
1	Record Type	1	<b>Required.</b> Enter “F”.
2-4	Withholding Agent Count	3	<b>Required.</b> 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	<b>Required.</b> 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
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1

2-4

5-810

811-818

819-820

## User Notes

## 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 IRB 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 IRB 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	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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	<b>Required.</b> 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.

**Record Layout for Extension of Time (continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
95-134	Withholding Agent Address	40	<b>Required.</b> 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	<b>Required.</b> Enter the withholding agent's city, town, or post office.
175-176	Withholding Agent State	2	<b>Required.</b> 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	<b>Required.</b> 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 ( <b>See Note below.</b> )	1	<b>Required.</b> Enter "4."
<p><b>Note:</b> 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.</p>			
187	Foreign Entity Indicator	1	Enter "X" if the withholding agent is a foreign entity.
188	Recipient Request Indicator ( <b>See Note below.</b> )	1	Enter "X" if the extension request is to furnish statements to the recipients of the information returns.
<p><b>Note:</b> A separate file is required for this type of extension request. A file must contain either all blanks or all Xs in this field.</p>			
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	Recipient Request 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](http://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.

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# Instructions for Form 1042-S

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

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

### General Instructions



Use the 2012 Form 1042-S only for income paid during 2012. Do not use the 2012 Form 1042-S for income paid during 2011.

### What's New

**Future developments.** The IRS has created a page on IRS.gov for information about Form 1042-S and its instructions, at [www.irs.gov/form1042](http://www.irs.gov/form1042). Information about any future developments affecting Form 1042-S (such as legislation enacted after we release it) will be posted on that page.

**Central withholding agreement for artists and athletes.** 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.

**Withholding on foreign-targeted bearer obligations.** Interest paid on foreign-targeted bearer obligations issued after March 18, 2012, does not qualify as portfolio interest.

**Substitute dividends paid to qualified securities lender (QSL).** Enter the QSL's EIN or QI-EIN in box 14 if you paid substitute dividends to a QSL.

### Reminders

**FIRE System.** For files submitted on the FIRE System, it is the responsibility of the filer to check the status within 5 business days to verify the results of the transmission. The IRS will not mail error reports for files that are bad.

**Substitute forms.** Any substitute forms must comply with the rules set out in Pub. 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S. A substitute of Form 1042-S, Copy A, must be an exact copy of Form 1042-S, Copy A. If it is not, the form may be rejected as incorrect and the IRS may impose penalties. For more information, see *Substitute Forms*, later.

### Purpose of Form

Use Form 1042-S to report income described under *Amounts Subject to Reporting on Form 1042-S*, later, and to report amounts withheld under Chapter 3 of the Internal Revenue Code.

Also use Form 1042-S to report distributions of effectively connected income by a publicly traded partnership or nominee. See *Publicly Traded*

*Partnerships (Section 1446 Withholding Tax)*, later.



Every person required to deduct and withhold any tax under Chapter 3 of the Code is liable for such tax. Every person required to deduct and withhold any tax on payments made to expatriates is liable for such tax.

Do not use Form 1042-S to report an item required to be reported on any of the following forms.

- Form W-2 (wages and other compensation made to employees (other than compensation for dependent personal services for which the beneficial owner is claiming treaty benefits), including wages in the form of group-term life insurance).
- Form 1099.
- Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests, or Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax. Withholding agents otherwise required to report a distribution partly on a Form 8288-A or Form 8805 and partly on a Form 1042-S may instead report the entire amount on Form 8288-A or Form 8805.

### Who Must File

Every withholding agent (defined in *Definitions*, later) must file an information return on Form 1042-S to report amounts paid during the preceding calendar year that are described under *Amounts Subject to Reporting on Form 1042-S*, later. However, withholding agents who are individuals are not required to report a payment on Form 1042-S if they are not making the payment as part of their trade or business and no withholding is required to be made on the payment. For example, an individual making a payment of interest that qualifies for the portfolio interest exception from withholding is not required to report the payment if the portfolio interest is paid on a loan that is not connected to the individual's trade or business. However, an individual paying an amount that actually has been subject to withholding is required to report the payment. Also, an individual paying an amount on which withholding is required must report the payment, whether or not the individual actually withholds. See *Multiple Withholding Agent Rule*, later, for exceptions to reporting when another person has reported the same payment to the recipient. Also see *Publicly Traded Partnerships (Section 1446 Withholding Tax)*, later.

You must file a Form 1042-S even if 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 that is effectively connected with the conduct of a trade or business in the United States, or you released the tax withheld to the recipient. For exceptions, see *Amounts That Are Not Subject to Reporting on Form 1042-S*, later.

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.



If you are required to file Form 1042-S, you also must file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons. See Form 1042 for more information.

### Where, When, and How To File

Forms 1042-S, whether filed on paper or electronically, must be filed with the Internal Revenue Service by March 15, 2013. You also are required to furnish Form 1042-S to the recipient of the income by March 15, 2013.

Copy A is filed with the Internal Revenue Service. Send all paper Forms 1042-S with Form 1042-T, Annual Summary and Transmittal of Forms 1042-S, to the address in the Form 1042-T instructions. You must use Form 1042-T to transmit paper Forms 1042-S. Use a separate Form 1042-T to transmit each type of Form 1042-S. See *Payments by U.S. Withholding Agents*, later, and the Form 1042-T instructions for more information. If you have 250 or more Forms 1042-S to file, follow the instructions under *Electronic Reporting*, later.



Attach only Copy A to Form 1042-T. Copies B, C, and D should be provided to the recipient of the income. Copy E should be retained by the withholding agent.

**Extension of time to file.** To request an extension of time to file Forms 1042-S, file Form 8809, Application for Extension of Time To File Information Returns. See the Form 8809 instructions for where to file that form. You should request an extension as soon as you are aware that an extension is necessary, but no later than the due date for filing Form 1042-S. By filing Form 8809, you will get an automatic 30-day extension to file Form 1042-S. If you need more time, a second Form 8809 may be submitted before the

end of the initial extended due date. See Form 8809 for more information.



*If you are requesting extensions of time to file for 2 or more withholding agents or payers, you must submit the extension requests electronically. See Pub. 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically, for more information.*

**Recipient copies.** You may request an extension of time to provide the statements to recipients by sending a letter to:

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

See *Extension to provide statements to recipients* in Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.



*If you are requesting an extension of time to file for recipients of more than 10 withholding agents, you must submit the extension requests electronically. See Pub. 1187, Part D, Section 4, for more information.*

## Electronic Reporting

If you file 250 or more Forms 1042-S, you are required to submit them electronically.

Electronic submissions are filed using the Filing Information Returns Electronically (FIRE) System. The FIRE System operates 24 hours a day, 7 days a week, at <http://fire.irs.gov>. For more information, see Pub. 1187.

The electronic filing requirement applies separately to original and amended returns. Any person, including a corporation, partnership, individual, estate, or trust, that is required to file 250 or more Forms 1042-S must file such returns electronically. The filing requirement applies individually to each reporting entity as defined by its separate taxpayer identification number (TIN). This requirement applies separately to original and amended returns. For example, if you have 300 original Forms 1042-S, they must be filed electronically. However, if 200 of those forms contained erroneous information, the amended returns may be filed on paper forms because the number of amended Forms 1042-S is less than the 250-or-more filing requirement.



*If you file electronically, do not file the same returns on paper. Duplicate filing may cause penalty notices to be generated.*

**Note.** Even though as many as 249 Forms 1042-S may be submitted on paper to the IRS, the IRS encourages filers to transmit forms electronically.

**Hardship waiver.** To receive a hardship waiver from the required filing of Forms 1042-S electronically, submit Form 8508, Request for Waiver From Filing Information Returns Electronically. Waiver requests should be filed at least 45 days

before the due date of the returns. See Form 8508 for more information.

**Need assistance?** For additional information and instructions on filing Forms 1042-S electronically, extensions of time to file (Form 8809), and hardship waivers (Form 8508), see Pub. 1187. You also can call the Information Reporting Program at 866-455-7438 (toll free) or 304-263-8700 (not a toll-free number). Do not call the Information Reporting Program to answer tax law questions. See *Caution* below for additional information. The Information Reporting Program also can be reached by fax at 877-477-0572 (toll free) and international fax at 304-579-4105 (not a toll-free number).



*This call site does 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 Code. If you need such assistance, you can call 267-941-1000 (not a toll-free number) from 6:00 a.m. to 11:00 p.m. Eastern time or write to:*

Internal Revenue Service  
International Section  
Philadelphia, PA 19255-0725

## Additional Information

For more information on the withholding of tax, see Pub. 515. To order this publication and other publications and forms, call 1-800-TAX-FORM (1-800-829-3676). You also can download forms and publications from IRS.gov.

## Record Retention

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 3 years after the reporting due date.

## Substitute Forms

The official Form 1042-S is the standard for substitute forms. Because a substitute form is a variation from the official form, you should know the requirements of the official form for the year of use before you modify it to meet your needs. The IRS provides several means of obtaining the most frequently used tax forms. These include the Internet and DVD. For details on the requirements of substitute forms, see Pub. 1179.



*You are permitted to use substitute payee copies of Form 1042-S (that is, copies B, C, and D) that contain more than one type of income. This will reduce the number of Forms 1042-S you send to the recipient. Under no circumstances, however, may the copy of the form filed with the IRS (copy A) contain more than one type of income.*

**Penalty for filing incorrect substitute form.** Privately printed substitute Forms 1042-S must be exact copies of both the format and content of the official Form 1042-S. If you file a substitute for Form 1042-S, Copy A, with

the IRS that is not an exact copy of the official Form 1042-S, Copy A, you may be subject to a penalty for failure to file a correct return. See *Penalties*, later.

## Deposit Requirements

For information and rules concerning federal tax deposits, see *Depositing Withheld Taxes* in Pub. 515 or *Deposit Requirements* in the Instructions for Form 1042.

## Definitions

**Withholding agent.** A withholding agent is any person, U.S. or foreign, that 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 (QI), a nonqualified intermediary (NQI), a withholding foreign partnership (WP), a withholding foreign trust (WT), a flow-through entity, a U.S. branch of a foreign insurance company or foreign bank that is treated as a U.S. person, a nominee under section 1446, and an authorized foreign agent. A person may be a withholding agent 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.

In most cases, the U.S. person who pays (or causes to be paid) the item of U.S. source income to a foreign person (or to its agent) must withhold. However, other persons may be required to withhold. For example, if a payment is made by a QI (whether or not it assumes primary withholding responsibility) that knows that withholding was not done by the person from which it received the payment, then that QI is required to do the appropriate withholding. In addition, withholding must be done by any QI that assumes primary withholding responsibility under Chapter 3 of the Code, a WP, a WT, a U.S. branch of a foreign insurance company or foreign bank that agrees to be treated as a U.S. person, or an authorized foreign agent. Finally, if a payment is made by an NQI or a flow-through entity that knows, or has reason to know, that withholding was not done, that NQI or flow-through entity is required to withhold since it also falls within the definition of a withholding agent.

**Authorized foreign agent.** An agent is an authorized foreign agent only if all four of the following apply.

1. There is a written agreement between the withholding agent and the foreign person acting as agent.
2. The IRS International Section has been notified of the appointment of the agent before the first payment for which the authorized agent acts on behalf of the withholding agent. This notification must be sent to the following address:

3. The books and records and relevant personnel of the foreign agent are available to the IRS so that the IRS can evaluate the withholding agent's compliance with its withholding and reporting obligations.

4. The U.S. withholding agent remains fully liable for the acts of its agent and does not assert any of the defenses that otherwise may be available.

For further details, see Regulations section 1.1441-7(c).

**Beneficial owner.** For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income in most cases is the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership in most cases are the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee, or other agent. The beneficial owner of income paid to a foreign simple trust (a foreign trust that is described in section 651(a)) in most cases is the beneficiary of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee, or other agent. The beneficial owner of a foreign grantor trust (a foreign trust to the extent that all or a part of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) is the person treated as the owner of the trust. The beneficial owner of income paid to a foreign complex trust (a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

A payment to a U.S. partnership, U.S. trust, or U.S. estate is not subject to 30% foreign-person withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9, Request for Taxpayer Identification Number and Certification. In most cases, these beneficial owner rules apply for purposes of section 1446; however, there are exceptions.

**Disregarded entity.** A business entity that has a single owner and is not a corporation under Regulations section

301.7701-2(b) is disregarded as an entity separate from its owner.

**Dividend equivalent.** Under section 871(m), a dividend equivalent is a payment that, directly or indirectly, is contingent on, or determined by reference to, the payment of a dividend from U.S. sources. Dividend equivalent payments include the following payments.

1. A substitute dividend made under a securities lending or sale-repurchase transaction involving a U.S. stock,

2. A payment made under a specified notional principal contract, and

3. Any payment determined by the IRS to be substantially similar to a payment in (1) or (2).

**Exempt recipient.** In most cases, an exempt recipient is any payee that is not required to provide Form W-9 and is exempt from the Form 1099 reporting requirements. See the Instructions for the Requester of Form W-9 for a list of exempt recipients.

**Expatriate.** A person is considered an expatriate if he or she relinquishes U.S. citizenship or, in the case of a long-term resident of the United States, ceases to be a lawful permanent resident as defined in section 7701(b)(6).

**Fiscally transparent entity.** An entity is treated as fiscally transparent with respect to an item of income for which treaty benefits are claimed to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts in most cases are considered to be fiscally transparent with respect to items of income received by them.

**Flow-through entity.** A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple or grantor trust (other than a withholding foreign trust), or, for any payments for which a reduced rate of withholding under an income tax treaty is claimed, any entity to the extent the entity is considered to be fiscally transparent under 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 that 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 QI. In most cases, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

**Intermediary.** An intermediary is a person that 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.

**Qualified intermediary (QI).** A QI is an intermediary that is a party to a withholding agreement with the IRS. An entity must indicate its status as a QI on a Form W-8IMY submitted to a withholding agent. For information on a QI withholding agreement, see Rev. Proc. 2000-12, which is on page 387 of Internal Revenue Bulletin (IRB) 2000-4 at [www.irs.gov/pub/irs-irbs/irb00-04.pdf](http://www.irs.gov/pub/irs-irbs/irb00-04.pdf). Also see the following documents.

- Notice 2001-4, which is on page 267 of Internal Revenue Bulletin 2001-2 at [www.irs.gov/pub/irs-irbs/irb01-02.pdf](http://www.irs.gov/pub/irs-irbs/irb01-02.pdf).

- Rev. Proc. 2003-64, Appendix 3, 2003-32 I.R.B. 306, available at [www.irs.gov/irb/2003-32\\_IRB/ar19.html](http://www.irs.gov/irb/2003-32_IRB/ar19.html).

- Rev. Proc. 2004-21, 2004-14 I.R.B. 702, available at [www.irs.gov/irb/2004-14\\_IRB/ar10.html](http://www.irs.gov/irb/2004-14_IRB/ar10.html).

- Rev. Proc. 2005-77, 2005-51 I.R.B. 1176, available at [www.irs.gov/irb/2005-51\\_IRB/ar13.html](http://www.irs.gov/irb/2005-51_IRB/ar13.html).

A branch of a financial institution may not act as a QI in a country that does not have approved know-your-customer (KYC) rules. Countries having approved KYC rules are listed on IRS.gov. Branches that operate in non-KYC approved jurisdictions are required to act as nonqualified intermediaries.

**Nonqualified intermediary (NQI).** An NQI is any intermediary that is not a U.S. person and that is not a QI.

**Private arrangement intermediary (PAI).** A QI may enter into a private arrangement with another intermediary under which the other intermediary generally agrees to perform all of the obligations of the QI. See Section 4 of the sample withholding agreement in Rev. Proc. 2000-12 for details.

**Non-exempt recipient.** A non-exempt recipient is any person who is not an exempt recipient.

**Nonresident alien individual.** Any individual who is not a citizen or resident of the United States is a nonresident alien individual. An alien individual meeting either the green card test or the substantial presence test for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is a resident of a foreign country under the residence article of an income tax treaty, or an alien individual who is a bona fide resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa, is a nonresident alien individual. See Pub. 519, U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.



*Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes.*

**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 Code that a withholding agent must follow to determine the status of a beneficial owner (for example, as a U.S. person or a foreign person) when it cannot reliably associate a payment with valid documentation. See, for example, Regulations sections 1.1441-1(b)(3), 1.1441-4(a), 1.1441-5(d) and (e), 1.1441-9(b)(3), 1.1446-1(c)(3), and 1.6049-5(d). Also see Pub. 515.

**Publicly traded partnership (PTP).** A PTP is 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 PTP treated as a corporation under section 7704.

**Qualified securities lender (QSL).** A QSL is a foreign financial institution that satisfies **all** of the following.

- It is a bank, custodian, broker-dealer, or clearing organization that is regulated by the government in its home jurisdiction and that regularly borrows and lends the securities of U.S. corporations to unrelated customers.
- It is subject to audit by the IRS under section 7602 or by an external auditor if it is a QI.
- It provides to the withholding agent an annual certification of its QSL status.
- It meets the requirements to qualify as a QSL provided in Notice 2010-46 for the transition period and until additional published guidance is issued. See Notice 2010-46, 2010-24 I.R.B. 757, available at [www.irs.gov/irb/2010-24\\_IRB/ar09.html](http://www.irs.gov/irb/2010-24_IRB/ar09.html).

**Recipient.** A recipient is any of the following.

- A beneficial owner of income.
- A QI.
- A WP or WT.
- An authorized foreign agent.
- A U.S. branch of certain foreign banks or insurance companies that is treated as a U.S. person.
- A foreign partnership or a foreign trust (other than a WP or WT), but only to the extent the income is effectively connected with its conduct of a trade or business in the United States.
- A payee who is not known to be the beneficial owner, but who is presumed to be a foreign person under the presumption rules.
- A PAI.
- A partner receiving a distribution of effectively connected income from a PTP or nominee.
- A QSL.

A recipient does not include any of the following.

- An NQI.
- A nonwithholding foreign partnership, if the income is not effectively connected with its conduct of a trade or business in the United States.

- A disregarded entity.
- A foreign trust that is described in section 651(a) (a foreign simple trust) if the income is not effectively connected with the conduct of a trade or business in the United States.
- A foreign trust to the extent that all or a part of the trust is treated as owned by the grantor or other person under sections 671 through 679 (a foreign grantor trust).
- A U.S. branch that is not treated as a U.S. person unless the income is, or is treated as, effectively connected with the conduct of a trade or business in the United States.

**Specified notional principal contract (SNPC).** An SNPC is any notional principal contract that satisfies **one** or more of the following.

- In connection with entering into the contract, any long party to the contract transfers the underlying security to any short party to the contract.
- In connection with the termination of the contract, any short party to the contract transfers the underlying security to any long party to the contract.
- The underlying security is not readily tradable on an established securities market.
- In connection with entering into the contract, the underlying security is posted as collateral by any short party to the contract with any long party to the contract.
- The IRS identifies the contract as an SNPC.

**U.S. branch treated as a U.S. person.**

The following types of U.S. branches (of foreign entities) may reach an agreement with the withholding agent to treat the branch as a U.S. person: (a) a U.S. branch of a foreign bank subject to regulatory supervision by the Federal Reserve Board or (b) a U.S. branch of a foreign insurance company required to file an annual statement on a form approved by the National Association of Insurance Commissioners with the Insurance Department of a State, Territory, or the District of Columbia.

The U.S. branch must provide a Form W-8IMY evidencing the agreement with the withholding agent.



*A U.S. branch that is treated as a U.S. person is treated as such solely for purposes of determining whether a payment is subject to withholding. The branch is, for purposes of information reporting, a foreign person, and payments to such a branch must be reported on Form 1042-S.*

**Withholding certificate.** The term “withholding certificate” refers to Form W-8 or Form W-9 in most cases.

**Note.** Throughout these instructions, a reference to or mention of “Form W-8” is a reference to Forms W-8BEN, W-8ECI, W-8EXP, and/or W-8IMY.

**Withholding foreign partnership (WP) or withholding foreign trust (WT).** A WP or WT is a foreign partnership or trust that has entered into a withholding

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. For information on these withholding agreements, see Rev. Proc. 2003-64. Also see Rev. Proc. 2004-21 and Rev. Proc. 2005-77.

## Amounts Subject to Reporting on Form 1042-S

Amounts subject to reporting on Form 1042-S are amounts paid to foreign persons (including persons presumed to be foreign) that are subject to withholding, even if no amount is deducted and withheld from the payment because of a treaty or Code exception to taxation or if any amount withheld was repaid to the payee. Amounts subject to withholding are amounts from sources within the United States that constitute (a) fixed or determinable annual or periodical (FDAP) income; (b) certain gains from the disposal of timber, coal, or domestic iron ore with a retained economic interest; and (c) gains relating to contingent payments received from the sale or exchange of patents, copyrights, and similar intangible property. Amounts subject to withholding also include distributions of effectively connected income by a publicly traded partnership. Amounts subject to reporting include, but are not limited to, the following U.S. source items.

- **Corporate distributions.** The entire amount of a corporate distribution (whether actual or deemed) must be reported, regardless of any estimate of the part of the distribution that represents a taxable dividend. Any distribution, however, that is treated as gain from the redemption of stock is not an amount subject to withholding. For information on dividends paid by a qualified investment entity (QIE), see Pub. 515.
- **Interest.** This includes the part of a notional principal contract payment that is characterized as interest.
- **Rents.**
- **Royalties.**
- **Compensation for independent personal services performed in the United States.**
- **Compensation for dependent personal services performed in the United States (but only if the beneficial owner is claiming treaty benefits).**
- **Annuities.**
- **Pension distributions and other deferred income.**
- **Most gambling winnings.** However, proceeds from a wager placed in blackjack, baccarat, craps, roulette, or big-6 wheel are not amounts subject to reporting.
- **Cancellation of indebtedness.** Income from the cancellation of indebtedness must be reported unless the withholding agent is unrelated to the debtor and does not have knowledge of the facts that give rise to the payment.
- **Effectively connected income (ECI).** ECI includes amounts that are (or are presumed to be) effectively connected



with the conduct of a trade or business in the United States even if no withholding certificate is required, as, for example, with income on notional principal contracts. Note that bank deposit interest, which is not subject to Form 1042-S reporting in most cases, is subject to Form 1042-S reporting if it is effectively connected income. ECI of a PTP distributed to a foreign partner must be reported on Form 1042-S.

• **Notional principal contract income.** Income from notional principal contracts that the payer knows, or must presume, is effectively connected with the conduct of a U.S. trade or business is subject to reporting using income code 32. The amount to be reported is the amount of cash paid on the contract during the calendar year. Any amount of interest determined under the provisions of Regulations section 1.446-3(g)(4) (dealing with interest in the case of a significant non-periodic payment) is reportable as interest and not as notional principal contract income. See, however, the separate reporting for other U.S.-source dividend equivalent payments.

• **REMIC excess inclusions.** Excess inclusions from REMICs (income code 02) and withheld tax must be reported on Form 1042-S. A domestic partnership must separately state a partner's allocable share of REMIC taxable income or net loss and the excess inclusion amount on Schedule K-1 (Form 1065). If the partnership allocates all or some part of its allocable share of REMIC taxable income to a foreign partner, the partner must include the partner's allocated amount in income as if that amount was received on the earliest to occur of (1) the date of distribution by the partnership; (2) the date the foreign partner disposes of its indirect interest in the REMIC residual interest; or (3) the last day of the partnership's tax year.

The partnership must withhold tax on the part of the REMIC amount that is an excess inclusion.

An excess inclusion allocated to the following foreign persons must be included in that person's income at the same time as other income from the entity is included in income.

- Shareholder of a real estate investment trust.
- Shareholder of a regulated investment company.
- Participant in a common trust fund.
- Patron of a subchapter T cooperative organization.
- **Students, teachers, and researchers.** Amounts paid to foreign students, trainees, teachers, or researchers as scholarship or fellowship income, and compensation for personal services (whether or not exempt from tax under an income tax treaty), must be reported. However, amounts that are exempt from tax under section 117 are not subject to reporting.
- **Amounts paid to foreign governments, foreign controlled banks of issue, and international**

**organizations.** These amounts are subject to reporting even if they are exempt under section 892 or 895.

• **Foreign targeted registered obligations.** Interest paid on registered obligations targeted to foreign markets paid to a foreign person other than a financial institution or a member of a clearing organization is an amount subject to reporting.

• **Original issue discount (OID) from the redemption of an OID obligation.** The amount subject to reporting is the amount of OID actually includable in the gross income of the foreign beneficial owner of the income, if known. Otherwise, the withholding agent should report the entire amount of OID as if the recipient held the instrument from the date of original issuance. See Pub. 1212, Guide to Original Issue Discount (OID) Instruments.

• **Certain dispositions of U.S. real property interests.** See *Withholding on Dispositions of U.S. Real Property Interests by Publicly Traded Trusts and Qualified Investment Entities (QIEs)*, later.

• **Other U.S.-source dividend equivalent payments.** Other U.S.-source dividend equivalent payments are payments other than substitute dividends that qualify as U.S.-source dividends under section 871(m). Report these amounts using income code 40.

• **Guarantee of indebtedness.** This includes amounts paid, directly or indirectly, for the provision of a guarantee of indebtedness issued after September 27, 2010. They must be paid by a non-corporate resident or U.S. corporation or by any foreign person if the amounts are effectively connected with the conduct of a U.S. trade or business. Report these amounts using income code 41.

## Amounts That Are Not Subject to Reporting on Form 1042-S

**Interest on deposits.** In most cases, no withholding (or reporting) is required on interest paid to foreign persons on deposits 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, credit union, or similar institution, and from certain deposits with an insurance company.

**Exception for interest payments to Canadian residents who are not U.S. citizens.** If you pay \$10 or more of U.S. source bank deposit interest to a nonresident alien who is a resident of Canada, in most cases you must report the interest on Form 1042-S. This reporting requirement applies to interest on a deposit maintained at a bank's office in the United States. However, this reporting requirement does not apply to interest paid on certain bearer certificates of deposit issued before March 19, 2012,

if paid outside the United States. Although you only have to report payments you make to residents of Canada, you can comply by reporting bank deposit interest to all foreign persons if that is easier.

When completing Form 1042-S, use income code 29 in box 1 and exemption code 02 in box 6.

On the statements furnished to the Canadian recipients, you must include an information contact phone number in addition to the name in box 12a on Form 1042-S. You also must include a statement that the information on the form is being furnished to the United States Internal Revenue Service and may be provided to the government of Canada.

**Interest and OID from short-term obligations.** Interest and OID from any obligation payable 183 days or less from the date of original issue should not be reported on Form 1042-S.

**Registered obligations targeted to foreign markets.** Interest on a registered obligation that is targeted to foreign markets and qualifies as portfolio interest is not subject to reporting if it is paid to a registered owner that is a financial institution or member of a clearing organization and you have received the required certifications.

**Bearer obligations targeted to foreign markets.** Do not file Form 1042-S to report interest not subject to withholding on bearer obligations if a Form W-8 is not required.



*Withholding is required on interest paid on any bearer obligations targeted to foreign markets if the obligation is issued after March 18, 2012. You must file Form 1042-S to report this interest.*

**Notional principal contract payments that are not ECI.** Amounts paid on a notional principal contract other than a specified notional principal contract (SNPC) that are not effectively connected with the conduct of a trade or business in the United States should not be reported on Form 1042-S. All amounts paid on an SNPC that are treated as dividend equivalent payments should be reported on Form 1042-S.

**Accrued interest and OID.** Interest paid on obligations sold between interest payment dates and the part of the purchase price of an OID obligation that is sold or exchanged in a transaction other than a redemption is not subject to reporting unless the sale or exchange is part of a plan, the principal purpose of which is to avoid tax, and the withholding agent has actual knowledge or reason to know of such plan.

**Exception for amounts previously withheld upon.** A withholding agent should report on Form 1042-S any amounts, whether or not subject to withholding, that are paid to a foreign payee and that have been withheld upon, including backup withholding, by another withholding agent under the presumption rules.

**Example.** A withholding agent (WA) makes a payment of bank deposit interest to a foreign intermediary that is a nonqualified intermediary (NQI-B). NQI-B failed to provide any information regarding the beneficial owners to whom the payment was attributable. Under the presumption rules, WA must presume that the amounts are paid to a U.S. non-exempt recipient. WA withholds 28% of the payment under the backup withholding provisions of the Code and files a Form 1099-INT reporting the interest as paid to an unknown recipient. A copy of Form 1099-INT is sent to NQI-B. The beneficial owners of the bank deposit interest are two customers of NQI-B, X and Y. Both X and Y have provided NQI-B with documentary evidence establishing that they are foreign persons and therefore not subject to backup withholding. NQI-B must file a Form 1042-S reporting the amount of bank deposit interest paid to each of X and Y and the proportionate amount of withholding that occurred.

## Withholding on Dispositions of U.S. Real Property Interests by Publicly Traded Trusts and Qualified Investment Entities (QIEs)

In general, when a publicly traded trust 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 who 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 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—35%.

Special rules apply to qualified investment entities (QIEs). A QIE is one of the following.

- A real estate investment trust (REIT).
- A regulated investment company (RIC) that is a U.S. real property holding corporation. The special rule for a RIC applies only for distributions by the RIC that are directly or indirectly attributable to distributions the RIC received from a REIT.

In most cases, any distribution from a QIE attributable to gain from the sale or exchange of a U.S. real property interest is treated as such gain by the nonresident alien, foreign corporation, or other QIE receiving the distribution.

A distribution by a QIE to a nonresident alien or foreign corporation that is treated as gain from the sale or exchange of a U.S. real property interest by the shareholder is subject to withholding at 35%.

Any distribution by a QIE on stock regularly traded on a securities market in the United States is not treated as gain from the sale or exchange of a U.S. real property interest if the shareholder did not own more than 5% of that stock at any time during the 1-year period ending on the date of the distribution. These distributions are included in the shareholder's gross income as a dividend (income code 06) from the QIE, not as long-term capital gain.

Use Forms 1042-S and 1042 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.

For more information on reporting income from real property interests, see *U.S. Real Property Interest* in Pub. 515.

## Publicly Traded Partnerships (Section 1446 Withholding Tax)

A publicly traded partnership (PTP) (defined earlier in *Definitions*) that has effectively connected income, gain, or loss must pay a withholding tax on distributions of that income made to its foreign partners and file Form 1042-S using income code 27. A nominee that receives a distribution of effectively connected income from a PTP is treated as the withholding agent to the extent of the amount specified in the qualified notice received by the nominee. For this purpose, a nominee is a domestic person that holds an interest in a PTP on behalf of a foreign person. See Regulations section 1.1446-4 and Pub. 515 for details.



*If you are a nominee that is the withholding agent under section 1446, enter the PTP's name and other required information in boxes 17 through 20 on Form 1042-S.*

Other partnerships that have effectively connected gross income allocable to foreign partners must pay a withholding tax under section 1446. These amounts are 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.

## Payments by U.S. Withholding Agents

**In general.** U.S. withholding agents making payments described under *Amounts Subject to Reporting on Form*

*1042-S*, earlier, must file a separate Form 1042-S for each recipient who receives the income. Furthermore, withholding agents filing paper Forms 1042-S are not permitted to report multiple types of income on copy A filed with the IRS. These filers must use a separate Form 1042-S for information reportable on a single type of income.



*These filers cannot use a single Form 1042-S to report income if that income is reportable under different income, recipient, or exemption codes, or is subject to different rates of withholding.*

A withholding agent may be permitted to use substitute payee copies of Form 1042-S (copies B, C, and D) that contain more than one type of income. See *Substitute Forms*, earlier, for details.

See *Payments Made to Persons Who Are Not Recipients*, later, if the payment is made to a foreign person that is not a recipient.

## Payments to Recipients

**Payments directly to beneficial owners.** A U.S. withholding agent making a payment directly to a beneficial owner must complete Form 1042-S and treat the beneficial owner as the recipient. Boxes 17 through 20 should be left blank. A U.S. withholding agent should complete box 21 only if it is completing Form 1042-S as a paying agent acting pursuant to an agreement.

Under a grace period rule, a U.S. withholding agent may, under certain circumstances, treat a payee as a foreign person while the withholding agent waits for a valid withholding certificate. A U.S. withholding agent who relies on the grace period rule to treat a payee as a foreign person must file Form 1042-S to report all payments during the period that person was presumed to be foreign even if that person is later determined to be a U.S. person based on appropriate documentation or is presumed to be a U.S. person after the grace period ends.

In the case of foreign joint owners, you may provide a single Form 1042-S made out to the owner whose status you relied upon to determine the applicable rate of withholding (the owner subject to the highest rate of withholding). If, however, any one of the owners requests its own Form 1042-S, you must furnish a Form 1042-S to the person who requests it. If more than one Form 1042-S is issued for a single payment, the aggregate amount paid and tax withheld that is reported on all Forms 1042-S cannot exceed the total amounts paid to joint owners and the tax withheld on those payments.

**Payments to a qualified intermediary, withholding foreign partnership, or withholding foreign trust.** A U.S. withholding agent that makes payments to a QI (whether or not the QI assumes primary withholding responsibility), a withholding foreign partnership (WP), or a withholding foreign trust (WT) should complete Forms 1042-S in most cases, treating the QI, WP, or WT as the

recipient. However, see *Payments allocated, or presumed made, to U.S. non-exempt recipients*, later, for exceptions. The U.S. withholding agent must complete a separate Form 1042-S for each withholding rate pool of the QI, WP, or WT. For this purpose, a withholding rate pool is a payment of a single type of income, determined in accordance with the income codes used to file Form 1042-S, that is subject to a single rate of withholding. A QI that does not assume primary withholding responsibility provides information regarding the proportions of income subject to a particular withholding rate to the withholding agent on a withholding statement associated with Form W-8IMY. A U.S. withholding agent making a payment to a QI, WP, or WT must use recipient code 12 (qualified intermediary) or 04 (withholding foreign partnership or withholding foreign trust). A U.S. withholding agent must not use recipient code 13 (private arrangement intermediary withholding rate pool—general), 14 (private arrangement intermediary withholding rate pool—exempt organizations), 15 (qualified intermediary withholding rate pool—general), or 16 (qualified intermediary withholding rate pool—exempt organizations). Use of an inappropriate recipient code may cause a notice to be generated.



**CAUTION** A QI, WP, or WT is required to act in such capacity only for designated accounts. Therefore, such an entity also may provide a Form W-8IMY in which it certifies that it is acting as an NQI or flow-through entity for other accounts. A U.S. withholding agent that receives a Form W-8IMY on which the foreign person providing the form indicates that it is not acting as a QI, WP, or WT may not treat the foreign person as a recipient. A withholding agent must not use the EIN that a QI, WP, or WT provides in its capacity as such to report payments that are treated as made to an entity in its capacity as an NQI or flow-through entity. In that case, use the EIN, if any, that is provided by the entity on its Form W-8IMY in which it claims that it is acting as an NQI or flow-through entity.

**Payments allocated, or presumed made, to U.S. non-exempt recipients.** You may be given Forms W-9 or other information regarding U.S. non-exempt recipients from a QI together with information allocating all or a part of the payment to U.S. non-exempt recipients. You must report income allocable to a U.S. non-exempt recipient on the appropriate Form 1099 and not on Form 1042-S, even though you are paying that income to a QI.

You also may be required under the presumption rules to treat a payment made to a QI as made to a payee that is a U.S. non-exempt recipient from which you must withhold 28% of the payment under the backup withholding provisions of the Code. In this case, you must report the

payment on the appropriate Form 1099. See the General Instructions for Certain Information Returns.

**Example 1.** WA, a U.S. withholding agent, makes a payment of U.S. source dividends to QI, a qualified intermediary. QI provides WA with a valid Form W-8IMY with which it associates a withholding statement that allocates 95% of the payment to a 15% withholding rate pool and 5% of the payment to C, a U.S. individual. QI provides WA with C's Form W-9. WA must complete a Form 1042-S, showing QI as the recipient in box 13a and recipient code 12 (qualified intermediary) in box 13b, for the dividends allocated to the 15% withholding rate pool. WA also must complete a Form 1099-DIV reporting the part of the dividend allocated to C.

**Example 2.** WA, a withholding agent, makes a payment of U.S. source dividends to QI, a qualified intermediary. QI provides WA with a valid Form W-8IMY with which it associates a withholding statement that allocates 40% of the payment to a 15% withholding rate pool and 40% to a 30% withholding rate pool. QI does not provide any withholding rate pool information regarding the remaining 20% of the payment. WA must apply the presumption rules to the part of the payment (20%) that has not been allocated. Under the presumption rules, that part of the payment is treated as paid to an unknown foreign payee. WA must complete three Forms 1042-S: one for dividends subject to 15% withholding, showing QI as the recipient in box 13a and recipient code 12 (qualified intermediary) in box 13b; one for dividends subject to 30% withholding, showing QI as the recipient in box 13a and recipient code 12 (qualified intermediary) in box 13b; and one for dividends subject to 30% withholding, showing QI as the recipient in box 13a and recipient code 20 (unknown recipient) in box 13b.

**Amounts paid to qualified securities lenders.** A withholding agent that makes payments of substitute dividends to a qualified securities lender (QSL) should complete Form 1042-S treating the QSL as the recipient. Use income code 34. Use recipient code 21 or 22.

The withholding agent is not required to withhold on a substitute dividend payment that is part of a series of dividend equivalent payments if it receives, at least annually, a certificate from the QSL that includes a statement with the following information.

- The recipient of the substitute dividend is a QSL, and
- With respect to the substitute dividend it receives from the withholding agent, the QSL states that it will withhold and remit or pay the proper amount of U.S. gross-basis tax. Use exemption code 10.

If the QSL is also a QI with primary withholding responsibility, use exemption code 10 and not exemption code 06.

**Amounts paid to certain U.S. branches.** A U.S. withholding agent making a payment to a "U.S. branch treated as a U.S. person" (defined in *Definitions*, earlier) completes Form 1042-S as follows:

- If a withholding agent makes a payment to a U.S. branch that has provided the withholding agent with a Form W-8IMY that evidences its agreement with the withholding agent to be treated as a U.S. person, the U.S. withholding agent treats the U.S. branch as the recipient.
- If a withholding agent makes a payment to a U.S. branch that has provided a Form W-8IMY to transmit information regarding recipients, the U.S. withholding agent must complete a separate Form 1042-S for each recipient whose documentation is associated with the U.S. branch's Form W-8IMY. If a payment cannot be reliably associated with recipient documentation, the U.S. withholding agent must complete Form 1042-S in accordance with the presumption rules.
- If a withholding agent cannot reliably associate a payment with a Form W-8IMY from a U.S. branch, the payment must be reported on a single Form 1042-S treating the U.S. branch as the recipient and reporting the income as effectively connected income.



**CAUTION** The rules above apply only to U.S. branches treated as U.S. persons (defined in *Definitions*, earlier). In all other cases, payments to a U.S. branch of a foreign person are treated as payments to the foreign person.

**Amounts paid to authorized foreign agents.** If a U.S. withholding agent makes a payment to an authorized foreign agent (defined in *Definitions*, earlier), the withholding agent files Forms 1042-S for each type of income (determined by reference to the income codes used to complete Form 1042-S) treating the authorized foreign agent as the recipient, provided that the authorized foreign agent reports the payments on Forms 1042-S to each recipient to which it makes payments. If the authorized foreign agent fails to report the amounts paid on Forms 1042-S for each recipient, the U.S. withholding agent remains responsible for such reporting.

In box 13b, use recipient code 17 (authorized foreign agent).

**Amounts paid to a complex trust or an estate.** If a U.S. withholding agent

makes a payment to a foreign complex trust or a foreign estate, a Form 1042-S must be completed showing the complex trust or estate as the recipient. Use recipient code 05 (trust) or 10 (estate). See *Payments Made to Persons Who Are Not Recipients*, later, for the treatment of payments made to foreign simple trusts and foreign grantor trusts.

**Dual claims.** A U.S. withholding agent may make a payment to a foreign entity (for example, a hybrid entity) that is simultaneously claiming a reduced rate of tax on its own behalf for a part of the

payment and a reduced rate on behalf of persons in their capacity as interest holders in that entity on the remaining part. If the claims are consistent and the withholding agent has accepted the multiple claims, a separate Form 1042-S must be filed for the entity for those payments for which the entity is treated as claiming a reduced rate of withholding and separate Forms 1042-S must be filed for each of the interest holders for those payments for which the interest holders are claiming a reduced rate of withholding. If the claims are consistent but the withholding agent has not chosen to accept the multiple claims, or if the claims are inconsistent, a separate Form 1042-S must be filed for the person(s) being treated as the recipient(s).

**Special instructions for U.S. trusts and estates.** Report the entire amount of income subject to reporting, regardless of estimates of distributable net income.

### Payments Made to Persons Who Are Not Recipients

**Disregarded entities.** If a U.S. withholding agent makes a payment to a disregarded entity but receives a valid Form W-8BEN or W-8ECI from a foreign person that is the single owner of the disregarded entity, the withholding agent must file a Form 1042-S in the name of the foreign single owner. The taxpayer identifying number (TIN) on the Form 1042-S, if required, must be the foreign single owner's TIN.

**Example.** A withholding agent (WA) makes a payment of interest to LLC, a foreign limited liability company. LLC is wholly-owned by FC, a foreign corporation. LLC is treated as a disregarded entity. WA has a Form W-8BEN from FC on which it states that it is the beneficial owner of the income paid to LLC. WA reports the interest payment on Form 1042-S showing FC as the recipient. The result would be the same if LLC was a domestic entity.

A disregarded entity can claim to be the beneficial owner of a payment if it is a hybrid entity claiming treaty benefits. See Form W-8BEN and its instructions for more information. If a disregarded entity claims on a valid Form W-8BEN to be the beneficial owner, the U.S. withholding agent must complete a Form 1042-S treating the disregarded entity as a recipient and use recipient code 02 (corporation).

**Amounts paid to a nonqualified intermediary or flow-through entity.** If a U.S. withholding agent makes a payment to an NQI or a flow-through entity, it must complete a separate Form 1042-S for each recipient on whose behalf the NQI or flow-through entity acts as indicated by its withholding statement and the documentation associated with its Form W-8IMY. If a payment is made through tiers of NQIs or flow-through entities, the withholding agent must nevertheless complete Form 1042-S for the recipients to which the payments are remitted. A withholding agent completing

Form 1042-S for a recipient that receives a payment through an NQI or a flow-through entity must include in boxes 17 through 20 of Form 1042-S the name, country code, address, and TIN, if any, of the NQI or flow-through entity from whom the recipient directly receives the payment. A copy of the Form 1042-S need not be provided to the NQI or flow-through entity unless the withholding agent must report the payment to an unknown recipient. See *Example 4*, later.

If a U.S. withholding agent makes payments to an NQI or flow-through entity and cannot reliably associate the payment, or any part of the payment, with a valid withholding certificate (Forms W-8 or W-9) or other valid appropriate documentation from a recipient (either because a recipient withholding certificate has not been provided or because the NQI or flow-through entity has failed to provide the information required on a withholding statement), the withholding agent must follow the appropriate presumption rules for that payment. If, under the presumption rules, an unknown recipient of the income is presumed to be foreign, the withholding agent must withhold 30% of the payment and report the payment on Form 1042-S. For this purpose, if the allocation information provided to the withholding agent indicates an allocation of more than 100% of the payment, then no part of the payment should be considered to be associated with a Form W-8, Form W-9, or other appropriate documentation. The Form 1042-S should be completed by entering "Unknown Recipient" in box 13a and recipient code 20 in box 13b.

**Pro-rata reporting.** If the withholding agent has agreed that an NQI may provide information allocating a payment to its account holders under the alternative procedure of Regulations section 1.1441-1(e)(3)(iv)(D) (no later than February 14, 2013) and the NQI fails to allocate more than 10% of the payment in a withholding rate pool to the specific recipients in the pool, the withholding agent must file Forms 1042-S for each recipient in the pool on a pro-rata basis. If, however, the NQI fails to timely allocate 10% or less of the payment in a withholding rate pool to the specific recipients in the pool, the withholding agent must file Forms 1042-S for each recipient for which it has allocation information and report the unallocated part of the payment on a Form 1042-S issued to "Unknown Recipient." In either case, the withholding agent must include the NQI information in boxes 17 through 20 on that form. See *Example 6* and *Example 7*, later.

The following examples illustrate Form 1042-S reporting for payments made to NQIs and flow-through entities.

**Example 1.** NQI, a nonqualified intermediary, has three account holders, A, B, and QI. All three account holders invest in U.S. securities that produce interest and dividends. A and B are foreign individuals and have provided NQI

with Forms W-8BEN. QI is a qualified intermediary and has provided NQI with a Form W-8IMY and the withholding statement required from a qualified intermediary. QI's withholding statement states that QI has two withholding rate pools: one for interest described by income code 01 (interest paid by U.S. obligors—general) and one for dividends described by income code 06 (dividends paid by U.S. corporations—general). NQI provides WA, a U.S. withholding agent, with its own Form W-8IMY, with which it associates the Forms W-8BEN of A and B and the Form W-8IMY of QI. In addition, NQI provides WA with a complete withholding statement that allocates the payments of interest and dividends WA makes to NQI among A, B, and QI. All of the interest and dividends paid by WA to NQI are described by income code 01 (interest paid by U.S. obligors—general) and income code 06 (dividends paid by U.S. corporations—general). WA must file a total of six Forms 1042-S: two Forms 1042-S (one for interest and one for dividends) showing A as the recipient, two Forms 1042-S (one for interest and one for dividends) showing B as the recipient, and two Forms 1042-S (one for interest and one for dividends) showing QI as the recipient. WA must show information relating to NQI in boxes 17 through 20 on all six Forms 1042-S.

**Example 2.** The facts are the same as in Example 1, except that A and B are account holders of NQI2, which is an account holder of NQI. NQI2 provides NQI with a Form W-8IMY with which it associates the Forms W-8BEN of A and B and a complete withholding statement that allocates the interest and dividend payments it receives from NQI to A and B. NQI provides WA with its Form W-8IMY and the Forms W-8IMY of NQI2 and QI and the Forms W-8BEN of A and B. In addition, NQI associates a complete withholding statement with its Form W-8IMY that allocates the payments of interest and dividends to A, B, and QI. WA must file six Forms 1042-S: two Forms 1042-S (one for interest and one for dividends) showing A as the recipient, two Forms 1042-S (one for interest and one for dividends) showing B as the recipient, and two Forms 1042-S (one for interest and one for dividends) showing QI as the recipient. The Forms 1042-S issued to A and B must show information relating to NQI2 in boxes 17 through 20 because A and B receive their payments directly from NQI2, not NQI. The Forms 1042-S issued to QI must show information relating to NQI in boxes 17 through 20.

**Example 3.** FP is a nonwithholding foreign partnership and therefore a flow-through entity. FP establishes an account with WA, a U.S. withholding agent, from which FP receives interest described by income code 01 (interest paid by U.S. obligors—general). FP has three partners, A, B, and C, all of whom are individuals. FP provides WA with a Form W-8IMY with which it associates the Forms W-8BEN from each of A, B, and C.

In addition, FP provides a complete withholding statement with its Form W-8IMY that allocates the interest payments among A, B, and C. WA must file three Forms 1042-S, one each for A, B, and C. The Forms 1042-S must show information relating to FP in boxes 17 through 20.

**Example 4.** NQI is a nonqualified intermediary. It has four customers: A, B, C, and D. NQI receives Forms W-8BEN from each of A, B, C, and D. NQI establishes an account with WA, a U.S. withholding agent, in which it holds securities on behalf of A, B, C, and D. The securities pay interest that is described by income code 01 (interest paid by U.S. obligors—general) and that may qualify for the portfolio interest exemption from withholding if all of the requirements for that exception are met. NQI provides WA with a Form W-8IMY with which it associates the Forms W-8BEN of A, B, C, and D. However, NQI does not provide WA with a complete withholding statement in association with its Form W-8IMY. Because NQI has not provided WA with a complete withholding statement, WA cannot reliably associate the payments of interest with the documentation of A, B, C, and D, and must apply the presumption rules. Under the presumption rules, WA must treat the interest as paid to an unknown recipient that is a foreign person. The payments of interest are subject to 30% withholding. WA must complete one Form 1042-S, entering “Unknown Recipient” in box 13a and recipient code 20 in box 13b. WA must include information relating to NQI in boxes 17 through 20 and must provide the recipient copies of the form to NQI. Because NQI has failed to provide all the information necessary for WA to accurately report the payments of interest to A, B, C, and D, NQI must report the payments on Form 1042-S. See *Amounts Paid by Nonqualified Intermediaries and Flow-Through Entities*, later. The results would be the same if WA’s account holder was a flow-through entity instead of a nonqualified intermediary.

**Example 5.** The facts are the same as in Example 4, except that NQI provides the Forms W-8BEN of A and B, but not the Forms W-8BEN of C and D. NQI also provides a withholding statement that allocates a part of the interest payment to A and B but does not allocate the remaining part of the payment. WA must file three Forms 1042-S: one showing A as the recipient in box 13a, one showing B as the recipient in box 13a, and one showing “Unknown Recipient” in box 13a (and recipient code 20 in box 13b) for the unallocated part of the payment that cannot be associated with valid documentation from a recipient. In addition, WA must send the Form 1042-S for the unknown recipient to NQI. All Forms 1042-S must contain information relating to NQI in boxes 17 through 20. The results would be the same if WA’s account holder was a flow-through entity instead of a nonqualified intermediary.

**Example 6.** NQI is a nonqualified intermediary. It has four customers: A, B, C, and D. NQI receives Forms W-8BEN from each of A, B, C, and D. NQI establishes an account with WA, a U.S. withholding agent, in which it holds securities on behalf of A, B, C, and D. The securities pay interest that is described by income code 01 (interest paid by U.S. obligors—general) and that may qualify for the portfolio interest exemption from withholding if all of the requirements for that exception are met. NQI provides WA with a Form W-8IMY with which it associates the Forms W-8BEN of A, B, C, and D. WA and NQI agree that they will apply the alternative procedures of Regulations section 1.1441-1(e)(3)(iv)(D). Accordingly, NQI provides a complete withholding statement that indicates that it has one 0% withholding rate pool. WA pays \$100 of interest to NQI. NQI fails to provide WA with the allocation information by February 14, 2013. Therefore, WA must report 25% of the payment to each of A, B, C, and D using pro-rata basis reporting. Accordingly, for each of the Forms 1042-S, WA must enter \$25 in box 2 (gross income), “30.00” in box 5 (tax rate), \$0 in box 7 (federal tax withheld), and \$0 in box 9 (total withholding credit). In addition, WA must check the PRO-RATA BASIS REPORTING box at the top of the form and include NQI’s name, address, country code, and TIN, if any, in boxes 17 through 20. WA must enter “30.00” in box 5 (tax rate) because without allocation information, WA cannot reliably associate the payment of interest with documentation from a foreign beneficial owner and therefore may not apply the portfolio interest exception. See the instructions for box 6 (exemption code), later, for information on completing that box.

**Example 7.** The facts are the same as in Example 6, except that NQI timely provides WA with information allocating 70% of the payment to A, 10% of the payment to B, and 10% of the payment to C. NQI fails to allocate any of the payment to D. Because NQI has allocated 90% of the payment made to the 0% withholding rate pool, WA is not required to report to NQI’s account holders on a pro-rata basis. Instead, WA must file Forms 1042-S for A, B, and C, entering \$70, \$10, and \$10, respectively, in box 2 (gross income), “00.00” in box 5 (tax rate), exemption code 05 (portfolio interest) in box 6, \$0 in box 7 (federal tax withheld), and \$0 in box 9 (total withholding credit). WA must apply the presumption rules to the \$10 that NQI has not allocated and file a Form 1042-S showing “Unknown Recipient” in box 13a and recipient code 20 in box 13b. On that Form 1042-S, WA also must enter “30.00” in box 5 (tax rate) because the portfolio interest exemption is unavailable and \$0 in box 7 (federal tax withheld) and in box 9 (total withholding credit) because no amounts actually were withheld from the interest. In addition, WA must send the Form 1042-S for the unknown recipient to

NQI. All Forms 1042-S must contain information relating to NQI in boxes 17 through 20.

**Payments allocated, or presumed made, to U.S. non-exempt recipients.** You may be given Forms W-9 or other information regarding U.S. non-exempt recipients from an NQI or flow-through entity together with information allocating all or a part of the payment to U.S. non-exempt recipients. You must report income allocable to a U.S. non-exempt recipient on the appropriate Form 1099 and not on Form 1042-S, even though you are paying that income to an NQI or a flow-through entity.

You also may be required under the presumption rules to treat a payment made to an NQI or flow-through entity as made to a payee that is a U.S. non-exempt recipient from which you must withhold 28% of the payment under the backup withholding provisions of the Code. In this case, you must report the payment on the appropriate Form 1099. See the General Instructions for Certain Information Returns.

**Example 1.** FP is a nonwithholding foreign partnership and therefore a flow-through entity. FP establishes an account with WA, a U.S. withholding agent, from which FP receives interest described by income code 01 (interest paid by U.S. obligors—general). FP has three partners, A, B, and C, all of whom are individuals. FP provides WA with a Form W-8IMY with which it associates Forms W-8BEN from A and B and a Form W-9 from C, a U.S. person. In addition, FP provides a complete withholding statement in association with its Form W-8IMY that allocates the interest payments among A, B, and C. WA must file two Forms 1042-S, one each for A and B, and a Form 1099-INT for C.

**Example 2.** The facts are the same as in Example 1, except that FP does not provide any documentation from its partners. Because WA cannot reliably associate the interest with documentation from a payee, it must apply the presumption rules. Under the presumption rules, the interest is deemed paid to an unknown U.S. non-exempt recipient. WA must, therefore, apply backup withholding at 28% to the payment of interest and report the payment on Form 1099-INT. WA must file a Form 1099-INT and send a copy to FP.

## Amounts Paid by Qualified Intermediaries

**In general.** A QI reports payments on Form 1042-S in the same manner as a U.S. withholding agent. However, payments that are made by the QI directly to foreign beneficial owners (or that are treated as paid directly to beneficial owners) may be reported on the basis of reporting pools in most cases. A reporting pool consists of income that falls within a particular withholding rate and within a particular income code, exemption code, or recipient code as determined on Form

1042-S. A QI may not report on the basis of reporting pools in the circumstances described in *Recipient-by-Recipient Reporting*, later. A QI may use a single recipient code 15 (qualified intermediary withholding rate pool—general) for all reporting pools, except for amounts paid to foreign tax-exempt recipients for which recipient code 16 should be used. Note, however, that a QI should use recipient code 16 only for pooled account holders that have claimed an exemption based on their tax-exempt status and not some other exemption (tax treaty or other Code exception). See *Amounts Paid to Private Arrangement Intermediaries*, later, if a QI is reporting payments to a PAI.

**Example 1.** QI, a qualified intermediary, has four direct account holders, A and B, foreign individuals, and X and Y, foreign corporations. A and X are residents of a country with which the United States has an income tax treaty and have provided documentation that establishes that they are entitled to a lower treaty rate of 15% on withholding of dividends from U.S. sources. B and Y are not residents of a treaty country and are subject to 30% withholding on dividends. QI receives U.S. source dividends on behalf of its four customers. QI must file one Form 1042-S for the 15% withholding rate pool. This Form 1042-S must show income code 06 (dividends paid by U.S. corporations—general) in box 1, “15.00” in box 5 (tax rate), “Withholding rate pool” in box 13a (recipient’s name), and recipient code 15 (qualified intermediary withholding rate pool—general) in box 13b. QI also must file one Form 1042-S for the 30% withholding rate pool that contains the same information as the Form 1042-S filed for the 15% withholding rate pool, except that it will show “30.00” in box 5 (tax rate).

**Example 2.** The facts are the same as in Example 1, except that Y is an organization that has tax-exempt status in the United States and in the country in which it is located. QI must file three Forms 1042-S. Two of the Forms 1042-S will contain the same information as in Example 1. The third Form 1042-S will contain information for the withholding rate pool consisting of the amounts paid to Y. This Form 1042-S will show income code 06 (dividends paid by U.S. corporations—general) in box 1, “00.00” in box 5 (tax rate), exemption code 02 (exempt under an Internal Revenue Code section (income other than portfolio interest)) in box 6, “Zero rate withholding pool—exempt organizations,” or similar designation, in box 13a (recipient’s name), and recipient code 16 (qualified intermediary withholding rate pool—exempt organizations) in box 13b.



*Under the terms of its withholding agreement with the IRS, the QI may be required to report the amounts paid to U.S. non-exempt recipients on Form 1099 using the name, address, and TIN of the payee to the extent those items of information are known. These amounts must not be*

*reported on Form 1042-S. In addition, amounts paid to U.S. exempt recipients are not subject to reporting on Form 1042-S or Form 1099.*

### **Amounts Paid to Private Arrangement Intermediaries**

In most cases, a QI must report payments made to each private arrangement intermediary (PAI) (defined earlier in *Definitions*) as if the PAI’s direct account holders were its own. Therefore, if the payment is made directly by the PAI to the recipient, the QI may report the payment on a pooled basis. A separate Form 1042-S is required for each withholding rate pool of each PAI. However, the QI must include the name and address of the PAI and use recipient code 13 or 14 in boxes 13a through 13e. If the PAI is providing recipient information from an NQI or flow-through entity, the QI may not report the payments on a pooled basis. Instead, it must follow the same procedures as a U.S. withholding agent making a payment to an NQI or flow-through entity.

**Example.** QI, a qualified intermediary, pays U.S. source dividends to direct account holders that are foreign persons and beneficial owners. It also pays a part of the U.S. source dividends to two private arrangement intermediaries, PAI1 and PAI2. The private arrangement intermediaries pay the dividends they receive from QI to foreign persons that are beneficial owners and direct account holders in PAI1 and PAI2. All of the dividends paid are subject to a 15% rate of withholding. QI must file a Form 1042-S for the dividends paid to its own direct account holders that are beneficial owners. QI also must file two Forms 1042-S, one for the dividends paid to the direct account holders of each of PAI1 and PAI2. Each of the Forms 1042-S that QI files for payments made to PAI1 and PAI2 must contain the name and address of PAI1 or PAI2 and recipient code 13 (private arrangement intermediary withholding rate pool—general) in boxes 13a through 13e.

### **Amounts Paid to Certain Related Partnerships and Trusts**

A QI that is applying the rules of Section 4A.02 of the QI agreement in Rev. Proc. 2003-64 to a partnership or trust must file separate Forms 1042-S reflecting reporting pools for each partnership or trust that has provided reporting pool information in its withholding statement. However, the QI must file separate Forms 1042-S for partners, beneficiaries, or owners of such partnership or trust that are indirect partners, beneficiaries, or owners, and for direct partners, beneficiaries, or owners of such partnership or trust that are intermediaries or flow-through entities.

### **Recipient-by-Recipient Reporting**

If a QI is not permitted to report on the basis of reporting pools, it must follow the

same rules that apply to a U.S. withholding agent. A QI may not report the following payments on a reporting pool basis, but rather must complete Form 1042-S for each appropriate recipient.

**Payments made to another QI, QSL, WP, or WT.** The QI must complete a Form 1042-S treating the other QI, QSL, WP, or WT as the recipient.

**Payments made to an NQI (including an NQI that is an account holder of a PAI).** The QI must complete a Form 1042-S for each recipient who receives the payment from the NQI. A QI that is completing Form 1042-S for a recipient that receives a payment through an NQI must include in boxes 17 through 20 the name, country code, address, and TIN, if any, of the NQI from whom the recipient directly receives the payment.

**Example.** QI, a qualified intermediary, has NQI, a nonqualified intermediary, as an account holder. NQI has two account holders, A and B, both foreign persons who receive U.S. source dividends from QI. NQI provides QI with a valid Form W-8IMY, with which it associates Forms W-8BEN from A and B and a complete withholding statement that allocates the dividends paid to NQI between A and B. QI must complete two Forms 1042-S, one for A and one for B, and include information relating to NQI in boxes 17 through 20.

**Payments made to a flow-through entity.** The QI must complete a Form 1042-S for each recipient who receives the payment from the flow-through entity. A QI that is completing a Form 1042-S for a recipient that receives a payment through a flow-through entity must include in boxes 17 through 20 the name, country code, address, and TIN, if any, of the flow-through entity from which the recipient directly receives the payment.

**Example.** QI, a qualified intermediary, has FP, a nonwithholding foreign partnership, as an account holder. QI pays interest described by income code 01 (interest paid by U.S. obligors—general) to FP. FP has three partners, A, B, and C, all of whom are individuals. FP provides QI with a Form W-8IMY with which it associates the Forms W-8BEN from each of A, B, and C. In addition, FP provides a complete withholding statement in association with its Form W-8IMY that allocates the interest payments among A, B, and C. QI must file three Forms 1042-S, one each for A, B, and C. The Forms 1042-S must show information relating to FP in boxes 17 through 20.

### **Amounts Paid by Withholding Foreign Partnerships and Trusts**

**In general.** In most cases, a withholding foreign partnership (WP) or withholding foreign trust (WT) must file a separate Form 1042-S for each direct partner, beneficiary, or owner to whom the WP or WT distributes, or in whose distributive share is included, an amount subject to

withholding under Chapter 3 of the Code, in the same manner as a U.S. withholding agent. However, if the WP or WT has made a pooled reporting election in its WP or WT agreement, the WP or WT may instead report payments to such direct partners, beneficiaries, or owners on the basis of reporting pools and file a separate Form 1042-S for each reporting pool. A reporting pool consists of income that falls within a particular withholding rate and within a particular income code, exemption code, and recipient code, as determined on Form 1042-S. A WP or WT may use a single recipient code 15 (qualified intermediary withholding rate pool—general) for all reporting pools, except for amounts paid to foreign tax-exempt recipients for which a separate recipient code 16 must be used. For this purpose, a foreign tax-exempt recipient includes any organization that is not subject to withholding and is not liable to tax in its country of residence because it is a charitable organization, pension fund, or foreign government.

**Amounts paid to certain related partnerships and trusts.** A WP or WT that is applying the rules of Section 10.02 of the WP or WT agreement in Rev. Proc. 2003-64 to a partnership or trust must file separate Forms 1042-S reflecting reporting pools for each partnership or trust that has provided reporting pool information in its withholding statement. However, the WP or WT must apply the provisions of Regulations sections 1.1441-1 and 1.1441-5 to partners, beneficiaries, or owners of such partnership or trust that are indirect partners, beneficiaries, or owners, and to direct partners, beneficiaries, or owners of such partnership or trust that are intermediaries or flow-through entities.

## Amounts Paid by Nonqualified Intermediaries and Flow-Through Entities

An NQI and a flow-through entity are withholding agents and must file Forms 1042-S for amounts paid to recipients. However, an NQI or flow-through entity is not required to file Form 1042-S if it is not required to file Form 1042-S under the *Multiple Withholding Agent Rule*, later. An NQI or flow-through entity must report payments made to recipients to the extent it has failed to provide to another withholding agent the appropriate documentation and complete withholding statement, including information allocating the payment to each recipient.

If another withholding agent withheld tax but did not report the payment on Form 1042-S to the recipient, even if the recipient should have been exempt from taxation, the NQI or flow-through entity must file Form 1042-S. Failure to file Forms 1042-S may not only result in penalties for the NQI or flow-through entity, but may result in the denial of any refund claim made by a recipient.

If another withholding agent has withheld tax on an amount that should have been exempt (for example, where the withholding agent applied the presumption rules because it did not receive proper documentation or other required information from the NQI or flow-through entity), the NQI or flow-through entity should report the correct tax rate and the combined amount of U.S. federal tax withheld by the NQI or flow-through entity and any other withholding agent and should enter the applicable exemption code using the instructions for box 6, later.

If another withholding agent underwithholds, even though it received proper documentation from the NQI or flow-through entity, the NQI or flow-through entity must withhold additional amounts to bring the total withholding to the correct amount. Furthermore, the NQI or flow-through entity must complete Form 1042-S and must include the correct tax rate and the combined amount of U.S. federal tax withheld by the NQI or flow-through entity.

**Example 1.** A foreign bank acts as a nonqualified intermediary (NQI) for four different foreign persons (A, B, C, and D) who own securities from which they receive interest. The interest is paid by a U.S. withholding agent (WA) as custodian of the securities for NQI. A, B, C, and D each own a 25% interest in the securities. NQI has furnished WA a Form W-8IMY to which it has attached Forms W-8BEN from A and B. NQI's Form W-8IMY contains an attachment stating that 25% of the securities are allocable to each of A and B, and 50% to undocumented owners. WA pays \$100 of interest during the calendar year. WA treats the \$25 of interest allocable to A and the \$25 of interest allocable to B as portfolio interest and completes a Form 1042-S for A and for B as the recipients. WA includes information relating to NQI in boxes 17 through 20 on the Forms 1042-S for A and B. WA subjects the remaining \$50 of interest to 30% withholding under the presumption rules and reports the interest on a Form 1042-S by entering "Unknown Recipient" in box 13a (and recipient code 20 in box 13b), "30.00" in box 5 (tax rate), and \$15 as the amount withheld in box 7 and box 9. WA also includes information relating to NQI in boxes 17 through 20 of the Form 1042-S and sends a copy of the form to NQI. Because NQI has not provided WA with beneficial owner information for C and D, NQI must report the interest paid to C and D on Forms 1042-S. (Note that under the multiple withholding agent rule, NQI is not required to file a Form 1042-S for A or B.) The Forms 1042-S for C and D should show \$25 in box 2 (gross income) and \$7.50 in boxes 7 and 9. The rate of tax NQI includes on the Form 1042-S for C and D depends on the rate of withholding to which they should be subject. Thus, if C and D provided NQI with documentation prior to the payment of interest that would qualify the interest as portfolio interest, the rate entered in box 5

should be "00.00." If they do not qualify for a reduced rate of withholding, NQI should enter "30.00" in box 5. In any event, NQI also must enter "99" in box 6 (exemption code) of the Forms 1042-S it prepares for C and D. See the instructions for box 6, later.

**Example 2.** A U.S. withholding agent (WA) makes a \$100 dividend payment to a foreign bank (NQI) that acts as a nonqualified intermediary. NQI receives the payment on behalf of A, a resident of a treaty country who is entitled to a 15% rate of withholding, and B, a resident of a country that does not have a tax treaty with the United States and who is subject to 30% withholding. NQI provides WA with its Form W-8IMY to which it associates the Forms W-8BEN from both A and B and a complete withholding statement that allocates 50% of the dividend to A and 50% to B. A's Form W-8BEN claims a 15% treaty rate of withholding. B's Form W-8BEN does not claim a reduced rate of withholding. WA, however, mistakenly withholds only 15%, \$15, from the entire \$100 payment. WA completes a Form 1042-S for each A and B as the recipients, showing on each form \$50 of dividends in box 2, a withholding rate of "15.00" in box 5 (tax rate), and \$7.50 as the amount withheld in boxes 7 and 9. Under the multiple withholding agent rule, NQI is not required to file a Form 1042-S for A. However, because NQI knows (or should know) that B is subject to a 30% rate of withholding, and assuming it knows that WA only withheld 15%, the multiple withholding agent rule does not apply to the dividend paid to B, and NQI must withhold an additional 15% from the payment to B. NQI then must file a Form 1042-S for B showing \$50 of dividends in box 2, "30.00" in box 5 (the correct tax rate), and \$7.50 withheld by NQI in box 7, \$7.50 withheld by WA in box 8, and \$15 in box 9 (the combined amount withheld). NQI also must enter "00" in box 6 (exemption code). See the instructions for box 6, later.

**Example 3.** A withholding agent (WA) receives a Form W-8IMY from a nonqualified intermediary (NQI). NQI's Form W-8IMY relates to payments of bank deposit interest. NQI collects the bank deposit interest on behalf of A, B, C, and D, but does not associate Forms W-8, W-9, or other documentary evidence with the Form W-8IMY that NQI provides WA. A, B, and C are foreign persons for whom NQI has valid documentation establishing their foreign status. D is a U.S. person and has provided NQI with a Form W-9. Under the presumption rules, WA must treat the bank deposit interest as being paid to an unknown U.S. person and apply backup withholding at 28%. WA must complete one Form 1099 for an unknown payee showing 28% backup withholding. A copy of the form must be sent to NQI. Because NQI failed to provide the requisite documentation to WA and because the amounts have been subject to withholding, NQI must report the amounts paid to A, B, C, and D. Accordingly, NQI must file a Form 1042-S

for each A, B, and C showing deposit interest (income code 29) as the type of payment in box 1; "00.00" in box 5 (the correct tax rate); "0" in box 7 (the amount withheld by NQI); the actual amount withheld by WA that is allocable to A, B, and C in box 8; the total withheld (box 7 plus box 8) in box 9; and exemption code 99 in box 6. (See the instructions for box 6, later.) NQI also must file a Form 1099 for D to report the actual amounts paid and withheld.

## Multiple Withholding Agent Rule

A withholding agent is not required to file Form 1042-S if a return is filed by another withholding agent reporting the same amount to the same recipient (the multiple withholding agent rule). If an NQI or flow-through entity has provided another withholding agent with the appropriate documentation and complete withholding statement, including information allocating the payment to each recipient, the NQI or flow-through entity may presume that the other withholding agent filed the required Forms 1042-S unless the NQI or flow-through entity knows, or has reason to know, that the required Form 1042-S reporting has not been done.

The multiple withholding agent rule does not relieve withholding agents from Form 1042-S reporting responsibility in the following circumstances.

- Any withholding agent making a payment to a QI, QSL, WP, or WT must report that payment as made to the QI, QSL, WP, or WT.
- Any U.S. withholding agent making a payment to an authorized foreign agent must report that payment to the authorized foreign agent.
- Any withholding agent making a payment to a U.S. branch treated as a U.S. person must report the payment as made to that branch.
- Any withholding agent making a payment to a flow-through entity must report the payment as made to a beneficial owner, QI, WP, or WT that has a direct or indirect interest in that entity.
- Any withholding agent that withholds an amount from a payment under Chapter 3 of the Code must report that amount to the recipient from whom it was withheld, unless the payment is reportable on another IRS form.

Furthermore, the multiple withholding agent rule does not relieve the following from Form 1042-S reporting responsibility.

- Any QI, WP, or WT required to report an amount to a withholding rate pool.
- An NQI or flow-through entity that has not transmitted a valid Form W-8 or other valid documentation to another withholding agent together with the required withholding statement.

## Penalties

The following penalties apply to the person required to file Form 1042-S. The

penalties apply to both paper filers and electronic filers.

**Late filing of correct Form 1042-S.** A penalty may be imposed for failure to file each correct and complete Form 1042-S when due (including extensions), unless you can show that the failure was due to reasonable cause and not willful neglect. The penalty, based on when you file a correct Form 1042-S, is:

- \$30 per Form 1042-S if you correctly file within 30 days after the required filing date; the maximum penalty is \$250,000 per year (\$75,000 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 3 most recent tax years (or for the period of its existence, if shorter) ending before the calendar year in which the Forms 1042-S are due.
- \$60 per Form 1042-S if you correctly file more than 30 days after the due date but by August 1; the maximum penalty is \$500,000 per year (\$200,000 for a small business).
- \$100 per Form 1042-S if you file after August 1 or you do not file correct Forms 1042-S; the maximum penalty is \$1,500,000 per year (\$500,000 for a small business).

If you intentionally disregard the requirement to report correct information, the penalty per Form 1042-S is increased to the greater of \$250 or 10% of the total amount of items required to be reported, with no maximum penalty.

**Failure to furnish correct Form 1042-S to recipient.** If you fail to provide statements to recipients and cannot show reasonable cause, a penalty of up to \$100 may be imposed for each failure to furnish Form 1042-S to the recipient when due. The penalty also may be imposed for failure to include all required information or for furnishing incorrect information on Form 1042-S. The maximum penalty is \$1,500,000 for all failures to furnish correct recipient statements during a calendar year. If you provide the correct statement on or before August 1, reduced penalties similar to those for failing to file a correct Form 1042-S with the IRS may be imposed. See *Late filing of correct Form 1042-S*, earlier. If you intentionally disregard the requirement to report correct information, each \$100 penalty is increased to the greater of \$250 or 10% of the total amount of items required to be reported, with no maximum penalty.

**Failure to file electronically.** If you are required to file electronically but fail to do so, and you do not have an approved waiver on record, you may be subject to a \$50 penalty per return unless you establish reasonable cause. The penalty applies separately to original returns and amended returns. The maximum penalty is \$100,000.

## Avoid Common Errors

To ensure that your Forms 1042-S can be correctly processed, be sure that you:

- Carefully read the information provided in Pub. 515 and these instructions.

- Comply with the requirements in Pub. 1187 if you are an electronic filer.
- Complete all required fields. At a minimum, you must enter information in boxes 1, 2, 5, 6, 7, 9, 11, 12a through 12d, 13a, 13b, and 16. Other boxes must be completed if the nature of the payment requires it.

**Note.** You may leave box 5 blank if you are reporting a payment to an artist or athlete and there is a central withholding agreement. See *Exception for central withholding agreements* in the instructions for box 5. You may leave box 6 blank if you are applying backup withholding to the payment being reported.

- Use only income, recipient, exemption, and country codes specifically listed in these instructions.
- Use only tax rates that are allowed by statute, regulation, or treaty. Do not attempt to "blend" rates. Instead, if necessary, submit multiple Forms 1042-S to show changes in tax rate. See the Valid Tax Rate Table, later.

All information you enter when reporting the payment must correctly reflect the intent of the statute and regulations. In most cases, you should rely on the withholding documentation you have collected (Form W-8 series, Form 8233, etc.) to complete your Form 1042-S submissions.

Also note the following:

- The gross income you report in box 2 cannot be zero.
- The income code you report in box 1 must correctly reflect the type of income you pay to the recipient.
- The withholding agent's name, address, and EIN, QI-EIN, WP-EIN, or WT-EIN must be reported in boxes 11, 12a, 12b, 12c, and 12d in all cases.
- The recipient's name, recipient code, address, and U.S. TIN, if any, must be reported in boxes 13 and 14. In most cases, you must report a foreign address. See the instructions for box 13, later. If you want, you can put the recipient's account number in box 22.
- The recipient code you report in box 13b must correctly identify the recipient's status. Use recipient code 20 only if you do not know who the recipient is.

**Note.** If you cannot identify the recipient, the tax withheld must be 30%.

- The recipient's country code that you report in box 16 must be present and correctly coded and cannot be "US." Additionally, do not use "OC" or "UC" except as specifically allowed in these instructions.
- The exemption code you report in box 6 must correctly identify the proper tax status for the type of income you pay to the recipient.

**Note.** If you use exemption code 04 (exempt under tax treaty), the country code that you report in box 16 must be a valid treaty country. Countries with which the United States has a tax treaty are shown in bold italics in the country code list, later.



## Income Codes, Exemption Codes, and Recipient Codes

<p><b>Box 1.</b> Enter the appropriate income code.</p> <p><b>Code Interest Income</b></p> <p><b>01</b> Interest paid by U.S. obligors—general  <b>02</b> Interest paid on real property mortgages</p> <p><b>03</b> Interest paid to controlling foreign corporations  <b>04</b> Interest paid by foreign corporations  <b>05</b> Interest on tax-free covenant bonds  <b>29</b> Deposit interest</p> <p><b>30</b> Original issue discount (OID)  <b>31</b> Short-term OID  <b>33</b> Substitute payment—interest</p> <p><b>Code Dividend Income</b></p> <p><b>06</b> Dividends paid by U.S. corporations—general  <b>07</b> Dividends qualifying for direct dividend rate  <b>08</b> Dividends paid by foreign corporations</p> <p><b>34</b> Substitute payment—dividends  <b>40</b> Other U.S.-source dividend equivalents under IRC section 871(m)</p> <p><b>Code Other Income</b></p> <p><b>09</b> Capital gains  <b>10</b> Industrial royalties  <b>11</b> Motion picture or television copyright royalties  <b>12</b> Other royalties (for example, copyright, recording, publishing)  <b>13</b> Real property income and natural resources royalties  <b>14</b> Pensions, annuities, alimony, and/or insurance premiums  <b>15</b> Scholarship or fellowship grants  <b>16</b> Compensation for independent personal services<sup>1</sup>  <b>17</b> Compensation for dependent personal services<sup>1</sup>  <b>18</b> Compensation for teaching<sup>1</sup>  <b>19</b> Compensation during studying and training<sup>1</sup>  <b>24</b> Real estate investment trust (REIT) distributions of capital gains  <b>25</b> Trust distributions subject to IRC section 1445  <b>26</b> Unsevered growing crops and timber distributions by a trust subject to IRC section 1445  <b>27</b> Publicly traded partnership distributions subject to IRC section 1446  <b>28</b> Gambling winnings<sup>2</sup>  <b>32</b> Notional principal contract income<sup>3</sup></p> <p><b>35</b> Substitute payment—other  <b>36</b> Capital gains distributions  <b>37</b> Return of capital  <b>38</b> Eligible deferred compensation items subject to IRC section 877A(d)(1)  <b>39</b> Distributions from a nongrantor trust subject to IRC section 877A(f)(1)  <b>41</b> Guarantee of indebtedness  <b>42</b> Earnings as an artist or athlete—no central withholding agreement<sup>4</sup></p>	<p><b>43</b> Earnings as an artist or athlete—central withholding agreement<sup>4</sup>  <b>50</b> Other income</p> <hr/> <p><b>Box 6.</b> If the tax rate entered in box 5 is 00.00, in most cases you must enter the appropriate exemption code from the list below (but see the <b>Caution</b> below).</p> <p><b>Code Authority for Exemption</b></p> <p><b>01</b> Income effectively connected with a U.S. trade or business  <b>02</b> Exempt under an Internal Revenue Code section (income other than portfolio interest)  <b>03</b> Income is not from U.S. sources<sup>5</sup>  <b>04</b> Exempt under tax treaty  <b>05</b> Portfolio interest exempt under an Internal Revenue Code section  <b>06</b> Qualified intermediary that assumes primary withholding responsibility  <b>07</b> Withholding foreign partnership or withholding foreign trust  <b>08</b> U.S. branch treated as a U.S. person  <b>09</b> Qualified intermediary represents income is exempt  <b>10</b> Qualified securities lender that assumes primary withholding responsibility for substitute dividends</p> <p><b>Caution:</b> See the instructions for box 6, later, for information on additional codes (“00” and “99”) that may be required.</p> <hr/> <p><b>Box 13b.</b> Enter the appropriate recipient code.</p> <p><b>Code Type of Recipient</b></p> <p><b>01</b> Individual<sup>4</sup>  <b>02</b> Corporation<sup>4</sup>  <b>03</b> Partnership other than a withholding foreign partnership<sup>4</sup>  <b>04</b> Withholding foreign partnership or withholding foreign trust  <b>05</b> Trust  <b>06</b> Government or international organization  <b>07</b> Tax-exempt organization (IRC section 501(a))  <b>08</b> Private foundation  <b>09</b> Artist or athlete<sup>4</sup>  <b>10</b> Estate  <b>11</b> U.S. branch treated as U.S. person  <b>12</b> Qualified intermediary  <b>13</b> Private arrangement intermediary withholding rate pool—general<sup>6</sup>  <b>14</b> Private arrangement intermediary withholding rate pool—exempt organizations<sup>6</sup>  <b>15</b> Qualified intermediary withholding rate pool—general<sup>6</sup>  <b>16</b> Qualified intermediary withholding rate pool—exempt organizations<sup>6</sup>  <b>17</b> Authorized foreign agent  <b>18</b> Public pension fund  <b>20</b> Unknown recipient  <b>21</b> Qualified securities lender—qualified intermediary  <b>22</b> Qualified securities lender—other</p>
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<sup>1</sup> 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.

<sup>2</sup> Subject to 30% withholding rate unless the recipient is from one of the treaty countries listed under *Gambling winnings (Income Code 28)* in Pub. 515.

<sup>3</sup> Use appropriate Interest Income Code for embedded interest in a notional principal contract.

<sup>4</sup> If Income Code 42 or 43 is used, Recipient Code 09 (artist or athlete) should be used instead of Recipient Code 01 (individual), 02 (corporation), or 03 (partnership other than withholding foreign partnership).

<sup>5</sup> Non-U.S. source income paid to a nonresident alien is not subject to U.S. tax. Use Exemption Code 03 when entering an amount for information reporting purposes only.

<sup>6</sup> May be used only by a qualified intermediary.



*You, the withholding agent, are liable for the tax if you know, or should have known, that underwithholding on a payment has occurred.*

## Specific Instructions for Withholding Agents



*All amounts must be reported in U.S. dollars.*

### Rounding Off to Whole Dollars

You may round off cents to whole dollars. If you do round to whole dollars, you must round all amounts. To round off amounts to the nearest whole dollar, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3. If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total.

### AMENDED Checkbox

See *Amended Returns*, later.

### PRO-RATA BASIS REPORTING Checkbox

Withholding agents must check this box to notify the IRS that an NQI that used the alternative procedures of Regulations section 1.1441-1(e)(3)(iv)(D) failed to properly comply with those procedures. See *Pro-rata reporting*, earlier, for additional information and examples.

### Box 1, Income Code

All filers must enter the appropriate 2-digit income code from the list, earlier. Use the income code that is the most specific. See Pub. 515 for further explanation of the income codes. Below are examples on how to use some of the income codes.

1. Use code 09 for the following types of capital gain:
  - a. Gains on disposal of timber, coal, or domestic iron ore with a retained economic interest, unless an election is made to treat those gains as income effectively connected with a U.S. trade or business;
  - b. Gains on contingent payments received from the sale or exchange after October 4, 1966, of patents, copyrights, secret processes and formulas, goodwill, trademarks, trade brands, franchises, and other like property;
  - c. Gains on certain transfers of all substantial rights to, or an undivided interest in, patents if the transfers were made before October 5, 1966; and
  - d. Certain gains from the sale or exchange of original issue discount obligations issued after March 31, 1972.
2. Use code 16 for payments for personal services performed by an

independent contractor as contrasted with those performed by an employee. This includes payments that are subject to the business profits article of a treaty.

3. Use code 29 if you are paying bank deposit interest, not code 01 (interest paid by U.S. obligors—general).

4. Use code 24 for distributions of capital gains from a real estate investment trust (REIT). Use code 36 for capital gain distributions (dividends) paid or credited by mutual funds (or other regulated investment companies). Include short-term capital gain dividends (use exemption code 02 in box 6).

**Note.** Exempt-interest dividends should be reported under income code 01 (use exemption code 02 in box 6).

5. Use code 28 for gambling winnings. These are proceeds from a game other than blackjack, baccarat, craps, roulette, or big-6 wheel. For more information, see Pub. 515.

6. Use code 33, 34, or 35 for all substitute payment transactions. For more information, see Regulations sections 1.861-2(a)(7) and 1.861-3(a)(6) and Notice 2010-46.

7. Use code 37 for a nondividend distribution (return of capital). This is a distribution that is not paid out of the earnings and profits of a corporation. It represents a distribution in part or full payment in exchange for stock.

8. Use code 40 for other U.S.-source dividend equivalents. These are dividend equivalent payments under section 871(m) that are not substitute dividend payments identified with income code 34.

9. Use code 41 for certain guarantee of indebtedness payments. These are amounts paid for the provision of a guarantee of indebtedness that was issued after September 27, 2010.

10. Use either code 42 (earnings as an artist or athlete—no central withholding agreement) or 43 (earnings as an artist or athlete—central withholding agreement) for payments to an artist or athlete. A central withholding agreement is Form 13930, Application for Central Withholding Agreement, plus additional information specified in the instructions, that is entered into by the artist or athlete, a designated withholding agent, and the IRS. For more details, see Pub. 515.

If you paid more than one type of income to or on behalf of the same recipient, you must complete a separate Form 1042-S, Copy A, for each income type.

**Note.** Although income codes are provided for deposit interest, short-term OID, and notional principal contract income, those items are not always subject to reporting on Form 1042-S. For example, bank deposit interest is reportable if it is effectively connected with the conduct of a U.S. trade or business or is paid to a resident of Canada. Short-term OID or bank deposit interest may need to be reported by an NQI or flow-through entity if those amounts are paid to foreign persons and another withholding agent backup withheld on those amounts under the

presumption rules. (See *Example 3* in *Amounts Paid by Nonqualified Intermediaries and Flow-Through Entities*, earlier.) Notional principal contract income is reportable if it is effectively connected with the conduct of a trade or business in the United States or results in the payment of interest under Regulations section 1.446-3(g)(4) or a dividend equivalent under section 871(m). For more information, see the regulations under Chapter 3 of the Code and Pub. 515.

### Box 2, Gross Income

For each income type, enter the gross amount you paid to or on behalf of the recipient during calendar year 2012, including withheld tax. The following special procedures apply to the reporting of gross income.

- You must report the entire amount of a corporate distribution made with respect to stock even if you elect to reduce the amount of withholding on the distribution because all or a part of the distribution is nontaxable or represents a capital gain dividend.
- You must report the entire amount of a payment if you do not know at the time of payment the amount that is subject to withholding because the determination of the source of the income or the calculation of the amount of income subject to tax depends upon facts that are not known at the time of payment.
- You must report the entire amount of gains relating to the disposal of timber, coal, or domestic iron ore with a retained economic interest and gains relating to contingent payments received from the sale or exchange of patents, copyrights, and similar intangible property.
- You must report only the amount of cash paid on notional principal contracts.

### Box 3, Withholding Allowances

This box should be completed only if the income code reported in box 1 is 15 (scholarship or fellowship grants), 16 (compensation for independent personal services), 17 (compensation for dependent personal services), 18 (compensation for teaching), 19 (compensation during studying and training), or 42 (earnings as an artist or athlete—no central withholding agreement). See Pub. 515 for more information.

### Box 4, Net Income

Complete this box only if you entered an amount in box 3. Otherwise, leave it blank.

### Box 5, Tax Rate

Enter the correct rate of withholding that applies to the income in box 2 (gross income) or box 4 (net income), as appropriate. (See Valid Tax Rate Table, later.) The correct tax rate should be included even if you withheld at a different rate. For example, if an NQI is reporting dividends paid to a beneficial owner who

is a resident of a country with which the United States does not have a tax treaty and a U.S. withholding agent paid the dividend and withheld only 15% (rather than the required 30%) and the NQI withholds an additional 15%, the NQI should report "30.00" in box 5. See *Example 2* in *Amounts Paid by Nonqualified Intermediaries and Flow-Through Entities*, earlier.

The tax rate on dividends paid to a corporation created or organized in, or under the law of, the Commonwealth of Puerto Rico may be 10%, rather than 30%. See Pub. 515 for more information.

Enter the tax rate using the following format: two digits, a decimal, and two digits (for example, "30.00" for 30%). However, if the income is exempt from tax under a U.S. tax treaty or the Code, enter "00.00." If the tax rate is less than 10%, enter a zero before the tax rate (for example, "04.00" for 4%).



*If you withheld at more than one tax rate for a specific type of income that you paid to the same recipient, you must file a separate Form 1042-S, Copy A, for each amount to which a separate rate was applied.*

**Valid Tax Rate Table**

00.00	07.00	14.00	27.50
04.00	08.00	15.00	28.00
04.90	10.00	17.50	30.00
04.95	12.00	20.00	35.00
05.00	12.50	25.00	

**Exception for central withholding agreements.** If you are the designated withholding agent who has entered into a central withholding agreement and you report an amount in box 2 using income code 43, you do not have to enter a tax rate in box 5.

## Box 6, Exemption Code

**Note.** If you are filing a Form 1042-S to correct certain information already provided to you by another withholding agent on a Form 1099 or Form 1042-S (for example, as required under *Amounts Paid by Nonqualified Intermediaries and Flow-Through Entities*, earlier), see item 5 under this heading.

In most cases, if the tax rate you entered in box 5 is 00.00, you should enter the appropriate exemption code (01 through 10) from *Income Codes*, *Exemption Codes*, and *Recipient Codes*, earlier.

If an amount was withheld under Chapter 3 of the Code (the tax rate you entered in box 5 is greater than zero and is not due to backup withholding), enter "00" in box 6. If the tax rate you entered in box 5 is due to backup withholding, leave box 6 blank.

1. If exemption code 01 (income effectively connected with a U.S. trade or business) may apply, you must enter the

recipient's U.S. TIN in box 14. If the recipient's U.S. TIN is unknown or unavailable, you must withhold tax at the foreign-person rate of 30% (30.00) and enter "00" in box 6.

2. A withholding agent should use exemption code 06 (qualified intermediary that assumes primary withholding responsibility) only if it is making a payment to a QI that has represented on its Form W-8IMY that it is assuming primary withholding responsibility under Chapter 3 of the Code.

3. A withholding agent should use exemption code 07 (withholding foreign partnership or withholding foreign trust) only if it is making a payment to a foreign partnership or trust that has represented that it is a withholding foreign partnership or trust.

4. A withholding agent should use exemption code 09 (qualified intermediary represents income is exempt) only if it makes a payment to a QI that has not assumed primary withholding responsibility under Chapter 3 of the Code or primary backup withholding responsibility, but has represented on a withholding statement associated with its Form W-8IMY that the income is exempt from withholding.

5. A withholding agent should use exemption code 10 (qualified securities lender that assumes primary withholding responsibility for substitute dividends) only if the withholding agent makes a substitute dividend payment to a financial institution that is a QSL.

6. If you have failed to provide another withholding agent with appropriate information regarding the status of the person to whom you are making a payment, the other withholding agent may be required to withhold on the payment based on the presumption rules. If the income is in fact exempt from withholding, you must submit a Form 1042-S providing the correct information. In this situation, you must:

- Indicate the correct rate at which the income should have been subject to withholding in box 5 (usually 00.00),
- Enter "99" in box 6, and
- Enter the actual amount of U.S. federal tax withheld by the other withholding agent in box 8.

You also must provide the correct recipient code and the name and address of the actual recipient in boxes 13a through e.

## Boxes 7 Through 9, Federal Tax Withheld

**Box 7.** Enter the total amount of U.S. federal tax you actually withheld in box 7. If you did not withhold any tax, enter "-0-."

**Box 8.** If you are a withholding agent filing a Form 1042-S to report income that has already been subject to withholding by another withholding agent, enter the amount actually withheld by the other agent(s) in box 8. Further, report in box 8 any credit forward of prior withholding as

determined under Notice 2010-46 with respect to substitute dividend payments.

**Box 9.** Enter the total amount of tax withheld by you and any other withholding agent in box 9.



*Boxes 7 and 9 must be completed in all cases, even if no tax has actually been withheld.*

## Box 10, Amount Repaid to Recipient

This box should be completed only if:

- You repaid a recipient an amount that was overwithheld; and
- You are going to reimburse yourself 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.

In most cases, a QI should not enter an amount in box 10 unless it is a QI that has represented on its Form W-8IMY that it is assuming primary withholding responsibility under Chapter 3 of the Code.

You also must state on a timely filed Form 1042 for the calendar year of overwithholding that the filing of the Form 1042 constitutes a claim for refund.



*The adjustment for amounts overwithheld does not apply to partnerships or nominees required to withhold under section 1446.*

## Box 11, Withholding Agent's Employer Identification Number (EIN)

In most cases, you are required to enter your EIN. However, if you are filing Form 1042-S as a QI, withholding foreign partnership, or withholding foreign trust, enter your QI-EIN, WP-EIN, or WT-EIN and check the QI-EIN box.

If you do not have an EIN, you can apply for one online at [www.irs.gov/businesses/small](http://www.irs.gov/businesses/small) or by telephone at 1-800-829-4933. Also, you can apply for an EIN by filing Form SS-4, Application for Employer Identification Number. File amended Forms 1042-S when you receive your EIN.

To get a QI-EIN, WP-EIN, or WT-EIN, submit Form SS-4 with your application for that status. (See the definitions for *Qualified intermediary (QI)* and *Withholding foreign partnership (WP)* or *withholding foreign trust (WT)* in *Definitions*, earlier, for more information.)

## Box 12, Withholding Agent's Name and Address

Enter your name and address in the appropriate boxes. If your post office does not deliver mail to the street address and you have a P.O. box, show the box number instead of the street address.

If you are a nominee that is the withholding agent under section 1446,

enter the PTP's name and other information in boxes 17 through 20.

**Note.** On statements furnished to Canadian recipients of U.S. source deposit interest, in addition to your name and address, you must include the telephone number of a person to contact. This number must provide direct access to an individual who can answer questions about the statement. The telephone number is not required on Copy A of paper forms or on electronically filed forms. You also must include a statement that the information on the form is being furnished to the United States Internal Revenue Service and may be furnished to Canada.

## Box 13, Recipient's Name, Recipient Code, and Address

**Name.** Enter the complete name of the recipient in box 13a.

- If you do not know the name of the recipient, enter "Unknown Recipient."
- If Form 1042-S is being completed by a QI, WP, or WT for a withholding rate pool, enter "Withholding rate pool" in box 13a. No address is necessary.
- A QI reporting payments made to a PAI on a withholding rate pool basis must include the name and address of the PAI in boxes 13a through 13e.

**Recipient code.** Enter the recipient code from *Income Codes, Exemption Codes, and Recipient Codes*, earlier, in box 13b. The following special instructions apply.

- If applicable, use recipient code 09 (artist or athlete) instead of recipient code 01 (individual), 02 (corporation), or 03 (partnership other than a withholding foreign partnership).
- Use recipient code 12 if you are making a payment to a QI and 04 if you are making a payment to a WP or a WT.
- If you are making a payment to an NQI or flow-through entity, in most cases you must use the recipient code that applies to the type of recipient who receives the income from the NQI or flow-through entity.
- Use recipient code 03 (partnership other than withholding foreign partnership) only if you are reporting a payment of income that is effectively connected with the conduct of a trade or business of a nonwithholding foreign partnership in the United States. Otherwise, follow the rules that apply to payments to flow-through entities.
- Use recipient code 20 (unknown recipient) only if you have not received a withholding certificate or other documentation for a recipient or you cannot determine how much of a payment is reliably associated with a specific recipient. Do not use this code because you cannot determine the recipient's status as an individual, corporation, etc. The regulations under Chapter 3 of the Code provide rules on how to determine a recipient's status when a withholding

agent does not have the necessary information.

- Use recipient code 21 (qualified securities lender—qualified intermediary) or 22 (qualified securities lender—other) if you make a payment to a QSL.
- Only QIs may use recipient codes 13 (private arrangement intermediary withholding rate pool—general), 14 (private arrangement intermediary withholding rate pool—exempt organizations), 15 (qualified intermediary withholding rate pool—general), and 16 (qualified intermediary withholding rate pool—exempt organizations). A QI should use recipient code 14 or 16 only for pooled account holders that have claimed an exemption based on their tax-exempt status and not some other exemption (for example, treaty or other Code exception). A U.S. withholding agent making a payment to a QI should use recipient code 12.

**Address.** In most cases, you must enter a foreign address in boxes 13c through 13e. However, there are limited exceptions. For example, you may enter a U.S. address when reporting payments of scholarship or fellowship grants (income code 15).

For addresses outside the United States or its commonwealths and possessions, follow the foreign country's practice for entering the postal code.

For addresses within the United States, use the U.S. Postal Service 2-letter abbreviation for the state name. Do not enter "United States" or "U.S."

If you want to enter the recipient's account number, use box 22.

## Box 14, Recipient's U.S. Taxpayer Identification Number (TIN)

You must obtain and enter a U.S. taxpayer identification number (TIN) for any of the following recipients.

- Any recipient whose income is effectively connected with the conduct of a trade or business in the United States.

**Note.** For these recipients, enter exemption code 01 in box 6.

- Any foreign person claiming a reduced rate of, or exemption from, tax under a tax treaty between a foreign country and the United States, unless the income is an unexpected payment (as described in Regulations section 1.1441-6(g)) or consists of dividends and interest from stocks and debt obligations that are actively traded; dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund); dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were, upon issuance) publicly offered and are registered with the Securities and Exchange Commission under the Securities Act of 1933; and amounts paid with respect to loans of any of the above securities.

- Any nonresident alien individual claiming exemption from tax under section 871(f) for certain annuities received under qualified plans.
- A foreign organization claiming an exemption from tax solely because of its status as a tax-exempt organization under section 501(c) or as a private foundation.
- Any QI.
- Any WP or WT.
- Any nonresident alien individual claiming exemption from withholding on compensation for independent personal services.
- Any U.S. branch of a foreign bank or foreign insurance company that is treated as a U.S. person.
- Any QSL that was paid a substitute dividend.

In all other cases, if you know the recipient's TIN or if a foreign person provides a TIN on a Form W-8, but is not required to do so, you must include the TIN on Form 1042-S.

## Box 15, Recipient's Foreign Tax Identifying Number

Enter the recipient's identifying number used in the country of residence for tax purposes (optional).

## Box 16, Recipient's Country Code

You must enter the code (from *Country Codes*, later) for the country of which the recipient claims residency under that country's tax laws. Enter "OC" (other country) only when the country of residence does not appear on the list or the payment is made to an international organization (for example, the United Nations). Enter "UC" (unknown country) only if the payment is to an unknown recipient. If you are making a payment to a QI, QSL, WP, or WT, or if you are a QI, QSL, WP, or WT and are making a payment to a QI, WP, or WT withholding rate pool, enter the country code of the QI, WP, or WT.



If exemption code 04 (exempt under tax treaty) appears in box 6 or if a reduced rate of withholding based on a tax treaty is entered in box 5, the country code entered in box 16 must be a country with which the United States has entered into an income tax treaty.

## Boxes 17 Through 20, NQI's/Flow-Through Entity's Name, Country Code, Address, and TIN

If you are reporting amounts paid to a recipient whose withholding certificates or other documentation has been submitted to you with a Form W-8IMY provided by an NQI or flow-through entity, you must include the name, address, and TIN, if any, of the NQI or flow-through entity with whose Form W-8IMY the recipient's Form

W-8 or other documentation is associated.

You also must provide this information about the NQI or flow-through entity when the NQI or flow-through entity provided a Form W-8IMY but you cannot associate part or all of the payment with valid documentation for a specific recipient or you cannot determine how much of the payment should be associated with a specific recipient.

**Note.** An NQI or flow-through entity will leave these boxes blank unless it is making the payment to an NQI or flow-through entity.

For box 18, you must enter the country code from *Country Codes*, later, for the country where the NQI or flow-through entity is located.

If you are a nominee that is the withholding agent under section 1446, enter the PTP's name and other information in these boxes.

## Box 21, Payer's Name and Taxpayer Identification Number (TIN)

See the definition of a payer in *Definitions*, earlier. Include the payer's name and TIN if different from that in boxes 11 and 12.

## Box 22, Recipient's Account Number

You may use this box to enter the account number assigned by you to the recipient.

## Boxes 23 Through 25, State Income Tax Withheld and Related Information

Include in these boxes information relating to any state income tax withheld.

## Amended Returns

If you filed a Form 1042-S with the IRS and later discover you made an error on it, you must correct it as soon as possible.

To correct a previously filed Form 1042-S, you will need to file an amended Form 1042-S.



*You may be required to submit amended Forms 1042-S electronically. See Electronic Reporting, earlier, and Pub. 1187.*

If any information you correct on Form(s) 1042-S changes the information you previously reported on Form 1042, you also must correct the Form 1042 by filing an amended return. To do this, see the Form 1042 instructions.

If you are filing electronically, see *Amended Returns* in Pub. 1187.

If you are not filing electronically, follow these steps to amend a previously filed Form 1042-S.

**Step 1.** Prepare a paper Form 1042-S.

- Enter all the correct information on the form, including the recipient name and address, money amounts, and codes.
- Enter an "X" in the AMENDED box at the top of the form.

**AMENDED checkbox.** Enter an "X" in the AMENDED checkbox of Copy A only if you are amending a Form 1042-S you previously filed with the IRS. Enter an "X" in the AMENDED checkbox on the copy you give to the recipient only if you are correcting a Form 1042-S previously furnished to the recipient. You must provide statements to recipients showing the corrections as soon as possible.

**Step 2.** File the amended paper Form 1042-S with a Form 1042-T. See the Form 1042-T instructions for information on filing these forms.



*If you fail to correct Form(s) 1042-S, you may be subject to a penalty. See Penalties, earlier.*

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Sections 1441, 1442, and 1446 (for PTPs) require withholding agents to report and pay over to the IRS taxes

withheld from certain U.S. source income of foreign persons. Form 1042-S is used to report the amount of income and withholding to the payee. Form 1042 is used to report the amount of withholding that must be paid over to the IRS. Section 6109 requires you to provide your taxpayer identification number (SSN, EIN, or ITIN). Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. Commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be liable for penalties and interest.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 34 minutes.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where, When, and How To File*, earlier.

## Country Codes

Select the appropriate code from the following list and enter it in box 16 (country code of recipient). Also use the following codes to complete box 18 (country code of NQI), if applicable. See the instructions for box 16 (and box 18 if applicable), earlier, before selecting a country code. **Note.** Countries bolded and italicized are those with which the United States had entered into an income tax treaty at the time these instructions were printed.

Country	Code
Afghanistan	AF
Akrotiri	AX
Albania	AL
Algeria	AG
American Samoa	AQ
Andorra	AN
Angola	AO
Anguilla	AV
Antarctica	AY
Antigua and Barbuda	AC
Argentina	AR
<b>Armenia<sup>1</sup></b>	AM
Aruba	AA
<b>Ashmore and Cartier Islands<sup>2</sup></b>	AT
<b>Australia</b>	AS
<b>Austria</b>	AU
<b>Azerbaijan<sup>1</sup></b>	AJ
Bahamas, The	BF
Bahrain	BA
Baker Island	FQ
<b>Bangladesh</b>	BG
<b>Barbados</b>	BB
<b>Belarus<sup>1</sup></b>	BO
<b>Belgium</b>	BE
Belize	BH
Benin	BN
Bermuda	BD
Bhutan	BT
Bolivia	BL
Bosnia-Herzegovina	BK
Botswana	BC
Bouvet Island	BV
Brazil	BR
British Indian Ocean Territory	IO
Brunei	BX
<b>Bulgaria</b>	BU
Burkina Faso	UV
Burma	BM
Burundi	BY
Cambodia	CB
Cameroon	CM
<b>Canada</b>	CA
Cape Verde	CV
Cayman Islands	CJ
Central African Republic	CT
Chad	CD
Chile	CI
<b>China</b>	CH
<b>Christmas Island<sup>2</sup></b>	KT
Clipperton Island	IP
<b>Cocos (Keeling) Islands<sup>2</sup></b>	CK
Colombia	CO
Comoros	CN
Congo (Brazzaville)	CF
Congo, Democratic Republic of (Kinshasa)	CG
Cook Islands	CW
<b>Coral Sea Islands Territory<sup>2</sup></b>	CR
Costa Rica	CS
Cote D'Ivoire (Ivory Coast)	IV

Croatia	HR	Kuwait	KU
Cuba	CU	<b>Kyrgyzstan<sup>1</sup></b>	KG
<b>Cyprus</b>	CY	Laos	LA
<b>Czech Republic</b>	EZ	<b>Latvia</b>	LG
<b>Denmark</b>	DA	Lebanon	LE
Dhekelia	DX	Lesotho	LT
Djibouti	DJ	Liberia	LI
Dominica	DO	Libya	LY
Dominican Republic	DR	Liechtenstein	LS
Ecuador	EC	<b>Lithuania</b>	LH
<b>Egypt</b>	EG	<b>Luxembourg</b>	LU
El Salvador	ES	Macau	MC
Equatorial Guinea	EK	Macedonia	MK
Eritrea	ER	Madagascar (Malagasy Republic)	MA
<b>Estonia</b>	EN	Malawi	MI
Ethiopia	ET	Malaysia	MY
Falkland Islands (Islas Malvinas)	FK	Maldives	MV
Faroe Islands	FO	Mali	ML
Fiji	FJ	Malta	MT
<b>Finland</b>	FI	Marshall Islands	RM
<b>France</b>	FR	<b>Martinique<sup>3</sup></b>	MB
<b>French Guiana<sup>3</sup></b>	FG	Mauritania	MR
French Polynesia	FP	Mauritius	MP
French Southern and Antarctic Lands	FS	Mayotte	MF
Gabon	GB	<b>Mexico</b>	MX
Gambia, The	GA	Micronesia, Federated States of	FM
<b>Georgia<sup>1</sup></b>	GG	Midway Islands	MQ
<b>Germany</b>	GM	<b>Moldova<sup>1</sup></b>	MD
Ghana	GH	Monaco	MN
Gibraltar	GI	Mongolia	MG
<b>Great Britain (United Kingdom)</b>	UK	Montenegro	MJ
<b>Greece</b>	GR	Montserrat	MH
Greenland	GL	<b>Morocco</b>	MO
Grenada	GJ	Mozambique	MZ
<b>Guadeloupe<sup>3</sup></b>	GP	Namibia	WA
Guam	GQ	Nauru	NR
Guatemala	GT	Navassa Island	BQ
Guernsey	GK	Nepal	NP
Guinea	GV	<b>Netherlands</b>	NL
Guinea-Bissau	PU	Netherlands Antilles	NT
Guyana	GY	New Caledonia	NC
Haiti	HA	<b>New Zealand</b>	NZ
Heard Island and McDonald Islands	HM	Nicaragua	NU
Holy See	VT	Niger	NG
Honduras	HO	Nigeria	NI
Hong Kong <sup>5</sup>	HK	Niue	NE
Howland Island	HQ	<b>Norfolk Island<sup>2</sup></b>	NF
<b>Hungary</b>	HU	<b>Northern Ireland<sup>4</sup></b>	UK
<b>Iceland</b>	IC	Northern Mariana Islands	CQ
<b>India</b>	IN	<b>Norway</b>	NO
<b>Indonesia</b>	ID	Oman	MU
Iran	IR	<b>Pakistan</b>	PK
Iraq	IZ	Palau	PS
<b>Ireland</b>	EI	Palmyra Atoll	LQ
Isle of Man	IM	Panama	PM
<b>Israel</b>	IS	Papua New Guinea	PP
<b>Italy</b>	IT	Paracel Islands	PF
<b>Jamaica</b>	JM	Paraguay	PA
Jan Mayen	JN	Peru	PE
<b>Japan</b>	JA	<b>Philippines</b>	RP
Jarvis Island	DQ	Pitcairn Island	PC
Jersey	JE	<b>Poland</b>	PL
Johnston Atoll	JQ	<b>Portugal</b>	PO
Jordan	JO	Puerto Rico	RQ
<b>Kazakhstan</b>	KZ	Qatar	QA
Kenya	KE	<b>Reunion<sup>3</sup></b>	RE
Kingman Reef	KQ	<b>Romania</b>	RO
Kiribati	KR	<b>Russia</b>	RS
Korea, North	KN	Rwanda	RW
<b>Korea, South</b>	KS	St. Barthelemy	TB
Kosovo	KV	St. Helena	SH
		St. Kitts (St. Christopher)	

and Nevis) . . . . .	SC	Swaziland . . . . .	WZ	Vietnam . . . . .	VM
St. Lucia . . . . .	ST	<b>Sweden</b> . . . . .	SW	Virgin Islands (British) . . . . .	VI
St. Martin . . . . .	RN	<b>Switzerland</b> . . . . .	SZ	Virgin Islands (U.S.) . . . . .	VQ
St. Pierre and Miquelon . . . . .	SB	Syria . . . . .	SY	Wake Island . . . . .	WQ
St. Vincent and the Grenadines . . . . .	VC	Taiwan . . . . .	TW	Wallis and Futuna . . . . .	WF
Samoa . . . . .	WS	<b>Tajikistan</b> <sup>1</sup> . . . . .	TI	Western Sahara . . . . .	WI
San Marino . . . . .	SM	Tanzania . . . . .	TZ	Yemen . . . . .	YM
Sao Tome and Principe . . . . .	TP	<b>Thailand</b> . . . . .	TH	Zambia . . . . .	ZA
Saudi Arabia . . . . .	SA	Timor-Leste . . . . .	TT	Zimbabwe . . . . .	ZI
Senegal . . . . .	SG	Togo . . . . .	TO	Other Country . . . . .	OC
Serbia . . . . .	RB	Tokelau . . . . .	TL	Unknown Country . . . . .	UC
Seychelles . . . . .	SE	Tonga . . . . .	TN		
Sierra Leone . . . . .	SL	<b>Trinidad and Tobago</b> . . . . .	TD		
Singapore . . . . .	SN	<b>Tunisia</b> . . . . .	TS		
<b>Slovak Republic (Slovakia)</b> . . . . .	LO	<b>Turkey</b> . . . . .	TU		
<b>Slovenia</b> . . . . .	SI	<b>Turkmenistan</b> <sup>1</sup> . . . . .	TX		
Solomon Islands . . . . .	BP	Turks and Caicos Islands . . . . .	TK		
Somalia . . . . .	SO	Tuvalu . . . . .	TV		
<b>South Africa</b> . . . . .	SF	Uganda . . . . .	UG		
South Georgia and the South Sandwich Islands . . . . .	SX	<b>Ukraine</b> . . . . .	UP		
<b>Spain</b> . . . . .	SP	United Arab Emirates . . . . .	AE		
Spratly Islands . . . . .	PG	<b>United Kingdom (England, Wales, Scotland, No. Ireland)</b> . . . . .	UK		
<b>Sri Lanka</b> . . . . .	CE	Uruguay . . . . .	UY		
Sudan . . . . .	SU	<b>Uzbekistan</b> <sup>1</sup> . . . . .	UZ		
Suriname . . . . .	NS	Vanuatu . . . . .	NH		
Svalbard . . . . .	SV	<b>Venezuela</b> . . . . .	VE		

<sup>1</sup> These countries are former Soviet republics that are now covered by the United States treaty with the Commonwealth of Independent States, formerly known as the Union of Soviet Socialist Republics.

<sup>2</sup> These countries are covered under the United States treaty with Australia.

<sup>3</sup> These countries are covered under the United States treaty with France.

<sup>4</sup> Northern Ireland is covered under the United States treaty with the United Kingdom.

<sup>5</sup> Hong Kong is not covered under the United States treaty with China.

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(See Instructions on back)

Form <b>4419</b> (Rev. June 2012)	Department of the Treasury – Internal Revenue Service	IRS Use Only	OMB No. <b>1545-0387</b>
	<b>Application for Filing Information Returns Electronically (FIRE)</b> ▶ IRS/IRB encourages transmitters who file for multiple payers to submit one application and use the assigned TCC for all payers.		

1. Transmitter and/or Payer Information

Legal Name (associated with EIN in Box 3)

Mailing Address

City	State	ZIP
------	-------	-----

2. Person to contact about this request

Name	Title
------	-------

Email Address	Telephone Number
---------------	------------------

3. Employer Identification Number (EIN) Social Security Number Not Permitted	4. Is the request for a Foreign Transmitter without a TIN? <input type="checkbox"/> Yes	5. What Tax Year will electronic filing begin?
---	--	--

6. Will TCC be used for **Electronic Extension of Time Files only**?  Yes

7. Type of return to be reported (Check the box(es) next to the returns you will file electronically.)

**Important:** Form W-2 information is sent to the Social Security Administration (SSA) only. Do not use Form 4419 to request authorization to file this information electronically. Contact SSA for W-2 electronic filing information at 1-800-772-6270.

**Note:** For the forms referenced below, electronic filing does not refer to online fill-in forms.

<input type="checkbox"/> Forms 1097, 1098, 1099, 3921, 3922, 5498 and W-2G  See Publication 1220	<input type="checkbox"/> Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding  See Publication 1187	<input type="checkbox"/> Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips  See Publication 1239	<input type="checkbox"/> Form 8955-SSA, Annual Registration Statement Identifying Separated Participants with Deferred Vested Benefits  See Publication 4810
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8. Check the appropriate box:

I have or will have software. (Name of software if known) \_\_\_\_\_  
 I have a service provider who will file my data for me.

**Under penalties of perjury, I declare that I have examined this document, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.**

9. Person responsible for preparation of tax reports	Name	Title
	Signature (A computer generated signature is not acceptable.)	Date

## General Instructions

**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 not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to provide this information would vary depending on individual circumstances. The estimated average time is:

**Preparing Form 4419 . . . . . 20 min.**

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT SEND THE FORM TO THIS OFFICE.**

Instead, see the instructions below on where to file. **When completing this form, please type or print clearly.**

**Purpose of Form.** File Form 4419 to request authorization to file any of the forms shown in Block 7 electronically. Please be sure to complete all appropriate blocks. Transmitters who file for multiple payers may submit **one** application and use the assigned TCC for all payers. If your application is approved, a five-character alphanumeric Transmitter Control Code (TCC) will be assigned to your organization. If any information on the form should change, please write to IRS/Information Returns Branch so we can update our database. It is not necessary to submit a new Form 4419.

**Forms W-2:** Do **not** use Form 4419 to request authorization to file Forms W-2 electronically, since Form W-2 information is only sent to the Social Security Administration (SSA). **Contact SSA if you have any questions concerning the filing of Forms W-2 electronically at 1-800-772-6270.**

## Specific Instructions

**Due Date:** In order to ensure timely filing, submit Form 4419 at least 45 days before the due date of the return.

### Block 1

Enter the legal name (associated with the EIN in box 3) and the complete address of the organization that will submit the electronic files (transmitter and/or payer).

### Block 2

Enter the name, title, email address (if available) and telephone number (with area code) of the person to contact about this application. This should be a person who is knowledgeable about electronic filing of information returns.

### Block 3

Enter the Employer Identification Number (EIN) of the organization transmitting the electronic files. Social Security Numbers are not permitted.

### Block 4

If you are a foreign transmitter who does not have a nine-digit Taxpayer Identification Number, check this box.

### Block 5

Enter the tax year that you wish to begin filing electronically.

### Block 6

Indicate if you are requesting this transmitter control code solely for filing electronic files for an extension of time to file information returns.

### Block 7

Only check the box next to the returns you need to file with IRS electronically. A separate TCC will be assigned for each box checked in Block 7. Please be sure to submit your electronic files using the correct TCC. For further information concerning the electronic filing of information returns, access IRS.gov for the current tax year publications. These are:

Publication 1220, *Specifications for Filing Form 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W2-G Electronically*

Publication 1187, *Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically*

Publication 1239, *Specifications for Filing Form 8027, Employers Annual Information Return of Tip Income and Allocated Tips, Electronically*

Publication 4810, *Specifications for Filing Form 8955-SSA, Annual Registration Statement Identifying Separated Participants and Deferred Vested Benefits, Electronically*

### Block 8

Indicate if your company will be filing your data with a software package (and provide the name of the software) or if you have contracted to have a service provider file your data for you.

**Note: The FIRE System does not provide an on-line fill-in option for the forms listed in Box 7.** You must transmit your data in a specific format required by IRS.

### Block 9

The form must be signed and dated by an official of the company or organization requesting authorization to report electronically.

### Mailing Address:

Send your Form 4419 to the address below:

Internal Revenue Service  
Information Reporting Program  
230 Murall Drive Mail Stop 4360  
Kearneysville, WV 25430

If you prefer, Form 4419 can be faxed to the IRS, Information Returns Branch at (877) 477-0572 from within the U.S. or (304) 579-4105 from outside the U.S.

You may contact the IRS, Information Returns Branch at (866) 455-7438 from within the U.S. or (304) 263-8700 from outside the U.S., Monday through Friday, between the hours of 8:30 a.m. and 4:30 p.m. Eastern Time (ET).

We will not issue a TCC over the phone or by email. If you do not receive a reply from IRS within 45 days, contact us at the telephone number shown above. Do not submit any files until you receive your TCC.

**Form 8508**

(Rev. 1-2012)

Internal Revenue Service  
Department of the Treasury**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)

(Please type or print in **black ink** when completing this form - see instructions on back.)OMB Number  
1545-0957**Note:** Only the person required to file electronically can file Form 8508. A transmitter cannot file Form 8508 for the payer, unless he or she has a power of attorney. If you have a power of attorney, attach a letter to the Form 8508 stating this fact.**1. Type of submission**  Original  Reconsideration**2. Payer name, complete address, and contact person.** (A **separate** Form 8508 must be filed for **each payer** requesting a waiver.)

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Contact Name \_\_\_\_\_

**3. Taxpayer Identification Number**  
(9-digit EIN/SSN)**4. Telephone number**

(\_\_\_\_) \_\_\_\_\_

Email Address \_\_\_\_\_

5. Waiver Requested for	Enter the Number of Returns That:		Waiver Requested for	Enter the Number of Returns That:	
	(a) You wish to file on paper	(b) You expect to file next tax year		(a) You wish to file on paper	(b) You expect to file next tax year
<input type="checkbox"/> 1042-S			<input type="checkbox"/> 1099-PATR		
<input type="checkbox"/> 1097-BTC			<input type="checkbox"/> 1099-Q		
<input type="checkbox"/> 1098			<input type="checkbox"/> 1099-R		
<input type="checkbox"/> 1098-C			<input type="checkbox"/> 1099-S		
<input type="checkbox"/> 1098-E			<input type="checkbox"/> 1099-SA		
<input type="checkbox"/> 1098-T			<input type="checkbox"/> 3921		
<input type="checkbox"/> 1099-A			<input type="checkbox"/> 3922		
<input type="checkbox"/> 1099-B			<input type="checkbox"/> 5498		
<input type="checkbox"/> 1099-C			<input type="checkbox"/> 5498-ESA		
<input type="checkbox"/> 1099-CAP			<input type="checkbox"/> 5498-SA		
<input type="checkbox"/> 1099-DIV			<input type="checkbox"/> 8027		
<input type="checkbox"/> 1099-G			<input type="checkbox"/> W-2		
<input type="checkbox"/> 1099-H			<input type="checkbox"/> W-2AS		
<input type="checkbox"/> 1099-INT			<input type="checkbox"/> W-2G		
<input type="checkbox"/> 1099-K			<input type="checkbox"/> W-2GU		
<input type="checkbox"/> 1099-LTC			<input type="checkbox"/> W-2PR		
<input type="checkbox"/> 1099-MISC			<input type="checkbox"/> W-2VI		
<input type="checkbox"/> 1099-OID					

**6. Is this waiver requested for corrections ONLY?**  Yes  No**7. Is this the first time you requested a waiver from the electronic filing requirements for any of the forms listed in Block 5?**  
 Yes (Skip to signature line)  No (Complete Block 9 if your request is due to undue hardship)**8. Enter two current cost estimates** given to you by third parties for software, software upgrades or programming for your current system, or costs for preparing your files for you.

\$ \_\_\_\_\_

Cost estimates for any reason other than the preparation of electronic files will not be acceptable.

Attach these **two written cost estimates** to the Form 8508. Failure to provide **current** cost estimates and/or signature will result in denial of your waiver request.

\$ \_\_\_\_\_

**Under penalties of perjury, I declare that I have examined this document, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.****9. Signature**

Title

Date

---

## General Instructions

**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 not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to provide this information would vary depending on individual circumstances. The estimated average time is:

**Preparing Form 8508 . . . . . 15 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224.

DO NOT SEND THE FORMS TO THIS OFFICE. Instead, see the instructions below on where to file. **When completing this form, please type or print clearly in BLACK ink.**

**Purpose of Form.** Use this form to request a waiver from filing Forms W-2, W-2AS, W-2G, W-2GU, W-2PR, W-2VI, 1042-S, 1097-BTC, 1098 Series, 1099 Series, 3921, 3922, 5498 Series, or 8027 electronically for the current tax year. Complete a Form 8508 for each Taxpayer Identification Number (TIN). You may use one Form 8508 for multiple types of forms. After evaluating your request, IRS will notify you as to whether your request is approved or denied.

## Specific Instructions

**Block 1.** –Indicate the type of submission by checking the appropriate box. An original submission is your first request for a waiver for the current year. A reconsideration indicates that you are submitting additional information to IRS that you feel may reverse a denial of an originally submitted request.

**Block 2.** –Enter the name and complete address of the payer and person to contact if additional information is needed by IRS.

**Block 3.** –Enter the Taxpayer Identification Number (TIN) [Employer Identification Number (EIN) or the Social Security Number (SSN)] of the payer. The number must contain 9-digits.

**Block 4.** –Enter the telephone number and Email address of the contact person.

**Block 5.** –Check the box(es) beside the form(s) for which the waiver is being requested.

**Block 5a.** –For each type of information return checked, enter the total number of forms you plan to file.

**Block 5b.** –Provide an estimate of the total number of information returns you plan to file for the following tax year.

**Block 6.** –Indicate whether or not this waiver is requested for corrections only. If you request a waiver for original documents and it is approved, you will automatically receive a waiver for corrections. However, if you can submit your original returns electronically, but not your corrections, a waiver must be requested for corrections only.

**Block 7.** –If this is the first time you have requested a waiver for any of the forms listed in Block 5, for any tax year, check “YES” and skip to Block 9. However, if you have requested a waiver in the past and check “NO,” complete Block 8 to establish undue hardship. Waivers, after the first year, are granted only in case of undue hardship or catastrophic event.

**Note: Under Regulations Section 301.6011-2(c)(2), “The principal factor in determining hardship will be the amount, if any, by which the cost of filing the information returns in accordance with this section exceeds the cost of filing the returns on other media.”**

**Block 8.** –Enter the cost estimates from two service bureaus or other third parties. These cost estimates must reflect the total amount that each service bureau will charge for software, software upgrades or programming for your current system, or costs to produce your electronic file only. If you do not provide two written cost estimates from service bureaus or other third parties, we will automatically deny your request. Cost estimates from prior years will not be accepted.

**Note: If your request is not due to undue hardship, as defined above, attach a detailed explanation of why you need a waiver.**

**Block 9.** –The waiver request must be signed by the payer or a person duly authorized to sign a return or other document on his behalf.

## Filing Instructions

**When to File.** – You should file Form 8508 at least 45 days before the due date of the returns for which you are requesting a waiver. See Publication 1220, Part A for the due dates. Waiver requests will be processed beginning January 1st of the calendar year the returns are due.

### Where to File –

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

**By Fax:** **1-877-477-0572**

**Please either fax or mail, do not do both.**

For further information concerning the filing of information returns to IRS electronically, contact the IRS Enterprise Computing Center at the address above or by telephone at **866-455-7438** between 8:30 a.m. and 4:30 p.m. Eastern Standard Time.

**Penalty.** – If you are required to file electronically but fail to do so and you do not have an approved waiver on record, you may be subject to a penalty of \$100 per return unless you establish reasonable cause.

## Application for Extension of Time To File Information Returns

(For Forms W-2, W-2G, 1042-S, 1097, 1098, 1099, 3921, 3922, 5498, and 8027)

▶ **Requests for more than one filer must be filed through the Filing Information Returns Electronically (FIRE) System. See How to file below.**

**Caution: Do not use this form to request an extension of time to (1) provide statements to recipients (see Extensions under Section M of the General Instructions for Certain Information Returns or see Part D, Section 4, of Publication 1220), (2) file Form 1042 (use Form 7004), or (3) file Form 1040 (use Form 4868).**

**1 Filer information. Type or print clearly in black ink.**

Filer name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Contact name \_\_\_\_\_ Telephone number \_\_\_\_\_

Email address \_\_\_\_\_

**2 Taxpayer identification number**  
(Enter your nine-digit number. Do not enter hyphens.)


**3** Check this box only if you already received the automatic extension and you now need an additional extension. See instructions. ▶

**4** Check the box(es) that apply. **Do not** enter the number of returns.

Form(s)	✓ here	Form(s)	✓ here	Form	✓ here
W-2		5498		8027	
1097, 1098, 1099, 3921, 3922, W-2G		5498-ESA			
1042-S		5498-SA			

**5** If you checked the box on line 3, state in detail why you need an additional extension of time. You must give a reason or your request will be denied. If you need more space, attach additional sheets. Include your name and taxpayer identification number on each additional page.

Under penalties of perjury, I declare that I have examined this form, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

**Signature ▶** \_\_\_\_\_ **Title ▶** \_\_\_\_\_ **Date ▶** \_\_\_\_\_

### General Instructions

**Purpose of form.** Use Form 8809 to request an extension of time to file any forms shown in line 4 for the current tax year.

**How to file.** Extensions may be requested:

- Online by completing a fill-in Form 8809 through the FIRE system at <http://fire.irs.gov> for an automatic 30-day extension. Approvals are automatically displayed online if the request is made by the due date of the return.
- Electronically through the FIRE system in a file formatted according to the specifications in Publication 1220, Part D.
- On paper Form 8809, if the request is for one filer. Mail the form to the address shown in *Where to file*, later, or fax it to 1-877-477-0572 (toll free). Requesters will receive an approval or denial letter. You are encouraged to submit your request via the online fill-in form.

**Where to file.** Send Form 8809 to Internal Revenue Service, Information Returns Branch, Attn: Extension of Time Coordinator, 240 Murall Dr., Mail Stop 4360, Kearneysville, WV 25430.



*If you are requesting an extension for more than one filer, you must submit the request electronically or online as a fill-in form.*

**Information Reporting Customer Service Site.** If you have questions about Form 8809, you may call a toll-free number, 1-866-455-7438. You may still use the original telephone number, 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-579-4827 (not toll free). The hours of operation are Monday through Friday from 8:30 a.m. to 4:30 p.m., Eastern time.

Also, see Pub. 1220, Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically; and Pub. 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically. For additional information, see Topic 803, Waivers and Extensions, at [www.irs.gov/taxtopics](http://www.irs.gov/taxtopics).

**Note.** Specifications for filing Forms W-2, Wage and Tax Statement, electronically are only available from the Social Security Administration (SSA). Call 1-800-772-6270 for more information or visit the SSA's Employer W-2 Filing Instructions & Information page at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer).

**When to file.** File Form 8809 as soon as you know an extension of time to file is necessary. However, Form 8809 must be filed by the due date of the returns. See the chart below that shows the due dates for filing this form on paper or electronically. Filers and transmitters of Form W-2 whose business has terminated should see *Terminating a business* in the *Special Reporting Situations for Form W-2* section of the General Instructions for Forms W-2 and W-3 to request an extension.

If you are requesting an extension of time to file several types of forms, you may use one Form 8809, but you must file Form 8809 by the earliest due date. For example, if you are requesting an extension of time to file both Forms 1099 and 5498, you must file Form 8809 by February 28 (March 31 if you file electronically). You may complete more than one Form 8809 to avoid this problem. An extension cannot be granted if a request is filed after the due date of the original returns.

The due dates for filing Form 8809 are shown below.

IF you file Form(s) . . .	ON PAPER, then the due date is . . .	ELECTRONICALLY, then the due date is . . .
W-2	Last day of February	March 31
W-2G	February 28	March 31
1042-S	March 15	March 15
1097	February 28	March 31
1098	February 28	March 31
1099	February 28	March 31
3921	February 28	March 31
3922	February 28	March 31
5498	May 31	May 31
8027	Last day of February	March 31

If any due date falls on a Saturday, Sunday, or legal holiday, file by the next business day.

**Caution:** You do not have to wait for a response before filing your returns. File your returns as soon as they are ready. For all forms shown in line 4, if you have received a response, do not send a copy of the letter or Form 8809 with your returns. If you have not received a response by the end of the extension period, file your returns. When filing Form 8027 on paper only, attach a copy of your approval letter. If an approval letter has not been received, attach a copy of your timely filed Form 8809.

**Extension period.** The automatic extension is 30 days from the original due date. You may request one additional extension of not more than 30 days by submitting a second Form 8809 before the end of the first extension period (see *Line 3*, later). Requests for an additional extension of time to file information returns are not automatically granted. Generally, requests for additional time are granted only in cases of extreme hardship or catastrophic event. The IRS will send you a letter of explanation approving or denying your request for an additional extension.

**Note.** The automatic and any approved additional request will only extend the due date for filing the returns. It will not extend the due date for furnishing statements to recipients.

**Penalty.** If you file required information returns late and you have not applied for and received an approved extension of time to file, you may be subject to a late filing penalty. The amount of the penalty is based on when you file the correct information return. For more information on penalties, see part O in the General Instructions for Certain Information Returns, and *Penalties* in the Instructions for Form 1042-S, the Instructions for Form 8027, and the General Instructions for Forms W-2 and W-3.

## Specific Instructions

**Line 1.** Enter the name and complete mailing address, including room or suite number of the filer requesting the extension of time. Use the name and address where you want the response sent. For example, if you are a preparer and want to receive the response, enter your client's complete name, care of (c/o) your firm, and your complete mailing address.



The name and taxpayer identification number (TIN) must be consistent with the name and TIN used on your other returns. Do not use abbreviations.

Enter the name of someone who is familiar with this request whom the IRS can contact if additional information is required. Please provide your telephone number and email address.

**Note.** Approval or denial notification will be sent only to the person who requested the extension.

**Line 2.** Enter your nine-digit employer identification number (EIN) or qualified intermediary employer identification number (QI-EIN). If you are not required to have an EIN or QI-EIN, enter your social security number. Do not enter hyphens.

**Line 3.** Check this box if you have already received the automatic 30-day extension, but you need an additional extension for the same year and for the same forms. Do not check this box unless you received an original extension.

If you check this box, be sure to complete line 5. Then sign and date the request.

**Signature.** No signature is required for the automatic 30-day extension. For an additional extension, Form 8809 must be signed by you or a person who is duly authorized to sign a return, statement, or other document.

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Form 8809 is provided by the IRS to request an extension of time to file information returns. Section 6081 and its regulations require you to provide the requested information if you desire an extension of time for filing an information return. If you do not provide the requested information, an extension of time for filing an information return may not be granted. Section 6109 requires you to provide your taxpayer identification number (TIN). Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, or to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 4 hrs., 4 min.; Learning about the law or the form, 18 min.; Preparing and sending the form to the IRS, 22 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on page 1.



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

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Official Business  
Penalty for Private Use, \$300

PRSRT STD  
POSTAGE & FEES PAID  
Internal Revenue Service  
Permit No. G-48