

NOTE:

Following is a list of related instructions and forms for filing Form 1042-S Electronically/Magnetically:

- **Current Instructions for Form 1042-S**
- **Form 4419 — Application for Filing Information Returns Electronically/Magnetically**
- **Form 4804 — Transmittal of Information Returns Reported Magnetically**
- **Form 8508 — Request for Waiver From Filing Information Returns Magnetically**
- **Form 8809 — Application for Extension of Time To File Information Returns**
- **Notice 210 — Preparation Instructions for Media Labels**
- **Publication 515 — Withholding of Tax on Nonresident Aliens and Foreign Corporations (for general information and explanation of tax law associated with Form 1042-S)**
- **Publication 901 — U.S. Tax Treaties**

The Internal Revenue Service (IRS), Enterprise Computing Center at Martinsburg (ECC-MTB) encourages filers to make copies of the blank forms in the back of this publication for future use. These forms can also be obtained by calling 1-800-TAX-FORM (1-800-829-3676). You can also download forms and publications from the IRS Web Site at www.irs.gov.

IMPORTANT NOTES:

IRS/ECC-MTB now offers an Internet connection at <http://fire.irs.gov> for electronic filing. The FIRE System will be down from Dec. 23, 2004, through Jan. 4, 2005, for upgrading. It is not operational during this time for submissions.

Beginning in Tax Year 2006, processing year 2007, IRS/ECC-MTB will no longer accept 3 1/2-inch diskettes for filing information returns.

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Use this Revenue Procedure to prepare Tax Year 2004 and prior year information returns for submission to Internal Revenue Service (IRS) using any of the following:

- Electronic Filing
- Tape Cartridge
- 3½-Inch Diskette

This Revenue Procedure is not revised every year. Updates will be printed as needed in the Internal Revenue Bulletin. General Instructions for Form 1042-S are revised every year. Be sure to consult current instructions when preparing Form 1042-S.

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
Enterprise Computing Center at Martinsburg
Attn: Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

Sec. 1. Purpose

.01 The purpose of this Revenue Procedure is to provide the specifications for filing Form 1042-S with IRS electronically through the FIRE (Filing Information Returns Electronically) System or magnetically, using IBM 3480, 3490, 3490E, 3590, 3590E compatible tape cartridges or 3½-inch diskette. This Revenue Procedure must be used to prepare current and prior year information returns **filed beginning January 1, 2005, and received by IRS/ECC-MTB or postmarked by December 31, 2005.**

.02 Generally, the box names on the paper Form 1042-S correspond with the fields used to file electronically/magnetically; however, if discrepancies occur, the instructions in this Revenue Procedure govern.

.03 This Revenue Procedure supersedes Rev. Proc. 2003-83 published as Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically or Magnetically.

.04 Refer to Part A, Sec.16, for definitions of terms used in this publication.

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

.06 IRS/ECC-MTB does **not** process Forms W-2. Paper **and/or** magnetic media for Forms W-2 must be sent to SSA. IRS/ECC-MTB does, however, process waiver requests (Form 8508) and extension of time to file requests (Form 8809) for Forms W-2 and requests for an extension of time to provide the employee copies of Forms W-2.

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

- (a) 2004 Instructions for Form 1042-S.
- (b) Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 1042-S, 5498, and W-2G.
- (c) Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Electronically or Magnetically.
- (d) Publication 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G, Electronically or Magnetically.
- (e) Publication 1245, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Electronically or Magnetically.

Sec. 2. Nature of Changes—Current Year (Tax Year 2004)

.01 Part B, Electronic Filing Specifications, was completely revised. Please read carefully. We now offer an internet connection at <http://fire.irs.gov>.

.02 The following changes were made to the Transmitter 'T' Record:

- (a) In position 199 a new field, Prior Year Data Indicator, was added.
- (b) In positions 771-778 a new field, Record Sequence Number, was added.

.03 The following changes were made to Withholding Agent ‘W’ Record:

(a) In position 13, Withholding Agent’s EIN Indicator, the indicators were renumbered and a new indicator for NQI-EIN was added.

(b) In positions 771-778 a new field, Record Sequence Number, was added.

.04 The following change was made to the Recipient ‘Q’ Record:

(a) In positions 771-778 a new field, Record Sequence Number, was added.

.05 The following change was made to Reconciliation ‘C’ Record:

(a) In positions 771-778 a new field, Record Sequence Number, was added.

.06 The following change was made to the End of Transmission ‘F’ Record:

(a) In positions 771–778 a new field, Record Sequence Number, was added.

.07 Additional editorial changes of a clarifying nature have been made throughout this publication. Please read the entire publication carefully.

Sec. 3. Where To File and How to Contact the IRS, Enterprise Computing Center at Martinsburg

.01 All information returns filed electronically or magnetically are processed at IRS/ECC-MTB. Files containing information returns and requests for IRS electronic filing and magnetic media information should be sent to the following address:

IRS–Enterprise Computing Center at Martinsburg
Attn: 1042–S Reporting
230 Murall Drive
Kearneysville, WV 25430

.02 All requests for an extension of time to file information returns with IRS/ECC-MTB or to the recipients, and requests for undue hardship waivers filed on Form 8508, should be sent to the following address:

IRS–Enterprise Computing Center at Martinsburg
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

.03 The telephone numbers for electronic or magnetic media inquiry submissions are:

Information Reporting Program Customer Service Section

TOLL-FREE 1–866–455–7438 or

Outside the U.S. 304–263–8700

email at *mccirp@irs.gov*

304–267–3367 — TDD

(Telecommunication Device for the Deaf)

304–264–5602 — Fax Machine

Electronic Filing — FIRE System

<http://fire.irs.gov>

TO OBTAIN FORMS:

1–800–TAX–FORM (1–800–829–3676)

www.irs.gov — IRS Web Site access to forms

.04 Current Instructions for Form 1042–S have been included in the Publication 1187 for your convenience. The Form 1042–T is used only to transmit Copy A of **paper** Form 1042–S. If filing paper returns, follow the mailing instructions on Form 1042–T and submit the paper returns to the Internal Revenue Service Center, Philadelphia, PA 19255.

.05 Requests for paper Form 1042–S and publications relating to electronic/magnetic media filing should be made by calling the IRS toll-free number **1–800–TAX–FORM (1–800–829–3676)** or via the IRS Web Site at **www.irs.gov**.

.06 Questions pertaining to magnetic media filing of Forms W-2 **must** be directed to the Social Security Administration (SSA). Filers can call 1-800-SSA-6270 to obtain the phone number of the SSA Employer Service Liaison Officer for their area.

.07 Filers **should not** contact IRS/ECC-MTB 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 phone number for contact purposes; or, the filer may be instructed to respond in writing to the address provided. IRS/ECC-MTB does **not** issue penalty notices and does **not** have the authority to abate penalties. For penalty information, refer to the Penalty section of the current Instructions for Form 1042-S.

.08 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 or Transcript of Tax Form, to IRS. This form may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. For any questions regarding this form, call 215-516-2000 and select option 1. This is not a toll-free number.

.09 The Information Reporting Program Customer Service Section (IRP/CSS), located at IRS/ECC-MTB, answers electronic/magnetic media, paper filing and tax law questions from the payer community relating to the filing of business information returns (Forms 1096, 1098, 1099, 5498, 8027, W-2G, and W-4). IRP/CSS also answers questions relating to the **electronic/magnetic media filing** of Form 1042-S. Inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers are also addressed by IRP/CSS. Assistance is available year-round to payers, transmitters, and employers nationwide, Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time, by calling toll-free **1-866-455-7438** or via email at mccirp@irs.gov. **Do not include SSNs or EINs on emails since this is not a secure line.** The Telecommunications Device for the Deaf (TDD) toll number is **304-267-3367**. Call as soon as questions arise to avoid the busy filing seasons at the end of January and February. 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: The Customer Service Section 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 may call 215-516-2000 and select option 1 (not a toll-free number) or write to: Philadelphia Internal Revenue Service, International Section, P.O. Box 920, Bensalem, PA 19020-8518.

Sec. 4. Filing 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/magnetically. Withholding agents who meet the threshold of 250 or more Forms 1042-S are required to submit their information electronically or magnetically.

Note: Even though filers with less than 250 information returns are not required to submit the information returns electronically or magnetically and may submit them on paper, IRS encourages filers to transmit those information returns electronically or magnetically.

.02 These requirements apply separately to both originals and corrections filed electronically/magnetically.

.03 All filing requirements that follow 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), or 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.

.04 Filers who are required to submit their information returns on magnetic media may choose to submit their documents by electronic filing. IRS/ECC-MTB has one method for filing information returns electronically; see Part B.

.05 The above requirements do not apply if the filer establishes hardship (see Part D, Sec. 5).

Sec. 5. Vendor List

.01 IRS/ECC-MTB prepares a list of vendors who support electronic filing or magnetic media. The Vendor List (Pub. 1582) contains the names of service bureaus that will produce files on the prescribed types of magnetic media or via electronic filing. It also contains the names of vendors who provide software packages for filers who wish to produce electronic or magnetic media files on their own computer systems. This list is compiled as a courtesy and in no way implies IRS/ECC-MTB approval or endorsement.

.02 If filers meeting the filing requirements engage a service bureau to prepare media on their behalf, the filers should be careful not to report duplicate data, which may cause penalty notices to be generated.

.03 The Vendor List, Publication 1582, is updated periodically. The most recent revision will be available on the IRS website at www.irs.gov.

.04 A vendor who offers a software package and has the ability to produce magnetic media for customers, or has the capability to electronically file information returns and would like to be included on the list, must submit a written request to IRS/ECC-MTB. The request should include:

- (a) Company name,
- (b) Address (include city, state, and ZIP code),
- (c) Telephone number (include area code),
- (d) Email address,
- (e) Contact person,
- (f) Type(s) of service provided (e.g., service bureau and/or software),
- (g) Type(s) of media offered (e.g., tape cartridge, 3 1/2-inch diskette, or electronic filing),
- (h) Type(s) of return(s)

Sec. 6. Form 4419, Application for Filing Information Returns Electronically/Magnetically

.01 Transmitters are required to submit Form 4419, Application for Filing Information Returns Electronically/Magnetically, to request authorization to file information returns with IRS/ECC-MTB. A single Form 4419 may be filed. IRS/ECC-MTB 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. Please make sure you submit your electronic/magnetic files using the correct TCC.

EXCEPTIONS

**An additional Form 4419 is required for filing each of the following types of returns:
Forms 1098, 1099, 5498, W-2G, 8027 and Questionable W-4.**

FORM	TITLE	EXPLANATION
1098, 1099, 5498, W-2G	Various types of information returns	Payments subject to reporting requirements under Code Section 6011(e)(2)(A), including interest, dividends, royalties, pensions and annuities, gambling winnings and compensation for personal services.
8027	Employer's Annual Information Return of Tip Income and Allocated Tips	Receipts from operations where tipping is customary. Used by employers to report employees' tips or allocated tips.
Questionable W-4 (See Note)	Employee's Withholding Allowance Certificate	Forms received during the quarter from employees still employed at the end of the quarter who claim (a) More than 10 withholding allowances, or (b) Exempt status and wages normally would be more than \$200 a week.

Note: Employers are not required to send other Forms W-4 unless notified to do so by the IRS.

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

.03 Upon approval, a five-character alpha/numeric 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 separate media or in separate transmissions if filing electronically.

.04 When revisions occur, a Publication 1187 containing the current Revenue Procedure, forms, and instructions will be sent to the attention of the contact person indicated on Form 4419.

.05 If **any** of the information (name, TIN or address) on the Form 4419 changes, please notify IRS/ECC-MTB in writing so the IRS/ECC-MTB database can be updated. However, a change in the method by which information returns are being submitted is not information which needs to be updated (e.g., diskette to electronic). The transmitter should include the TCC in all correspondence.

.06 Form 4419 may be submitted anytime during the year; however, it **must** be submitted to IRS/ECC-MTB at least 30 days before the due date of the return(s) for current year processing. This will allow IRS/ECC-MTB the minimum amount of time necessary to process and respond to applications. In the event that computer equipment or software is not compatible with IRS/ECC-MTB, a waiver may be requested to file returns on paper documents.

.07 IRS/ECC-MTB encourages a transmitter who files for multiple withholding agents to submit one application and to use the assigned TCC for all withholding agents.

.08 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 media, and send it to IRS/ECC-MTB for the withholding agent. Other service bureaus will prepare magnetic media and return the media to the withholding agent for submission to IRS/ECC-MTB. 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.

.09 Once a transmitter is approved to file electronically or magnetically, it is not necessary to reapply each year **unless**:

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

(b) The withholding agent's magnetic media 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/ECC-MTB and wishes to prepare his or her own files. The withholding agent must request a TCC by filing Form 4419.

.10 One Form 4419 may be submitted regardless of how many types of media or methods are used to file the return. 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 1098, 1099, 5498, W-2G, 8027, and/or Questionable W-4. A separate TCC will be assigned for these forms.

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

Sec. 7. Test Files

.01 IRS/ECC-MTB strongly encourages all electronic or magnetic media filers to submit a test. 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 20**)
- (d) Reconciliation "C" Record
- (e) End of Transmission "F" Record

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

.03 IRS/ECC-MTB 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 their software reflects all required programming changes. Filers are reminded that no validity, consistency, or math error tests will be conducted.

.04 Tests should be sent to IRS/ECC-MTB between November 1 and December 15. Tests must be received at ECC-MTB by December 15 in order to be processed.

.05 For tests filed on tape cartridge, and 3 1/2-inch diskette, the transmitter must include the signed Form 4804 in the same package with the corresponding magnetic media. Mark the "TEST" box in Block 1 on the form. Also, mark "TEST" on the external media label.

.06 IRS/ECC-MTB will send a letter of acknowledgment to indicate the test results for magnetic media with documentation identifying the fatal errors. Resubmission of magnetic media test files must be received by IRS/ECC-MTB no later than December 15. See Part B, Sec. 4.03 for information on electronic test results.

.07 Magnetic media will not be returned to filers.

Note: Most validity, consistency and related math error checks within individual "Q" Records will no longer be conducted as part of ECC-MTB's testing procedures.

Sec. 8. Filing of Information Returns Magnetically and Retention Requirements

.01 Form 4804, Transmittal of Information Returns Reported Magnetically, or a computer-generated substitute, must accompany **all** magnetic media shipments.

.02 IRS/ECC-MTB allows for the use of computer-generated substitutes for Form 4804. The substitutes must contain all information requested on the original forms including the affidavit and signature line. Photocopies are acceptable but an original signature is

required. When using computer-generated forms, be sure to mark very clearly which tax year is being reported. This will eliminate phone communication from IRS/ECC-MTB to question the tax year.

.03 Multiple types of media may be submitted in a shipment. However, submit a separate Form 4804 for each type of media.

.04 Current and prior year data may be submitted in the same shipment; however, each tax year must be on separate media, and a separate Form 4804 must be prepared to clearly indicate each tax year.

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

.06 Do not report duplicate information. If a filer submits returns electronically/magnetically, identical paper documents must not be filed. This may result in erroneous penalty notices.

.07 Form 4804 may be signed by the withholding agent or the transmitter, service bureau, paying agent, or disbursing agent (all hereafter referred to as agent) on behalf of the payer. Failure to sign the affidavit on Form 4804 may delay processing or could result in IRS/ECC-MTB requesting a replacement file. An agent may sign the Form 4804 if the agent has the authority to sign the affidavit under an agency agreement (either oral, written, or implied) that is valid under state law and adds the caption "FOR: (name of withholding agent/payer)."

.08 Although an authorized agent may sign the affidavit, the withholding agent is responsible for the accuracy of the Form 4804 and the returns filed. The withholding agent will be liable for tax and interest penalties for failure to comply with filing requirements.

.09 A self-adhesive external media label, created by the filer, must be affixed to each piece of magnetic media. For instructions on how to prepare an external media label, refer to Notice 210 in the forms section of this publication.

.10 On the outside of the shipping container, affix or attach a label which reads "**IRB Box _____ of _____**" reflecting the number of containers in the shipment. (Filers can create a label with this information or cut out one of the labels on the special label page provided in this publication.) If there is only one container, mark the outside as Box 1 of 1. For multiple containers, include the sequence (for example, Box 1 of 3, 2 of 3, 3 of 3).

.11 When submitting magnetic files include the following:

(a) A **signed** Form 4804;

(b) External media label (created by filer) affixed to magnetic media;

(c) IRB Box _____ of _____ outside label.

.12 IRS/ECC-MTB will not pay for or accept "Cash-on-Delivery" or "Charge to IRS" shipments of tax information that an individual or organization is legally required to submit.

.13 Withholding agents should retain a copy of the information returns filed with IRS or have the ability to reconstruct the data for at least 3 years from the due date of the returns.

Sec. 9. Due Dates

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

.02 Form 1042-S filed magnetically must be submitted to IRS/ECC-MTB postmarked 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 Magnetic media returns postmarked by the United States Postal Service (USPS) on or before March 15, and delivered by United States mail to IRS/ECC-MTB after the due date, are treated as timely under the "timely mailing as timely filing" rule. Notice 97-26, 1997-1 C.B. 413, provides rules for determining the date that is treated as the postmark date. A similar rule applies to items delivered by private delivery services (PDSs) designated by the IRS. A PDS must be designated by the IRS before it will qualify for the timely mailing rule. (See **Note.**) Notice 99-41, 1999-35 I.R.B. 325, provides the list of designated PDSs. Designation is effective until the IRS issues a revised list. For items delivered by a non-designated PDS, the actual date of receipt by IRS/ECC-MTB will be used as the filing date. For items delivered by a designated PDS, but through a type of service not designated in Notice 99-41, the actual date of receipt by IRS/ECC-MTB will be used as the filing date.

Note: Due to security regulations at ECC-MTB, the Internal Revenue police officers will only accept media from PDSs or couriers from 7:00 a.m. to 5:00 p.m., Monday through Friday.

.05 Statements to recipients must be mailed on or before March 15.

Sec. 10. Processing of Information Returns Magnetically at IRS/ECC-MTB

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

.02 If the data is formatted incorrectly, IRS/ECC-MTB will request a replacement file in writing. When IRS/ECC-MTB requests a replacement file, it is because we encountered errors and were unable to process the media. Filers will receive a

Media Tracking Slip (Form 9267) and letter detailing the reason(s) their media could not be processed. It is imperative that filers maintain backup copies and/or recreate capabilities for their information return files.

- A **replacement** is an information return file sent by the filer **at the request of IRS/ECC-MTB** because of errors encountered while processing the filer’s original submission. After necessary changes have been made, the file must be resubmitted for processing along with the Media Tracking Slip (Form 9267) which was included in the correspondence from IRS/ECC-MTB. Filers should never send anything to IRS/ECC-MTB marked “Replacement” unless IRS/ECC-MTB has requested a replacement file in writing or via the FIRE System.

.03 All fields indicated as "Required" in the record layouts in Part C **must** contain valid information. If information is not valid, IRS/ECC-MTB will request a replacement file. For example: In the Recipient "Q" Record, position 2, Return Type Indicator, the only valid characters are 0, 1, or 2. If any other character is entered, a replacement file will be requested.

.04 Magnetic media files must be corrected and returned with the Media Tracking Slip (Form 9267) to IRS/ECC-MTB within 45 days from the date of the letter. Refer to Part B, Section 6, for procedures for correcting files submitted electronically. A penalty for failure to file correct information returns by the due date will be assessed if the files are not corrected and replaced within the 45 days **or if IRS/ECC-MTB requests replacement files more than two times**. A penalty for intentional disregard of the filing requirements will be assessed if a replacement file is not received. (For penalty information, refer to the Penalty section of the current Instructions for Form 1042-S.)

.05 A letter identifying errors encountered will be provided. It is the responsibility of the transmitter to check the entire replacement file for errors before resubmitting.

.06 IRS/ECC-MTB will not return magnetic media. Therefore, if the transmitter wants proof that IRS/ECC-MTB received a shipment, the transmitter should select a service with tracking capabilities or one that will provide proof of delivery.

.07 IRS/ECC-MTB will work with filers as much as possible to assist with processing problems.

Sec. 11. Validation of Information Returns at IRS Service Center

.01 The accuracy of data reported on Form 1042-S will now be 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, you will be notified and required to provide correct information.

.02 Know your recipient!

.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 can be found 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.

.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 definition of QI 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 the current Instructions for Form 1042-S.

.09 Apply the following formula to determine U.S. Federal Tax Withheld (field positions 48-59 of the “Q” Record). All field positions described below are in the “Q” Record.

Income Codes (15–19)

Gross Income Paid (6–17)
– Withholding Allowance (18–29)
= Net Income Amount (30–41)
X Tax Rate (42–45)
= U.S. Federal Tax Withheld (48–59)

All other Income Codes

Gross Income Paid (6–17)
X Tax Rate (42–45)
= U.S. Federal Tax Withheld (48–59)

.10 If the Recipient Code is 20 (Unknown Recipient), the tax rate **must** be 30%.

.11 When making a payment to an international organization (e.g., United Nations) or a tax-exempt organization under IRC 501(a), use Country Code “OC”. Use “UC” only when you have an “Unknown Recipient”.

.12 When using Exemption Code 4, the Recipient Country of Residence Code for Tax Purposes **MUST** be a VALID treaty country (e.g., tax resident of Northern Ireland uses United Kingdom). Do not use Exemption Code 4 unless a reduction or exemption of tax is based on a treaty claim.

.13 Generally, payments under Income Codes 06 and 08 are not exempt from withholding, however, certain exceptions apply. See the current 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 that has an “Other Income” article.

.15 If Income Code 20 (Earnings as 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.

.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 no longer required to be reported on Form 1042–S.

Note: Grants that are exempt under Code 117 include only 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. 12. Common Submission Problems

.01 Publication 1187 is a format document, **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 that the relevant tax law is applied to the record entry being made.

1. Incorrect TIN indicator in the “W” Record

Be careful that 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. Please 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. 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 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, then Recipient Name Line-1 must contain the words Unknown Recipient and the other name and address fields must be blank.

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

If Recipient Code 20 is used, the Tax Rate and the U.S. Tax Withheld must always be 30%. Exemption Code 04 (treaty exemption) **CANNOT BE USED**.

7. Incorrect use of Country Codes in the "Q" Record

There are 3 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 isn't 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 circumstance other than those specifically indicated in the Instructions for Form 1042-S.

8. Incorrect reporting of Tax Rates in the "Q" Record

A valid Tax Rate Table can be found in the Instructions for Form 1042-S. Please refer to 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 U.S. Tax Withheld reported in the "Q" Record must equal the total Gross Income and Total U.S. Tax Withheld reported in the corresponding "C" Record.

.02 Problems relating specifically to filing Form 1042-S electronically can be found in Part B, Sec. 12.

Sec. 13. Voided and Corrected Returns

.01 A corrected record must always have a corresponding voided record submitted prior to or in association with the corrected record.

.02 To provide clarification of the correction process for Form 1042-S, the following definitions have been provided:

- (a) A void record is an information return (Form 1042-S) submitted by the transmitter to delete a previously filed incorrect original return. A void record must be a duplicate of the original successfully processed return with the exception of a Return Type Indicator of "1" (1 = Void) in field position 2 of the "W" and "Q" Records. The voided "Q" Record can be filed with or without a corresponding correction record. For example, a Form 1042-S was submitted, and it should have been prepared as a Form 1099. A "Q" Record with the original Form 1042-S information would be filed with a Return Type Indicator of "1" (1 = Void) in field position 2. In this instance, a corresponding "Q" Record coded as a correction would NOT be necessary and should not be submitted.
- (b) A correction is an information return (Form 1042-S) submitted by the transmitter to correct a return that was successfully processed by IRS/ECC-MTB, but contained erroneous information. A Return Type Indicator of "2" (2 = Corrected) in field position 2 of the "W" and "Q" Records identifies a correction record. **A corrected record must always have a corresponding voided record submitted prior to or in association with the corrected record.**

.03 The magnetic media filing requirement of information returns of 250 or more applies separately to both original and corrected returns.

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

.04 Corrections should be filed **as soon as possible**. Corrections filed after August 1 may be subject to the maximum penalty of \$50 per return. Corrections filed by August 1 may be subject to a lesser penalty. For information on penalties, refer to the Penalty section of the current Instructions for Form 1042-S. However, if a withholding agent discovers errors after August 1, the withholding agent is still required to file corrections 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 corrections only for the returns filed in error. Do not submit the entire file. Furnish corrected statements to recipients as soon as possible.

.05 Corrected returns must be identified on the Form 4804 and the external media label by indicating "Correction".

Note: Do not include original returns and corrected returns on the same media or in the same electronic file.

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

.07 Prior year data, original and corrected, **must** be filed according to the requirements of this Revenue Procedure. If submitting prior year corrections, use the record format for the current year and submit on separate media. However, use the actual year designation of the correction in Field Positions 2-5 of the "T" Record. If filing electronically, a separate transmission must be made for each tax year.

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

.09 All paper returns, whether original or corrected, must be filed with IRS Philadelphia Service Center.

.10 Form 4804 must be submitted with corrected files submitted magnetically.

.11 The "Q" Record provides a 20-position field (positions 72-91) for the recipient's account number assigned by the withholding agent. This number will help identify the appropriate incorrect return if more than one return is filed for a particular payee. This number should appear on the initial return and on the corrected return in order to identify and process the correction properly. **Do not enter a TIN in this field.**

.12 The record sequence for filing corrections is the same as for original returns.

.13 Following is a chart showing the steps to be taken for voiding and correcting Form 1042-S:

Guidelines for Filing Corrected Returns Electronically/Magnetically

Transaction 1: Identify incorrect returns (void process)

The record sequence for filing corrections is the same as for original returns. Create the file in the following order exactly the same as the original transmission:

- (a) Transmitter "T" Record
- (b) Withholding Agent "W" Record with a Return Type Indicator of "1" (1 = Void) in field position 2
- (c) Recipient "Q" Record(s) with the exact information as submitted originally; however, place a Return Type Indicator of "1" (1 = Void) in field position 2 of the "Q" Record (See **Note**)
- (d) Prepare a Reconciliation "C" Record summarizing the preceding voided "Q" Records. (See sample format below.)

Note: A voided "Q" Record may or may not have a corresponding corrected "Q" Record.

Transaction 2: Report the correct information (correction process)

If possible, on the same media or electronic submission prepare:

- (a) Withholding Agent "W" Record with a Return Type Indicator of "2" (2 = Corrected) in field position 2.
 - (b) Recipient "Q" Record(s) with the correct information. Place a "2" (2 = Corrected) in field position 2 of the "Q" Record.
 - (c) Prepare a Reconciliation "C" Record summarizing the preceding corrected "Q" Records.
 - (d) Prepare an End of Transmission "F" Record.
-

Guidelines for Filing Corrected Returns Electronically/Magnetically

Note: Each corrected “Q” Record MUST have a corresponding voided “Q” Record submitted prior to or in association with the corresponding correction record.

Sample data sequence for void/correction records submitted in the same file:

“T” Record
“W” Record coded for voided records
“Q” Record coded as void
“Q” Record coded as void
“Q” Record coded as void
“Q” Record coded as void
“Q” Record coded as void
“C” Record to summarize voided records
“W” Record coded for corrected records
“Q” Record coded as corrected records
“Q” Record coded as corrected
“Q” Record coded as corrected
“C” Record to summarize corrected records
“F” Record

.14 For information on when an amended Form 1042 is required, refer to Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Sec. 14. 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 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 TIN (SSN, ITIN, EIN, QI-EIN, WP-EIN, or WT-EIN) must be provided on every “Q” Record when:

- (a) Tax rate is less than 30% (See the current Instructions for Form 1042–S for exceptions)
- (b) Income is effectively connected with the conduct of a trade or business in the United States
- (c) Recipient claims tax treaty benefits (generally)
- (d) 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

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

.05 The recipient’s TIN and name combination are used to associate information returns reported to IRS/ECC-MTB with corresponding information on recipients’ tax returns. It is imperative that **correct** Taxpayer Identification Numbers (TINs) for recipients be provided to IRS/ECC-MTB. **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. 15. Effect on Paper Returns and Statements to Recipients

.01 Electronic/magnetic 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 IRS for any forms filed electronically or on magnetic media.** This will 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 those instructions for filing Form 1042–S on paper with the IRS and 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, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 1042–S, 5498, and W–2G.

.04 The address for filing paper Forms 1042-S and Form 1042 is: Internal Revenue Service Center, Philadelphia, PA 19255. Do **NOT** send paper Forms 1042-S or 1042 to IRS/ECC-MTB.

Sec. 16. Definition of Terms

Element	Description
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 current Instructions for Form 1042-S.
Correction	A correction is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/ECC-MTB, but contained erroneous information. A corrected record must always have a corresponding voided record submitted prior to or in association with the corrected record.
Employer Identification Number (EIN)	A nine-digit number assigned by IRS for Federal tax reporting purposes.
Electronic Filing	Submission of information returns electronically via 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 will be the End of Transmission “F” Record. Nothing should be reported after the End of Transmission “F” Record. A file format diagram is located at the end of Part D.
Filer	Person (may be withholding agent and/or transmitter) submitting information returns to IRS.
FIRE	Filing Information Returns Electronically (FIRE) System is the method for submitting Forms 1042-S electronically to IRS/ECC-MTB. See Part B.
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 of withholding under an income tax treaty is claimed, any entity is considered to be a flow-through entity if it is considered to be fiscally transparent under IRC Section 894 with respect to the payment by an interest holder’s jurisdiction.
Foreign Person	A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person 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 Qualified Intermediary. Generally, a payment to a U.S. branch of a foreign person 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). ITIN may be used for tax purposes only.

Element	Description
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 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.
Magnetic Media	For this Revenue Procedure, the term magnetic media refers to IBM 3480, 3490, 3490E, 3590, or 3590E compatible tape cartridge; or 3½-inch diskette.
Media Tracking Slip	Form 9267 accompanies correspondence sent by IRS/ECC-MTB requesting a replacement file due to incorrect format or certain errors encountered when trying to process the media. This form must be returned with the replacement file.
Nonqualified Intermediary (NQI)	A Nonqualified Intermediary is a foreign intermediary that is not a U.S. person and that 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 the payment in a withholding rate pool to the specific recipients in the pool, the withholding agent must file a Form 1042-S for each recipient on a pro-rata basis.
Qualified Intermediary (QI)	A Qualified Intermediary is a foreign intermediary that 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.
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) that 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/ECC-MTB 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/ECC-MTB. A parent company submitting data for a subsidiary is not considered a service bureau.
Social Security Number (SSN)	A nine-digit number assigned by 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.
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.

Element	Description
Transmitter	Refers to the person or organization submitting file(s) electronically/magnetically. The transmitter may be the payer, agent of the payer, or withholding agent.
Transmitter Control Code (TCC)	A five-character alpha/numeric number assigned by IRS/ECC-MTB to the transmitter prior to filing electronically or magnetically. An application Form 4419 must be filed with IRS/ECC-MTB to receive this number. This number is inserted in the Transmitter “T” Record (field positions 190–194) of the file and must be present before the file can be processed. Transmitter Control Codes assigned to 1042–S filers will always begin with “22”.
Unknown Recipient	For this Revenue Procedure, an unknown recipient is a recipient for which 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 <u>under any circumstances.</u>
Vendor	Vendors include service bureaus that produce information return files on the prescribed types of magnetic media or via electronic filing for withholding agents. Vendors also include companies that provide software for those who wish to produce their own media or electronic files.
Void	A void record is used in the correction process of Form 1042–S. For purposes of this Revenue Procedure, a void record is submitted by the transmitter to delete a previously filed incorrect original Form 1042–S. A void record must be a duplicate of the original successfully processed record with the exception of a “1” in field position 2 of the “W” and “Q” Records.
Withholding Agent	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, 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. 17. State Abbreviations

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

State	Code	State	Code	State	Code
Alabama	AL	Kansas	KS	No. Mariana Islands	MP
Alaska	AK	Kentucky	KY	Ohio	OH
American Samoa	AS	Louisiana	LA	Oklahoma	OK
Arizona	AZ	Maine	ME	Oregon	OR
Arkansas	AR	Maryland	MD	Pennsylvania	PA
California	CA	Massachusetts	MA	Puerto Rico	PR
Colorado	CO	Michigan	MI	Rhode Island	RI
Connecticut	CT	Minnesota	MN	South Carolina	SC
Delaware	DE	Mississippi	MS	South Dakota	SD

State	Code	State	Code	State	Code
District of Columbia	DC	Missouri	MO	Tennessee	TN
Federated States of Micronesia	FM	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

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

EXAMPLE:

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

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

Part B. Electronic Filing Specifications

 **Note:** The FIRE System is now on the Internet at <http://fire.irs.gov>. It is no longer a dial-up connection.

Sec. 1. General

.01 Electronic filing of Form 1042–S (originals, corrections and replacement files) is offered as an alternative to magnetic media (tape cartridge or diskette) or paper filing. Filing electronically will fulfill the magnetic media requirements for those withholding agents who are required to file magnetically. Withholding agents who are under the filing threshold requirement are encouraged to file electronically. If the original file was sent magnetically, but IRS/ECC-MTB has requested a replacement file, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

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

.03 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 of them. Only inquiries concerning electronic filing of information returns should be directed to IRS/ECC-MTB.

.04 Files submitted to IRS/ECC-MTB electronically must be in standard ASCII code. Do not send magnetic media or paper forms with the same information as electronically submitted files. This would create duplicate reporting resulting in penalty notices.

.05 The record formats of the “T”, “W”, “Q”, “C”, and “F” records are the same for both electronically or magnetically filed records. See Part C, Record Format Specifications and Record Layouts.

Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are:

- (1) Paperless, no Form 4804 requirements.
- (2) Security — Secure Socket Layer (SSL) 128-bit encryption.
- (3) Results available within 20 workdays regarding the acceptability of the data transmitted. It is the filer’s responsibility to log into the system and check results.
- (4) Better customer service due to on-line availability of transmitter’s files for research purposes.

Sec. 3. Electronic Filing Approval Procedure

.01 Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned prior to submitting their files electronically. (Filers who currently have a TCC for magnetic media filing of Form 1042-S, beginning with “22”, will not be assigned a second TCC for electronic filing.) Refer to Part A, Sec. 6, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own user ID, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part B, Sec. 6, for more information on the PIN.

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

.04 For all passwords, it is the user’s responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and must be 8 alpha/numerics containing at least 1 uppercase, 1 lowercase, and 1 numeric. However, filers who forget their password or PIN, can call **toll-free 1-866-455-7438** for assistance. The FIRE System may require users to change their passwords on a yearly basis.

Sec. 4. 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 2004 (returns to be filed in 2005), it **must** be submitted to IRS/ECC-MTB **no earlier than** November 1, 2004, and **no later than** December 15, 2004.

.02 Filers who encounter problems while transmitting the electronic test file can contact IRS/ECC-MTB **toll-free 1-866-455-7438** for assistance.

.03 Filers must verify the status of the transmitted test data by going to <http://fire.irs.gov> and verifying the status of their file by clicking on CHECK FILE STATUS. This information will be available within 20 workdays after the transmission is received by IRS/ECC-MTB.

.04 Form 4804 is not required for test files submitted electronically. See Part B, Sec. 6.

Sec. 5. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/ECC-MTB 24 hours a day, 7 days a week. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern time by calling us **toll-free 1-866-455-7438**.

.02 **The FIRE System will be down from December 23, 2004, through January 4, 2005.** This allows IRS/ECC-MTB to update its system to reflect current year changes.

.03 If you are sending files larger than 10,000 records electronically, data compression is encouraged. If you are considering sending files larger than 5 million records, please contact IRS/ECC-MTB for specifics. WinZip and PKZip are the only acceptable compression packages. IRS/ECC-MTB cannot accept self-extracting zip files or compressed files containing multiple files. The time required to transmit information returns electronically will vary depending upon 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.**

.04 Transmitters may create files using self assigned files name(s). Files submitted electronically will be assigned a new unique file name by the FIRE System. The filename assigned by the FIRE System will consist of submission type (TEST, ORIG [original], CORR [correction], and REPL [replacement]), the filer’s TCC and a four-digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your first original file for the calendar year and your TCC is 22000, the IRS assigned filename would be ORIG.22000.0001. **Record the filename.** This information will be needed by ECC-MTB to identify the file, if assistance is required.

.05 The following definitions have been provided to help distinguish between a correction and a replacement:

- A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/ECC-MTB but contained erroneous information. **(See Note.)**

➡ **Note: Corrections should only be made to 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 file was bad. After the necessary changes have been made, the file must be transmitted through the FIRE System. **(See Note.)**

➡ **Note: Filers should never transmit anything to IRS/ECC-MTB as a “Replacement” file unless the CHECK FILE STATUS option on the FIRE System indicates the file is bad.**

.06 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. 6. PIN Requirements

.01 Form 4804 is not required for electronic files. Instead, the user will be prompted to create a PIN consisting of 10 numerics when establishing their initial logon name and password.

.02 The PIN is required each time an ORIGINAL, CORRECTION, or REPLACEMENT file is sent electronically and is permission to release the file. It is not needed for a TEST file. An authorized agent may enter their PIN, however, the payer is responsible for the accuracy of the returns. The payer will be liable for penalties for failure to comply with filing requirements. If you forget your PIN, please call **toll-free 1-866-455-7438** for assistance.

Sec. 7. Electronic Filing Specifications

.01 The FIRE System is designed exclusively for the filing of Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and Questionable W-4.

.02 A transmitter must have a TCC (see Part A, Sec. 6) before a file can be transmitted. A TCC assigned for 1042-S magnetic media filing should also be used for electronic filing.

.03 The results of the electronic transmission will be available in the CHECK FILE STATUS area of the FIRE System within 20 business days. It is the filer's responsibility to verify the acceptability of files submitted by selecting the CHECK FILE STATUS option.

Sec. 8. Connecting to the FIRE System

.01 Point your browser to <http://fire.irs.gov> to connect to the FIRE System.

.02 Before connecting, have your TCC and EIN available.

.03 Your browser must support SSL 128-bit encryption.

.04 Your browser must be set to receive "cookies". Cookies are used to preserve your User ID status.

First time connection to The FIRE System (If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

Click "**Create New Account**".

Fill out the registration form and click "**Submit**".

Enter your **User ID** (most users logon with their first and last name).

Enter and verify your **password** (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE may require you to change the password once a year.

Click "**Create**".

If you receive the message "**Account Created**", click "**OK**".

Enter and verify your 10-digit self-assigned PIN (Personal Identification Number).

Click "**Submit**".

If you receive the message "**Your PIN has been successfully created!**", click "**OK**".

Read the bulletin(s) and/or click "**Start the FIRE application**".

Subsequent Connections to The FIRE System

Click "**Log On**".

Enter your **User ID** (most users logon with their first and last name).

Enter your **password** (the password is user assigned and is case sensitive).

Uploading your file to the FIRE System

At Menu Options:

Click "***Send Information Returns***"
Enter your ***TCC***:
Enter your ***EIN***:
Click "***Submit***".

The system will then display the company name, address, city, state, ZIP code, phone number, contact and email address. This information will be used to contact or send correspondence (if necessary) regarding this transmission. Update as appropriate and/or Click "***Accept***".

Click one of the following:

Original File
Correction File
Test File

Replacement File (if you select this option, select one of the following):

NEW FIRE Replacement (file was originally transmitted on this system)
Click the file to be replaced

Magnetic Media Replacement

Enter the alpha character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file. Click "***Submit***".

Enter your 10-digit PIN.

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 tell you the name of the file you just uploaded.

If you have more files to upload for that TCC:

Click "***File Another?***"; otherwise,
Click "***Main Menu***".

<p>It is your responsibility to check the acceptability of your file; therefore, be sure to check back into the system in 20 business days using the CHECK FILE STATUS option.</p>

Checking your FILE STATUS

At the Main Menu:

Click "***Check File Status***".
Enter your ***TCC***:
Enter your ***EIN***:
Click "***Search***".

If "Results" indicate:

"Good, Released" — File has been released to our mainline processing.

Checking your FILE STATUS

“Bad” — Correct the errors and timely resubmit the file as a "replacement".

“Not yet processed” — File has been received, but we do not have results available yet. Please check back in a few days.

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

When you are finished, click on **Main Menu**.

Click **“Log Out”**

Close your Web Browser.

Sec. 9. Common Problems and Questions Associated with Electronic Filing

.01 Refer to Part A, Sec. 12, Common Submission Problems, for common format errors.

.02 The following are the major errors associated with electronic filing:

NON-FORMAT ERRORS

1. Transmitter does not check the FIRE System to determine file acceptability.

The results of your file transfer are posted to the FIRE System within 20 business days. It is your responsibility to verify file acceptability and, if the file contains errors, you can get an online listing of the errors. Date received and number of recipient records are also displayed.

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

Use your 1042-S TCC which begins with ‘22’ to transmit your 1042-S file, otherwise, it will be automatically considered an error.

3. Incorrect file is not replaced timely.

If we have advised you your file is bad, correct the file and timely resubmit as a replacement.

4. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.

5. Transmitter sends a file and CHECK FILE STATUS indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file.

Once a file has been transmitted, you cannot send a replacement file unless CHECK FILE STATUS indicates the file is bad (20 business days after file was transmitted). If you do not want us to process the file, you must first contact us **toll-free 1-866-455-7438** to see if this is a possibility.

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

The correction file, containing the proper coding, should only contain the records needing correction not the entire file.

7. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

8. Transmitter has one TCC number, but is filing for multiple companies, which EIN should be used when logging into the system to send the file?

When sending the file electronically, you will need to enter the EIN of the company assigned to the TCC. When you upload the file, it will contain the EINs for the other companies that you are filing for. This is the information that will be passed forward.

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

Call us as soon as possible **toll-free 1-866-455-7438**. We may be able to stop the file before it has been processed. **Please do not send a replacement for a file that is marked as a good file.**

Part C. Magnetic Media Specifications

Sec. 1. General

.01 The specifications contained in this part of the Revenue Procedure define the **required** format and content of the records to be included in the electronic/magnetic media file. Do not deviate from this format.

.02 Transmitters must be consistent in the use of recording modes and density on files. If the media does not meet these specifications, IRS/ECC-MTB will request a replacement file. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/ECC-MTB for further information **toll-free 1-866-455-7438**.

.03 Regardless of the type of media used or if returns are filed electronically, the record length must be 780 positions.

Sec. 2. Tape Cartridge Specifications

.01 In most instances, IRS/ECC-MTB can process tape cartridges that meet the following specifications:

- (a) Must be IBM 3480, 3490, 3490E, 3590, or 3590E compatible.
- (b) Must meet American National Standard Institute (ANSI) standards and have the following characteristics:
 - (1) Tape cartridges will be 1/2-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape will be chromium dioxide particle based 1/2-inch tape.
 - (3) Cartridges must be 18-track, 36-track, 128-track, or 256-track parallel (See **Note**).
 - (4) Cartridges will contain 37,871 CPI or 75,742 CPI (characters per inch).
 - (5) Mode will be full function.
 - (6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
 - (7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.

.02 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:

- (a) A block **must not** exceed 23,400 tape positions.
- (b) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block which may be shorter (see item (b) above). The block length must be evenly divisible by 780.
- (c) **Records may not span blocks.**

.03 Tape cartridges may be labeled or unlabeled.

.04 For the purposes of this Revenue Procedure, the following must be used:

Tape Mark:

- (a) Signifies the physical end of the recording on tape.
- (b) For even parity, use BCD configuration 001111 (8421).
- (c) May follow the header label and precede and/or follow the trailer label.

Note: Filers should indicate on the external media label and transmittal Form 4804 whether the cartridge is 18-track, 36-track, 128-track or 256-track.

Sec. 3. 3 1/2-Inch Diskette Specifications

.01 To be compatible, a diskette file must meet the following specifications:

- (a) 3 1/2-inches in diameter.
- (b) Data must be recorded in standard ASCII code.
- (c) Records must be a fixed length of 780 bytes per record.
- (d) Delimiter character commas (,) must not be used.
- (e) Positions 779 and 780 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.
- (f) Filename of 1042TAX must be used. Do not enter any other data in this field. If a file will consist of more than one diskette, the filename 1042TAX will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, if the file consists of three diskettes, the first diskette will be named 1042TAX.001, the second will be 1042TAX.002, and the third will be 1042TAX.003. The first diskette, 1042TAX.001, will begin with a "T" Record and the third diskette, 1042TAX.003, will have an "F" Record at the end of the file.
- (g) A diskette will not contain multiple files as defined in Part A, Sec. 16. A file may have only ONE Transmitter "T" Record.
- (h) Failure to comply with instructions will result in IRS/ECC-MTB requesting a replacement file.
- (i) Diskettes must meet one of the following specifications:

<u>Capacity</u>	<u>Tracks</u>	<u>Sides/Density</u>	<u>Sector Size</u>
1.44 mb	96tpi	hd	512
1.44 mb	135tpi	hd	512

.02 IRS/ECC-MTB encourages transmitters to use blank or currently formatted diskettes when preparing files. If extraneous data follows the End of Transmission "F" Record, IRS/ECC-MTB will request a replacement file.

.03 IRS/ECC-MTB will **only** accept 3 1/2-inch diskettes created using MS-DOS.

☛ **Notes: IRS no longer has the capability to process non-MS-DOS compatible diskettes. 3 1/2-inch diskettes created on a System 36 or AS400 are not acceptable.**

.04 Transmitters should check diskettes for viruses before submitting it to IRS/ECC-MTB.

Sec. 4. Transmitter "T" Record

.01 This record identifies the entity preparing and transmitting the file. The transmitter and the withholding agent may be the same, but they need not be.

.02 The first record of a file **MUST** be a Transmitter "T" Record (preceded only by header labels). The "T" Record must appear on each tape and cartridge; otherwise a replacement file may be requested.

.03 The "T" Record is a fixed length of 780 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 these instructions, IRS will contact you to request correct information. For those fields not marked "Required", a transmitter must allow for the field, but may be instructed to enter blanks or zeroes in the indicated media position(s) and for the indicated length. All records have a fixed length of 780 positions.**

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

Record Name: Transmitter "T" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "T."
2-5	Tax Year	4	Required. Enter year for which income and withholding are being reported.
6-14	Transmitter's Taxpayer Identification Number (TIN)	9	Required. Enter the Taxpayer Identification Number of the Transmitter. This can be a Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), Employer Identification Number (EIN) or Qualified Intermediary Number (QI-EIN). DO NOT ENTER blanks, hyphens or alpha characters. A TIN consisting of all the same digits (e.g., 111111111) is not acceptable.
15-54	Transmitter's Name	40	Required. Enter name of transmitter of file. Abbreviate if necessary to fit 40-character limit. Omit punctuation if possible. Left-justify and blank fill.

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

55-94	Transmitter's Address	40	Required. Enter full mailing address of the transmitter. This will include 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 40-character limit. Omit punctuation if possible. Left-justify and blank fill.
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Record Name: Transmitter “T” Record

Field Positions	Field Title	Length	Description and Remarks
95–114	City	20	Required. Enter the city or town (or other locality name) of transmitter. If applicable, enter APO or FPO only. Left-justify and blank fill.
115–116	State Code	2	Required if U.S. Transmitter. Enter only the two-alpha State Code. DO NOT spell out the state name. See State Code Table, Part A, Sec. 17.
117–118	Province Code	2	Required if Foreign Country Code is “CA” (Canada). Enter only the two-alpha character Province Code as shown in the Province Code table. DO NOT spell out the Province Name. If foreign country other than Canada, blank fill.
	Province Code	Province	
	AB	Alberta	
	BC	British Columbia	
	LB	Labrador	
	MB	Manitoba	
	NB	New Brunswick	
	NF	Newfoundland	
	NS	Nova Scotia	
	NT	Northwest Territories	
	NU	Nunavut	
	ON	Ontario	
	PE	Prince Edward Island	
	QC	Quebec	
	SK	Saskatchewan	
	YK	Yukon Territory	
119–120	Country Code	2	Required if Foreign Transmitter. If Country Code is present, State Code field MUST be blank. Enter only the two-alpha Country Code from the Country Code table. DO NOT spell out the Country Name.
Note 1: 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.			
121–129	Postal or ZIP Code	9	Required if U.S. address. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions and APO/FPO). Conditional for foreign addresses. Enter the alpha/numeric foreign postal code. Left-justify and blank fill the remaining positions. DO NOT use hyphens.
130–169	Contact’s Name	40	Required. Enter the name of the person to contact if any questions should arise with the transmission.
170–189	Contact’s Telephone Number	20	Required. Enter the contact person’s telephone number, and extension, if applicable. If foreign, provide appropriate codes for overseas calls. Left-justify.
190–194	Transmitter Control Code (TCC)	5	Required. Enter the five-character alpha/numeric TCC assigned ONLY for Form 1042–S reporting. (The first two numbers will always be 22).
195–198	Test Indicator	4	Required if this is a test file. Enter the word “TEST”. Otherwise enter blanks.
199	Prior Year Indicator	1	Required. Enter a “P” only if reporting prior year data; otherwise, enter blank. Do not enter a “P” for current year information.
200–770	Reserved	571	Blank fill.

Record Name: Transmitter “T” Record

Field Positions	Field Title	Length	Description and Remarks
771-778	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the “T” record will always be “1” (one), since it is the first record on your file and you can have only one “T” record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 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 you reach the final record of the file, the “F” record.
779-780	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	State Code	Province Code
1	2-5	6-14	15-54	55-94	95-114	115-116	117-118

Country Code	Postal or ZIP Code	Contact’s Name	Contact’s Telephone Number	TCC	Test Indicator	Prior Year Indicator	Reserved	Record Sequence Number	Blank or Carriage Return Line Feed
119-120	121-129	130-169	170-189	190-194	195-198	199	200-770	771-778	779-780

Sec. 5. 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” Records, 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 780 positions.

.05 All alpha characters entered in the “W” 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 these instructions, your 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 zeroes in the indicated media position(s) and for the indicated length. All records have a fixed length of 780 positions.

Note 2: A copy of the current Instructions for Form 1042-S for this revision of the Publication 1187 is included at the end of this publication. These instructions should 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. *Since Publication 1187 may not be revised every year, be sure to use the most current instructions.*

Record Name: Withholding Agent “W” Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter “W”.
2	Return Type Indicator	1	Required. Enter the one position value below to identify whether the record is Original, Void or Corrected. Do not enter a blank or alpha character. Acceptable Values are: <ul style="list-style-type: none"> • 0 (Zero) = Original • 1 = Void • 2 = Corrected
3	Pro Rata Basis Reporting	1	Required. Enter the one position value below to identify if reporting on a Pro Rata Basis. Acceptable Values are: <ul style="list-style-type: none"> • 0 (Zero) = Not Pro Rata • 1 = Pro Rata Basis Reporting
4–12	Withholding Agent’s EIN	9	Required. Enter the nine-digit Employer Identification Number of the Withholding Agent. Do NOT enter blanks, hyphens or alpha characters. An EIN consisting of all the same digits (e.g., 11111111) is not acceptable. Do NOT enter the recipient’s TIN in this field. ➡ Note: See current Instructions for Form 1042–S to determine when a Qualified Intermediary, Withholding Foreign Partnership, or Withholding Foreign Trust must provide its QI-EIN, WP-EIN or WT-EIN in this field.
13	Withholding Agent’s EIN Indicator	1	Required. Enter the Withholding Agent’s EIN indicator from the following values: <ul style="list-style-type: none"> • 0 (Zero) = EIN • 1 = QI-EIN, WP-EIN, WT-EIN • 2 = NQI-EIN
➡ Note: Use EIN indicator 2 only if the Withholding Agent’s EIN begins with “98” AND the Withholding Agent’s City, State and Country Code fields indicate that the Withholding Agent is <u>not</u> a U.S. withholding agent.			
14–53	Withholding Agent’s Name Line-1	40	Required. Enter the Withholding Agent’s Name as established when filing for the EIN or QI-EIN which appears in positions 4–12 of the “W” Record. Left-justify and blank fill.
➡ Note: Do not use special characters in names or addresses that are unique to a language other than English. For example: â = A, æ = A, ü = 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 (e.g., partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for “care of” or “via”. Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,) and the percent (%). The percent [% (used as “in care of”)] is valid in the first position only.
94–133	Withholding Agent’s Name Line-3	40	See above.
134–173	Withholding Agent’s Street Line-1	40	Required. Enter the mailing address of the withholding agent. Street address should include number, street, and apartment or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Left-justify and blank fill.

Record Name: Withholding Agent “W” Record

Field Positions	Field Title	Length	Description and Remarks
174–213	Withholding Agent’s Street Line-2	40	Enter supplementary withholding agent street address information. Otherwise blank fill.
214–253	Withholding Agent’s City	40	Required. Enter the city or town (or other locality name). Enter APO or FPO only if applicable. Do not enter a foreign postal code in the city field. Left-justify and blank fill.
254–255	Withholding Agent’s State Code	2	Required if Withholding Agent has a U.S. address. Enter the two-character State Code abbreviation. If not a U.S. state, territory or APO/FPO identifiers, blank fill. Do not use any of the two character Country Codes in the State Code Field.
☛ Note 1: 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	Required if Foreign Country Code is “CA” (Canada). Enter only the two-alpha character Province Code as shown in the Province Code Table. See “T” record positions 117–118 for Province Code Table. DO NOT spell out the Province Name. If foreign country other than Canada, blank fill.
258–259	Withholding Agent’s Country Code	2	Required if QI or NQI or other foreign withholding agent. Enter only the two-alpha Country Code from the Country Code Table. DO NOT spell out the Country Name.
☛ Note 1: 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.			
260–268	Postal or ZIP Code	9	Required if U.S. address. Enter up to nine numeric characters for all U.S. addresses (including territories, possessions and APO/FPO). Conditional for foreign addresses. Enter the alpha/numeric foreign postal code. DO NOT use hyphens or blanks within the Postal Code. Left-justify and blank fill the remaining positions.
269–272	Tax Year	4	Required. Enter the four-digit year of the current tax year unless you entered a “P” in the Prior Year Indicator Field of the “T” Record. All recipient “Q” Records must report payments for this year only. Different tax years may not appear on the same file.
273–292	Contact’s Phone Number and Extension	20	Required. Enter the telephone number of a person to contact regarding electronic or magnetic files. Omit hyphens. If no extension is available, left-justify and fill unused positions with blanks. If foreign, provide appropriate codes for overseas call.
293	Final Return Indicator	1	Required. Enter the one position value below to indicate whether you will be filing Forms 1042–S in the future. <ul style="list-style-type: none"> • 0 (Zero) = will be filing • 1 = will not be filing
294–770	Reserved	477	Blank fill.

Record Name: Withholding Agent "W" Record

Field Positions	Field Title	Length	Description and Remarks
771-778	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 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 you reach the final record of the file, the "F" record.
779-780	Blank or Carriage Return Line Feed	2	Enter blanks or carriage return line feed characters (CR/LF).

Withholding Agent "W" Record Layout

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

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

Postal or ZIP Code	Tax Year	Contact's Phone Number and Extension	Final Return Indicator	Reserved	Record Sequence Number	Blank or Carriage Return Line Feed
260-268	269-272	273-292	293	294-770	771-778	779-780

Sec. 6. Recipient "Q" Record

.01 The "Q" Record contains name and address information for the Recipient of Income, Non-Qualified Intermediary or Flow-Through Entity if appropriate, 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 Since the "Q" Record is restricted to one type of income 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, providing Gross Income Paid and U.S. Federal Tax Withheld pertaining to that Income Code.
- (b) Change in Country Code during the year. For example, the Withholding Agent received notification via 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, U.S. Federal Tax Withheld 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 10% to 20%. A separate "Q" Record must be reported for each of the tax rates. Provide the Gross Income Paid, Tax Rate, and U.S. Federal Tax Withheld 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 Report income and tax withheld in whole dollars only. Round up or down as appropriate. **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 these instructions, IRS will contact you to request the correct information. For those fields not marked "Required", a transmitter must allow for the field, but may be instructed to enter blanks or zeroes in the indicated media position(s) and for the indicated length. All records have a fixed length of 780 positions.

Note 2: A copy of the current Instructions for Form 1042-S for this revision of the Publication 1187 is included at the end of this publication. These instructions should 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. Since Publication 1187 may not be revised every year, be sure to use the most current instructions.

Record Name: Recipient "Q" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "Q".
2	Return Type Indicator	1	Required. Enter the one position value below to identify whether the record is Original, Void or Corrected. Must be the same value as in the "W" Record. Values are: <ul style="list-style-type: none"> • 0 (Zero) = Original • 1 = Void • 2 = Corrected
3	Pro Rata Basis Reporting	1	Required. Enter the one position value below to identify whether reporting Pro Rata Basis. Must be the same value as in the "W" Record. Values are: <ul style="list-style-type: none"> • 0 (Zero) = Not Pro Rata • 1 = Pro Rata Basis Reporting
4-5	Income Code	2	Required. Enter the two-position value EXACTLY as it appears from the income code table. The Income Code must accurately reflect the type of income paid. DO NOT enter blanks or 00 (zeroes).

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

6-17	Gross Income	12	Required. Enter the gross income amount in whole dollars only, rounding to the nearest dollar (do not enter cents). For example report \$600.75 as 000000000601. An income amount of zero cannot be shown. Numeric only, right-justify and zero fill.
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Note: Do not report negative amounts in any amount field.

18-29	Withholding Allowance	12	Used with Income Codes 15 through 19 ONLY. Enter the withholding allowance amount in whole dollars only, rounding to the nearest dollar (do not enter cents). Numeric only, right-justify and zero fill. Otherwise enter blanks.
30-41	Net Income	12	Required if Dollar Amount is Entered in Withholding Allowance Field. Enter the net income in whole dollars only, rounding to the nearest dollar (do not enter cents). An amount other than zero must be shown. Numeric only, right-justify and zero fill. Otherwise enter blanks.

Record Name: Recipient “Q” Record

Field Positions	Field Title	Length	Description and Remarks
42–45	Tax Rate	4	Required. Enter the correct Tax Rate applicable to the income in gross income field or net income field, as appropriate. Enter the Tax Rate as a 2-digit whole number and 2-digit decimal (e.g., enter 39.6% as 3960, 15% as 1500 or 6% as 0600). See Note below.
Note: The correct Tax Rate must be entered, even if withholding was at a lesser rate. See the current Instructions for Form 1042-S.			
46–47	Exemption Code	2	Required. Read Carefully. <ul style="list-style-type: none"> • If the tax rate entered is 0%, enter the appropriate exemption code “01” through “09” from the current Instructions for Form 1042-S. • If the tax rate entered is 1% through 30%, enter “00”. • If the tax rate entered is 31% or higher, blank fill. DO NOT enter “00”. See the current Instructions for Form 1042-S for circumstances under which Exemption Code “99” must be used.
Note: If an incorrect amount of tax was withheld, report the amount that was actually withheld and use the correct tax rate in field positions 42–45.			
48–59	U.S. Tax Withheld	12	Required. Enter the U.S. Federal tax withheld amount in whole dollars, rounding to the nearest dollar (do not enter cents). For example, report \$600.25 as 000000000600). Right-justify and zero fill.
60–71	Amount Repaid	12	This field 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 calendar year of withholding. Otherwise, enter blanks.
72–91	Recipient’s Account Number	20	Enter the account number assigned by the withholding agent to the recipient. Do not enter the recipient’s U.S. or foreign TIN. If account numbers are NOT assigned, then blank fill. This field may contain numeric, alpha characters, blanks or hyphens. Left-justify and blank fill.
92–93	Recipient Code	2	Required. Enter the appropriate Recipient Code. Refer to the list of appropriate codes in the current Instructions for Form 1042-S. No other codes or values are valid.
Note: If recipient code “20” is used, then Recipient’s Name Line-1 must be “Unknown” and Recipient’s Name Lines 2 and 3 must be BLANK. The tax rate must be 30%.			
94–133	Recipient’s Name Line-1	40	Required. Provide the complete name of the recipient. If the recipient has a U.S. TIN, enter the name as established when applying for the TIN. If recipient code “20” is used then “UNKNOWN” must be entered and Recipient’s Name Lines 2 and 3 must be blank. See current Instructions for Form 1042-S for specifics on “Unknown Recipient” and “Withholding Rate Pool”. Valid characters are alpha, numeric, ampersand (&), hyphen (-), comma (,), or blank. Left-justify and blank fill.
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, ü = 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 (e.g., partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for “care of”, “Attn.” or “via”. Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), and the percent (%). The percent [% (use as “in care of”)] is valid in the first position only.
174–213	Recipient’s Name Line-3	40	See above.

Record Name: Recipient “Q” Record

Field Positions	Field Title	Length	Description and Remarks
214–253	Recipient’s Street Line-1	40	Required. Enter the mailing address of the recipient. Street address should include number, street, apartment, or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), and the percent (%). Do not use street address fields for “Attn” lines; use name line fields. Left-justify and blank fill.
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; otherwise blank fill.
294–333	Recipient’s City	40	Required. Enter the city or town (or other locality name). Enter APO or FPO only, if applicable. Do not enter a foreign postal code in the city field. Left-justify and blank fill.
334–335	Recipient’s State	2	Required if U.S. address. Enter the two-character State Code abbreviation. If no U.S. state, territory or APO/FPO identifier is applicable then blank fill. Do not use any of the two character Country Codes in the State Code Field.
<p>☛ Note: If the recipient has a U.S. address, leave the country code in positions 338–339 blank.</p>			
336–337	Recipient’s Province Code	2	Required if Foreign Country Code is “CA” (Canada). Enter only the two-alpha character Province Code as shown in the Province Code Table. See “T” record positions 117–118 for Province Code Table. DO NOT spell out the Province Name. If foreign country other than Canada, blank fill.
338–339	Recipient’s Country Code	2	Required if the recipient has a foreign address. Enter the two-character Country Code abbreviation.
<p>☛ Note 1: If the state code is entered in positions 334–335, leave this field blank.</p> <p>☛ 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.</p> <p>☛ Note 3: Enter “UC” (unknown country) <u>only</u> if the payment is to an unknown recipient. If you are making a payment to a QI or QI withholding rate pool, enter the country code of the QI.</p>			
340–348	Postal or ZIP Code	9	Enter up to nine numeric characters for all U.S. addresses (including territories, possessions and APO/FPO). For foreign addresses, enter the alpha/numeric foreign postal code, if applicable. Enter this code in the left most position and blank fill the remaining positions. DO NOT use hyphens or blanks between numbers or letters (e.g., if the postal code is written as A6B 3C5 input as A6B3C5). Left-justify.
349–357	Recipient’s U.S. TIN	9	Enter the recipient’s nine-digit U.S. Taxpayer Identification Number (TIN). DO NOT enter hyphens or alpha characters. If TIN is not required under regulations, blank fill.
<p>☛ Note: U.S. TINs are now required for most recipients. See current Instructions for Form 1042–S.</p>			
358	Recipient’s U.S. TIN Type	1	<p>Required. Enter the recipient’s U.S. TIN type indicator from the following values:</p> <ul style="list-style-type: none"> • 0 (Zero) = No TIN required • 1 = SSN/ITIN • 2 = EIN • 3 = QI-EIN, WP-EIN, WT-EIN <p>See current Instructions for Form 1042–S for when a TIN is not required.</p>
359–398	Recipient’s Country of Residence for Tax Purposes	40	Required. Enter the complete name of the recipient’s country of residence for tax purposes in which the recipient claims residency under that country’s tax law, whether or not you are applying a tax treaty benefit to this payment.

Record Name: Recipient “Q” Record

Field Positions	Field Title	Length	Description and Remarks
399–400	Recipient’s Country of Residence Code for Tax Purposes	2	Required. Enter the two-character Country Code for which the recipient is a resident for tax purposes and on which the tax treaty benefits are based, whether or not you are applying a tax treaty benefit to this payment. The rate of tax withheld is determined by this code.
<p>Note: Do not enter U.S. in the Country Code field. Enter “OC” (other country) <u>only</u> when the country of residence does not appear on the list or the payment is made to an international organization.</p>			
401–440	NQI/FLW-THR Name Line-1	40	Provide the complete name of the NQI/FLW-THR Entity. It is very important that the complete name of the NQI/FLW-THR entity be provided. Valid characters are alpha, numeric, ampersand (&), hyphen (-), comma (,), or blank. Left-justify and blank fill.
441–480	NQI/FLW-THR Name Line-2	40	Enter supplementary information; otherwise enter blanks. Use this line for additional names (e.g., partners or joint owners), for trade names, stage names, aliases or titles. Also use this line for “care of” or “via”. Valid characters are alpha, numeric, blank, ampersand (&), hyphen (-), comma (,), and the percent (%). The percent [% (used as “in care of”)] is valid in the first position only.
481–520	NQI/FLW-THR Name Line-3	40	See above.
521–522	Reserved	2	Enter blanks.
523–562	NQI/FLW-THR Street Line-1	40	Enter the mailing address of the NQI/FLW-THR entity. Street address should include number, street, apartment, or suite number (or P.O. Box if mail is not delivered to street address). Abbreviate as needed. Left-justify and blank fill.
563–602	NQI/FLW-THR Street Line-2	40	Enter supplementary NQI/FLW-THR entity street address information; otherwise, blank fill.
603–642	NQI/FLW-THR City	40	Enter the city or town (or other locality name). Left-justify and blank fill.
643–644	Reserved	2	Enter blanks.
645–646	NQI/FLW-THR Province Code	2	Enter the two-alpha character Province Code abbreviation, if applicable. See “T” record positions 117–118.
647–648	NQI/FLW-THR Country Code	2	Enter the two-character Country Code abbreviation, where the NQI/FLW-THR is located.
649–657	NQI/FLW-THR Postal Code	9	Enter the alpha/numeric foreign postal code. Enter this code in the left most position and blank fill the remaining positions. DO NOT use hyphens or blanks between numbers or letters (e.g., if the postal code written as A6B 3C5 input as A6B3C5). Left-justify.
658–666	NQI/FLW-THR U.S. TIN	9	Enter the NQI/FLW-THR nine-digit U.S. Taxpayer Identification Number (TIN). Do NOT enter hyphens or alpha characters.
<p>Note: All NQI/FLW-THR fields are REQUIRED if the NQI/FLW-THR entity is involved in the payment structure.</p>			
667–706	Payer’s Name	40	Enter the name of the Payer of Income if different from the Withholding Agent. Abbreviate as needed. If Withholding Agent and Payer are the same, blank fill.
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 leave blank.
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 and zero fill. If no entry, zero fill.

Record Name: Recipient "Q" Record

Field Positions	Field Title	Length	Description and Remarks
728-737	Payer's State Tax Number	10	Enter the employer's state I.D. number assigned by the state.
738-739	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 (e.g., Do Not Mail). If this field is not used, enter blanks.
761-770	<i>Reserved</i>	<i>10</i>	<i>Enter blanks.</i>
771-778	<i>Record Sequence Number</i>	<i>8</i>	Required. Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 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 you reach the final record of the file, the "F" record.
779-780	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	Tax Rate	Exemption Code
1	2	3	4-5	6-17	18-29	30-41	42-45	46-47

U.S. Tax Withheld	Amount Repaid	Recipient's Account Number	Recipient Code	Recipient's Name Line-1	Recipient's Name Line-2	Recipient's Name Line-3	Recipient's Street Line-1
48-59	60-71	72-91	92-93	94-133	134-173	174-213	214-253

Recipient's Street Line-2	Recipient's City	Recipient's State	Recipient's Province Code	Recipient's Country Code	Postal or ZIP Code	Recipient's U.S. TIN	Recipient's U.S. TIN Type
254-293	294-333	334-335	336-337	338-339	340-348	349-357	358

Recipient's Country of Residence for Tax Purposes	Recipient's Country of Residence Code for Tax Purposes	NQI/FLW-THR Name Line-1	NQI/FLW-THR Name Line-2	NQI/FLW-THR Name Line-3	Reserved
359-398	399-400	401-440	441-480	481-520	521-522

NQI/FLW-THR Street Line-1	NQI/FLW-THR Street Line-2	NQI/FLW-THR City	Reserved	NQI/FLW-THR Province Code
523-562	563-602	603-642	643-644	645-646

NQI/FLW-THR Country Code	NQI/FLW-THR Postal Code	NQI/FLW-THR U.S. TIN	Payer's Name	Payer's U.S. TIN	State Income Tax Withheld	Payer's State Tax Number
647-648	649-657	658-666	667-706	707-715	716-727	728-737

State Code	Special Data Entries	<i>Reserved</i>	<i>Record Sequence Number</i>	Blank or Carriage Return Line Feed
738-739	740-760	761-770	771-778	779-780

Sec. 7. Reconciliation "C" Record

.01 The "C" Record is a fixed record length of 780 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 U.S. Tax Withheld.

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

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

Record Name: Reconciliation "C" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "C".
2-9	Total "Q" Records	8	Required. Enter the total number of "Q" Records for this withholding agent. Right-justify and zero fill. Do not enter all zeros. For example, 53 "Q" records are entered as 00000053. See Part A, Sec. 4, Filing Requirements.
10-15	Blank	6	Enter blanks.
16-30	Total Gross Amount Paid	15	Required. Enter the total gross income amount in whole dollars (do not enter cents). For example report \$600.00 as 00000000600. An income amount other than zero must be shown. Right-justify and zero fill.
31-45	Total U.S. Tax Withheld	15	Required. Enter the total U.S. Federal tax withheld amount in whole dollars (do not enter cents). For example report \$600.00 as 00000000600. Right-justify and zero fill.
46-770	<i>Reserved</i>	725	<i>Blank fill.</i>
771-778	<i>Record Sequence Number</i>	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 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 you reach the final record of the file, the "F" record.
779-780	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 U.S. Tax Withheld	Reserved	Record Sequence Number	Blank or Carriage Return Line Feed
1	2-9	10-15	16-30	31-45	46-770	771-778	779-780

Sec. 8. End of Transmission "F" Record

.01 The "F" Record is a fixed record length of 780 positions and all positions listed are required. The "F" Record is a summary of the number of withholding agents and media count 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. The "F" Record may only be followed by a tape mark, a trailer label or a combination of both.

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

Record Name: End of Transmission "F" Record

Field Positions	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "F".
2-4	Withholding Agent Count	3	Required. Enter the total number of withholding agents on this file. This count must be the same as the total number of "W" records. Right-justify and zero fill.
5-7	Media Count	3	Required. Enter the total number of media for this transmission. Right-justify and zero fill.
8-770	Reserved	763	Blank fill.
771-778	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 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 you reach the final record of the file, the "F" record.
779-780	Blank or Carriage Return Line Feed	2	Enter blanks or carriage return line feed characters (CR/LF).

End of Transmission "F" Record Layout

Record Type	Withholding Agent Count	Media Count	Reserved	Record Sequence Number	Blank or Carriage Return Line Feed
1	2-4	5-7	8-770	771-778	779-780

Part D. Extensions of Time and Waivers

Sec. 1. General — Extensions

.01 An extension of time to file may be requested for Form 1042-S.

.02 Submit Form 8809, Application for Extension of Time To File Information Returns, to IRS/ECC-MTB at the address listed in .08 of this section. This form may be used to request an extension of time to file Form 1042-S submitted on paper, electronically or magnetically to the IRS. Use a separate Form 8809 for each method of filing information returns you intend to use, i.e., electronically and/or magnetically.

.03 To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied. (See Part A, Sec. 9.) If requesting an extension of time to file several types of forms, use one Form 8809; however, Form 8809 or file must be postmarked 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, 2005.

.04 As soon as it is apparent that a 30-day extension of time to file is needed, an extension request should be submitted. It will take a minimum of 30 days for IRS/ECC-MTB to respond to an extension request. Generally, IRS/ECC-MTB does not begin processing extension requests until January. Extension requests received prior to January are input on a first come, first serve basis.

.05 Under certain circumstances, a request for an extension of time may be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days.

.06 Requesting an extension of time for multiple withholding agents (50 or less) may be done by submitting Form 8809 and attaching a list of the withholding agents names and associated TINs. **The listing must be attached to ensure an extension is recorded for all withholding agents.** Form 8809 may be computer-generated or photocopied. Be sure to use the most recently updated version and include all the pertinent information.

.07 Requests for an extension of time to file for more than 50 withholding agents are **required** to be submitted electronically or magnetically. IRS encourages requests for 10 to 50 withholding agents to be filed electronically or magnetically. (See Sec. 3, for the record layout.) The request may be filed electronically, on tape cartridges, and 3 1/2-inch diskettes.

.08 All requests for an extension of time filed on Form 8809 or magnetic media should be sent using the following address:

IRS-Enterprise Computing Center at Martinsburg
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

Note: Due to the large volume of mail received by IRS/ECC-MTB 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/ECC-MTB 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). See Part A, Sec. 9, for more information on PDSs. For requests delivered by a designated PDS, but through a non-designated service, the actual date of receipt by IRS/ECC-MTB will be used as the filing date.

.10 Transmitters requesting an extension of time for multiple withholding agents will receive one approval letter, accompanied by a list of withholding agents covered under that approval.

.11 If an additional extension of time is needed, a second Form 8809 or file must be filed by the initial extended due date. Check line 7 on the form to indicate that an additional extension is being requested. A second 30-day extension will be approved only in cases of extreme hardship or catastrophic event. **If requesting a second 30-day extension of time, submit the information return files as soon as prepared. Do not wait for MCC’s response to your second extension request.**

.12 If an extension request is approved, the approval letter should be kept on file. **DO NOT** send the approval letter or copy of the approval letter to IRS/ECC-MTB with the magnetic media file or to the Philadelphia Service Center where the paper Forms 1042-S are filed.

.13 Request an extension for only one tax year.

.14 A signature is not required when requesting a 30-day extension. If a second 30-day extension is requested, the Form 8809 **must** be signed.

.15 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.

.16 Form 8809 may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. The form is also available on the **IRS Website at www.irs.gov**. A copy of Form 8809 is also provided in the back of Publication 1187.

Sec. 2. Specifications for Electronic Filing or Magnetic Media Extensions of Time

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

.02 If a filer does not have an IRS/ECC-MTB assigned Transmitter Control Code (TCC), Form 4419, Application for Filing Information Returns Electronically/Magnetically, **must** be submitted to obtain a TCC. This number **must** be used to submit an extension request electronically/magnetically. (See Part A, Sec. 6.)

.03 For extension requests filed on magnetic media, the transmitter must mail the completed, signed Form 8809, Application for Extension of Time To File Information Returns, in the same package as the corresponding media or fax it to 304-264-5602. For extension requests filed electronically, the transmitter must fax Form 8809 the same day the transmission is made.

.04 **Transmitters submitting an extension of time electronically or magnetically should not submit a list of withholding agents names and TINs with Form 8809 since this information is included on the electronic or magnetic file. However, Line 6 of Form 8809 must be completed with the total number of records included on the electronic file or magnetic media.**

.05 Do not submit extension requests filed on magnetic media before *January 1*, or electronically before *January 6*.

.06 Each piece of magnetic media **must** have an external media label containing the following information:

- (a) Transmitter name
- (b) Transmitter Control Code (TCC)
- (c) Tax year
- (d) The words "Extension of Time"
- (e) Record count

.07 Electronic Filing, Tape Cartridge, and 3 1/2-inch Diskette specifications for extensions are the same as the specifications for filing of information returns. (See Part B, or C for specific technical information.)

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 Positions	Field Title	Length	Description and Remarks
1-5	Transmitter Control Code	5	Required. Enter the five-digit Transmitter Control Code (TCC) issued by IRS. Only one TCC per file is acceptable.
6-14	Withholding Agent's TIN	9	Required. Must be the valid nine-digit TIN 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, position 187, must be set to "X."
15-54	Withholding Agent's Name	40	Required. Enter the name of the withholding agent whose TIN appears in positions 6-14. Left-justify information and fill unused positions with blanks.
55-94	Second Withholding Agent's Name	40	If additional space is needed, this field may be used to continue name line information (e.g., c/o First National Bank); otherwise, enter blanks.
95-134	Withholding Agent's Address	40	Required. Enter the withholding agent's address. Street address should include number, street, apartment or suite number (or P.O. Box if mail is not delivered to a street address).
135-174	Withholding Agent's City	40	Required. Enter withholding agent's city, town, or post office.

Note: For foreign addresses, filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country.

Record Layout for Extension of Time

Field Positions	Field Title	Length	Description and Remarks
175–176	Withholding Agent's State	2	Required. Enter the withholding agent's valid U.S. Postal Service state abbreviation. (Refer to Part A, Sec. 17.)
177–185	Withholding Agent's ZIP Code	9	Required. Enter withholding agent's ZIP Code. If using a five-digit ZIP Code, left-justify information and fill unused positions with blanks.
186	Document Indicator	1	Required. Enter the appropriate document code that indicates the form for which you are requesting an extension of time. <div style="margin-left: 20px;"> <u>Code</u> <u>Document</u> 4 1042-S </div>
187	Foreign Entity Indicator	1	Enter "X" if the withholding agent is a foreign entity.
Note: A foreign entity is not required to have a TIN.			
188	Recipient Request Indicator	1	Enter "X" if the extension request is to furnish statements to the recipients of the information return.
Note: A separate file is required for this type of extension request. A file must either contain all blanks or all X's in this field.			
189–198	Blank	10	Enter blanks.
199–200	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Extension of Time Record Layout

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

Withholding Agent's State	Withholding Agent's ZIP Code	Document Indicator	Foreign Entity Indicator	Recipient Request Indicator	Blank	Blank or CR/LF
175–176	177–185	186	187	188	189–198	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 Form 1042-S by submitting a letter to IRS/ECC-MTB at the address listed in Part D, Sec. 1.08. The letter should contain the following information:

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

.02 Requests for an extension of time to furnish statements to recipients of Form 1042-S are not automatically approved; however, if approved, generally an extension will allow a maximum of 30 additional days from the due date. The request must be postmarked by the date on which the statements are due to the recipients.

.03 Generally, only the withholding agent may sign the letter requesting the extension for recipient copies. A transmitter must have a contractual agreement with the withholding agents to submit extension requests on their behalf. This should be stated in your letter of request for recipient copy extensions. If you are requesting an extension for multiple withholding agents electronically or magnetically, you must use the format specifications in Sec. 3.

.04 *Requests for a recipient extension of time to file for more than 50 withholding agents are required to be submitted electronically or magnetically. IRS encourages requests for 10 to 50 withholding agents to be filed electronically or magnetically. (See Sec. 3, for record layout.) The request may be filed electronically, on cartridges, or 3 1/2-inch diskettes.*

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

.01 If a withholding agent is required to file on magnetic media but fails to do so (or fails to file electronically in lieu of magnetic media filing) and does not have an approved waiver on record, the withholding agent will be subject to a penalty of \$50 per return in excess of 250. (For penalty information, refer to the Penalty Section of the *General Instructions for Form 1042-S*.)

.02 If withholding agents are required to file original or corrected returns on magnetic media, 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 Magnetically, to IRS/ECC-MTB. Form 8508 can be obtained on the IRS Website at www.irs.gov or by calling toll-free 1-800-829-3676.

.03 Even though a withholding agent may submit as many as 249 corrections on paper, IRS encourages electronic or magnetic filing of corrections. Once the 250 threshold has been met, filers are required to submit any returns of 250 or more electronically or magnetically. However, if a waiver for original documents is approved, any corrections for the same type of returns will be covered under this 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 payer 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 magnetic media 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; application must be made each year a waiver is necessary. Waivers, after the first year, are granted only in cases of undue hardship or catastrophic events.

.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/ECC-MTB at least 45 days before the due date of the returns. Generally, IRS/ECC-MTB does not process waiver requests until January. Waiver requests received prior to January are processed on a first come, first serve basis.

.10 All requests for a waiver should be sent using the following address:

IRS-Enterprise Computing Center at Martinsburg
Information Reporting Program
240 Murall Drive
Kearneysville, WV 25430

.11 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/ECC-MTB to respond to a waiver request.

.12 If a waiver request is approved, keep the approval letter on file. **DO NOT** send a copy of the approved waiver to the Philadelphia Service Center.

.13 An approved waiver only applies to the requirement for filing Form 1042-S electronically/magnetically. The withholding agent must still timely file information returns on the official IRS paper forms or an acceptable substitute form with the Philadelphia Service Center.