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key deadlines for 2024 and 2025 regarding Form 1042-S submission include March 1 2025, as the due date for filing with the IRS. Extensions can be requested through Form 8809, allowing an additional 30 days for submission. It's crucial to stay updated on these dates to avoid penalties. Understand what Form 1042-S is, who should file it, the filing requirements, the information needed, and more. Instructions for Form 1042-S - Introductory Materials Purpose of Form Who Must File Where, When, and How To File Definitions Amounts Subject to Reporting on Form 1042-S Amounts That Are Not Subject to Reporting on Form 1042-S Distributions Attributable to Dispositions of U.S. Real Property Interests by Publicly Traded Trusts and Qualified Investment Entities Publicly Traded Trusts. QIEs. Look-through rule for QIEs. Publicly Traded Partnerships (Sections 1446(a) and (f) Withholding Tax) Requirement To Withhold Chapter 3 withholding. Chapter 4 withholding. Before Completing Form 1042-S Payments by U.S. Withholding Agents Amounts Paid by QIs Amounts Paid by NQIs and Flow-Through Entities Specified Federal Procurement Payments Made to Foreign Persons Multiple Withholding Agent Rules Penalties and Avoid Common Errors Specific Instructions for Withholding Agents Rounding Off to Whole Dollars Unique Form Identifier Amended Checkbook Amendment Number Box 1 - Income Code Box 2 - Gross Income Box 3 Box 5 - Withholding Allowance Box 6 - Net Income Boxes 7 Through 11 - Federal Tax Withheld Box 12a - Withholding Agent EIN Boxes 12b and 12c - Withholding Agent's Chapter 3 and Chapter 4 Status Codes Boxes 12d Through 12i - Withholding Agent's Name, TIN, GIN, and Status Code Boxes 13a - Recipient's Account Number Box 13b - Recipient's Date of Birth Boxes 14a and 14b - Primary Withholding Agent's Name and EIN Box 15 - Pro-Rata Basis Reporting Checkboxes Boxes 15a Through 15i - Intermediary Flow-Through Entity's Name, Status Code, Country Code, Address, EIN, GIN, and FTIN Box 15f - Country code Box 15g - Intermediary or flow-through entity's FTIN. Boxes 16a Through 16e - Payer's Name, TIN, GIN, and Status Code Boxes 17a Through 17c - State Income Tax Withheld and Related Information Amended Forms Step 1. Amended checkbox. Step 2. Instructions for Form 1042-S - Notices Privacy Act and Paperwork Reduction Act Notice. Instructions for Form 1042-S - Additional Material Section references are to the Internal Revenue Code unless otherwise noted. For the latest information about developments related to Form 1042-S and its instructions, such as legislation enacted after they were published, go to IRS.gov/Form1042S. Current instructions only require that a chapter 3 exemption code be reported when there is no tax withheld due to an exemption pursuant to the Code or an income tax treaty. The IRS intends to update the instructions for calendar year 2026 to require that a chapter 3 exemption code (or code for a reduced withholding tax rate) be provided in all cases where the tax withheld is less than 30%. Use Form 1042-S to report income described under Amounts Subject to Reporting on Form 1042-S. later, and to report amounts withheld under chapter 3 or chapter 4. Use Form 1042-S to report specified federal procurement payments paid to foreign persons that are subject to withholding under section 5000C. Use Form 1042-S to report payments of eligible deferred compensation items or distributions from nongrantor trusts to covered expatriates that are subject to withholding under section 877A. See Box 1 - Income Code. later. Use Form 1042-S to report certain distributions that are made by publicly traded trusts and QIEs (as defined under section 897(h)(4)(A)). See Distributions Attributable to Dispositions of U.S. Real Property Interests by Publicly Traded Trusts and Qualified Investment Entities, later. Use Form 1042-S to report income described under Amounts Subject to Reporting on Form 1042-S. later, and to report amounts withheld under chapter 3 or chapter 4. Do not use Form 1042-S to report an item required to be reported on any of the following forms. Form W-2 (wages and other compensation made to employees (other than compensation for dependent personal services for which the beneficial owner is claiming treaty benefits), including wages in the form of group-term life insurance). Form 1099 (except if indicated otherwise in these instructions). Form 8288-A, Statement of Withholding on Certain Dispositions by Foreign Persons; or Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax. Withholding agents otherwise required to report a distribution partly on a Form 8288-A or Form 8805 and partly on a Form 1042-S may instead report the entire amount on Form 8288-A or Form 8805. Form 8966, FATCA Report. Foreign financial institutions (FFIs), sponsoring entities of certain FFIs and other foreign entities, and withholding agents are required to report on Form 8966 certain account holders and payees. An FFI or withholding agent may also be required to file Form 1042-S to report payments of U.S. source FDAP income made to such persons and to report tax deducted and withheld, if any. Every withholding agent (defined in Definitions, later) must file an information return on Form 1042-S to report amounts paid during the preceding calendar year that are described under Amounts Subject to Reporting on Form 1042-S. later. However, withholding agents who are individuals are not required to report a payment on Form 1042-S if they are not making the payment as part of their trade or business and no withholding is required to be made on the payment. For example, an individual making a payment of interest that qualifies for the portfolio interest exception from withholding is not required to report the payment if the portfolio interest is paid on a loan that is not connected to the individual's trade or business. However, an individual who is a withholding agent paying an amount to a nonresident alien or foreign corporation that is not a U.S. source dividend or a U.S. source dividend (as defined in Regulations section 1.1471-5(d)(2)(ii)(B)) is required to report the payment. For more information, see Regulations section 1.1471-5(d)(2)(ii)(B). Every withholding agent must file an information return on Form 1042-S to report amounts paid during the preceding calendar year that are described under Amounts Subject to Reporting on Form 1042-S. later. However, withholding agents who are individuals are not required to report a payment on Form 1042-S if they are not making the payment as part of their trade or business and no withholding is required to be made on the payment. 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For more information, see Regulations section 1.1471-5(d)(2)(ii)(B). Every withholding agent must file an information return on Form 1042-S to report amounts paid during the preceding calendar year that are described under Amounts Subject to Reporting on Form 1042-S. later.

Withholding agent must file a Form 1042-S for each recipient for which it has allocation information and report the unallocated part of the payment on a Form 1042-S as made to an "unknown recipient." In this case, the withholding agent does not check box 15 on any of the Forms 1042-S. You may be given Forms W-9 or other information regarding U.S. nonexempt recipients from an NQI or a flow-through entity together with information allocating all or a part of the payment to U.S. nonexempt recipients. You must report income allocable to a U.S. nonexempt recipient on the appropriate Form 1099 and not on Form 1042-S, even though you are paying that income to an NQI or a flow-through entity. A participating FFI or registered deemed-compliant FFI providing reporting allocations to its payees (as described above) also must provide such information to its payee(s). If you receive such information, you must report the income allocated to your payee(s) on Form 1042-S. Example 1: An NWP (flow-through entity) that is a certain deemed-compliant FFI receives from WA a U.S. withholding agent's withholdable payment of interest described by income code 01 (interest paid by U.S. obligors—general). FP has three partners, A, B, and C, all of whom are individuals. FP provides WA with a Form W-8IMY certifying that it is transmitting Forms W-9 for U.S. nonexempt recipients and Forms W-BBEN from A and B and a Form W-9 from C, a U.S. nonexempt recipient. In addition, FP provides a complete withholding statement in association with its Form W-8IMY that allocates the interest payments among A, B, and C. WA must file two Forms 1042-S, one each for A and B, treating FP as the intermediary in boxes 15a through 15l. WA should also file a Form 1099-INT for C. Example 9: The facts are the same as in Example 8, except that FP does not provide any documentation from its partners. Because WA cannot reliably associate the withholdable payment of interest with documentation from a payee, it must apply the presumption rules of Regulations section 1.1471-3(c)(2) to treat the interest as paid to a nonparticipating FFI. A Form 1042-S should be completed by entering "4" in box 3, "Unknown Recipient," in box 13a, recipient code 21 (unknown recipient) as the chapter 3 status code, and recipient code 29 (unknown recipient) as the chapter 4 status code. Also, the name, country code, address, status codes, and TIN (if any) of FP should be entered in boxes 15a through 15l. Example 10: The facts are the same as in Example 9, except that FP is a participating FFI and provides WA with a Form W-8IMY certifying that it is reporting its U.S. accounts under chapter 4 and a withholding statement allocating 33% of the payment to a pool of U.S. payees. With respect to the U.S. pool of payees, WA must file a Form 1042-S showing FP as the recipient in box 13a and include FP's GIN, recipient code 08 as the chapter 3 status code (partnership other than withholding foreign partner), and recipient code 26 (qualified derivatives dealer)—or if FP is acting as a QDD, enter "00" in box 3a, recipient code 01 (interest paid by U.S. obligors—general), and recipient code 26 (qualified derivatives dealer)—in box 4b. Amounts paid to an NQI or a flow-through entity of amounts realized and PTP distributions. A U.S. withholding agent making a payment to an NQI that is subject to withholding on a PTP distribution other than section 1446 should generally report the NQI and the recipient of the distribution on Form 1042-S in accordance with the requirements applicable to withholdable payments made to NQIs (described earlier). In the case of a PTP distribution paid to a flow-through entity, however, the withholding agent should report the flow-through entity as the recipient for an amount subject to section 1446(a) unless it is a grantor trust (with the trusts as grantees or owners treated as the recipients). In either case, the U.S. withholding agent must provide a Form 1042-S that is associated with the PTP distribution to the extent that PTP information is required to be included on Form 1042-S in accordance with Boxes 16a through 16e—Payee's Name, TIN, GIN, and Status Code, later, and as described under Publicly Traded Partnerships (Sections 1446(a) and (d) Withholding Tax), earlier. A U.S. withholding agent making a payment to an NQI of an amount realized subject to reporting for purposes of section 1446(f) (including on a PTP distribution) should generally treat the recipient as an unknown recipient because section 1446(f) withholding applies to an NQI without regard to the statuses of its account holders receiving the amount realized. A single Form 1042-S may be issued to the NQI in this case regardless of the number of NQI account holders. If the withholding agent agrees to report the NQI account holders on Form 1042-S, however, it may report the amount realized and withholding applied under section 1446(f) with respect to each NQI account holder on Form 1042-S. See the instructions for Form W-8IMY for the requirements for such an agreement (including that the withholding agent issue a recipient copy of the Form 1042-S to the NQI with respect to each Form 1042-S issued to an NQI account holder for an amount realized). A U.S. withholding agent also must file a Form 1042-S for each dividend received by an individual who is a resident of a treaty country (other than a resident of the United States) who is entitled to reduced rates of withholding on dividends under a tax treaty between the United States and that country. Such a dividend is reported in box 15a through 15l. Amounts paid to an NQI or a flow-through entity of amounts realized and PTP distributions. A U.S. withholding agent making a payment to an NQI that is subject to withholding on a PTP distribution other than section 1446 should generally report the NQI and the recipient of the distribution on Form 1042-S in accordance with the requirements applicable to withholdable payments made to NQIs (described earlier). 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A U.S. withholding agent also must file a Form 1042-S for each dividend received by an individual who is a resident of a treaty country (other than a resident of the United States) who is entitled to reduced rates of withholding on dividends under a tax treaty between the United States and that country. Such a dividend is reported in box 15a through 15l.

A U.S. withholding agent must file a separate Form 1042-S for each dividend received by an individual who is a resident of a treaty country (other than a resident of the United States) who is entitled to reduced rates of withholding on dividends under a tax treaty between the United States and that country. Such a dividend is reported in box 15a through 15l. Amounts paid to an NQI or a flow-through entity of amounts realized and PTP distributions. A U.S. withholding agent making a payment to an NQI that is subject to withholding on a PTP distribution other than section 1446 should generally report the NQI and the recipient of the distribution on Form 1042-S in accordance with the requirements applicable to withholdable payments made to NQIs (described earlier). In the case of a PTP distribution paid to a flow-through entity, however, the withholding agent should report the flow-through entity as the recipient for an amount subject to section 1446(a) unless it is a grantor trust (with the trusts as grantees or owners treated as the recipients). In either case, the U.S. withholding agent must provide a Form 1042-S that is associated with the PTP distribution to the extent that PTP information is required to be included on Form 1042-S in accordance with Boxes 16a through 16e—Payee's Name, TIN, GIN, and Status Code, later, and as described under Publicly Traded Partnerships (Sections 1446(a) and (d) Withholding Tax), earlier. A U.S. withholding agent making a payment to an NQI of an amount realized subject to reporting for purposes of section 1446(f) (including on a PTP distribution) should generally treat the recipient as an unknown recipient because section 1446(f) withholding applies to an NQI without regard to the statuses of its account holders receiving the amount realized. A single Form 1042-S may be issued to the NQI in this case regardless of the number of NQI account holders. If the withholding agent agrees to report the NQI account holders on Form 1042-S, however, it may report the amount realized and withholding applied under section 1446(f) with respect to each NQI account holder on Form 1042-S. See the instructions for Form W-8IMY for the requirements for such an agreement (including that the withholding agent issue a recipient copy of the Form 1042-S to the NQI with respect to each Form 1042-S issued to an NQI account holder for an amount realized). A U.S. withholding agent also must file a Form 1042-S for each dividend received by an individual who is a resident of a treaty country (other than a resident of the United States) who is entitled to reduced rates of withholding on dividends under a tax treaty between the United States and that country. Such a dividend is reported in box 15a through 15l.

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subject to chapter 3 withholding. Use recipient code 34 (non-documented proceeds obligation) if you are reporting the recipient's account as a non-resident alien and the payment being reported was made before the expiration of the time period allowed for documenting the obligation and thus the withholding agent was not required to apply the presumptive rules to determine the payee's chapter 4 status. Use recipient code 39 (account holder of excluded financial account) if you are reporting amounts paid with respect to an obligation that is excluded from the definition of financial account for chapter 4 purposes (see Regulations section 1.1471-5(b)(2)). Use recipient code 41 (NFFE subject to 1472 withholding) if you are reporting amounts paid to a specific recipient that is an NFFE that you (or another withholding agent) withheld upon under section 1472 (that is, you are reporting amounts in boxes 7 through 9) unless the NFFE is treated as a recalcitrant account holder under Regulations section 1.1471-5(g), in which case, use code 30 (recalcitrant account holder). If you received a withholding certificate or other documentation with respect to a withholdable payment from an intermediary or a flow-through entity that is a participating FFI or deemed-compliant FFI (other than a WP, WT, or QI that assumes primary withholding responsibility) and cannot reliably associate the payment with documentation to determine the payee's chapter 4 status (or with a chapter 4 withholding rate pool), you must report the recipient as "Unknown Recipient" and include the entity's information in boxes 15a through 15i (to the extent provided). If you are reporting a chapter 4 pooled reporting code with respect to a withholdable payment to an intermediary or a flow-through entity, use the chapter 3 status code for the intermediary or flow-through entity as the recipient code. If you are a QI, WP, or WT reporting direct account holders, do not include a chapter 3 status code for the recipient if you are using a chapter 4 reporting pool code as the recipient's chapter 4 status code. If you are making a withholdable payment to a recipient that is a restricted distributor (as defined in Regulations section 1.1471-5(f)(4)), use recipient code 10 (certified deemed-compliant FFI—other). Use box 13i to enter the recipient's identification number used in the recipient's country of residence for tax purposes. You must obtain and enter an FTIN for any of the following recipients. Any foreign person claiming a reduced rate of, or exemption from, tax under a tax treaty between a foreign country and the United States if such person did not provide a U.S. TIN and the income is not the type for which an exemption from the TIN requirement applies (see the instructions for boxes 13e and 13h, earlier). Any recipient of a payment made with respect to a financial account (as defined in Regulations section 1.1471-5(b)) maintained at your U.S. office or branch, if you are a financial institution, to the extent that such recipient has furnished a withholding certificate that provides an FTIN, or you obtain the FTIN under the alternative procedures described in Regulations section 1.1441-1(e)(2)(iii)(B), or the recipient's FTIN is identified in any of your electronically searchable information. See Regulations section 1.1441-1(e)(2)(ii) for more information regarding a withholding agent's obligation to obtain and report a recipient's FTIN. If you are making a payment for which a beneficial owner that is an entity has claimed a reduced rate of withholding under an income tax treaty and has provided documentation that establishes the LOB article under which the beneficial owner qualifies, enter the applicable LOB code from Appendix B , later. See the Instructions for Form W-8BEN-E for a description of each of the LOB codes. If you are a QI, WP, or WT reporting a chapter 3 pool for which a reduced rate of withholding under an income tax treaty applies, do not include an LOB code. If you are a financial institution reporting amounts paid to your direct account holder with respect to an account maintained by you at your U.S. office or U.S. branch, you must report the recipient's account number in box 13k. If the amount is paid through an NQI or a flow-through entity, you are not required to use this box. A U.S. financial institution or a U.S. branch of an FFI is required to report payments of the same type of income (as determined by the income code in box 1) made to multiple financial accounts held by the same beneficial owner at a U.S. office of such institution on a separate Form 1042-S for each account. For this purpose, a financial account is an account described in Regulations section 1.1471-5(b)(1). Report the identifying number assigned to such account (or its functional equivalent in the absence of an account number for the recipient). Use box 13i to enter the recipient's date of birth. The correct format if entered is YYYYMMDD (for example, enter "20001205" for a date of birth of December 5, 2000). A financial institution making a payment with respect to a financial account (as defined in Regulations section 1.1471-5(b)) maintained at its U.S. office or U.S. branch must report the recipient's date of birth (if the recipient is an individual) to the extent that such recipient has furnished documentation that provides a date of birth or the recipient's date of birth is identified in any of the withholding agent's files. See Regulations section 1.1441-1(e)(2)(iii)(B) for more information regarding a withholding agent's obligation to obtain and report a recipient's date of birth. If you are an intermediary or a flow-through entity reporting amounts withheld by another withholding agent (the primary withholding agent) in box 8, you must provide the name and EIN of the withholding agent that withheld the tax. If multiple withholding agents withheld amounts reported on the same Form 1042-S, report the name of any one of the withholding agents that withheld amounts. Otherwise, leave blank. Withholding agents must check box 15 to notify the IRS that an NQI that used the alternative procedures of Regulations section 1.1441-1(e)(3)(iv)(D) failed to properly comply with those procedures. See Pro-rata reporting to NQI, earlier, for additional information. If you are reporting amounts subject to reporting for chapter 3 or 4 purposes paid to a recipient whose withholding certificates or other documentation has been submitted to you (or should have been submitted to you) with a Form W-8IMY provided by an intermediary or a flow-through entity, you must include the name and address of the intermediary or flow-through entity with whose Form W-8IMY the recipient's Form W-8 or other documentation is associated. You must also include the intermediary or flow-through entity's chapter 3 and chapter 4 status codes and, if any, the TIN and GIIN of the intermediary or flow-through entity when provided or required to be collected by the withholding agent. If the intermediary or flow-through entity completed Part II of Form W-8IMY, then report the GIIN provided in that section. If you are making a payment to a U.S. person that has certified that it is applying the rules in Regulations section 1.1471-4(d)(2)(iii)(C) (in order to avoid being withheld upon under chapter 4), use chapter 4 intermediary code 18 (U.S. branch—not treated as U.S. person reporting under section 1471). A withholding agent that is an intermediary or a flow-through entity will leave these boxes blank unless it is making the payment to an intermediary or a flow-through entity. See the definition of authorized agent, earlier, under Definition of Authorized Agent. Include the payer's name, TIN, and GIIN if different from the withholding agent shown in boxes 12a, 12d, and 12e. If payment is being made by a transfer agent or a paying agent acting as a withholding agent on behalf of a payer, enter the chapters 3 and 4 status codes applicable to the status of the payer in boxes 16d and 16e. If you are a nominee that is the withholding agent for the amount of a PTP distribution subject to withholding under section 1446(a) (reporting income code 27), enter the PTP's information in boxes 16a through 16e. However, you must enter the PTP's EIN, GIIN (if any), and chapter 4 status only if included in your records for the PTP interest that relates to the distribution. This includes information in your securities master file (or similar document), or that is reported in a qualified notice issued by the PTP during the year of the distribution. A nominee should also enter the PTP information when using income code 58 (undetermined income) to report a PTP distribution or when using income code 57 to report an amount realized attributable to a PTP distribution. You must issue a separate Form 1042-S to complete boxes 16a through 16e with respect to each PTP that makes a distribution of any of these types of income to the recipient. This requirement does not apply to a withholding agent that reports to a QI as a recipient with respect to a withholding rate pool or to a QI that reports using withholding rate pools. A PTP may be required to report the same amount of a PTP distribution on a qualified notice as subject to both section 1446(f) withholding and other chapter 3 or 4 withholding (such as under section 1446(a)). See Regulations sections 1.1446-4(b)(4) and 1.1446-4(c)(2)(iii). In this case, you must report the same amount on separate Forms 1042-S, with the appropriate income code and associated amount of withholding included on each form. Therefore, the total amounts reported on Forms 1042-S in box 2 (gross income) resulting from the distribution may, in some cases, exceed the actual amount of the distribution. Include in these boxes information relating to any state income tax withheld. If you file a Form 1042-S with the IRS and later discover you made an error on it, you must correct it as soon as possible. To correct a previously filed Form 1042-S, you will need to file an amended Form 1042-S. The amended form must have the same unique form identifier as the original form that is being amended. You must check the "Amended" box and provide the amendment number. The amendment number must be numeric and the length must be exactly one digit. Each time that you amend the same form (as determined by the unique form identifier), you must provide the amendment number in the box provided on the form (using "1" for the first amendment and increasing sequentially for each subsequent amendment). If you provide an amended Form 1042-S to a recipient, you must also file the amended form with the IRS. Do not file an amended return if you provided Form 1042-S to the recipient (Copies B, C, and D) and need to make corrections to such form prior to filing with the IRS. In such a case, you should file an original Form 1042-S with the correct information. Do not check the "Amended" box or indicate any amendment number. Provide a copy of the corrected Form 1042-S to the recipient. Note that the copies of the Form 1042-S provided to the recipients (Copies B, C, and D) must match the copy of the Form 1042-S that is filed with the IRS. If any information you correct on Form(s) 1042-S changes the information you previously reported on Form 1042, you must also correct the Form 1042 by filing an amended return. To do this, see the Form 1042 instructions. If you are not filing electronically, follow these steps to amend a previously filed Form 1042-S. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Sections 1441, 1442, 1446 (for PTPs), 1471, and 1472 require withholding agents to report and pay over to the IRS taxes withheld from certain U.S. source income. Form 1042-S is used to report the amount of income and withholding to the payee. Form 1042 is used to report the amount of withholding that must be paid over to the IRS. Section 6109 requires you to provide your identification number. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be liable for penalties and interest. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 34 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from IRS.gov/FormComments. Or you can write to Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see Where, When, and How To File , earlier. Account holder, Account holder. Account number, Box 13k—Recipient's Account Number Account-by-account reporting, Account-by-Account Reporting by Certain Financial Institutions Additional information, Additional Information Amended checkbox, Amended checkbox. Amendment number, Amendment Number Amount realized, Amount realized. Amount subject to withholding, Amount subject to chapter 3 withholding. Amounts not subject to reporting, Amounts That Are Not Subject to Reporting on Form 1042-S Amounts paid by QIs, Amounts Paid by QIs Amounts paid by QIs to certain partnerships and trusts, Amounts Paid by QIs to Certain Partnerships and Trusts Amounts paid to PAIs, Amounts Paid to PAIs Amounts subject to reporting, Amounts Subject to Reporting on Form 1042-S Appendix D Comprehensive example of how to complete Form 1042-S for gambling winnings, Appendix D Assistance, Need assistance? Authorized agent, Authorized agent. Electronic filing, Electronic filing requirement. Electronic reporting, Electronic Reporting Hardship waiver, Hardship waiver. Excepted nonfinancial foreign entity, Excepted NFFE. Exempt beneficial owner, Exempt beneficial owner. Exempt recipient, Exempt recipient. Exemption, recipient, and LOB codes, Appendix B Exemption code, Boxes 3a and 4a—Chapter 3 and Chapter 4 Exemption Codes Expatriate, Expatriate. Extension of time to file, Extension of time to file. Federal tax withheld, Boxes 7a Through 11—Federal Tax Withheld Financial institution, Financial institution. FIRE System, Filing Information Returns Electronically (FIRE) System. Fiscally transparent entity, Fiscally transparent entity. Flow-through entity, Flow-through entity. Foreign Account Tax Compliance Act, Foreign Account Tax Compliance Act (FATCA). Foreign country codes, List of country codes. Foreign financial institution, Foreign financial institution (FFI). Foreign person, Foreign person. Future developments, Future Developments LOB code, Box 13j—LOB Code Multiple withholding agent rule, Multiple Withholding Agent Rule Participating FFI, Participating FFI. Payee, Payee. Payments by U.S. withholding agents, Payments by U.S. Withholding Agents Payments made to non-recipients, Payments Made to Persons Who Are Not Recipients Payments to recipients, Payments to Recipients Penalties, Penalties Failure to file electronically, Failure to file electronically. Failure to furnish to recipient, Failure to furnish correct Form 1042-S to recipient. Late filing, Late filing of correct Form 1042-S. Presumption rules, Presumption rules. Privacy Act and Paperwork Reduction Act Notice, Privacy Act and Paperwork Reduction Act Notice. Private arrangement intermediary, Private arrangement intermediary (PAI). Pro-rata basis reporting checkbox, Box 15—Pro-Rata Basis Reporting Checkbox PTP distribution, PTP distribution. PTP interest, PTP interest. Publicly traded partnership, Publicly traded partnership (PTP). Publicly Traded Partnerships (Sections 1446(a) and (f) Withholding Tax) Publicly traded trusts, Publicly traded trusts. Purpose of form, Purpose of Form Recalcitrant account holder, Recalcitrant account holder. Recipient, Recipient. Recipient copies, Recipient copies. Recipient-by-recipient reporting, Recipient-by-Recipient Reporting by QIs Record retention, Record Retention Reminders, Reminders Requirement to withhold, Requirement To Withhold Chapter 3 withholding, Chapter 3 withholding. Chapter 4 withholding, Chapter 4 withholding. Rounding off to whole dollars Where, when, and how to file, Where, When, and How To File Who must file, Who Must File Withholdable payment, Withholdable payment. Withholding agent, Withholding agent. Withholding agent's EIN, Box 12a—Withholding Agent's EIN Withholding allowance, Box 5—Withholding Allowance Withholding certificate, Withholding certificate. Withholding foreign partnership or withholding foreign trust, Withholding foreign partnership (WP) or withholding foreign trust (WT). Amounts Paid by WPs and WTs Withholding rates, Withholding rates. Preparing a 1042-S is challenging, and the stakes get even higher if there are incorrect filings, leading to penalties, fines, and unnecessary stress. Don't worry! Today, we'll tackle some of the most frequently asked questions about filing a 1042-S: What is Form 1042-S? What are the deadlines for filing a 1042-S? And are there any recent updates in the form? When should you file Form 1042-S? How and where to file 1042-S? So, let's quickly dive into this blog post where we have explained everything you need to know before filing Form 1042-S! IRS Form 1042-S is an information return used to report income paid to foreign persons, including non-resident aliens, foreign corporations, foreign partnerships, foreign estates, and foreign trusts. It is designed to report various types of income, including wages, fellowships, royalties, and certain types of payments for services. Salary Wages Rent Dividend Allowance Rewards Compensation Premiums Scholarships Grants The primary purpose of Form 1042-S is to document and report income payments made to foreign persons subject to withholding to both the payee and the IRS under the Internal Revenue Code. Form 1042-S must be filed by a withholding agent (US individual, business, or institution) who has paid income to a foreign person that is subject to income tax withholding, even if no amount is deducted and withheld from the income because of a treaty or code exception to taxation. This form applies to all payments made to non-resident aliens subject to tax withholding, including foreign partnerships, corporations, trusts, as well as educational institutions in the US. If your institution employs non-US citizens, it's your duty to file on their behalf. This could include various roles such as cafeteria workers or college tutors, for instance. Additionally, a copy of Form 1042-S must be provided to the nonresident alien individual. Form 1042 summarizes the information reported on a 1042-S, which is issued to students and employees. It details the withholding agent's tax liability on the withheld or should-have-been-withheld taxes. By filing Form 1042, you're informing the IRS about the total cumulative amount of payments made to non-US individuals throughout the tax year. New Income Codes: For the 2023 tax year, Form 1042-S introduces two new income codes. Code 57 is for brokers to report withholding from transfers of PTP interests, while code 58 is for nominees to report PTP distribution income when its characterization is uncertain. Chapter 3 Status Code: A new status code 39, "Disclosing QI," is added to Form 1042-S for payments made to Qualified Intermediaries (QIs) acting as disclosing QIs by brokers, PTPs, or nominees. Revised Reporting for Territory Financial Institutions: Reporting concerning territory financial institutions under Chapter 3 withholding has been revised. Status codes 03 and 04, as well as exemption code 09, have been removed for payments made to territory FIs treated as or not treated as U.S. persons. Payers Details: Name, Address, Tax identification number (TIN), GIIN Number Recipient Information: Name, Address, Tax identification number (TIN), GIIN Number Income Information: This requires the income code that classifies the payment type. Withholding Information: This determines the amount of tax to be withheld from payments made to nonresident aliens. Withholding agent information: Name, EIN, GIIN Primary Withholding Agent information: Name (if applicable), EIN Intermediary or flow-through entity information: Name, GIN, EIN (if any) State Withholding Information The primary distinction between Form 1042 and Form 1042-S lies in their purposes. Form 1042-S is employed for reporting payments made to foreign individuals, whereas Form 1042 focuses on determining the amount of tax to be withheld on specific income of nonresident aliens and other foreign individuals. Form 1042: Annual Withholding Tax Return for U.S. Source Income of Foreign Persons. Form 1042-S: Foreign Person's U.S. Source Income Subject to Withholding. Form 1042-S Form 1042 Who files the form? Any US person, business, or institution that provides an income to non-citizen (the agent) Any US person, business, or institution that provides an income to non-citizen (the agent) What is reported? Taxable revenues transferred to a foreign entity The amount of tax deducted from taxable revenues transferred to foreign entities When to file the report? March 15, along with the annual Tax return March 15, along with the annual Tax return Where to file the report? The IRS and the foreign entity receiving the revenues Only to the L.R.S. Form 1042-S, whether submitted on paper or electronically, must be filed with the IRS and provided to the income recipient by March 15. If March 15th falls on a Saturday, Sunday, or legal holiday in the District of Columbia or the filing location, the due date shifts to the next business day. The threshold for eFiling Form 1042-S and other forms has been significantly reduced. Previously set at 250 or more returns, it has now dropped to just 10 or more returns. This change became effective for forms filed on or after January 1, 2024. Therefore, if you need to file 10 or more Form 1042-S, you are required to eFile them. eFile Form 1042-S in minutes with Tax1099. We can also assist with the preparation and filing of Form 1042-S, offering features like scheduling the transmission date to the IRS and allowing for edits before the final submission. Step 1: Create Log in or sign up on Tax1099. Choose the tax year, select Form 1042-S, and proceed to the next step. Enter the payer's and recipient's details. Tax1099 offers multiple options for data import: Add One at a Time: Follow simple prompts to add payers' step by step. Upload Bulk Excel: Use our template to quickly add multiple payers. API Integration: Access full integration with any of your existing accounting software and import data. Step 2: Verify Review the entered details for accuracy. Utilize TIN matching, USPS Address validation, and other tools to ensure data correctness. Step 3: Submit Now, you are ready to efile your Form 1042-S with the IRS. After successful submission, download and deliver recipient copies via postal mail or through Tax1099's IRS-compliant eDelivery.