

Notice 97-48

Revenue Procedure 96-11, Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Magnetically or Electronically, will not be reissued for Tax Year (TY) 97 filing, which is processed in 1998. Following are the changes that have occurred since the 1/96 revision:

1. The ZIP Code has changed from 25401-1359 to 25402-1359 for the IRS P.O. Box address for the Martinsburg Computing Center.



If by Postal Service:

IRS-Martinsburg Computing Center
Information Reporting Program
P. O. Box 1359, MS-360
Martinsburg, WV 2540 2-1359

or

If by private delivery service:

IRS-Martinsburg Computing Center
Information Reporting Program
Route 9 and Needy Road, MS-360
Martinsburg, WV 25401

2. To provide clarification of the correction process for Forms 1042-S, the following definitions have been provided:
 - a. **Avoid** record is an information return (Form 1042-S) submitted by the transmitter to replace a previously filed incorrect original return. A void record must be a duplicate of the original successfully processed return with the exception of a "V" in field position 371 of the "Q" record. **This record can be filed with or without a corresponding "C" 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 "V" in position 371. In this instance, a corresponding "C" coded "Q" record would **NOT** be necessary.
 - b. **A correction** is an information return (Form 1042-S) submitted by the transmitter to correct a return that was successfully processed by IRS/MCC, but contained erroneous information. A "C" in field position 371 of the "Q" record identifies a correction record. **This record must always have a corresponding "V" coded record.**

Following is a chart showing the steps to be taken for correcting Forms 1042-S:

Guidelines for Filing Corrected Returns Magnetically/Electronically

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. Recipient "Q" Record with the exact information as submitted originally, however,
- c. Place a "V" (See Note) in field position 371 of the "Q" Record
- d. Prepare a Withholding Agent "W" Record summarizing the preceding "V" Coded "Q" Records. (See sample format below.)

☞ **Note: A "V" coded "Q" Record may or may not have a corresponding "C" Coded "Q" Record.**

Transaction 2: Report the correct information (correction process)

On the same media or electronic submission, prepare:

- a. Recipient "Q" Record with the correct information
- b. Place a "C" (**See Note**) in Field Position 371 of the "Q" Record
- c. Prepare a Withholding Agent "W" Record summarizing the preceding "C" coded "Q" records
- d. Prepare an End of Transmission "Y" record
- e. "V" and "C" Coded Corrected returns submitted to IRS/MCC **must** be in the same submission.

☞ **Note: Each "C" Coded "Q" Record MUST have a corresponding "V" Coded Record**

Sample data sequences for void/ correction records:

T
 Q with V
 Q with V
 Q with V
 Q with V
 Q with V
 Q with V
 W
 Q with C
 Q with C
 Q with C
 Q with C
 W
 Y

3. "T" Record—Change Tax Year (positions 2–3) to 97 for income and withholding reported for 1997 (unless reporting for a different tax year). All other "T" record data fields in the 1/96 revision remain the same.
4. "Q" Record Changes—The following fields (items A–E) indicate changes made to the information contained in the 1/96 revision. All other "Q" record data fields remain the same.

Positions	Field Title	Length	Description and Remarks
(A) Field Position 112 has changed to include the definition for the Individual Taxpayer Identification Number.			
112	Type of TIN	1	This field is used to identify the Taxpayer Identification Number (TIN) in positions 112–121 as either an Employer Identification Number (EIN), or a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). Enter the appropriate code from the following table:
Type of TIN Type of Account			
1	EIN		A business, organization, sole proprietor, or other entity

2	SSN	An individual, including a sole proprietor
	OR	
	ITIN	An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN
	Blank	If the type of TIN is not determinable, enter a blank.

(B) The Form 1042-S Paper instructions are updated each year. Changes are made to the list of Country Codes at that time.

137-138	Country Code	2	The list of country codes included in the 1997 Paper Instructions for Forms 1042-S should be used to ensure the proper coding of the country code field.
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(C) In addition to the Income Code information provided in the Publication 1187, the following information is included as a result of the tax law change in the reporting of Canadian Interest.

355-356	Income Code	2	Use Income Code 1 for the reporting of interest payments to Canadian residents who are not U.S. citizens
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(D) In addition to the Exemption Code information provided in the Publication 1187, the following information is included as a result of the tax law change in the reporting of Canadian Interest.

370	Exemption Code	1	Use Exemption Code 2 for the reporting of interest payments to Canadian residents who are not U.S. citizens.
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(E) The title of this field position changed.

371	Original, Void, or Corrected Return Indicator	1	Required. Enter the one position code below to identify an Original, Incorrect or Corrected Return. (See Part A, Sec. 13.)
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Code Description

Zero	If this is an Original Return.
V	Enter a "V" to void the incorrect original return submitted. (See Transaction 1)
C	Enter a "C" if this is to identify the Correct Return. (See Transaction 2)

5. "W" Record—Change Tax Year (positions 2-3) to 97 for income and withholding reported for 1997 (unless reporting for a different tax year).

6. In all records, alpha characters entered must be upper case.

7. Notice to filers:

Format changes to accommodate Year 2000 will occur for **TY98** in calendar year **1999**.

Treasury has mandated that all electronic year dates exchanged with non-IRS organizations, both government and private, both input and output, shall adhere to the following:

— All Gregorian date formats will be in the format 'YYYYMMDD'.

— All other year date formats (e.g., Julian, Tax Period, Cycle Dates) will expand representations from two-digit year to four-digit year: 'YYYY'.