Revenue Procedure 98-44

Reprinted from IR Bulletin 1998-32
dated August 10, 1998

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

IRS
Department of the Treasury
Internal Revenue Service
Publication 1187 (Rev. 8-98)
Catalog Number 47024M

Rev. Proc. 98-44

Use this revenue procedure to prepare Tax Year 1998 Forms 1042-S for submission to Internal Revenue Service (IRS) using any of the following:

- Tape Cartridge
- Magnetic Tape
- 8mm, 4mm, and Quarter Inch Cartridges
- 5 ¼-inch Diskette
- 3 ½-inch Diskette
- Electronic Filing
  - (Bisynchronous)
  - (Asynchronous)

Caution to filers

Format changes to accommodate Year 2000 are included in this publication for TY98, calendar year 1999.

To be in compliance with Year 2000 changes, the current bisynchronous electronic filing communications package will change in the future.

Please read this publication carefully. Persons or businesses required to file information returns magnetically or electronically may be subject to penalties for failure to file or include correct information if they do not follow the instructions in this revenue procedure.

NOTE:

Following is a list of related instructions and forms for filing Information Returns Magnetically/Electronically.
A copy of these instructions and forms will be included in the printed copy of Publication 1187:

- 1998 Instructions for Form 1042-S
- Form 4419 - Application for Filing Information Returns Magnetically/Electronically
- Form 4804 - Transmittal of Information Returns Reported Magnetically/Electronically
- Form 4802 - Transmittal of Information Returns Reported Magnetically/Electronically (Continuation of Form 4804)
- Form 8508 - Request for Waiver From Filing Information Returns on Magnetic Media (For Forms W-2, W-2G, 1042S, 1098, 1099 Series, 5498, 5498-MSA and 8027)
- Form 8809 - Request for Extension of Time to File Information Returns (For Forms W-2, W-2G, 1042-S, 1098, 1099, 5498, 8027)
- Notice 210 - Preparation Instructions for Media Label

The Internal Revenue Service, Martinsburg Computing Center, encourages filers to make copies of blank forms for future use.

Contents

Part A. General

Section 1. Purpose
Section 2. Nature of Changes - Current year (Tax Year 1998)
Section 3. Where to File and How to Contact the IRS Martinsburg Computing Center (IRS/MCC)
Section 4. Filing Requirements
Section 5. Form 8508, Request for Waiver from Filing Information Returns on Magnetic Media
Section 6. Vendor List
Section 7. Form 4419, Application for Filing Information Returns Magnetically/Electronically
Section 8. Test Files
Section 9. Filing of Forms 1042-S Magnetically/Electronically and Retention Requirements
Section 10. Due Dates
Section 11. Extensions of Time to File
Section 12. Processing of Information Returns Magnetically/Electronically
Section 13. Corrected Returns
Section 14. U.S. Taxpayer Identification Numbers (TIN) and Individual Taxpayer Identification Number (ITIN)
Section 15. Effect on Paper Returns and Statements to Recipients
Section 16. Definition of Terms
Section 17. Major Problems Encountered

Part B. Magnetic Media Specifications

Section 1. General
Section 2. Tape Cartridge Specifications
Section 3. Magnetic Tape Specifications
Section 4. 8mm, 4mm, and Quarter Inch Cartridge Specifications
Section 5. 5 ¼- and 3 ½-Inch Diskette Specifications
Section 6. Data Sequence Specifications
Section 7. Transmitter "T" Record
Section 8. Recipient "Q" Record
Section 9. Withholding Agent "W" Record
Section 10. End of Transmission "Y" Record

Part C. Bisynchronous (Mainframe) Electronic Filing Specifications

Section 1. General
Section 2. Electronic Filing Approval Procedure
Section 3. Test Files
Section 4. Electronic Submissions
Section 5. Transmittal Requirements
Section 6. IBM 3780 Bisynchronous Communication Specifications

Section 7. Bisynchronous Electronic Filing Record Specifications

Part D. Asynchronous (IRP-BBS) Electronic Filing Specifications

Section 1. General
Section 2. Electronic Filing Approval Procedure
Section 3. Test Files
Section 4. Electronic Submissions
Section 5. Transmittal Requirements
Section 6. Information Reporting Program Bulletin Board System (IRP-BBS) Specifications
Section 7. IRP-BBS First Logon Procedures

Part E. Magnetic/Electronic Specifications for Extension Of Time

Section 1. General Information
Section 2. Magnetic Tape, Tape Cartridge, 8mm, 4mm and QIC (Quarter Inch Cartridge), 5 ¼-and 3 ½-inch Diskette, and IRP-BBS Specifications
Section 3. Record Layout

Part F. Miscellaneous Information

Section 1. Addresses for Martinsburg Computing Center
Section 2. Telephone Numbers for Contacting IRS/MCC

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
Martinsburg Computing Center
Attn: IRB, Information Support Section
P.O. Box 1359
Martinsburg, WV 25402

Sec. 1. Purpose

.01 The purpose of this revenue procedure is to provide the specifications under which withholding agents may file Form 1042-S, Foreign Person's U.S. Source Income Subject to

Withholding, magnetically or electronically, which includes ½-inch magnetic tape, IBM 3480, 3490, or AS400 compatible tape cartridges (including 8mm, 4mm, and Quarter Inch); or 5 ¼-or 3 ½-inch diskettes with IRS.

.02 This revenue procedure supersedes the following: Rev. Proc. 96-11, published as **Pub. 1187** (01-96), Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Magnetically/Electronically.

.03 Specifications for filing the Form 1042-S are contained in this revenue procedure. This revenue procedure must be used for the preparation of current Tax Year 1998 Forms 1042-S filed between **January 1, 1999, and December 31, 1999,** and those filed for years prior to 1998.

.04 The following revenue procedures and publications provide more detailed filing procedures for certain other information returns.

(a) 1998 “Instructions for Form 1042-S

(b) 1998 "Instructions for Forms 1099, 1098, 5498, and W-2G" provides specific instructions on completing and submitting information returns to IRS.

(c) Rev. Proc. 84-33, 1984-1 C.B. 502, regarding the optional method for agents to report and deposit backup withholding.

(d) Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099 Series, 5498, and W-2G.

(e) Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips Magnetically or Electronically.

(f) Publication 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically.

(g) Publication 1245, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically.

(h) Publication 1167, Substitute Printed, Computer Prepared, and Computer Generated Tax Forms and Schedules **(Use this publication for preparing substitute Forms 1042-S).**

(i) Rev. Proc. 98-25, specifications set forth for the magnetic or electronic filing of 1998 Form 8851, Summary of Medical Savings Accounts.

.05 It is unlawful to intentionally transmit a computer virus to the Internal Revenue Service. Violators may be subject to a fine and/or imprisonment.

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

Sec. 2. Nature of Changes - Current Year (Tax Year *1998*)

.01 Legislative changes for Tax Year 1998 necessitated major changes in the record format for Form 1042-S filed magnetically/electronically. Format changes to accommodate Year 2000 are contained in this publication. 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 2-digit year to 4-digit year: 'YYYY'.**

Other format changes were made to the records as well. The record changes make it imperative for filers to read this publication in its entirety. Failure to comply with the new record formats will result in the media being returned to the filer.

.02 In previous years, new or revised information in the publication has been highlighted by the use of italics. Due to the various changes in record formats, italics will not be used in this publication. Filers are encouraged to read the entire publication.

.03 Within the next few years, IRS/MCC will discontinue processing 5 ¼-inch diskettes as an acceptable form of media. Filers are encouraged to explore optional types of media or methods for submitting information returns to IRS/MCC. The Information Reporting Program-Bulletin Board System (IRP-BBS) is a highly recommended alternative to diskette filing.

.04 Editorial Changes - General

Numerous editorial and format changes have been made to the publication. Following are some of the changes that have been made to the revenue procedure:

a) A ZIP code change has occurred for the Martinsburg Computing Center. For all Martinsburg Computing Center addresses containing a post office box, the ZIP code has been changed from 25401 to 25402. The ZIP code for the street address (Route 9 and Needy Road) of the Martinsburg Computing Center remains 25401.

b) In Part A, Sec. 6, filers are advised that the Vendor List will be printed every other year. The most current version will always be available for reading or downloading from the Information Reporting Program-Bulletin Board System (IRP-BBS).

c) Part A, Sec. 7.01, a chart has been added to clarify the guidelines for applications for a Transmitter Control Code (TCC).

d) In Part A, Sec. 7.11, information has been added to advise filers that multiple Transmitter Control Codes (TCCs) will only be issued to a filer with multiple TINs, one TCC per TIN.

e) In Part A, Sec. 8.02, added the word "Test" as an indicator to be used for testing purposes.

f) In Part A, Sec. 9.09, filers are advised to create a self-adhesive label with the required information to attach to each tape, cartridge, or diskette.

g) Part A, Sec. 9.10, filers are advised to attach a label that states "IRB, Box ___of___" to the outside of the shipping container.

h) In Part A, Sec. 10.03, filers are advised that the timely mailing rule now applies to designated private delivery services.

i) Part A, Sec. 12.03, information has been added regarding the Media Tracking Slip (Form 9267) which accompanies media returned to filers due to processing problems.

j) Part A, Sec. 14 has been added relating to U.S. Taxpayer Identification Numbers (TIN) and the Individual Taxpayer Identification Number (ITIN).

k) Part A, Sec. 17, Problem 11, Math Computation Discrepancy was added as one of the major problems encountered. Suggested formulas were added to help eliminate this problem.

l) Added 8mm, 4mm and QIC (Quarter Inch Cartridge) as acceptable forms of magnetic media.

m) Added Part F, Miscellaneous Information. Information in this part has been provided as a quick reference point for addresses and telephone numbers for IRS/MCC.

n) Date field positions were increased to accommodate Year 2000.

o) Numerous record format changes occurred throughout Part B.

☛ **NOTE: FILERS ARE ENCOURAGED TO READ THE PUBLICATION IN ITS ENTIRETY TO ENSURE ACCURACY IN FILING THEIR INFORMATION MAGNETICALLY/ELECTRONICALLY.**

SEC. 3. WHERE TO FILE AND HOW TO CONTACT THE IRS MARTINSBURG COMPUTING CENTER (IRS/MCC)

☛ **NOTE: THE ZIP CODE HAS CHANGED FROM 25401-1359 TO 25402-1359 FOR THE IRS P.O. BOX ADDRESSES FOR MARTINSBURG, WV.**

.01 All Forms 1042-S filed magnetically or electronically

are processed at IRS/MCC. Files containing Forms 1042-S, requests for IRS magnetic media and electronic filing information, undue hardship waivers, and requests for extensions of time to file returns, or to furnish the statements to recipients, are to be sent to the following addresses:

If by Postal Service: **or** **If by truck or air freight**:

IRS, Martinsburg Computing Center
Information Reporting Program
P.O. Box 1359
Martinsburg, WV **25402**-1359

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

.02 Send a magnetically filed extension of time request to one of the following addresses:

If by Postal Service:

IRS, Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
P.O. Box 879
Kearneysville, WV 25430

If by truck or air freight:

IRS, Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
Route 9 and Needy Road
Martinsburg, WV 25401

.03 Telephone inquiries for the Information Reporting Program Call Site may be made between 8:30 a.m. and 4:30 p.m. Eastern time, Monday through Friday. The telephone numbers for magnetic media inquiries or electronic submission are:

304-263-8700-Call Site- Part A, Sec. 3.06

Asynchronous filing
304-264-7070-IRP-BBS (Information Reporting Program-

Bulletin Board System)-Part D

Bisynchronous filing
(Mainframe filing)
304-264-7080-4.8 Modems-Part C
304-264-7040-9.6 Modems-Part C
304-264-7045-14.4 Modems-Part C

304-267-3367-TDD (Telecommunication Device for the Deaf)

304-264-5602-FAX MACHINE

(These are not toll-free telephone numbers.)

TO OBTAIN FORMS CALL:
1-800-TAX-FORM (1-800-829-3676)

IRP-BBS ACCESS TO FORMS:
304-264-7070

INTERNET ACCESS TO FORMS:
HTTP://WWW.IRS.USTREAS.GOV

.04 Requests for paper returns, publications and forms related to magnetic media processing **MUST** be made by calling the "Forms Only Number" listed in your local telephone directory or by calling the IRS toll free number:
1-800-TAX-FORM (1-800-829-3676)

.05 The 1998 "Instructions for Form 1042-S" have been included in Publication 1187 for transmitter convenience. The Form 1042 is used to transmit Copy A of paper Forms 1042-S. If filing paper returns, follow the mailing instructions on the Form 1042 and submit the paper returns to the Internal Revenue Service Center, Philadelphia PA 19255.

.06 The Internal Revenue Service Centralized Call Site is located at IRS/MCC and operates in conjunction with the Information Reporting Program. The Call Site provides service to the payer community (financial institutions, employers, and other transmitters of information returns).

.07 The Call Site accepts calls from all areas of the country. Hours of operation for the Call Site are Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern Time. The Call Site is in operation throughout the year to handle the questions of payers, transmitters, and employers. Due to the high demand for assistance at the end of January and February, it is advisable to call as soon as possible to avoid these peak filing seasons.

.08 The IRS Centralized Call Site answers both magnetic media and tax law questions relating to the filing of Forms 1042-S, all information returns, and backup withholding due to missing and incorrect taxpayer identification numbers.

.09 For assistance with regard to the reporting of Forms

1042-S, nonresident alien withholding, magnetic media filing, and processing requirements, contact:

Martinsburg Computing Center
Information Reporting Program Call Site

☎ **TEL: 304-263-8700**
TDD: 304-267-3367

FAX: 304-264-5602

.10 If you need help with regard to nonresident alien withholding requirements, contact:

Office of the Assistant Commissioner (International)
ATTN: Taxpayer Service Division
950 L'Enfant Plaza South, SW
Washington, DC 20024

☎ **TEL: 202-874-1460**

FAX: 202-874-5440

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

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

.02 The filing requirement applies individually to each reporting entity as defined by its separate Taxpayer Identification Number (TIN), (Social Security Number (SSN), or Employer Identification Number (EIN)). For example, if filing for a corporation with several branches or locations and each uses the same name and EIN, the filer must aggregate the total volume of returns to be filed for that EIN and apply the filing requirement accordingly.

.03 This requirement applies separately to original and corrected documents. For example, 300 original documents are filed magnetically or electronically. If 200 of those documents

were filed with erroneous information, corrections may be submitted on paper forms; however, 250 or more corrections must be submitted magnetically/electronically.

☛ **NOTE:** **IF FILERS MEET THE FILING REQUIREMENTS AND ENGAGE A SERVICE BUREAU TO PREPARE MEDIA ON THEIR BEHALF, THE FILERS SHOULD ENSURE NOT TO REPORT DUPLICATE DATA WHICH MAY CAUSE PENALTY NOTICES TO BE GENERATED.**

.04 Filers who are required to submit their Forms 1042-S on magnetic media may choose to submit their documents electronically instead. Filers who transmit their information electronically are considered to have satisfied the magnetic media filing requirements.

.05 IRS/MCC has two methods by which payers may submit their files electronically. Bisynchronous (mainframe) electronic filing, which can be found in Part C of this publication, or Asynchronous (Information Reporting Program-Bulletin Board System), which is in Part D. An overview of some features provided on the IRP-BBS are as follows:

- Electronic filing of information returns to the IRS using dial-up modems
- Return notification of the acceptability of the data transmitted within 10 days for Forms 1042-S
- Electronic communication with IRS and SSA bulletin board systems
- Access to shareware

- Access to forms and publications relating to the Information Reporting Program
- News about the latest changes and updates that affect the Information Reporting Program at IRS
- Answers to messages and questions left on the bulletin board
- Available for public use and can be reached by dialing 304-264-7070
- IRP-BBS is accessible 24 hours a day, 7 days a week. Routine maintenance is performed daily, at approximately 7:00 a.m. Eastern Time
- Questions, comments, or suggestions can be directed to the Systems Operator (SYSOP) through IRP-BBS.

.06 The above requirements do not apply if the withholding agent submits an application for and is granted an undue hardship waiver. (See Part A. Sec. 5.)

.07 For additional information on filing requirements, please refer to the 1998 "Instructions for Form 1042-S."

SEC. 5. FORM 8508, REQUEST FOR WAIVER FROM FILING INFORMATION RETURNS ON MAGNETIC MEDIA

.01 If a payer 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 filer will be subject to a penalty of $50 per return in excess of 250. The penalty applies separately to original and corrected returns. (For penalty information, refer to the Penalty section of the 1998 "Instructions for Forms 1042-S").

.02 Payers required to file Form 1042-S magnetically or electronically may receive a waiver if the requirement would create an undue hardship. The payer may request a waiver by submitting Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media, to IRS/MCC.

.03 Generally, only the payer may sign the 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 the Form 8508.

.04 A separate Form 8508 must be submitted by each payer. Do not submit a list of payers.

.05 Filers are encouraged to submit Form 8508 at least 45 days before the due date of the return.

.06 If a waiver for original documents is approved, any corrections for the same type of returns will be covered under this waiver. If a payer submits the original Forms 1042-S on magnetic media, less than 250 corrections may be submitted on paper. However, if you can submit your original returns on magnetic media but not your corrections, you must request a waiver for those exceeding the 250.

.07 Waivers are evaluated on a case-by-case basis and are approved or denied based on regulation criteria set forth under section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS/MCC to respond to a waiver request.

.08 All information requested on the Form 8508 must be provided to IRS for the request to be processed. Failure to provide all of the information requested on the Form 8508 and/or the cost estimates, if applicable, will result in an automatic denial of the waiver request.

.09 An approved waiver will only provide exemption from magnetic or electronic filing for one tax year. **A WAIVER MAY NOT BE REQUESTED FOR MORE THAN ONE TAX YEAR AT A TIME.** If needed, the withholding agent must apply each year for a waiver.

.10 A copy of Form 8508 may be obtained by calling 1-800-829-3676. Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form. A copy of the Form 8508 is located in the back of this publication.

.11 If a waiver request is approved, the transmitter should keep the approval letter on file.

.12 An approved waiver from filing information returns magnetically or electronically does not provide exemption from filing; the withholding agent must still file information returns on acceptable paper forms with the Philadelphia Service Center. **DO NOT INCLUDE A COPY OF THE APPROVED WAIVER WITH THE PAPER FORMS.**

Sec. 6. Vendor List

.01 IRS/MCC prepares a list of vendors who support magnetic media or electronic filing. The Vendor List (Publication 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 payers who wish to produce magnetic media or electronic files on their own computer systems. This list is compiled as a courtesy and in no way implies IRS/MCC approval or endorsement.

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

.03 The Vendor List may be updated in print every other year. The most recently printed copy will be available by contacting IRS/MCC at 304-263-8700 or by way of letter (See Part A. Sec. 3). The copy of the Vendor List on the Information Reporting Program-Bulletin Board System is updated whenever changes or new information is received. (Refer to Part D).

.04 A vendor, who offers a software package, 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/MCC. The request should include:

(a) Company name
(b) Address (include city, state, and ZIP code)
(c) Telephone number (include area code)
(d) Contact person
(e) Type(s) of service provided (e.g., service bureau and/or software)
(f) Type(s) of media offered (e.g., magnetic tape or tape cartridge, 5 ¼- or 3 ½-inch diskettes or electronic filing)
(g) Type of return

Sec. 7. Form 4419, Application For Filing Information Returns Magnetically/Electronically

.01 Withholding agents or their agents are required to submit Form 4419, Application for Filing Information Returns Magnetically/Electronically, to request authorization to file Forms 1042-S with IRS/MCC. A single Form 4419 should be filed. A separate Transmitter Control Code (TCC) will be assigned for each form identified in Block 6. **A TCC for filing Forms 1042-S begins with the numbers "22".** Please make sure you submit your magnetic media files using the correct TCC. See the chart below:

A separate Transmitter Control Code (TCC) is required for filing each of the following types of returns: Forms 1098, 1099, 5498; 8027; 8596; Questionable W-4; and W-2G.

FORM AND TCC NUMBERING SERIES	TITLE	EXPLANATION
1098, 1099-Series 5498, 8596, and W-2G (Various TCC numbers **excluding those beginning with numbers 21, 22, and 70-79)**	Various types of Information returns	Returns using Pub 1220 for filing requirements and record layout
8027 (TCC begins with numbers "21")	Employer's Annual Information Return of Tip Income and Allocated Tips	Returns using Pub 1239 for filing requirements and record layout
Questionable W-4 (See **Note**) (TCC begins with numbers "70" through "79")	Employee's Withholding Allowance Certificate	Returns using Pub 1245 for filing requirements and record layout

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

.02 Form 4419 can be submitted any time during the year; however, it **must** be submitted to IRS/MCC at least 30 days before the due date of the return(s) for current year processing. This will allow IRS/MCC 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/MCC, a waiver may be requested to file returns on paper documents.

.03 For documents to be filed electronically using IBM 3780 bisynchronous protocols, Form 4419 must be submitted at least 45 days prior to the due date of the returns (See Part C, Sec. 2)..

.04 If a filer has been assigned a TCC to file magnetically and later chooses to file electronically, it is not necessary to apply for another TCC as long as the TCC begins with the digits "22".

.05 Filers must have a TCC to transmit data electronically. When initial contact is made with the IRP-BBS, filers will be instructed to assign their own password and do not need prior approval, other than a valid TCC.

.06 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 on **IRP-BBS AT 304-264-7070** or on **INTERNET AT HTTP://WWW.IRS.USTREAS.GOV.**

.07 The filer will receive an approval letter that will contain a five-character alpha/numeric TCC **(BEGINNING WITH THE DIGITS "22"). DO NOT SUBMIT FORMS 1042-S USING A TCC ASSIGNED FOR THE PURPOSE OF FILING OTHER INFORMATION RETURNS.** Forms 1042-S may not be filed electronically or magnetically until an application has been approved and a TCC assigned. The TCC must be coded in the Transmitter "T" Record.

A magnetic media reporting package containing the current revenue procedure, forms, and instructions will be sent annually to the attention of the contact person indicated on Form 4419.

.08 Once a TCC has been assigned for filing magnetically or electronically, it is not necessary to reapply each year **UNLESS:**

(a) The withholding agent/transmitter has discontinued filing magnetically or electronically for two years; the filer's TCC may have been reassigned by IRS/MCC. Filers, who are aware that the TCC assigned will no longer be used, are requested to notify IRS/MCC so these numbers may be reassigned.

(b) The filer's magnetic media files were transmitted in the past by a service bureau using the service bureau's TCC, but now the filer has computer equipment compatible with that of IRS/MCC and wishes to prepare his or her own files. The filer must request a TCC by filing Form 4419.

If any of the information (name, TIN or address) on the Form 4419 changes, please notify IRS/MCC in writing so the IRS/MCC 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 (i.e., tape to disk, disk to BBS). The transmitter should include the TCC in **ALL** correspondence.

.09 If a withholding agent's files are prepared by a service bureau, it may not be necessary 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/MCC for the withholding agent. Other service bureaus will prepare magnetic media and return the media to the withholding agent for submission to IRS/MCC. However, even if the service bureau prepares and transmits the media, the withholding agent is responsible for the accuracy of the filing and the returns being filed. The withholding agent will be liable for penalties for failure to comply with filing requirements. These service bureaus may require the withholding agent to obtain a TCC to be coded in the "T" Record. Withholding agents should contact their service bureaus for further information.

.10 IRS/MCC encourages transmitters who file for multiple payers to submit one application and to use the assigned TCC for all withholding agents.

.11 One Form 4419 may be submitted regardless of how many types of media or methods are used to file the return. **MULTIPLE TCC'S WILL ONLY BE ISSUED TO WITHHOLDING AGENTS WITH MULTIPLE TINS.**

Only one TCC will be issued per TIN unless the filer has checked other forms listed in Block 6 of Form 4419 in addition to Forms 1042-S.

.12 Approval to file does not imply endorsement by IRS/MCC of any computer software or of the quality of tax preparation services provided.

Sec. 8. Test Files

.01 IRS/MCC does not require test files, but encourages first-time magnetic media or electronic filers to submit a test for review prior to the filing season. For current filers, sending a test file will provide the opportunity to ensure their software reflects any programming changes. IRS/MCC will check the file to ensure it meets the specifications of this revenue procedure. The test file must not consist of fictitious data. The test file **must** consist of a sample of each type of record:

(a) Transmitter "T" Record
(b) Multiple Recipient "Q" Records **(at least 20)**
(c) Withholding Agent "W" Record
(d) End of Transmission "Y" Record

See Part B for the record formats.

.02 Use the Test Indicator "**TEST**" in Field Positions 133-136 of the "T" Record to show this is a test file.

.03 Form 4419 must be filed with IRS/MCC and a TCC must be assigned before test files are submitted.

.04 Tests should be sent to IRS/MCC between December 1 and February 15. The test **must** be received at MCC by February 15 in order to be processed.

.05 For tests filed electronically, the transmitter must send the signed Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, the same day the transmission is made. For tests filed on magnetic tape, tape cartridge, 8mm, 4mm, and quarter inch cartridge, 5 ¼- and 3 ½-inch diskettes, 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, and in Block 9 provide the total number of recipient "Q" records. Also, indicate "TEST" on the external media label.

.06 IRS/MCC will send an acknowledgment to indicate the test results. Unacceptable magnetic media files, along with documentation identifying the errors, will be returned to the filer for replacement. Resubmission of test files must be received by IRS/MCC no later than February 15.

.07 IRS/MCC does not return media once it has been successfully processed.

Sec. 9. Filing of Forms 1042-S Magnetically/Electronically and Retention Requirements

.01 Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, Form 4802, Transmittal of Information Returns Reported Magnetically/Electronically

(Continuation), or computer-generated substitute, **MUST** accompany **ALL** magnetic media shipments. For electronic transmissions, the Form 4804 and Form 4802, if applicable, must be sent the same day as the electronic transmission. Form 4802 is a continuation of Form 4804 and should only be used if the filer is reporting for multiple withholding agents. Form 4802 is not a stand-alone form; it can only accompany Form 4804.

.02 IRS/MCC encourages the use of computer-generated substitutes for Form 4804/4802. 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 A CALL FROM IRS/MCC 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 are encouraged to submit this information to IRS/MCC no earlier than January 1 of the year the return is due.

.06 Do not report duplicate information. If a filer submits returns magnetically/electronically, 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. 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)". Failure to sign the affidavit on Form 4804 may delay processing or could result in the files being returned unprocessed.

.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 penalties for failure to comply with the filing requirements.

.09 A SELF-ADHESIVE EXTERNAL MEDIA LABEL, CREATED BY THE FILER, MUST BE AFFIXED TO EACH TAPE AND DISKETTE. (IRS NO LONGER PROVIDES SELF-ADHESIVE LABELS FOR THIS PURPOSE.) For instructions on how to prepare an external media label, refer to Notice 210 in the forms section of this publication. If diskettes are used, and the operating system is not MS-DOS compatible, the operating system and hardware information MUST be provided. Failure to provide this information may result in the diskettes being returned to the filer.

.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 files include the following:

(a) A **signed** Form 4804;
(b) Form 4802, if applicable;
(c) External Media Label (created by the filer) affixed to the magnetic media;
(d) **IRB** Box ___ of ___ outside label.

☛ **Note: See Parts C and D for electronic submission requirements.**

.12 IRS/MCC 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 reporting due date.

Sec. 10. Due Dates

.01 The due dates for filing paper returns with IRS also apply to magnetic media or electronic filing. Filing of Form 1042-S is on a calendar year basis. Files must be submitted to IRS/MCC postmarked no later than March 15 of the calendar year.

.02 If the due date of March 15 falls on a Saturday, Sunday, or a legal holiday, the return to IRS and the statement to recipient is considered timely if filed with IRS and furnished to the recipient on the next business day.

.03 Returns postmarked by the United States Postal Service (USPS) on or before March 15, 1999, and delivered by United States mail to the IRS/MCC after the due date, are treated as timely under the "timely mailing as timely filing" rule. 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. Designation is determined with respect to each type of delivery service offered by a PDS (e.g., next day delivery, two day delivery, etc.). Notices 97-26, 1997-1 C.B. 413 and 97-50, 1997-37 I.R.B.21, provide the list of designated PDSs and the types of delivery services designated. Designation is effective until the IRS issues a revised list of designated PDSs. Notice 97-26 also provides rules for determining the date that is treated as the postmark date. For items delivered by a non-designated PDS, the actual date of receipt by IRS/MCC will be used as the filing

date. For items delivered by a designated PDS, but through a type of service not designated in Notices 97-26 or 97-50, the actual date of receipt by IRS/MCC will be used as the filing date. The timely mailing rule also applies to furnishing statements to recipients.

.04 Statements to recipients must be furnished to the income recipient on or before March 15, 1999, for TY98.

.05 Late filed media could result in a penalty for failure to file correct information returns by the due dates. (For information on penalties, refer to the Penalty Section of the 1998 "Instructions for Form 1042-S".

.06 Use this revenue procedure to prepare Forms 1042-S filed magnetically or electronically beginning January 1, 1999 and received by IRS/MCC no later than December 31, 1999.

Sec. 11. Extensions of Time to File

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

.02 Form 8809, Request for Extension of Time to File Information Returns, should be submitted to IRS/MCC. This form may be used to request an extension of time to file information returns submitted on paper, magnetically or electronically.

.03 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 agent's names and their TINs (EIN or SSN). **The listing must be attached to ensure the extension is recorded for all withholding agents.** Form 8809 may be computer-generated or photocopied. Be sure all the pertinent information is included.

.04 Requests for an extension of time to file for **more than 50** withholding agents are required to be submitted magnetically or electronically (See **Note**). Requests for an extension of time for 10 to 50 withholding agents are encouraged to be filed magnetically or electronically. (See Part E, Sec. 3, for the record format.) The request may be filed on tape, tape cartridge, 5 ¼- and 3 ½-inch diskette, or electronically through the IRP-BBS or mainframe.

☛ ***Note:*** ***If a filer does not have an IRS/MCC assigned TCC, a Form 4419, Application for Filing Information Returns Magnetically/Electronically, must be submitted to obtain a TCC. This number must be used to submit an extension request magnetically/electronically.***

.05 All magnetically filed requests for an extension of time should be sent using the following addresses:

If by Postal Service:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: Extension of Time Coordinator
P. O. Box 879
Kearneysville, WV 25430

If by truck or air freight:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: Extension of Time Coordinator
Route 9 and Needy Road
Martinsburg, WV 25401

.06 Requests for extensions of time for multiple withholding agents will be responded to with one approval letter, accompanied by a list of withholding agents covered under that approval.

.07 Withholding agents may request an extension of time to file for **30** days **as soon as they are aware** that an extension is necessary; but no later than the due date of the return (March 15, 1999 (TY98) for Forms 1042-S). It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances, a request for an extension of time could be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days.

.08 If an additional extension of time is needed, a second Form 8809 must be submitted before the end of the initial extension period. Line 7 on the form indicate an additional extension is being requested. A second 30-day extension will be approved only in cases of extreme hardship or catastrophic event. **When requesting an extension of time, submit the information return files as soon as prepared. Do not wait for MCC's response to your extension request.**

.09 Form 8809 must be postmarked no later than the due date of the return for which an extension is requested. **If requesting an extension of time to file several types of forms, use one Form 8809, but the Form 8809 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 postmarked on or before March 1, 1999. Complete more than one Form 8809 to avoid this problem.

.10 If an extension request is approved, the approval letter should be kept on file. The approval letter or copy of the approval letter for an extension of time should not be sent to IRS/MCC with the magnetic media file or to Philadelphia Service Center with the paper returns.

.11 Request an extension for only one tax year.

.12 The extension request must be signed by the withholding agent or a person who is duly authorized to sign a return, statement or other document for the agent.

.13 Failure to properly complete and sign the Form 8809 may cause delays in processing the request or result in a denial. Please, read and follow the instructions on the back of the Form 8809 carefully.

.14 FORM 8809 MAY BE OBTAINED BY CALLING 1-800-TAX-FORM (1-800-829-3676). THE FORM IS ALSO AVAILABLE ON IRP-BBS AT 304-264-7070 OR ON INTERNET AT HTTP://WWW.IRS.USTREAS.GOV. A copy of the Form 8809 is also provided in the back of the Publication 1187.

.15 Request an extension of time to furnish the statements to recipients of Form 1042-S by submitting a letter to IRS/MCC containing 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 Person Duly Authorized

Requests for an extension of time to furnish the 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 to furnish the statements to the recipients. The request must be postmarked by the date on which the statements are due to the recipients.

.16 An approved extension grants additional time to file the Forms 1042-S with IRS/MCC **ONLY. THIS DOES NOT INCLUDE FORM 1042 WHICH IS AN ACTUAL TAX RETURN. ANY TAX DUE MUST STILL BE PAID TIMELY.**

.17 To request an extension of time to file Form 1042, submit Form 2758 with the IRS at the following address:

Internal Revenue Service Center
Philadelphia, PA 19255

SEC. 12. PROCESSING OF INFORMATION RETURNS MAGNETICALLY/ELECTRONICALLY

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

.02 If media is returned, it is because IRS/MCC encountered errors, (not limited to format) and was unable to process the

media, therefore, requiring a replacement. Open all packages immediately.

.03 When the magnetic media is returned to the transmitter for replacement, it will be **accompanied with a Media Tracking Slip (Form 9267),** and sample records identifying the type of errors. It is the responsibility of the transmitter to check the entire file for similar errors.

.04 Files must be corrected and returned with the Media Tracking Slip (Form 9267) to IRS/MCC within 45 days from the date of the letter IRS/MCC included with the returned files. If the payee record count (number of "Q" Records) has changed from the original filing, include a Form 4804 stating the new record count; mark the word replacement in Box Number 1; and return the form with your replacement media. A penalty for failure to file correct information returns by the due date will be assessed if the files are not corrected and returned within 45 days, **or if the incorrect files are returned by IRS/MCC for replacement 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 1998 "Instructions for Form 1042-S").

.05 Some conditions may not require corrective actions. For example, certain recipients should have had tax withheld at a particular rate, but the withholding agent withheld at a different tax rate. A letter from the filer must accompany the original and/or replacement files verifying the amount reported on the Form 1042-S was actually withheld by the agent, and the tax rate being used is the correct one from Publications 515 or 901. This letter will permit the incorrect data to be accepted for processing, but does not relieve the withholding agent of the responsibility to withhold at the prescribed tax rates, or to remit the correct amount of tax with Form 1042 (See Part B, Sec. 8, "Q" Record layout, positions 372-373, tax rate NOTES).

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

- **A correction** is an information return submitted by the transmitter to correct a return that was successfully processed by IRS/MCC, but contained erroneous information (See Sec. 13, Corrected Returns).
- **A replacement** is an information return file that IRS/MCC has returned to the transmitter due to format or coding errors encountered during processing. After necessary changes have been made, the file must be returned for processing along with the blue and white Media Tracking Slip (Form 9267) which was included in the shipment from IRS/MCC.

☛ ***Note:*** ***Filers should never send anything to IRS/MCC marked "REPLACEMENT" unless IRS/MCC returned media to them.***

.07 IRS/MCC will not return media after successful processing. Therefore, if the transmitter wants proof that IRS/MCC received a shipment, the transmitter should select a service with tracing capabilities or one that will provide proof of delivery.

.08 IRS/MCC will work with filers as much as possible to assist with processing problems. **IF THE FILER IS CONTACTED BY IRS/MCC, A PROMPT RESPONSE IS IMPORTANT. IRS/MCC MAY HAVE INFORMATION THE FILER NEEDS TO CORRECT HIS OR HER FILE.**

.09 IRS/MCC contacts withholding agents who have submitted recipient data with missing TINs in an attempt to prevent errors that could result in penalties. Agents who submit data with missing TINs and have taken the necessary steps to obtain this information are required to attach a letter of explanation to the Form 4804. This will prevent unnecessary contact from IRS/MCC. (See Part B, Sec. 8, "Q" Record Layout, Positions 113-121). However, corrections are required to be filed as soon as the TIN has been received.

.10 Do not use special shipping containers for transmitting data to IRS/MCC. Shipping containers will not be returned.

Sec. 13. Corrected Returns

.01 The magnetic media and electronic filing requirements of 250 or more Forms 1042-S applies separately to both original and corrected returns.

.02 If Forms 1042-S are filed magnetically or electronically, and later the filer determines that corrections are necessary, the corrections may be filed on paper if the 250 documents threshold has not been met.

.03 If the withholding agent has 250 or more corrections, they **MUST** be submitted to IRS/MCC magnetically or electronically unless a waiver has been granted. If a waiver was granted for original Forms 1042-S, this waiver applies to the corrections as well.

.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 prior to August 1 may be subject to a lesser penalty. (For information on penalties, refer to the Penalty Section of the 1998 "Instructions for Forms 1042-S".) However, if withholding agents discover errors after August 1, they may still be required to file corrections so they will not be subject to a penalty for intentional disregard of the filing requirements. Failure to correct information returns may result in penalties for failure to provide correct information. **ALL FIELDS MUST BE COMPLETED WITH THE CORRECT INFORMATION, NOT JUST THE DATA FIELDS NEEDING CORRECTION.** Submit corrections only for the returns filed in error, not the entire file. Furnish corrected statements to recipients as soon as possible.

.05 Prior year data, original and corrected, must be filed according to the requirements of this revenue procedure. Be sure

to 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, and magnetically filed prior year data must be on separate media.

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

.07 The "Q" record provides a 15-position field (positions 122-136) for the recipient's account number assigned by the withholding agent. Do **NOT** enter a TIN as an account number. This number will help identify the appropriate incorrect return if more than one return is filed for a particular recipient.

.08 Corrected returns **MUST NOT** be included on the same media or sent in the same electronic transmission with original returns.

☛ ***Note:*** **If filers discover that certain information returns were omitted on their original file, they must NOT submit these documents as corrections. They must submit them as original returns and on separate media from corrections.**

.09 Form 4804 and Form 4802 must be submitted with corrected files submitted magnetically/electronically. Mark "Correction" in Block 1. Indicate type of filing as "C" on the media label.

.10 To provide clarification of the correction process for Forms 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 "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" record.**

.11 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. (See Sec. 13.10)**

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" Record.**

.12 Sample data sequence 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

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

.14 All paper returns, whether original or corrected, must be filed with the Philadelphia Service Center. See the 1998 Paper Instructions for Forms 1042-S for information on filing paper corrections.

Sec. 14. U.S. Taxpayer Identification Numbers (TIN) and Individual Taxpayer Identification Number (ITIN)

.01 Any recipient whose income is effectively connected with a U.S. trade or business must obtain and furnish the withholding agent with a U.S. taxpayer identification number. The U.S. taxpayer identification number is a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN) in the case of an individual and an Employer Identification Number (EIN) in all other cases. These identification numbers are required on the Forms 1042-S filed with the IRS.

.02 As of January 1, 1997, the IRS will no longer accept tax returns without a Taxpayer Identification Number (TIN) for the person filing a return, the spouse on a joint return, or for dependents claimed on a return.

.03 An ITIN is a nine digit number that the IRS assigns in the following format: 900-00-0000. This number will always begin with "9" and "0" may be any other number. The IRS uses the number to identify taxpayers, dependents or spouses (resident or nonresident alien individuals) who are required to or wish to file a U.S. tax return, but are unable to obtain a Social Security Number (SSN). **The ITIN is for tax purposes only.** It does not entitle the recipient to Social Security benefits, and creates no inference regarding immigration status or the right to work in the United States.

.04 Use IRS Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN by mail or in person at most IRS offices. You may obtain the Form W-7 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676).

☛ ***Note:*** **Taxpayers who have a previously assigned Internal Revenue Service Taxpayer Identification Number (IRSN) may also use Form W-7 to request a valid ITIN.**

Sec. 15. Effect on Paper Returns and Statements to Recipients

.01 Magnetic or electronic reporting eliminates the need to submit paper Forms 1042-S to IRS. **CAUTION! Do not send Copy A of the paper forms to IRS/MCC in addition to magnetic media and electronic filing or to the Philadelphia Service Center.** This will result in duplicate filing; therefore, erroneous notices could be generated.

.02 Withholding Agents are responsible for providing statements to the recipients as outlined in the 1998 Paper Instructions for Form 1042-S. Refer to these instructions for filing information returns 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 1167, Substitute Printed, Computer Prepared, and Computer Generated Tax Forms and Schedules (Rev. 10-97).

.04 The address for filing paper Forms 1042-S and 1042 is:

Internal Revenue Service Center
Philadelphia, PA 19255

Do NOT send paper Forms 1042-S or 1042 to IRS/MCC.

Sec. 16. Definition of Terms

Element	Description
Asynchronous Protocols	This type of data transmission is most often used by micro-computers, PCs and some mini-computers. **Asynchronous transmissions transfer data at arbitrary time intervals using start-stop method. Each character transmitted has its own start bit and stop bit.**
Ø	Denotes a blank position. Enter blank(s) when this symbol is used (do not enter the letter "b"). This appears in numerous areas throughout the record descriptions.
Bisynchronous Protocols	For purposes of this

	publication, these are electronic transmissions made using IBM 3780 protocols. These transmissions must be in EBCDIC character code and use the Bell 208B (4800bps), AT&T 2296A (9600bps) or Hayes OPTIMA 288 V.FC Smart modem (14400bps) modems. Standard IBM 3780 space compression is acceptable.
Blocked records	Two or more records grouped together between interrecord gaps.
Correction	A correction is an information return (Form 1042-S) submitted by the transmitter to correct a return that was previously submitted to and processed by IRS/MCC, but contained erroneous information.

☛ **NOTE: A <u>CORRECTION</u> SHOULD <u>NOT</u> BE CONFUSED WITH A <u>REPLACEMENT</u>. ONLY <u>MEDIA</u> <u>RETURNED</u> TO THE FILER BY IRS/MCC DUE TO PROCESSING PROBLEMS SHOULD BE <u>MARKED REPLACEMENT</u>.**

Employer Identification Number (EIN)	A nine-digit number assigned by IRS for Federal tax reporting purposes.
Electronic Filing	Submission of information returns using switched telecommunications network circuits. These transmissions use modems, dial-up phone lines, and asynchronous or bisynchronous protocols. (See Parts A, C and D of this publication for specific information on electronic filing).
File	For purposes of this revenue procedure, a file consists of a Transmitter "T" record at the beginning of the file, Recipient "Q" records, followed by a corresponding Withholding Agent "W" Record,

	then additional "Q" and "W" Record sequences for other Withholding Agents, as needed, and an End of Transmission "Y" Record.
Filer	Person (may be withholding agent and/or transmitter) submitting information returns to IRS.
Filing Year	The actual year in which the information returns are being submitted to IRS/MCC (if magnetically/electronically), or to Philadelphia Service Center (if paper)
Individual Taxpayer Identification Number (ITIN)	A nine digit number issued by the IRS to a resident or nonresident alien individual required to have a U.S. taxpayer identification number but who does not have and cannot obtain an SSN.
Information Return	The vehicle for submitting required information about another person 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.
Magnetic Media	For this revenue procedure, the term "magnetic media" refers to 1/2-inch magnetic tape; IBM 3480/3490/3490E or AS400 compatible tape cartridge; 8mm, 4mm, and QIC (Quarter Inch cartridges) cartridge or 5 ¼- and 3 ½ -inch diskettes.
Media Tracking Slip	Form 9267 accompanies media that IRS/MCC has returned to the filer for replacement due to incorrect format or errors encountered when trying to process media. **THIS FORM MUST BE RETURNED WITH THE**

REPLACEMENT FILE.

Multi-reel/diskette file	A group of tape reels or diskettes submitted under one TCC where all media either ends with a Recipient "Q" Record or Withholding Agent "W" Record, **EXCEPT** for the last media of the file, which ends with an End of Transmission "Y" Record. (Refer to Part B. Sec. 6 for data sequence specifications)
Payer	Person or organization who is the originator of income and enters into a contractual agreement with the withholding agent for the purpose of disbursing income for the payer. For example, Corporation X is about to declare a dividend. Corporation X contracts Bank Y to calculate and distribute such dividends to recipients, and be responsible for withholding. Corporation X is considered the Payer and Bank Y is considered the Withholding Agent.
Recipient	Person or organization receiving payments from a withholding agent.
Replacement	A replacement is an information return file that IRS/MCC has returned to the transmitter due to errors encountered during processing.

☛ **NOTE**: Filers should never submit media to IRS/MCC marked Replacement" unless IRS/MCC returned media to the filers. When sending "Replacement" media be sure to include the Media Tracking Slip (Form 9267) which will accompany media returned by IRS/MCC. **Media that has been incorrectly marked as replacement may result in duplicate filing**.

Service Bureau	Person or organization with whom the filer has a contract

	to prepare and/or submit information return files to IRS/MCC. A parent company submitting data for a subsidiary is not considered a service bureau.
Social Security Number (SSN)	A nine-digit number assigned by the Social Security Administration (SSA) to an individual for tax and wage reporting purposes.
Special Character	Any character that is not a numeric, an alpha, or a blank.
SSA	Social Security Administration
Taxpayer Identification Number (TIN)	Refers to either a Social Security Number (SSN), an Employer Identification Number (EIN), or an Individual Taxpayer Identification Number (ITIN)
Tax Year	The year in which payments were made by a withholding agent to a recipient.
Transmitter	Person or organization who prepares and submits file(s) magnetically/electronically. May be the withholding agent or their agent.
Transmitter Control Code (TCC)	A five-character alpha/numeric number assigned by IRS/MCC to the transmitter prior to the filing of magnetic or electronic information. This number is inserted in the "T" Record of the file and **MUST** be present before the file can be processed. An application Form 4419 must be filed with IRS/MCC to receive this number. Transmitter control codes assigned to 1042-S filers will always begin with **"22"**. Do not use the TCC number assigned for Form 1099 filing.

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 who 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 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 "V" in field position 371 of the "Q" record.
Withholding Agent	A person or entity, U.S. or foreign, required to withhold U.S. tax on payments of income subject to withholding from U.S. sources. A withholding agent may be an individual, partnership, corporation, trust, estate, government agency (Federal, State or local), association, or a tax-exempt foundation (whether domestic or foreign), tenant, manager, broker, agent, fiduciary, or spouse. Withholding agents include U. S. citizens and residents, and foreign nominees and fiduciary residents of treaty countries who must withhold additional U.S. tax under tax treaty provisions. The withholding agent is responsible for the completeness, accuracy, and timely submission of files.

Sec. 17. Major Problems Encountered

IRS/MCC encourages filers to verify the format and content of each type of record to ensure the accuracy of the data. This may eliminate the need for IRS/MCC to return files for replacement. This may be important for those filers who have either had their files prepared by a service bureau or who have purchased preprogrammed software packages (see **Note**). If a filer purchased a software package for a previous tax year, it will not be valid for reporting TY98 information returns due to tax law and record format changes.

☛ **Note:** **If filers meet the filing requirements and engage a service bureau to prepare media on their behalf, the filer remains responsible for the accuracy of the data submitted to IRS.**

The Major Problems Encountered lists some of the most frequently encountered problems with magnetic/electronic files submitted to IRS/MCC. These problems may result in media being returned for replacement.

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1. Records formatted incorrectly

Use the record format as prescribed in this revenue procedure. Failure to format records correctly will result in files being returned for replacement.

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2. Incorrect or missing Transmitter Control Code.

Filers MUST use the unique Transmitter Control Code (TCC) assigned for Form 1042-S reporting. This TCC must begin with the numbers "**22.**" Application procedures are provided in Part A. Sec. 7 of this revenue procedure.

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3. Incorrect format of the Recipient Name Line.

The recipient's surname should be reported first, followed by given names. However, if the recipient's surname is not entered beginning in position 139 of the "Q" Record, the filer **must** enter an asterisk that immediately precedes the recipient's surname. If the surname is reported first, the asterisk **must** be omitted, since an asterisk is not valid in the first position of Recipient Name Line One.

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4. Incorrect record sequence.

To be acceptable, records must be in a specific sequence. If this sequence is not followed, the file will be returned for replacement. (Refer to Part B. Sec. 6)

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5. Incorrect block size.

Some of the files received at IRS/MCC are blocked incorrectly causing media to be returned. Refer to Part B., Sec. 2., for the correct block size for submitting Forms 1042-S magnetically/ electronically. A block may not exceed 15,000 characters, although, shorter blocks may be used.

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6. Incorrect use of Country Code in positions 137-138 of the Recipient "Q" Record.

If the letters **OC** (which should be used ONLY when absolutely necessary) are used, rather than a specific country code, **the rate of tax withheld MUST be 30 percent.**

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7. Incorrect use of Country Name in positions 335-354 of the Recipient "Q" Record.

This is a Required field for foreign addresses. Please read the Description and Remarks portion carefully. This may or may not be the same country as indicated in the Country Code, field positions 137-138. **DO NOT use Other Country; USA; US; Outside of USA; United States.**

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8. Incorrect use of Tax Rate, Field position 372-373 of the Recipient "Q" Record.

This is a Required field with very specific acceptable codes. Please ensure the accuracy of the correct tax rate depending on the proper country code and/or exemption code. See Part A, Sec. 12.05 and Part B, Sec. 8 for additional information.

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9. Incorrect use of Exemption Code in field position 370 of the Recipient "Q" Record.

This is a Required field which causes many processing errors. Please read carefully the description and remarks portion, along with the notes at the bottom to eliminate the possibility of errors.

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10. Incorrect usage of Recipient Address Fields of the "Q" Record.

Be sure to use the specific breakdown of the address in the following positions:

U.S. Address Fields	Foreign Address Fields
(229 - 283) Street Address	**(229 - 283) Street Address**
(284 - 308) City	**(284 - 308) City**
(324 - 332) Zip Code	**(309 - 323) Province Name**
(333 - 334) U. S. State Code	**(324 - 332) Postal Code**
	(335 - 354) Country Name

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11. Math Computation Discrepancy

To avoid this error, apply the following formula to determine U.S. Federal Tax Withheld (field positions 374-384 of the "Q" Record). All field positions described in the formula below are also in the "Q" Record:

Income Codes 15 and/or 16

Gross Income Paid (359-369)
- Withholding Allowance (430-439)
= Net Income Amount (440-439)
x Tax Rate (372-373)
= U.S. Federal Tax Withheld (374-384)

All Other Income Codes

Gross Income Paid (359-369)
x Tax Rate (372-373)
= U.S. Federal Tax Withheld (374-384)

Part B. 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 magnetic media/electronic 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, it will be returned to the transmitter for replacement. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/MCC for further information at 304-263-8700.

.03 Regardless of the type of media used or if returns are filed electronically, the record length must be 500 positions.

Sec. 2. Tape Cartridge Specifications

☛ **Note:** **Due to modernization efforts, cartridges created in ASCII format are the preferred type of media.**

.01 Although IRS/MCC can process most compatible tape cartridge files, ASCII (American Standard Coded Information Interchange) format is preferred. The following specifications will help alleviate processing problems:

(a) Standard acceptable format for 1042-S processing:
- (1) **ASCII Format (American Standard Coded Information Interchange)**
- (2) 18 Track (37,871 CPI) or
- (3) 36 Track (75,742 CPI) tape cartridge
- (4) Labeled (preferred)

(b) If unable to create and submit tape cartridges in the requested ASCII format, they may be submitted

in **THIS EBCDIC FORMAT:**

(1) Must be IBM 3480, 3490, or AS400 compatible

(2) Standard label format

(3) Record size - 500 characters

(4) Blocking - multiple of 500; only the last block may be short

(5) Block size - 500 - 15,000 characters

.02 Transmitters should be consistent in the use of recording modes and density on files.

(1) Tape cartridges will be ½-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 ½-inch tape.

(3) Cartridges must be 18-track or 36-track parallel. (See **NOTE**.)

(4) Cartridges will contain 37,871 CPI or 75,742 CPI (characters per inch).

(5) Mode will be full function.

.03 The tape cartridge records defined in this revenue procedure may be blocked subject to the following:

(a) A block must not exceed 15,000 tape positions.

(b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9's; however, the last block of the file may be filled with 9's or truncated. **DO NOT PAD A BLOCK WITH BLANKS.**

(c) 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 500.

(d) Records may not span blocks.

.04 Although labeled tape cartridges are preferred, tape cartridges may be labeled or unlabeled.

.05 For the purposes of this revenue procedure, the following must be used:

Tape Mark:

(a) Used to signify the physical end of the recording on tape.

(b) May follow the header label and precede and/or follow the trailer label.

.06 Tape header and trailer labels, record marks, and tape marks **(OTHER THAN THE TAPE MARK SIGNIFYING THE END OF TAPE) ARE ALL OPTIONAL.** If used, they must conform to the following ANSI standards:

(a) Header labels must begin with VOL1, HDR1, HDR2, or 1HDR. They must be the first record(s) on the reel immediately before the Transmitter "T" Record. Header labels may not exceed 80 characters in length.

(b) Trailer labels must begin 1EOR, 1EOF, EOF1, or EOV1, EOV2, EOF2. They must be the last record(s) on the reel, after the "Y" record and tape mark (if a tape mark is used). Labels must be 80 characters in length. Any data beyond the trailer label cannot be read by IRS programs.

☛ **Note:** **Filers should indicate on the external media label and transmittal Form 4804 whether the cartridge is 36- or 18-track, and if data is created in ASCII or EBCDIC format.**

Sec. 3. Magnetic Tape Specifications

.01 IRS/MCC can process most compatible magnetic tape files. If transmitters are unable to submit data on cartridge, ASCII formatted magnetic tape is the next preferred type of media. The following specifications will help alleviate processing problems:

(a) 9-track ASCII (American Standard Coded Information Interchange) with:

(1) Labeled (preferred)
(2) Odd Parity
(3) A density of 6250 CPI

.02 **ASCII is the preferred format. If unable to create tapes in the requested ASCII format, EBCDIC format is acceptable.**

(a) 9-track EBCDIC (Extended Binary Coded Decimal Interchange Code) with:

(1) Labeled (preferred)
(2) Odd parity
(3) A density of 6250 CPI
(4) If using UNISYS Series 2200, an interchange tape must be submitted.

Transmitters should be consistent in the use of recording codes and density on files.

.03 All compatible tape files must have the following characteristics: Type of tape - ½-inch (12.7 mm) wide, computer-grade magnetic tape on reels of up to 2,400 feet (731.52 m) within the following specifications:

(a) Tape thickness: 1.0 or 1.5 mils, and
(b) Reel diameter: 10 ½-inch (26.67 cm), 8 ½-inch (21.59 cm), 7-inch (17.78 cm), or 6-inch.

.04 The tape records defined in this revenue procedure may be blocked subject to the following:

(a) A block may not exceed 15,000 tape positions.
(b) If the use of blocked records would result in a short block, all remaining positions of the block

must be filled with 9's; however, the last block of the file may be filled with 9's or truncated. **DO NOT PAD A BLOCK WITH BLANKS.**

(c) 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 500.

(d) Records may not span blocks.

.05 Although labeled tapes are preferred, labeled or unlabeled tapes may be submitted.

.06 Tape header and trailer labels, record marks, and tape marks **(OTHER THAN THE TAPE MARK SIGNIFYING THE END OF TAPE)** are all optional. If used, they must conform to the following ANSI standards:

(a) Header labels must begin with VOL1, HDR1, HDR2, or 1HDR. They must be the first record(s) on the reel immediately before the Transmitter "T" Record. Header labels may not exceed 80 characters in length.

(b) Trailer labels must begin 1EOR, 1EOF, EOF1, or EOV1, EOV2, EOF2. They must be the last record(s) on the reel, after the "Y" record and tape mark (if a tape mark is used). Labels must be 80 characters in length. Any data beyond the trailer label cannot be read by IRS programs.

SEC. 4. 8MM, 4MM, AND QUARTER INCH CARTRIDGE SPECIFICATIONS

.01 In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:

(a) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:

(1) Created from an AS400 operating systems only.

(2) 8mm (.315-inch) tape cartridges will be 2 ½-inch by 3 3/4-inch.

(3) The 8mm tape cartridges must meet the following specifications:

Tracks	Density	Capacity
1	20 (43245 BPI)	2.5 Gb (10Gb)
1	21 (45434 BPI)	5 Gb (20 Gb)

(4) Mode will be full function.

(5) Compressed data is not acceptable.

(6) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the external media label affixed to the cartridge.

(7) A file may consist of more than one cartridge, however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example; 1042TAX, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file (e.g., 1 of 3, 2 of 3, and 3 of 3 and would appear in the header label 1042TAX.001, 1042TAX.002, and 1042TAX.003 on each cartridge of the file). **The end of transmission "Y" Record should be placed on the last cartridge only for files containing multiple cartridges.**

.02 The 8mm (.315-inch) tape cartridge records defined in this revenue procedure may be blocked subject to the following:

(a) A block **must not** exceed 15,000 tape positions.

(b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9's; however, the last block of the file may be filled with 9's or truncated. **Do not pad a block with blanks.**

(c) 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 500.

(d) Various COPY commands have been successful, however, the SAVE OBJECT COMMAND is not acceptable.

(e) Extraneous data following the "Y" record will result in media being returned for replacement.

(f) Records may not span blocks.

(g) No more than 250,000 documents per cartridge and per file.

.03 For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. 1042TAX may be used as a

suggested filename.

.04 For the purposes of this revenue procedure, the following must be used:

Tape Mark:

(a) Used to signify 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.

.05 If extraneous data follows the End of Transmission "Y" Record, the file must be returned for replacement. Therefore, IRS/MCC encourages transmitters to use blank tape cartridges, rather than cartridges previously used, in the preparation of data when submitting information returns.

.06 IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

.07 4mm (.157-inch) cassettes are now acceptable with the following specifications:

(a) 4 mm cassettes will be 2 ¼-inch by 3-inch.

(b) The tracks are 1 (one).

(c) The density is 19 (61000 BPI).

(d) The typical capacity is DDS (DAT data storage) at 1.3 Gb or 2 Gb, or DDS-2 at 4Gb.

(e) The general specifications for 8mm cartridges will also apply to the 4 mm cassettes.

.08 Various Quarter Inch Cartridges (QIC) (¼-inch) are also acceptable.

(a) QIC cartridges will be 4" by 6".

(b) QIC cartridges must meet the following specifications:

Size	Tracks	Density	Capacity
QIC-11	4/5	4 (8000 BPI)	22Mb or 30Mb
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BRI)	120Mb or 200Mb
QIC-150	18	16 (10000 BRI)	150Mb or 250Mb
QIC-320	26	17 (16000 BPI)	320Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BRI)	1Gb
QIC-1350	30	18 (51667 BPI)	1.3Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

(c) The general specifications that apply to 8mm cartridges will also apply to QIC cartridges.

Sec. 5. 5 ¼-inch And 3 ½-inch Diskette Specifications

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

(a) 5 ¼- or 3 ½-inches in diameter.

(b) IRS recommends data be recorded in standard ASCII code. However, if data is recorded using EBCDIC, a 5 ¼-inch diskette must be used and a 1024 byte sector would be valid for System 36 or AS400. The following command to format the diskette into a 1024 byte sector is:

INIT 1042TAX,,FORMAT2

The save commands are as follows:

(1) The save command for System 36 is SAVE.

(2) The save command for AS400 is SAVF36F.

(c) Records must be a fixed length of 500 bytes per record.

(d) Delimiter character commas (,) must not be used.

(e) Positions 499 and 500 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 3 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 diskette 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 a "Y" Record at the end of the file.

(g) A diskette file may consist of multiple diskettes as long as the filename conventions are followed.

(h) Diskettes must meet one of the following specifications:

Capacity	Tracks	Sides/Density	Sector Size
1.44 mb	96tpi	hd	512
1.44 mb	135tpi	hd	512
1.2 mb	96tpi	hd	512

.02 IRS/MCC encourages transmitters to use blank or currently formatted diskettes when preparing files. If extraneous data follows the end of transmission "Y" record, the file must be returned for replacement.

.03 IRS/MCC prefers that 5 ¼- and 3 ½-inch diskettes be created using MS/DOS; however, diskettes created using other operating systems **MAY BE** acceptable (See **NOTES**). IRS/MCC has equipment that can convert diskettes created under most operating systems to the appropriate MS-DOS format. IRS/MCC strongly recommends that transmitters submit a test file for 5 ¼- and

3 ½-inch diskettes, especially if their data was not created using MS-DOS.

☛ **NOTES:** **TY98 WILL BE THE LAST YEAR IRS WILL PROCESS 5 ¼-INCH DISKETTES.**

IRS WILL DISCONTINUE PROCESSING NON-MS-DOS COMPATIBLE DISKETTES AFTER TY98.

3 ½ -INCH DISKETTES CREATED ON A SYSTEM 36 OR AS400 ARE NOT ACCEPTABLE.

.04 Transmitters should check media for viruses before submitting it to IRS/MCC.

SEC. 6. DATA SEQUENCE SPECIFICATIONS

.01 The first position of each record indicates the record type:

Transmitter	T
Recipient	Q
Withholding Agent	W
End of Transmission	Y

.02 In order to be acceptable, records within the file must be in the following sequence:

(a) Single tape, cartridge, or diskette:
- **(1)** A Transmitter "T" Record; then
- **(2)** One or more Recipient "Q" Records followed by a corresponding Withholding Agent "W" Record then;
- **(3)** Additional "Q" and "W" Record sequences for other withholding agents, as needed; then
- **(4)** An End of Transmission "Y" Record.

(b) Multiple tapes and cartridges: (see **NOTE**)
- **(1)** A Transmitter "T" Record at the beginning of **EACH** tape and cartridge; then
- **(2)** Sequence of Recipient "Q" Records followed by corresponding Withholding Agent "W" Records; then
- **(3)** A sequence of Recipient "Q" Records may be continued from one tape to the next if they apply to the same withholding agent, without the necessity of repeating the "W" Record. The sequence might be, for example, QQQQ (end of one tape); TQQQQW (beginning of next tape); then
- **(4)** An End of Transmission "Y" Record ending the last tape.

(c) Multiple diskettes: (see **NOTE**)
- **(1)** A Transmitter "T" Record; then

(2) One or more Recipient "Q" Records followed by a corresponding Withholding Agent "W" Record; then

(3) Additional "Q" and "W" Record sequences for other withholding agents as needed; then

(4) A sequence of Recipient "Q" Records may be continued from one diskette to the next if they apply to the same withholding agent, without the necessity of repeating the "W" Record. The sequence might be, for example, QQQQ (end of one diskette); QQQQW (beginning of next diskette); then

(5) An End of Transmission "Y" Record ending the last diskette

.03 The minimum file transmitted must consist of a Transmitter "T" Record, a Recipient "Q" Record, a Withholding Agent "W" Record, and an End of Transmission "Y" Record.

☛ **NOTE:** **DUE TO DIFFERENCES IN THE PROCESSING OF 1042-S INFORMATION FILED ON TAPES, CARTRIDGES, AND DISKETTES, IT IS REQUIRED THAT THERE BE A "T" RECORD AT THE BEGINNING OF EACH TAPE OR CARTRIDGE, BUT NOT AT THE BEGINNING OF EACH DISKETTE IN A SHIPMENT.**

SEC. 7. 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, if any), and must appear on each tape and cartridge; otherwise the file will be returned for replacement. For tape and cartridge files only, the Sequence Number, position 131-132 of the "T" record must be increased by 1 (one) for each tape and cartridge.

.03 The "T" Record is a fixed length of 500 positions.

.04 All alpha characters entered in the "T" Record must be upper-case.

☛ **NOTE:** **FOR ALL FIELDS MARKED REQUIRED, THE TRANSMITTER MUST PROVIDE THE INFORMATION DESCRIBED UNDER DESCRIPTION AND REMARKS. FOR THOSE FIELDS NOT MARKED REQUIRED, A TRANSMITTER MUST ALLOW FOR THE FIELD, BUT MAY BE INSTRUCTED TO ENTER BLANKS OR ZEROS IN THE INDICATED MEDIA POSITION(S) AND FOR THE INDICATED LENGTH. ALL RECORDS ARE A FIXED LENGTH OF 500 POSITIONS.**

RECORD NAME: TRANSMITTER "T" RECORD

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 (for example, enter "1998" for income and withholding reported for 1998)(unless reporting for a different tax year).
6-14	Transmitter's Taxpayer Identification Number (TIN)	9	**Required**. Enter the Identification Number [Social Security Number (SSN) or Employer Identification Number (EIN)] of the Transmitter. **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 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.
55-94	Transmitter Address	40	***Required.*** Enter mailing address of the transmitter. 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 to fit 40-character limit. Omit punctuation if possible.

			Left-justify and blank fill.
95-114	City	20	***Required***. Enter the city or town of transmitter. If applicable, enter APO or FPO only. Left-justify and blank fill.
115-116	State Code	2	**Required.** Enter only the two-letter Post Office Code as shown in the list below. Do NOT spell out the state name.

State	Code	State	Code	State	Code
Alabama	AL	Maryland	MD	South Carolina	SC
Alaska	AK	Massachusetts	MA	South Dakota	SD
Arizona	AZ	Michigan	MI	Tennessee	TN
Arkansas	AR	Minnesota	MN	Texas	TX
California	CA	Mississippi	MS	Utah	UT
Colorado	CO	Missouri	MO	Vermont	VT
Connecticut	CT	Montana	MT	Virginia	VA
Delaware	DE	Nebraska	NE	Washington	WA
District of Columbia	DC	Nevada	NV	West Virginia	WV
Florida	FL	New Hampshire	NH	Wisconsin	WI
Georgia	GA	New Jersey	NJ	Wyoming	WY
Hawaii	HI	New Mexico	NM	American Samoa	AS
Idaho	ID	New York	NY	Federated States of Micronesia	FM
Illinois	IL	North Carolina	NC	Guam	GU
Indiana	IN	North Dakota	ND	Northern Mariana Islands	MP
Iowa	IA	Ohio	OH	Marshall Islands	MH
Kansas	KS	Oklahoma	OK	Palau	PW
Kentucky	KY	Oregon	OR	Puerto Rico	PR
Louisiana	LA	Pennsylvania	PA	Virgin Islands	VI
Maine	ME	Rhode Island	RI		

☛ **Note: When reporting APO/FPO addresses use the following format:**

Example:

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

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

Record Name: Transmitter "T" Record-continued

Positions	Field Title	Length	Description and Remarks
117-125	ZIP Code	9	***Required***. Enter the ZIP code of the transmitter for all U.S. addresses, U.S. Territories or Possessions, APO/FPO addresses. For transmitters using a five-digit ZIP code, enter the ZIP code in the left-most five positions and zero fill the remaining four positions. For transmitters outside the U.S., enter nine zeros only. Do NOT blank fill.
126-130	Transmitter Control Code (TCC)	5	**Required.** Enter the five character alpha/numeric Transmitter Control Code. This MUST be the TCC assigned to you for Forms 1042-S reporting ONLY. **(The first two numbers will be "22.")**
131-132	Sequence Number	2	The two-digit sequence assigned by the transmitter to this media, starting with 01. If Header Labels are used, the sequence should be the same as the Sequence Number. **This field is required for tape and cartridge only.**
133-136 word	Test Indicator	4	**Required.** Enter the "**test**" if this is a test file;

			otherwise, enter blanks.
137-498	Reserved	362	Blank fill.
499-500	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 Name	Transmitter Address	City
1	2-5	6-14	15-54	55-94	95-114

State Code	ZIP Code	TCC	Sequence Number	Test Indicator	Reserved	Blank or CR/LF
115-116	117-125	126-130	131-132	133-136	137-498	499-500

Sec. 8. Recipient "Q" Record

.01 The "Q" Record contains complete name and address information for both Withholding Agent and Recipient of Income, together with all the particulars of the income paid and tax withheld. Complete Withholding Agent data is required because each Recipient "Q" Record is treated as if it were a separate Form 1042-S, and is processed independently of other records.

.02 Since the "Q" Record is restricted to one type of income and one tax rate, under certain circumstances it would be necessary to write more than one "Q" Record. Following are some of the circumstances when more than one "Q" record for a recipient would be required:

(a) Different sources 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 the corresponding code.

(b) Change in Country Code during the year. For example, the withholding agent received notification via Form 1001 that the recipient changed from country X to country Y. A separate "Q" record must be reported for each country code; providing Gross Income Paid, Tax Rate and U.S. Federal Tax Withheld. The amounts reported must be based on each country code and the period of time under that country code.

(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 for the period of time under that tax rate.

(d) Gross Income Paid of more than one billion dollars. Report a Gross Income Paid of 99999999999 (dollars and cents) in the first Recipient "Q" record. The second Recipient "Q" record will contain the remaining money amount.

☛ **NOTE:** **THE APPLICABLE TAX RATES MUST BE OBTAINED FROM PUBLICATION 515, WITHHOLDING OF TAX ON NONRESIDENT ALIENS AND FOREIGN CORPORATIONS, OR PUBLICATION 901, U.S. TAX TREATIES. THE U.S. FEDERAL TAX WITHHELD IS COMPUTED USING THE TAX RATE APPLICABLE TO THE RECIPIENT'S COUNTRY OF TAX RESIDENCY (AS FOUND IN PUBLICATIONS 515 AND 901) AND THE AMOUNT OF GROSS INCOME PAID TO THE RECIPIENT. USE OF ANY OTHER TAX RATES MAY CAUSE YOUR RECORDS TO BE REJECTED.**

☛ **NOTE:** **IF YOU WITHHELD AN INCORRECT AMOUNT OF TAX, YOU MUST REPORT THE AMOUNT WHICH WAS ACTUALLY WITHHELD, AND USE THE CORRECT TAX RATE FROM PUBLICATIONS 515 AND 901, AND ATTACH A LETTER STIPULATING THAT THE AMOUNT OF TAX WITHHELD IS CORRECT. THIS ACTION WILL PERMIT THE "INCORRECT" DATA TO BE ACCEPTED FOR PROCESSING, BUT DOES NOT RELIEVE YOU OF THE RESPONSIBILITY TO WITHHOLD AT THE PRESCRIBED RATES AND TO REMIT THE CORRECT AMOUNT OF TAX WITH FORM 1042.**

☛ **NOTE:** **APPLY THE FOLLOWING FORMULA TO DETERMINE U.S.**

Federal Tax Withheld (field positions 374-384 of the "Q" Record). All field positions described below are also in the "Q" Record:

Income Codes 15 and/or 16	All Other Income Codes
Gross Income Paid (359-369) - Withholding Allowance (430-439) = Net Income Amount (440-439) x Tax Rate (372-373) = U.S. Federal Tax Withheld (374-384)	Gross Income Paid (359-369) x Tax Rate (372-373) = U.S. Federal Tax Withheld (374-384)

.03 Failure to provide multiple recipient "Q" records when necessary will generate math computation errors during processing which will result in the file being returned for replacement.

.04 All recipient "Q" Records for a particular Withholding Agent must be written before the corresponding Withholding Agent "W" Record, and before "Q" Records for another Withholding Agent may begin.

.05 For all fields marked "Required," the transmitter must provide the information described under Description and Remarks. For those fields not marked "Required," the transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated media position(s) and for the indicated length.

.06 All alpha characters entered in the "Q" Record must be upper case.

Record Name: Recipient "Q" Record

Positions	Field Title	Length	Description and Remarks
1	Record Type	1	***Required.*** Enter "Q".
2-10	Withholding Agent's Taxpayer Identification Number (TIN)	9	***Required.*** Enter the nine-digit Taxpayer Identification Number of the Withholding Agent. Do NOT enter blanks, hyphens, or alpha characters. A TIN consisting of all the same digit (e.g., 111111111) is not acceptable. **Do NOT enter the recipient's TIN**

			IN THIS FIELD.
11-45	Agent's Name	35	***REQUIRED***. Enter the name of the Withholding Agent whose TIN appears in positions 2-10 of the "Q" Record. Abbreviate as needed. Left-justify and blank fill.

☛ **NOTE:** **A BLANK (EXCEPT WHEN ALL POSITIONS ARE BLANK IN THIS FIELD) OR SPECIAL CHARACTER IN POSITION 11 IS NOT ACCEPTABLE.**

46-80	Agent's Address	35	**REQUIRED**. Enter mailing address of the withholding agent. 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 unused positions.
81-100	Agent's City	20	***REQUIRED***. Enter the city or town (or other locality name). Enter APO or FPO only, if applicable. Left-justify and blank fill unused positions.
101-102	Agent's State Code	2	***REQUIRED***. Enter the two-character state abbreviation from the list in Part B. Sec. 7, Field Positions 115-116 of "T" Record. If not a U.S. state, territory, or APO/FPO identifier, blank fill this field. **DO NOT USE ANY OF THE TWO CHARACTER COUNTRY CODES IN THE STATE CODE FIELD.**

103-111	Agent's ZIP Code	9	***Required***. Enter nine numeric characters for all U.S. addresses (including territories and possessions). If a five-digit ZIP code is used, enter the ZIP code in the left-most five positions and zero fill the remaining four positions. Zero fill for addresses outside the U.S.
112	Type of TIN	1	This field is used to identify the Taxpayer Identification Number (TIN) in positions 113-121 as an Employer Identification Number (EIN), a Social Security Number (SSN), or an Individual Taxpayer Identification Number (ITIN). Enter the appropriate code from the following table:

Code	**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	
2	ITIN	An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN
Blank	N/A	Enter a blank if type of TIN is undeterminable.

☛ **Note:** **While not a "Required" field, this information is important for the correct processing of the recipient's TIN.**

113-121	Recipient's U.S. Taxpayer Identification Number (TIN)	9	Enter the Recipient's nine-digit Taxpayer Identification Number (TIN). Do NOT enter hyphens or alpha characters. Entry of all zeroes, all ones, twos, etc. will have the effect of an incorrect TIN. Use the following instructions for Entries in Positions 113-121: **1.** A TIN **MUST** be entered when Exemption Code "1" is entered in Position 370 of the Recipient "Q" Record. **2.** A TIN **MUST** be entered when Income Code "16" or "17" is entered in Positions 355-356 of the Recipient "Q" Record. **3.** If the conditions in 1 and 2 are not present, or if a TIN is not available, enter blanks in Positions 113-121 of the Recipient's "Q" Record. Do NOT enter the Withholding Agent's TIN in this field.

☛ **NOTE:** **WHEN THE SUBMISSION INCLUDES RECORDS WHERE A TIN IS REQUIRED, BUT IN WHICH BLANKS ARE ENTERED IN POSITIONS 113-121, PROVIDE A LETTER IDENTIFYING THE NUMBER OF RECIPIENT "Q" RECORDS AFFECTED AND PRESENTING THE REASON(S) THE TIN(S) IS NOT PROVIDED FOR EACH MISSING TIN.**

☛ **NOTE:** ***A CORRECTED "Q" RECORD IS REQUIRED TO BE SUBMITTED UPON LATER RECEIPT OF THE RECIPIENT TIN.***

122-136	Account Number	15	Enter the account number assigned by the withholding agent to the recipient. This number is used to identify a specific account. This field will be all blanks if account numbers are

			NOT assigned. This field may contain numeric or alpha characters, blanks or hyphens. Left-justify and blank fill.

☛ **Note:** **A special character in position 122 is not acceptable.**

137-138	Country Code **(Do not enter "US" in this field)**	2	**Required.** This field is used to identify the country for which the recipient is a resident for tax purposes and the tax treaty benefits are based. The rate of tax withheld is determined by this code.

☛ **Note:** **Enter OC, Other Countries, only when the country of residence cannot be determined. If OC is used in this field, the rate of tax (positions 372-373) must always be 30 percent.**

☛ **Note:** **This may or may not be the same as the country entered in the country name field (positions 335-354 of the recipient "Q" record.)**

☛ **Note:** **If the country code for the recipient changes during the year, a new "Q" record will be required.**

☛ **Note:** **COUNTRY CODES: The list of country codes provided in the 1998 Paper Instructions for Form 1042-S should be used to ensure the proper coding of the country code field. This list is updated each year with the most recent country code changes. Refer to the updated yearly Paper Instructions for the list of country codes to be used in the reporting of paper and magnetic/electronic Forms 1042-S for future tax years as well.**

139-183	Recipient Name Line One	45	**Required.** Provide the FULL name of the recipient (nonresident alien individual, fiduciary, foreign partnership, foreign corporation or other foreign entity). Enter the surname of the recipient FIRST followed by given names. For

			example, "DOE JOHN. **Enter an asterisk(*) immediately before the surname, if the surname does not begin in position 139** (See **Note**). For example, "JOHNb*DOE" is acceptable (b denotes a blank). If there is more than one recipient, enter the name of the first recipient only. Since some foreign recipients will not have a Taxpayer Identification Number (TIN), it is very important that the FULL name of the recipient be provided. Titles, if any, must be provided in Recipient Name Line Two. (If the recipient is unknown, an account number must be entered in positions 122-136). Valid characters are alphabetic, numeric, ampersand (&), hyphen (-), slash (/), asterisk (*), period (.), comma (,), apostrophe (’), or blank. Left-justify and blank fill.

☛ **Note:** ***A blank (except when all positions are blank in this field) or a special character in position 139 is not acceptable.***

184-228	Recipient Name Line Two	45	Enter supplementary recipient 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. Use this line also for "care of," "via," or "through" information. Valid characters are alphabetic, numeric,

blank, ampersand (&), hyphen (-), slash (/), pound sign (#), period (.), comma (,), apostrophe (’) and the percent (%). The percent (% [short for "in care of"]) is valid in the first position only. Left-justify and blank fill.

☛ **Note:** **IRS encourages full identification of nonresident aliens (both individuals and organizations) because data is furnished to their governments in accordance with tax treaties and exchange of information agreements.**

☛ **Note:** **An asterisk is not a valid character in this field.**

☛ **Note:** **A blank (except when all positions are blank in this field) or a special character in position 184 is not acceptable.**

☛ **Note:** **The following address fields should be adhered to in the order listed (outside the U.S. or within the U.S.), when identifying the address of the recipient:**

Addresses OUTSIDE the United States (Use the following fields):

a. Street Address (229-283)
b. City or Town (284-308)
c. Province (if applicable) (309-323)
d. Postal Code (if applicable) (324-332)
e. Country Name (335-354)

Addresses WITHIN the United States (Use the following fields):

a. Street Address (229-283)
b. City or Town (284-308)
c. Postal Code (Zip Code) (324-332)
d. U.S. State Code (333-334)

229-283	Street Address	55	**Required.** Enter the recipient's full street address. Street address should include number, street, apartment or suite number (or P.O. Box if mail is not delivered to street address). Valid characters are alphabetic, numeric, blank, ampersand (&), hyphen (-), slash (/), period (.), comma (,), apostrophe ('), and pound sign (#). Left-justify and blank fill.

☛ ***Note:*** **A blank (except when all positions are blank in this field) or special character in position *229* is not acceptable.**

284-308	City	25	***Required.*** Enter the name of City, Town, Village, Municipality or

rural place of residence of the recipient. Valid characters are alphabetic, numeric, blank, ampersand (&), hyphen (-), slash (/), period (.), comma (,), apostrophe (’), and parenthesis (). For U.S. military installations enter either APO or FPO as applicable. The name of the installation or ship must be entered in the Street Address Line. Left-justify and blank fill.

☛ ***Note:*** **A BLANK (EXCEPT WHEN ALL POSITIONS ARE BLANK IN THIS FIELD) OR A SPECIAL CHARACTER IN POSITION 284 IS NOT ACCEPTABLE.**

309-323	Province Name	15	Enter the name of the Province, Foreign State (but not the U.S. State), County, Shire, District, Region, or other political subdivision. For many countries the province (or other political subunit) is an important part of the postal address. Valid characters are alphabetic, blank, ampersand (&), hyphen (-), period (.), comma (,), apostrophe (’) or slash (/). Left-justify and blank fill.

CANADIAN PROVINCES OR CODES ARE REQUIRED (SEE NOTES)

Province	Province Code
Alberta	AB
British Columbia	BC
Manitoba	MB
New Brunswick	NB
Newfoundland	NF
Nova Scotia (including Sable Island)	NS
Northwest Territories	NT
Ontario	ON
Prince Edward Island	PE

Quebec	QC
Saskatchewan	SK
Yukon Territory	YT

☛ **NOTE:** **A CANADIAN PROVINCE MAY BE EXPRESSED AS A TWO-CHARACTER CODE FROM THE CANADIAN PROVINCE CODE LIST, WRITTEN OUT IN FULL, OR APPROPRIATELY ABBREVIATED.**

☛ **NOTE:** **EITHER THE PROVINCE OR THE PROVINCE CODE MUST BE ENTERED. DO NOT ENTER BOTH.**

☛ **NOTE:** **A BLANK (EXCEPT WHEN ALL POSITIONS IN THIS FIELD ARE BLANK) OR A SPECIAL CHARACTER IN POSITION 309 IS NOT ACCEPTABLE.**

324-332	Postal Code (Zip Code)	9	Enter a Foreign **OR** U.S. Postal Code (ZIP Code). A Postal Code is **REQUIRED** for United States and U.S. Territories, Canadian, and Australian addresses. Withholding Agents should make an effort to obtain postal codes for all other countries. Only alphabetic, numeric, and blank characters are valid. Do not omit any blanks that may appear in the ZIP code. Use the following table to format Postal Codes for the three required countries ("a" denotes alpha characters, "n" denotes numerics, "b" denotes a blank). All postal codes should be left-justified and blank filled.

Country	**Postal Code Format**
United States and U.S. Territories	nnnnnbbbb or nnnnnnnnn
Canadian	anabnanbb
Australian	nnnnbbbbb

☛ **NOTE:** **A BLANK (EXCEPT WHEN ALL POSITIONS IN THIS FIELD ARE BLANK) OR A SPECIAL CHARACTER IN POSITION 324 IS NOT ACCEPTABLE.**

333-334	U.S. State Code	2	***Required*** for United States addresses, including U.S. territories. Enter the appropriate postal identifier listed for APO and FPO addresses (see list of valid state codes and postal identifiers for APO/FPO addresses in Part B. Sec. 7, Positions 115-116 of Transmitter "T" Record). **Enter blanks** if the recipient does not have a U.S. address.
335-354	Country Name **(Recipient's Country of Residence)**	20	The name of the recipient's country of residence for all addresses outside of the United States is Required in this field. **Enter blanks if the RECIPIENT RESIDES IN the U.S., including U.S.** territories and APO/FPO. This field is not used to determine the rate of tax. Valid characters are alphabetic, blank, ampersand (&), and hyphen (-). Left-justify and blank fill.

☛ **Note:** ***Do not*** **follow the country name with parentheses containing such information as Virgin Islands (British).**

☛ **Note:** ***Do not list "Outside of USA", "USA", "US", United***

States, or "Other Country" in this field.

☛ **Note:** **This may or may not be the same country indicated in the Country Code field (Positions 137-138 of the Recipient "Q" Record).**

☛ **Note:** **Omit political titles such as "People's Republic of," "Kingdom of," etc. Use the English Language name instead of the native language name (for example, use "Finland" and not "Soumi")**

☛ **Note:** **A blank (except when all positions in this field are blank) or a special character in position 335 is not acceptable.**

355-356	Income Code	2	**Required**. Enter the income code **EXACTLY** as it appears below.

☛ **Note:** **If the income code for the recipient changes during the year, a new "Q" record will be required.**

Code	Type of Income
01	Interest paid by U.S. obligators-general
02	Interest on real property mortgages
03	Interest paid to a controlling foreign corporation
04	Interest paid by foreign corporations
05	Interest on tax-free covenant bonds
06	Dividends paid by U.S. corporations-general
07	Dividends paid by U.S. subsidiaries to foreign parent corporations (including consent dividends)
08	Dividends paid by foreign corporations
09	Capital gains
10	Industrial royalties
11	Motion picture or television copyright royalties
12	Other royalties (e.g., copyright, recording, publishing)
13	Real property income and natural resources royalties
14	Pensions, annuities, alimony, and/or insurance premiums
15	Scholarship or fellowship grants
16	Compensation for independent personal services
17	Compensation for dependent personal services
18	Compensation for teaching
19	Compensation during studying and training
20	Earnings as an artist or athlete
21	Social Security benefits
22	Railroad Retirement (Tier 1) benefits
23	Railroad Retirement (Tier 2) benefits
24	Real estate investment trust (REIT) distributions of capital gains
25	Trust distributions subject to IRC section 1445
26	Unsevered growing crops and timber distributions by a trust subject to IRC section 1445
27	Publicly traded partnership distributions subject to IRC section 1446
28	Gambling winnings
50	Other income

☛ **Note:** **Use Income Code 01 for the reporting of interest payments to Canadian residents who are not U.S. citizens.**

☛ **Note:** **If compensation covered under Income Codes "16-19" are directly attributable to the recipient's occupation as an artist or athlete, use Income Code "20" instead.**

☛ **Note:** **If Income Code 20 is used, also use Recipient Code 09 (artist or athlete) instead of Recipient Code 01 (individual), 02 (corporation), or 03 (partnership).**

357-358	Recipient Code	2	**Required**. Enter the appropriate code from the list below. No other codes or values are

valid.

Code	Type of Recipient
01	Individual **(Notes 1 & 2)**
02	Corporation **(Note 2)**
03	Partnership **(Note 2)**
04	Fiduciary (trust)
05	Nominee
06	Government or International Organization
07	"Tax Exempt" Organization [IRC section 501 (a)]
08	Private Foundation
09	Artist or Athlete **(Note 2)**
10	Fiduciary (estate)
11	Fiduciary (other)
19	Other
20	Type of Recipient unknown **(Note 3)**

☛ **Note 1:** **Recipient Code "01" (individual) MUST be entered when the Income Code is "21", "22", or "23".**

☛ **Note 2:** **Use Recipient Code 09 (artist or athlete) instead of Recipient Code 01 (individual), 02 (corporation), or 03 (partnership) if Income Code 20 is used.**

☛ **Note 3:** **Use of Recipient Code 20 (type of recipient unknown) requires withholding at a 30 percent tax rate.**

359-369	Gross Income Paid	11	**Required**. Enter the gross income amount in dollars and cents. An income amount other than zero **must** be shown. (Do **not** enter the decimal point. For whole dollar amounts, the cents must be shown as zeros. For example, $1500 should be shown as 00000150000 where the left-most five

			zeros are "filler" and the right-most two zeros represent cents. Right-justify and zero fill.
370	Exemption Code	1	**Required**. Enter the one-digit exemption code from the list below. If the rate of tax is other than zero percent, enter a zero in this field. If the rate of tax is zero percent, enter the code of 1-5 that applies.

Code	Authority for Exemption
Zero	No exemption claimed, rate of tax is above zero percent. (See **Note** 1)
1	Income effectively connected with a U.S. trade or business. **(An EIN or SSN must be entered in Positions 113-121)**. (See **Notes** 2 & 3)
2	Exempt under an Internal Revenue Code section (other than portfolio interest) (See **Notes** 2 & 3)
3	Income is non-U.S. sourced. (See **Note** 4)
4	Exempt under tax treaty. (See **Note** 3)
5	Portfolio interest exempt under an Internal Revenue Code section. (See **Note** 5)

☛ **Note 1:** **Exemption Code zero is invalid when used in conjunction with a tax rate of zero.**

☛ **Note 2:** ***Use Income Code 01, Exemption Code 2, for interest payments to Canadian residents who are not U.S. Citizens.***

☛ **NOTE 3:** **IF EXEMPTION CODE "1", "2", OR "4" IS USED IN CONJUNCTION WITH INCOME CODES "16" OR "17" (POSITIONS 355-356 IN THE RECIPIENT "Q" RECORD), THE RECIPIENT'S U.S. TAXPAYER IDENTIFICATION NUMBER (TIN) MUST BE PROVIDED IN POSITIONS 113-121 OF THE RECIPIENT "Q" RECORD.**

☛ **NOTE 4:** **NON-U.S. SOURCE INCOME PAID TO A NONRESIDENT ALIEN IS NOT SUBJECT TO U.S. TAX. USE EXEMPTION CODE 3 WHEN ENTERING AN AMOUNT FOR INFORMATION REPORTING PURPOSES.**

☛ **NOTE 5:** **EXEMPTION CODE "5" CAN ONLY BE USED IN CONJUNCTION WITH INCOME CODES "01", "02", "03", "04", OR "05".**

371	Type of Return Indicator	1	**REQUIRED**. Enter the one position code below to identify an Original, Void or Corrected Return. (See Part A. Sec. 13.)
		CODE	**DESCRIPTION**
		Zero	If this is an **Original** Return.
		V	Enter a "V" to void the incorrect original return submitted. **(SEE TRANSACTION 1, PART**
A,			**SEC. 13.11)**
		C	Enter a "C" if this is to identify the Correct Return. **(SEE TRANSACTION 2, PART**
A,			**SEC. 13.11)**

372-373	Tax Rate	2	**REQUIRED**. Enter the appropriate tax rate found in Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations. An appropriate rate **MUST** be shown. The correct tax rate applies to the Country Code identified in field positions 137-138 of the "Q" Record.

			Do not use percent signs or decimal points. For fractional rates, drop the fraction.

☛ **NOTE:** **WHEN EXEMPTION CODE "1" THROUGH "5" IS USED IN POSITION 370, THE TAX RATE MUST BE ZERO.**

☛ **NOTE:** **IF THE RECIPIENT'S COUNTRY OF TAX RESIDENCE CANNOT BE DETERMINED, AND YOU ENTER OC IN POSITIONS 137-138, THE RATE OF TAX MUST ALWAYS BE 30 PERCENT.**

☛ **NOTE:** **IF THE COUNTRY'S TREATY RATE FOR THE RECIPIENT CHANGES DURING THE YEAR, A NEW "Q" RECORD WILL BE REQUIRED.**

☛ **NOTE:** **IF AN INCORRECT AMOUNT OF TAX WAS WITHHELD OR AN INCORRECT TAX RATE WAS USED TO WITHHOLD, REPORT THE CORRECT TAX RATE SPECIFIED IN PUBLICATIONS 515 AND 901, BUT REPORT THE ACTUAL AMOUNT OF MONEY WITHHELD, AND INCLUDE A LETTER OF EXPLANATION. THIS WILL PERMIT THE "INCORRECT" DATA TO BE ACCEPTED FOR PROCESSING, BUT DOES NOT RELIEVE THE WITHHOLDING AGENT OF THE RESPONSIBILITY TO WITHHOLD AT THE PRESCRIBED TAX RATES AND REMIT THE CORRECT AMOUNT OF TAX WITH FORM 1042.**

374-384	U.S. Federal Tax Withheld	11	***REQUIRED.*** Enter in dollars and cents the amount of tax withheld, if any. An amount **MUST** be shown if the Tax Rate is other than "00", or if income is not otherwise exempt from withholding. If Tax Rate is "00", the amount of tax withheld should be zero. Do **NOT** enter the decimal point. For whole dollar amounts, the cents must be shown as zeros. For example, $1500 should be shown as 00000150000 where the left-most five zeros are "filler" and the right-most two zeros represent cents. Right-justify and zero fill.

☛ **NOTE:** ***DO NOT ENTER MORE THAN THE GROSS INCOME PAID REPORTED IN FIELD POSITIONS 359-369.***

☛ **Note:** **If the amount of tax withheld is incorrect, the filer must include a letter to explain the reason for the incorrect amount of tax withheld and reported in this field.**

☛ **Note:** **Apply the following formula to determine U.S. Federal Tax Withheld. All field positions described below are also in the "Q" Record:**

Income Codes 15 and/or 16	All Other Income Codes
Gross Income Paid (359-369) - Withholding Allowance (430-439) = Net Income Amount (440-449) x Tax Rate (372-373) = U.S. Federal Tax Withheld (374-384)	Gross Income Paid (359-369) x Tax Rate (372-373) = U.S. Federal Tax Withheld (374-384)

385-419	Payer's Name	35	Enter the name of the Payer of Income if different from the Withholding Agent. Abbreviate as needed. If Withholding Agent and Payer are one and the same, blank fill Payer's Name. Valid characters are alphabetic, numeric, blank, ampersand (&), period (.), comma (,), apostrophe (') and hyphen (-). Left-justify and blank fill.
420-428	Payer's TIN	9	Enter the Payer's Taxpayer Identification Number if there is an entry in the Payer Name Field. Blank fill if unknown or Payer's Name

			is blank.
429	Awaiting Form W-8 Indicator	1	If a filer is awaiting Form W-8 from this recipient, enter "Y"; otherwise, enter a blank.
430-439	Foreign Student Withholding Allowance Amount	10	(For filers reporting Income Codes "15" or "16" in Position 355-356 of the recipient "Q" record.) Enter in dollars and cents the gross amount of withholding allowances for a foreign student, if using Income Code "15" with respect to a payment of U.S. source scholarships and fellowship grants or "16", Independent Personal Services. Do NOT enter decimal point. If the Income Code in Positions 355-356 is other than "15" or "16", enter blanks. The withholding allowance reported **MAY EQUAL, BUT MAY NOT EXCEED**, the amount reported in positions 359-369 (Gross Income Paid) of the "Q" Record. Right-justify and zero fill when a money amount is reported.

☛ **NOTE:** **APPLY THE FOLLOWING FORMULA TO DETERMINE U.S. FEDERAL TAX WITHHELD IN POSITIONS 374-384 OF THE "Q" RECORD. ALL FIELD POSITIONS DESCRIBED BELOW ARE ALSO IN THE "Q" RECORD:**

INCOME CODES 15 AND/OR 16

Gross Income Paid (359-369)
<u>- Withholding Allowance</u> (430-439)
= Net Income Amount (440-439)
<u>**x** Tax Rate</u> (372-373)
= U.S. Federal Tax Withheld (374-384)

☛ **Note:** **Do not enter more than the gross income paid reported in field positions 359-369.**

440-449	Net Income Amount	10	Enter in dollars and cents the net amount of income paid to a foreign student. Do NOT enter a decimal point. If the Income Code (positions 355-356) is other than "15" or "16", enter blanks. Right-justify and zero fill if a money amount is reported.

☛ **Note:** **Apply the following formula to determine U.S. Federal Tax Withheld in positions 374-384 of the "Q" Record. All field positions described below are also in the "Q" Record:**

Income Codes 15 and/or 16

Gross Income Paid (359-369)
- Withholding Allowance (430-439)
= Net Income Amount (440-449)
x Tax Rate (372-373)
= U.S. Federal Tax Withheld (374-384)

450-459	Amount of State Income Tax Withheld	10	If State Tax has been withheld for any Tax reason, enter that amount here, in dollars and cents. Right-justify and zero fill. If no entry, zero fill.
460-463	Tax Year	4	Enter "1998" (unless reporting for prior year data).
464-477	Reserved	14	Blank Fill
478-498	Special Data Entries	21	This portion of the "Q" Record may be used for the filer's own purposes, (i.e., Do Not Mail). If

			this field is not utilized, **ENTER BLANKS.**
499-500	Blank or Carriage Return Line Feed.	2	Enter blanks or carriage return line feed Line characters (CR/LF).

Recipient "Q" Record Layout

Record Type	Withholding Agent's TIN	Agent's Name	Agent's Address	Agent's City	Agent's State Code
1	2-10	11-45	46-80	81-100	101-102

Agent's ZIP Code	Type of TIN	Recipient's U.S. TIN	Account Number	Country Code	Recipient Name Line One
103-111	112	113-121	122-136	137-138	139-183

Recipient Name Line Two	Street Address	City	Province Name	Postal Code	U.S. State Code
184-228	229-283	284-308	309-323	324-332	333-334

Country Name	Income Code	Recipient Code	Gross Income Paid	Exemption Code	Type of Return Indicator
335-354	355-356	357-358	359-369	370	371

Tax Rate	U.S. Federal Tax Withheld	Payer's Name	Payer's TIN	Awaiting Form W-8 Indicator	Foreign Student Withholding Allow. Amt.
372-373	374-384	385-419	420-428	429	430-439

Net Income Amount	Amount of State Tax Withheld	Tax Year	Reserved	Special Data Entries	Blank or CR/LF
440-449	450-459	460-463	464-477	478-498	499-500

Sec. 9. Withholding Agent "W" Record

.01 Enter a "W" Record after the last "Q" Record submitted

for a particular Withholding Agent. The "W" Record serves as a summary of the preceding "Q" Record data, and enables IRS to cross check the correctness of information received.

.02 Several "W" Records for different withholding agents may appear on the same Transmitter's file. Also, the "W" Record may refer to "Q" Records on more than one reel, provided all of the preceding "Q" Records are for the same withholding agent.

.03 A "W" Record may only be followed by new Recipient "Q" Records for the next Withholding Agent, if any, or by a tape mark and/or trailer label when more reels follow this reel, or by an End of Transmission "Y" Record, when this is the last reel of the file. The "W" Record cannot be the last record on the file.

.04 Each "W" Record has a fixed length of 500 positions.

.05 If the field is not applicable, allow for the field by entering blanks or zeros as instructed.

.06 All alpha characters entered in the "W" Record must be upper case.

RECORD NAME: WITHHOLDING AGENT "W" RECORD

Positions	Field Title	Length	Description and Remarks
1	Record Type	1	**REQUIRED**. Enter "W."
2-3	Reserved	2	Blank fill.
4-12	Employer Identification Number (EIN)	9	***REQUIRED***. Enter the nine-digit Employer Identification Number of the Withholding Agent. Omit the hyphen.
13-47	Agent's Name	35	***REQUIRED***. Enter the name of the Withholding Agent, up to the limit of 35 characters. Abbreviate as needed, omitting punctuation. Left-justify and blank fill.
48-82	Agent's Address	35	**REQUIRED.** Enter the mailing address of the withholding agent. 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, omitting punctuation. Left-justify and blank fill.
83-102	City	20	**REQUIRED.** Enter the city, town, or other locality name. If applicable enter APO or FPO only. Left-justify and blank fill.
103-104	State	2	**REQUIRED.** Enter the two-character alphabetic state code or the postal identifier for APO/FPO addresses from the list in Part B. Sec. 7, positions 115-116 of "T" Record.
105-113	ZIP Code	9	***REQUIRED.*** Enter nine numeric characters for all U.S. addresses (including territories, possessions, and APO/FPO). For five-digit ZIP codes, left-justify and zero fill. Zero fill for addresses outside the U.S.
114-121	Total "Q" Record Count	8	***REQUIRED.*** Enter the total number of "Q" Records for this withholding agent; that is, the total count of "Q" Records following the last "W" Record, or if this is the first "W" Record on the file, the

			total number of "Q" Records since the "T" Record. The presence of a "T" Record does not interrupt the count, which may therefore include consecutive "Q" Records on more than one tape reel. Right-justify and zero fill unused positions.
122-134 total	Total Gross Amount Paid	13	***Required.*** Enter the gross amount. Calculate this total by adding the gross income paid reported in all "Q" Records counted in the preceding Positions 114-121. Do not "round off" this total, since it is used to verify the total money amount from the "Q" records. Right-justify and zero fill.
135-147 total	Total Tax Withheld	13	**Required.** Enter the tax withheld. Calculate this total by adding the tax withheld reported in all "Q" records counted in the preceding Positions 114-121. Do not "round off" this total, since it is used to verify the total tax withheld from the "Q" records. Right-justify and zero fill.
148-151	Tax Year	4	**Required.** Enter the four digit year "1998" of

			the calendar year for which income and withholding are being reported. All recipient "Q" Records must report payments for this year **ONLY**. Different tax years may not appear on the same file.
152-167	Withholding Agent's Phone Number and Extension	16	Enter the Withholding Agent's phone number and Extension.
168-498	Reserved	331	Blank fill.
499-500	Blank or Carriage Return Line Feed	2	**REQUIRED**. Enter blanks or carriage return line feed characters(CR/LF).

WITHHOLDING AGENT "W" RECORD LAYOUT

Record Type	Reserved	EIN	Agent's Name	Agent's Address	City	State
1	2-3	4-12	13-47	48-82	83-102	103-104

ZIP Code	Total "Q" Record Count	Total Gross Amount Paid	Total Tax Withheld	Tax Year	Withholding Agent's Phone Number and Extension
105-113	114-121	122-134	135-147	148-151	152-167

Reserved	Blank or CR/LF
168-498	499-500

SEC. 10. END OF TRANSMISSION "Y" RECORD

.01 The "Y" Record is a fixed record length of 500 positions and all positions listed are required. The "Y" Record is a summary of the number of withholding agents and total number of tape reels in the entire file.

.02 This record will be written after the last "W" Record of the entire file. End the last reel ONLY of a file with an End of Transmission "Y" Record. The "Y" Record may only be preceded by a "W" Record. It may only be followed by a tape mark, or a tape mark and a trailer label (if trailer labels are used), or a trailer label.

.03 Please note that if submitting a multi-reel file, there will only be one End of Transmission "Y" record. The End of Transmission "Y" record will be the last record in the final block on the last reel in the file.

RECORD NAME: END OF TRANSMISSION "Y" RECORD

Positions	Field Title	Length	Description and Remarks
1	Record Type	1	**REQUIRED.** Enter "Y".
2-4	Withholding Agent Count	3	**REQUIRED.** Enter the total number of withholding agents on this file. This count will be the same as the total number of "W" Records. Right-justify and zero fill.
5-7	Reel Count	3	**REQUIRED.** Enter the total number of reels/ cartridges for this transmission. Right-justify and zero fill.
8-498	Reserved	491	Blank fill.
499-500 or	Blank or Carriage Return Line Feed	2	**REQUIRED.** Enter blanks carriage return line feed characters (CR/LF).

End of Transmission "Y" Record Layout

Record Type	Withholding Agent Count	Reel Count	Reserved	Blank or CR/LF
1	2-4	5-7	8-498	499-500

Part C. Bisynchronous (Mainframe) Electronic Filing Specifications

Sec. 1. General

In compliance with Year 2000 changes, the current bisynchronous electronic filing communication package will change in the future.

.01 Bisynchronous electronic filing of Forms 1042-S information returns is offered as an alternative to magnetic media (tape, tape cartridge, or diskette) or paper filing, but is not a requirement. This method uses IBM 3780 communications protocols and is used primarily by mainframe filers. Electronic filing will fulfill the magnetic media requirements for those payers who are required to file magnetically. It may also be used by payers who are under the filing threshold requirement, but would prefer to file their information returns this way.

.02 The electronic filing of information returns is not affiliated with the Form 1040 electronic filing program. These two programs are totally independent, and filers must obtain separate approval to participate in each of them. All inquiries concerning the electronic filing of information returns should be directed to IRS/MCC. IRS/MCC personnel cannot answer questions or assist taxpayers in the filing of Form 1040 tax returns. Filers with questions of this nature will be directed to the Customer Service toll free number (**1-800-829-1040**) for assistance.

.03 Filers participating in the electronic filing program for information returns will submit their returns to IRS/MCC electronically, and not through magnetic media or paper filing.

.04 If a request for an extension is approved, transmitters who file electronically will be granted an extension of 30 days to file. Part A., Sec. 11, explains procedures for requesting extensions of time. Filers are encouraged to file their data as soon as possible.

.05 The formats of the "T," "Q," "W," and "Y," Records are the same for electronically filed records as they are for 5 ¼- and 3 ½-inch diskettes, tapes, and tape cartridges. For electronically filed documents, each transmission is considered a separate file; therefore, each transmission must have an End of Transmission (EOT) "Y" Record.

Sec. 2. Electronic Filing Approval Procedure

.01 Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned to them prior to submitting their files electronically. (Filers who currently have a TCC for magnetic filing do not have to request a second TCC for electronic filing.) Refer to Part A. Sec. 7 for information on how to obtain a TCC.

.02 Filers using bisynchronous protocols must obtain an IRS/MCC-assigned password prior to submitting test or actual data

files. To obtain a password, the following steps must be taken:

(a) Bisynchronous filers who already have a TCC to file Forms 1042-S (beginning numbers "22") must submit either Form 4419 or a letter to indicate that they wish to file information returns electronically. If you do not currently have a TCC number or one that begins with "**22**", *a* new number will be assigned. If a letter is submitted, it must contain the following:

1) Name and address of transmitter.

2) Transmitter Control Code.

3) Name and phone number of a contact person within the filer's organization to whom a password will be assigned.

(b) Within 30 days of receiving the application or letter, IRS/MCC will send Form 6086, Time Sharing Operation (TSO) Password Assignment, to the filer which will contain the password to be used for electronic submissions.

(c) Upon receipt of Form 6086, the user (person who will actually transmit the data) will separate the acknowledgment from the password. Both the user and the user's manager **must** sign the acknowledgment and mail to:

Chief, Security and Disclosure Branch
IRS, Martinsburg Computing Center
P.O. Box 1208, MS-370
Martinsburg, WV 25402

(d) The users or filers should retain a copy of the signed acknowledgment for their records. It is the filer's responsibility to ensure that the password is not compromised. Access to IRS/MCC computers will not be allowed without a valid password. After a password is received and the acknowledgment returned, the filer may submit a data file.

(e) If filers have any questions relating to the security procedures, and/or they need to report their password has been compromised, they must contact IRS/MCC as soon as possible at:

IRS/MCC
Information Returns Branch
P. O. Box 1359
Martinsburg, WV 25402-1359

or by calling **304-263-8700**.

.03 It is the user's responsibility to remember the password and not allow the password to be compromised.

Sec. 3. Test Files

.01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for first time electronic filers in order to resolve any data or communication problems prior to the filing season. If filers wish to submit an electronic test file for Tax Year 1998 (returns to be filed in 1999), it **must** be submitted to IRS/MCC **no earlier than** December 1, 1998, and no later than February 15, 1999.

.02 If a filer encounters problems while transmitting electronic test files, contact IRS/MCC for assistance.

.03 A password and a TCC number (beginning with "22") must be obtained before submitting an electronic test file.

.04 Bisynchronous electronic test files will be processed and filers will be notified as to the acceptability of their data within 10 workdays of the date the data and transmittal Form 4804 are received by IRS/MCC.

Sec. 4. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/MCC 7 days a week, 24 hours a day, except for routine maintenance/backup which is performed at 4:00 a.m. Eastern Time. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern Time by calling **304-263-8700.**

.02 Lengthy transmissions **(100,000 or more records)** are not encouraged since the transmission may be interrupted by line noise problems. **It is advisable to break lengthy files into multiple transmissions.**

.03 The time required to transmit information returns electronically will vary depending on the modem speed, if IBM 3780 data compression is used, and if the records are blocked. The following transmission rates were based on actual test files received at MCC:

4,500 records	**50 minutes**	**(4800 bps, no compression, one record per block)**
54,000 records	**4 hours**	**(9600 bps, compression, two records per block)**

Sec. 5. Transmittal Requirements

.01 All data submitted electronically is verified by transmittal Form 4804. The transmitter must mail the signed Form 4804 the same day the transmission is made. No return is considered filed until a Form 4804 is received by IRS/MCC.

.02 Form 4804 can be ordered by calling the IRS toll Free forms and publications order number **1-800-TAX-FORM (1-800-829-3676)** or it may be computer-generated. **A copy of the**

form is also available in the back of this publication. The Form 4804 can be downloaded from **IRP-BBS AT 304-264-7070** or from the **INTERNET AT HTTP://WWW.IRS.USTREAS.GOV.** If a filer chooses to computer-generate Form 4804, all of the information contained on the original form, including the affidavit, must also be contained on the computer-generated form.

.03 The TCC in the "T" Record must be the TCC used to transmit the file and should appear on the transmittal Form 4804.

.04 Forms 4804 may be mailed to the following addresses:

PLEASE INDICATE ON THE ENVELOPE THE FOLLOWING MESSAGE:

CONTAINS FORM 4804 INFORMATION - NO MAGNETIC MEDIA

If by Postal Service:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: ELECTRONIC FILING COORDINATOR
P.O. Box 1359
Martinsburg, WV *25402-1359*

☛ **NOTE:** **THE ZIP CODE HAS CHANGED FROM 25401-1359 TO 25402-1359 FOR THE IRS P.O. BOX ADDRESSES FOR MARTINSBURG, WV.**

If by truck or air freight:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: ELECTRONIC FILING COORDINATOR
Route 9 and Needy Road
Martinsburg, WV 25401

SEC. 6. IBM 3780 BISYNCHRONOUS COMMUNICATION SPECIFICATIONS

IN COMPLIANCE WITH YEAR 2000 CHANGES, THE CURRENT BISYNCHRONOUS ELECTRONIC FILING COMMUNICATION PACKAGE WILL CHANGE IN THE FUTURE.

.01 Transmissions using IBM 3780 bisynchronous protocols must be in EBCDIC character code. Modems must be compatible with either Bell 208B for 4800 bps transmissions, AT&T 2296A for 9600 bps transmissions, or Hayes OPTIMA 288 V.FC Smart modem for 14400 bps transmissions. These modems are dial-up type modems using the Public Switched Telephone Network. IBM 3780 data compression is acceptable for any bisynchronous transmission. Records may be

blocked up to 4096 bytes with **INTER RECORD SEPARATORS**.

.02 IRS/MCC will accept information returns filed electronically over switched telecommunications network circuits. For 4800 bps, the circuit will be **304-264-7080.** For 9600 bps, the circuit will be **304-264-7040. For 14400 bps, the circuit will be 304-264-7045.** These circuits are equipped for bisynchronous transmission using the IBM 3780 protocol.

.03 The 4800 bps line terminates at a Bell 208B modem. The Bell 208B modem uses phase-shift keying and eight-phase modulation to transmit binary serial data signals over the telephone line in half-duplex mode. The following options have been selected:

- Transmit Level set to -4 dBm
- Compromise Equalizer in (4-Db Slope)
- DSR off in Analog Loop Mode
- Automatic Answer
- Transmitter Internally Timed
- RS-CS Interval of 50 ms

.04 The 9600 bps line terminates at an AT&T Dataphone II 2296A modem. The AT&T 2296A modem is a full-duplex, CCITT V.32 compatible unit which operates at 9600 bps or 4800 bps (fall back). The following options have been selected:

- Receiver Responds to Remote Loopback
- Loss-of-Carrier Disconnect
- Received-Space Disconnect
- Send-Space Disconnect
- Automatic Answer
- Answer on Ring 1
- DTR Interlock
- Retrain Enable
- Internal Timing
- CTS Controlled by RTS
- 0 - 1 ms RTS to CTS Delay
- CTS Dependent on Carrier
- RR Indicates Carrier
- 9600 Trellis Coding
- 4800 bps Fallback
- 4 dB Compromise Equalization

.05 The 14400 bps line terminates at a Hayes OPTIMA 288 V.FC Smartmodem. The Hayes OPTIMA Smartmodem is a half-duplex, ITU-T (formerly CCITT) V.32 and V.32 bis compatible unit which operates at 14400 bps, 9600 bps, or 4800 bps (fallback). The following options have been selected:

- Monitor DTR signal
- Assert DSR signal after handshake negotiation, but before connect result code
- Ring control S=1

Sec. 7. Bisynchronous Electronic Filing Record Specifications

.01 For bisynchronous filing there are two additional identifier records which must be used to transmit data. These records are 500 positions in length and are the first ($$REQUEST) and second ($$ADD) records sent in an electronic transmission. The purpose of these records is to provide the password and identity of the transmitter. These records may be shorter as long as inter record separators are used. The $$REQUEST, $$ADD and the data file should be transmitted as one file. In some cases, filers have attempted to send the $$REQUEST and $$ADD as separate files. Doing this will result in a failed transmission.

.02 With the exception of these additional records, the file format for electronic filing is the same as for magnetic media filing. The format of each of these records is as follows:

Record Name: $$REQUEST

Field Position	Field Title	Length	Description and Remarks
1-20	$$REQUEST Identifier Record	20	Enter the following characters: $$REQUEST ID=MSGFILE
21-500	Blank	480	Enter Blanks.

Electronic Filing Identifier $$REQUEST Record - Record Layout

$$REQUEST Identifier Record	Blank
1-20	21-500

.03 Upon making contact with IRS/MCC and furnishing a valid password in the $$ADD identifier record, a data transmission session will commence. The transmission will continue until an End of Transmission (EOT) "Y" record is received. At the end of each transmission, the following message should be received electronically by the filer: "DATA RECEIVED AT MCC" and the line will be disconnected. If this message is not received, there was a problem with the submission, and the filer should contact IRS/MCC immediately.

.04 Upon receiving a data file and transmittal Form 4804, IRS/MCC will release the data for further processing. If the media cannot be processed, the filer will be notified by either

letter or telephone that the data must be retransmitted. This file name, if necessary, will be provided by IRS/MCC and is to be placed in positions 45-51 of the $$ADD record when the file is retransmitted.

Record Name: $$ADD

Field Position	Field Title	Length	Description and Remarks
1-9	$$ADD Identifier Record	9	Enter the following characters: $$ADD ID=
10-17	Password	8	Enter the password assigned by IRS/MCC. For information concerning the password, see Part C. Sec. 2.
18	Blank	1	Enter a blank.
19-26	BATCHID	8	Enter the following characters: BATCHID=
27	Quote	1	Enter a single quote (’).
28-43	Transmitter Name	16	Enter the transmitter’s name. This name should remain consistent in all transmissions. If the transmitter’s name exceeds 16 positions, truncate the name.
44	Type of File Indicator	1	Enter the Type of File Indicator from the list below: O = Original Filing T = Test File

			C = Correction File R = Replacement File E = Extension File
45-51	Replacement File Name	7	**Use this field only if this is a replacement file**. Enter the replacement file name which IRS/MCC has assigned to this file. This file name will be provided to the filer in the letter notifying them that a replacement file is necessary. If contact is made by telephone, the replacement file name will be given to the filer by IRS/MCC at that time. For other than replacement files, this field will contain blanks.
52	Quote	1	Enter a single quote (’).
53-500	Blank	448	Enter blanks.

Electronic Filing Identifier $$ADD Record - Record Layout

$$ADD Identifier Record	Password	Blank	BATCHID	Quote	Transmitter Name
1-9	10-17	18	19-26	27	28-43

Type of File Indicator	Replacement File Name	Quote	Blank
44	45-51	52	53-500

Part D. Asynchronous (IRP-BBS) Electronic Filing Specifications

Sec. 1. General

.01 Asynchronous electronic filing of Forms 1042-S originals, corrections, and replacements is offered as an alternative to magnetic media (tape, tape cartridge, or diskette) or paper filing, but is not a requirement. Electronic filing using the Information Reporting Program-Bulletin Board System (IRP-BBS) will fulfill the magnetic media requirements for those filers who are required to file magnetically. It may also be used by those payers who are under the filing threshold requirement, but would prefer to file their information returns this way. If the original file was sent magnetically, but was returned for replacement, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 The electronic filing of information returns is not affiliated with the Form 1040 electronic filing program. These two programs are totally independent, and filers must obtain separate approval to participate in each of them. All inquiries concerning the electronic filing of information returns should be directed to IRS/MCC. IRS/MCC personnel cannot answer questions or assist taxpayers in the filing of Form 1040 tax returns. Filers with questions of this nature will be directed to the Customer Service toll free number **(1-800-829-1040)** for assistance.

.03 Filers participating in the electronic filing program for information returns will submit their returns to IRS/MCC electronically and not through magnetic media or paper filing. **Files** submitted in this manner **must** be in standard **ASCII** code.

.04 If a request for extension is approved transmitters who file electronically will be granted an extension of time to file. Part A. Sec. 11, explains procedures for requesting extensions of

time. Filers are encouraged to file their data as soon as possible.

.05 The formats of the "T," "Q," "W," and "Y" Records are the same for electronically filed records as they are for 5 ¼- and 3 ½-inch diskettes, tapes, and tape cartridges and must be in standard ASCII code. For electronically filed documents, each transmission is considered a separate file; therefore, each transmission **must** have an End of Transmission (EOT) "Y" Record.

Sec. 2. Electronic Filing Approval Procedure

.01 Filers must obtain, or already have, a TCC assigned to them prior to submitting their files electronically. Filers who currently have a TCC for magnetic filing of Form 1042-S (beginning with numbers "**22**") do not have to request a second TCC for electronic filing. Refer to Part A. Sec. 7 for information on how to obtain a TCC.

.02 Once a TCC is obtained, filers using IRP-BBS assign their own passwords and do not need special approval.

.03 With all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. However, if filers do forget their password, call **304-263-8700** for assistance.

☛ **Note: Passwords on the IRP-BBS are case sensitive.**

Sec. 3. Test Files

.01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for first time electronic filers in order to resolve any data or communication problems prior to the filing season. If filers wish to submit an electronic test file for Tax Year 1998 (returns to be filed in 1999), it **must** be submitted to IRS/MCC **no earlier than** December 1, 1998 and **no later than** February 15, 1999.

.02 If a filer encounters problems while transmitting the electronic test file, contact IRS/MCC for assistance.

.03 Filers can verify the status of their transmitted test data by dialing the IRP-BBS. This information will be available within 10 workdays after their transmission is received by IRS/MCC.

Sec. 4. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/MCC 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 **304-263-8700.**

.02 Filers may submit as many documents as they choose

electronically. Filers are allowed 240 minutes a day; however, more time may be requested if needed. It may be advantageous to break down large files **(files in excess of two hours of transmission time)** into several smaller files.

.03 Do not transmit data using IRP-BBS January 1 through January 7. This will allow time for the IRP-BBS to be updated to reflect current year changes.

.04 Data compression is encouraged when submitting information returns by way of the IRP-BBS. MCC has the ability to decompress files created using several popular software compression programs such as ARC, LHARC, and PKZIP. Software data compression can be done alone or in conjunction with V.42bis hardware compression.

The time required to transmit information returns electronically will vary depending on the modem speed and the type of data compression used, if any. However, transmissions to IRP-BBS will be significantly faster than electronic filing to the mainframe. **THE TIME REQUIRED TO TRANSMIT A FILE CAN BE REDUCED BY AS MUCH AS 85 PERCENT BY USING SOFTWARE COMPRESSION AND HARDWARE COMPRESSION.**

The following are actual transmission rates achieved in test uploads at MCC using compressed files (PKZIP) and the XMODEM-1K protocol. The actual transmission rates will vary depending on the protocol that is used. (ZMODEM is normally the fastest protocol and XMODEM and KERMIT are the slower protocols).

Transmission Speed in bps	500 Records	2500 Records	10000 Records
9600	1 min 5 sec 1 min sec	4 min 35 sec	21 min 20 sec
19200	41 sec	2 min 51 sec	13 min 23 sec
38400	25 sec	1 min 55 sec	9 min 10 sec

.05 Files submitted to IRP-BBS must have a unique filename; therefore, the IRP-BBS will build the filename that must be used. The name will consist of the filer’s TCC, submission type (T = Test, P = Production,12q C = Correction, and R = Replacement) and a sequence number. Filers may call the file anything they choose on their end. The sequence number will be incremented every time they send, or attempt to send, a file. Record the upload date, time, and filename. This information will be needed by MCC in order to identify the file if assistance is required and to complete Form 4804.

.06 Electronic filers must transmit their files by the due date of the return. If a file is bad, the filer will have 45 days to transmit the first replacement file and 30 days thereafter if additional replacements are necessary.

.07 Filers are advised not to resubmit an entire file if records were omitted from the original transmission. This will result in duplicate filing. A new file should be sent consisting of the records that had not previously been submitted.

.08 The TCC in the Transmitter "T" Record must be the TCC used to transmit the file.

Sec. 5. Transmittal Requirements

.01 The results of the electronic transmission will be posted to the (F)ile Status area of the IRP-BBS, however, no further processing will occur until the signed Form 4804 is received. The transmitter must mail the signed Form 4804 the same day the electronic transmission is made. No return is considered filed until a Form 4804 is received by IRS/MCC.

.02 Form 4804 can be ordered by calling the IRS toll free forms and publication order number **1-800-TAX-FORM, (1-800-829-3676)** downloaded from the **IRP-BBS at 304-264-7070**, or it may be computer generated. It may also be obtained from the **Internet at http://www.irs.ustreas.gov.** A copy of the form is also available in the back of this publication. If a filer chooses to computer-generate Form 4804, all of the information contained on the original form, including the affidavit, must also be contained on the computer-generated form.

.03 The TCC used in the Transmitter "T" Record is the TCC which must appear on the transmittal Form 4804.

.04 Forms 4804 may be mailed to the following addresses:

Please indicate on the envelope the following message:
CONTAINS FORM 4804 INFORMATION - NO MAGNETIC MEDIA

If by Postal Service:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: Electronic Filing Coordinator
P.O. Box 1359
Martinsburg, WV 25402-1359

☛ **Note:** **The ZIP Code has changed from 25401-1359 to 25402-1359 for the IRS P.O. Box addresses for Martinsburg, WV.**

If by truck or air freight:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: Electronic Filing Coordinator
Route 9 and Needy Road
Martinsburg, WV 25401

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Sec. 6. Information Reporting Program-Bulletin Board System (IRP-BBS) Specifications

.01 The IRP-BBS is an electronic bulletin board system available to filers of information returns. In addition to filing information returns electronically, the IRP-BBS provides other capabilities. Some of the advantages of IRP-BBS are as follows:

(1) Notification within 10 workdays as to the acceptability of the data transmitted.
(2) Immediate access to the latest changes and updates that affect the Information Reporting Program at IRS/MCC (program, legislative, etc.).
(3) Access to publications such as the Publication 1187 as soon as they are available.
(4) Capability to communicate with IRS/MCC personnel.
(5) Ability to retrieve information and files applicable to the IRP-BBS.

.02 The IRP-BBS is available for public use and accessible using various personal computer communications equipment; however, electronic submission of information returns is limited to holders of valid TCCs. A TCC is not needed to access those portions of the IRP-BBS that contain forms and publications or to leave questions or messages for IRS/MCC personnel.

.03 Filers using IRP-BBS can determine the acceptability of files submitted by checking the file status area of the bulletin board. These reports are not immediately available but will be available 10 workdays after the transmission is received by IRS/MCC.

.04 Contact the IRP-BBS by dialing **304-264-7070**. The communication software settings for IRP-BBS are:

- No parity
- Eight data bits
- One stop bit
- Full duplex

The communication software should be set up to use the fastest speed allowed by the filer’s modem.

.05 Due to the large number of communication products available, it is impossible to provide specific information on a particular software package or hardware configuration. Filers should contact their software or hardware supplier for assistance.

.06 IRP-BBS software provides a menu-driven environment

allowing access to different parts of IRP-BBS. Whenever possible, IRS/MCC personnel will provide assistance in resolving any communication problems with IRP-BBS.

.07 IRP-BBS can be accessed at speeds from 1200 to 28,800 bps. The speed is automatically negotiated for connection at the speed of the calling modem. The communication standards supported include Industry Standard 212A, V.22bis, V.32, V.32bis, V.34, and V.FC. Point-to-point error control is supported using the V.42 ITU-T standard or MNP 2-4. Data compression is supported using V.42bis ITU-T standard or MNP5.

Sec. 7. IRP-BBS First Logon Procedures

.01 The following information will be requested to set up the filer's user profile when logging onto the IRP-BBS for the first time.

(a) Enter the letter, that corresponds to the filer's terminal, from the following:

<A>	IBM PC	<B>	IBM w/ANSI	<C>	Atari
<D>	ADM-3	<E>	H19/Z19/H89	<F>	Televid 925
<G>	TRS-80	<H>	Vidtex	<I>	VT-52
<J>	VT-100	<CR>	if none of the above		

Most PCS, clones, etc., will select the IBM PC emulation. Machines with color, CGA, EGA, or VGA should select IBM w/ANSI.

(b) Upper/lower case, line feed needed, O (zero) nulls after each <CR>, do you wish to modify this? (Most users answer no.)

Common User Problems

PROBLEM	PROBABLE CAUSE	SOLUTION
File does not upload/download	Not starting communication when prompted by 'Awaiting Start Signal'	Start upload/ download on filers end
All files not processed	Compressing several files into one filename	Compress only one file for every filename
Replacement needed	Original data does not meet	Replacement must be submitted within

	processing and/or format requirements	45 days of original transmission
Cannot determine file status	Not dialing back thru IRP-BBS to check the status of the file	Within 10 days after sending a file, check under (F)ile Status for notification of acceptability
Transfer aborts before it starts	Transfer protocol mismatch	Ensure protocols match on both the sending and receiving ends
Loss of carrier during session	Incorrect modem settings on user’s end	Reference your modem manual about increasing the value of the S10 register
Unreadable screens after selecting "IBM w/ANSI"	ANSI.SYS driver not loaded in the user’s PC	Select non ANSI under (Y)our settings

IRS Encountered Problems

IRS cannot complete final processing of data	User did not mail the Form 4804	Mail completed Form 4804 the same day as the electronic transmission
IRS cannot determine which file is being replaced	User did not indicate which file is being replaced	Must enter the filename that is being replaced under the replacement option
IRS cannot determine the type of file being sent	User incorrectly indicated T, P, C, or R for the type of file	When prompted, enter the correct type of file for data being sent
Replacement file not replaced within 45 days	User did not dial back thru IRP-BBS to check the status of file	Within 10 workdays check under (F)ile for notification of acceptability

Duplicate data	Transmitter sends corrections for entire file	Only submit corrections for incorrect records

Part E. Magnetic/Electronic Specifications For Extension of Time

Sec. 1. General Information

.01 The specifications in Part E include the required 200-byte record format for extension of time to file requests submitted magnetic media or electronically. Also included are the instructions for the information that is to be entered in the record. **Withholding Agents are advised to read this section in its entirety to ensure proper filing.**

.02 Only filers who have been assigned a Transmitter Control Code may request an extension of time magnetically or electronically. If you meet the threshold of more than 50 payers, when requesting an extension but are below the 250 documents threshold, you must still submit a Form 4419, Application for Filing Information Returns Magnetically/ Electronically. Requests for extensions of time may be made for Forms 1042-S, 1098, 1099, 5498, W-2G, and W-2.

.03 For Tax Year 1998 (returns due to be filed in 1999), transmitters requesting an extension of time to file **for more than 50 withholding agents (not recipients) are required to file the extension request on magnetic media or electronically.** Transmitters requesting an extension of time for 10 to 50 withholding agents (not recipients) are encouraged to file the request magnetically or electronically. The request may be filed on tape, tape cartridge, and 5 ¼- and 3 ½-inch diskette or electronically.

.04 For an extension request filed on magnetic media, the transmitter must mail the completed, signed Form 8809, Request for Extension of Time to File Information Returns, in the same package as the corresponding media. For extension requests filed electronically, the transmitter must FAX the Form 8809 the same day the transmission is made.

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

.06 To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied.

.07 The extension record format is also on the IRP-BBS and

can be downloaded. **See Part D for more information on how to contact the IRP-BBS.**

.08 A magnetically-filed request for an extension of time should be sent using the following addresses:

If by Postal:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: Extension of Time Coordinator
P O Box 879
Kearneysville, WV 25430

If by truck or air freight:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: Extension of Time Coordinator
Route 9 and Needy Road
Martinsburg, WV 25401

☛ **Note:** **Due to the large volume of mail received by IRS/MCC and the time factor involved in processing the Form 8809, it is imperative the attention line be present on all envelopes or packages containing Extension of Time (EOT) requests.**

.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 the IRS/MCC 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. 10, 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/MCC will be used as the filing date.

.10 Withholding Agents who submit their extension of time requests magnetically or electronically will receive a letter from IRS/MCC with an attached list of multiple withholding agents, based on information contained in the file, specifying approval and/or denial.

.11 Do not submit tax year 1998 extension of time to file requests on magnetic media or electronically before January 1, 1999.

.12 Filers may request an extension of time **as soon as they are aware** that an extension is necessary but not later than the due date of the return. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances a request for an extension of time could be denied.

In such cases, the withholding agent receives a denial letter. When this denial letter is received, the transmitter has 20 days to provide the additional or necessary information and resubmit the extension request to IRS/MCC.

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

- **(a)** Withholding agent's name (Transmitter's name if reporting for multiple withholding agents)
- **(b)** Transmitter Control Code (TCC)
- **(c)** Tax year
- **(d)** The words "Extension of Time"
- **(e)** Record count

.14 A request for an extension of time to file is not automatically granted. Approval or denial is dependent on information provided on the Form 8809.

.15 If the first request for an extension of time to file was submitted magnetically or electronically, additional extension requests should be submitted in the same manner.

.16 If an additional extension of time is needed, a second Form 8809 and file may be submitted before the end of the initial extension period with a postmark reflecting the date mailed. Line 7 on the form should be checked to indicate that the original extension has been received and the additional extension is being requested.

.17 See Part A. Sec. 11, for complete information on requesting an extension of time to file information returns. If there are additional questions or concerns, contact IRS/MCC.

☛ **NOTE:** **THE SPECIFICATIONS FOR REQUESTING AN EXTENSION OF TIME MAGNETICALLY OR ELECTRONICALLY DO NOT APPLY TO FORM 1042. FORM 1042 IS NOT AN INFORMATION RETURN. FORM 2758 MUST BE USED TO REQUEST AN EXTENSION OF TIME FOR FORM 1042 AND SENT TO THE IRS, PHILADELPHIA SERVICE CENTER, PHILADELPHIA PA 19255.**

SEC. 2. MAGNETIC TAPE, TAPE CARTRIDGE, 8MM, 4MM, QIC (QUARTER INCH CARTRIDGE), 5 ¼-AND 3 ½-INCH DISKETTE, AND IRP-BBS SPECIFICATIONS

.01 Tape specifications are as follows:

- **(a)** 9 track.
- **(b)** EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) recording mode.
- **(c)** 1600 or 6250 BPI.
- **(d)** A block must not exceed 32,600 tape positions and must be a multiple of 200.
- **(e)** Record length of 200 bytes.

(f) Labeled or unlabeled tapes may be submitted.

.02 Tape cartridge specifications are as follows:

(a) Must be IBM 3480, 3490 or AS400 compatible.

(b) Must meet American National Standard Institute (ANSI) standards and have the following characteristics:

(1) Tape cartridges will be ½ 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 ½ inch tape.

(3) Cartridges will be 18-track or 36-track parallel. Indicate on the external media label whether the tape cartridge is 18 or 36 track.

(4) Mode will be full function.

(5) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.

(6) Either EBCDIC or ASCII.

(c) A block must not exceed 32,600 tape positions and must be a multiple of 200.

(d) Record length of 200 bytes.

(e) Labeled or unlabeled tape cartridges may be submitted.

.03 8mm, 4mm, and Quarter Inch Cartridge Specifications

(a) In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:

(1) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:

(a) Created from an AS400 operating systems only.

(b) 8mm (.315-inch) tape cartridges will be 2 ½-inch by 3 3/4-inch.

(c) The 8mm tape cartridges must meet the following specifications:

Tracks	**Density**	**Capacity**
1	20 (43245 BPI)	2.5 Gb (10Gb)
1	21 (45434 BPI)	5 Gb (20 Gb)

(d) Mode will be full function.

(e) **Compressed data is not acceptable.**

(f) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the

external media label affixed to the cartridge.

(g) A file may consist of more than one cartridge, however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example; IRSEOT, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file 1 of 3, 2 of 3, and 3 of 3 and would appear in the header label IRSEOT.001, IRSEOT.002, and IRSEOT.003 on each cartridge of the file.

(2) The 8mm (.315-inch) tape cartridge records defined in this revenue procedure may be blocked subject to the following:

(a) A block **MUST NOT** exceed 32,600 tape positions.

(b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9's; however, the last block of the file may be filled with 9's or truncated. **DO NOT PAD A BLOCK WITH BLANKS.**

(c) 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 (2) above). The block length must be evenly divisible by 200.

(d) Various SAVE commands have been successful, however, the **SAVE OBJECT COMMAND IS NOT ACCEPTABLE.**

(e) Records may not span blocks.

(3) For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. IRSEOT may be used as a suggested filename.

(4) For the purposes of this revenue procedure, the following must be used:
Tape Mark:

(a) Used to signify 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.

(5) IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

(b) 4mm (.157-inch) cassettes are now acceptable with the following specifications:

(1) 4mm cassettes will be 2 ¼-inch by 3-inch.

(2) The tracks are 1 (one).

(3) The density is 19 (61000 BPI).

(4) The typical capacity is DDS (DAT data storage) at 1.3 Gb or 2 Gb, or DDS-2 at 4Gb.

(5) The general specifications for 8mm cartridges will also apply to the 4mm cassettes.

(c) Various Quarter Inch Cartridges (QIC) are now acceptable.

(1) QIC cartridges will be 4" by 6".

(2) QIC cartridges must meet the following specifications:

Size	Tracks	Density	Capacity
QIC-11	4/5	4 (8000 BPI)	22Mb or 30Mb
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BRI)	120Mb or 200Mb
QIC-150	18	16 (10000 BRI)	150Mb or 250Mb
QIC-320	26	17 (16000 BPI)	320Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BRI)	1Gb
QIC-1350	30	18 (51667 BPI)	1.3Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

(3) The general specifications that apply to 8mm cartridges will also apply to QIC cartridges.

.04 Diskette specifications are as follows:

(a) 5 ¼- or 3 ½-inches in diameter.

(b) ASCII recording mode **ONLY**. Additional specifications may be found in Part B. Sec. 5, of this revenue procedure.

(c) Record length of 200 bytes.

(d) Diskettes must be created using the MS/DOS operating system.

(e) Filename of IRSEOT must be used. No other

filenames are acceptable. If a file will consist of more than one diskette, the filename IRSEOT will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, the first diskette will be named IRSEOT.001, the second diskette will be name IRSEOT.002, etc.

(f) Delimiter characters MUST NOT BE USED (i.e., commas (,) or quotes (")).

(g) Positions 199 and 200 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.

.05 Bisynchronous electronic (IRP-BBS) specifications include:

(a) Transmitter must have TCC and a valid IRS/MCC-assigned password prior to submitting data files.

(b) Access phone numbers:
4800 bps 304-264-7080
9600 bps 304-264-7040
14400 bps 304-264-7045

☛ **NOTE:** **SEE PART C, BISYNCHRONOUS (MAINFRAME) ELECTRONIC FILING SPECIFICATIONS, FOR DETAILED INFORMATION ON FILING WITH IRS/MCC VIA BISYNCHRONOUS PROTOCOLS.**

.06 IRP-BBS specifications include:

(a) Transmitter must have TCC.

(b) IRP-BBS access phone number is **304-264-7070.**

(c) Communications software settings are:
-- No parity
-- Eight data bits
-- One stop bit
-- Full duplex

(d) Access speeds from 1200 to 28,800 bps.

☛ **NOTE:** **SEE PART D, IRP-BBS ELECTRONIC FILING SPECIFICATIONS, FOR DETAILED INFORMATION ON FILING WITH IRS/MCC VIA IRP/BBS.**

SEC. 3. RECORD LAYOUT

.01 Positions 6 through 185 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.**

MAGNETICALLY/ELECTRONICALLY EXTENSIONS OF TIME RECORD LAYOUT

Field Position	Field Title	Length	Description and Remarks
1-5	Transmitter Control Code	5	**REQUIRED**. Enter the five character alpha/numeric Transmitter Control Code (TCC) issued by IRS. **ONLY ONE TCC PER FILE IS ACCEPTABLE.**
6-14	(Withholding Agent's TIN - Form 1042-S)	9	**REQUIRED**. Must be the valid nine-digit EIN/SSN assigned to the **WITHHOLDING AGENT. DO NOT ENTER BLANKS, HYPHENS OR ALPHA CHARACTERS.** All zeros, ones, twos, etc. will have the effect of an incorrect TIN. For foreign entities that are not required to have a TIN, this field may be blank; however, the Foreign Entity Indicator, 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 Agent 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 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 agent's city, town, or post office.
175-176	Withholding Agent's State	2	**REQUIRED.** Enter agent's valid U.S. Postal Service state abbreviation (refer to Part B. Sec. 7, "T" record field positions 115-116) for list of valid state codes.
177-185	Withholding Agent's Zip Code	9	**REQUIRED.** Enter 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 document you are requesting an extension of time for using the following code: Code Document 4 1042-S **DO NOT ENTER ANY OTHER VALUE IN THIS FIELD WHEN REQUESTING AN EXTENSION FOR FORM 1042-S.**
187	Foreign Entity Indicator	1	Enter character "X" if the payer is a foreign entity.
188-198	Blank	11	**ENTER BLANKS.**
199-200	Blank	2	**ENTER BLANKS.** Diskette filers may code the ASCII carriage return/line feed characters (cr/lf).

Extension of Time Record Layout

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

Agent State	Agent ZIP Code	Document Indicator	Foreign Entity Indicator	Blank	Blank or CR/LF
175-176	177-185	186	187	188-198	199-200

Part F. Miscellaneous Information

Sec. 1. Addresses for Martinsburg Computing Center

To submit an application to file, waiver request (forms), correspondence, and magnetic media files, use the following:

Mailing by U. S. Postal Service:

IRS--Martinsburg Computing Center
Information Reporting Program
P.O. Box 1359
Martinsburg, WV 25402-1359

Shipping by truck or air freight:

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

To submit a magnetically filed extension of time request, use the following:

Mailing by U.S. Postal Service:

IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator

P. O. Box 879
Kearneysville, WV 25430

Shipping by truck or air freight:

IRS-Martinsburg Computing Center
Information Reporting Program
ATTN: EXTENSION OF TIME COORDINATOR
Route 9 and Needy Road
Martinsburg, WV 25401

SEC. 2. TELEPHONE NUMBERS FOR CONTACTING IRS/MCC

Information Reporting Program Call Site:

304-263-8700

Between 8:30 a.m. and 4:30 p.m. Eastern Time
Monday through Friday

Telecommunication Device for the Deaf (TDD):

304-267-3367

Information Returns FAX Machine:

304-264-5602

Electronic Filing:

(IRP-BBS)
(Asynchronous)
304-264-7070

Mainframe Filing
(Bisynchronous Filing)

4.8 Modems	**304-264-7080**
9.6 Modems	**304-264-7040**
14.4 Modems	**304-264-7045**

HOURS OF OPERATION -
24 HOURS A DAY
7 DAYS A WEEK

This is the end of Publication 1187 for Tax Year *1998*.