Service Request 14847

The purpose of this document is to request changes to the 1042-S Reporting File process for the tax year 2000.

**Form 1042-S**

The following change should be made to the Form 1042-S:

The laser printed Form 1042-S should be modified to change the year from 1999 to 2000.

Attachment 1 contains a sample copy of the form. Attachment 2 contains an informational copy of the Instructions for Form 1042-S.

**1042-S Processing Modification**

Currently, the PPP7309 - 1042-S Error Condition List report displays the message “Net Income Valid for Income Code 15 Only”. The system logic should be modified to include income code 16 in this message.

**Magnetic Tape**

The tax year should be changed to 2000 in the Transmitter “T” record, Recipient “Q” record, and Withholding Agent “W” record. Please note that the IRS did not update the “Specifications for Filing Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding”, (Publication 1187) this year. Therefore, the customary copy of this publication is not attached.

**Other Changes**

- Release 1131 modified the Payroll Personnel System (PPS) to no longer compare the ETD Gross-Under a Tax Treaty (DE5539) to the Tax Treaty Dollar Limit. This comparison caused premature cancellation of the tax treaty exemption for nonresident alien students who were exempt from Federal tax up to a specified dollar limit per calendar year. Since DE5539 is no longer used to compare student tax treaty information, it is requested that it be removed from the PPS and from the report PPP1241/PPP124 – Payroll Processing Monthly Non-Resident Alien Tax Report which displays a column labeled ETD Gross.

- The report heading on the PPP7223 - Update PPP730 1042S Extract – 1042-S Extract Updates should display the run time in addition to the run date.