RETRIEVAL/SYSTEM MODIFICATION: Description of Request

The purpose of this document is to request modifications to the Form 1042-S Reporting file process for the 2003 tax year.
Overview

The purpose of this document is to request modifications to the Form 1042-S (Foreign Person’s U.S. Source Income Subject to Withholding) Reporting File process for the 2003 tax year.

Effective Date

These changes need to be implemented in time for the distribution of the Form 1042-S to employees by February 2, 2004.

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 2002 to 2003.

Edits Messages

The edit message 73-052 “EMPLOYEE NAME HAS NO COMMA OR FIRST INITIAL” is no longer appropriate for income codes 12 (Other royalties) and 16 (Compensation for independent personal services) because payments are being made to a number of companies with singular names. The system logic should be modified to no longer issue this edit message for income codes 12 and 16. This edit message should continue to be issued for all other income codes.

Magnetic Media

The Internal Revenue Service (IRS) has not yet released Publication 1187 “Specifications for Filing Form 1042-S, Foreign Persons U.S. Source Income Subject to Withholding, Magnetically or Electronically”. However, the following changes should be made to the magnetic tape record layout fields:

- The tax year should be changed from 2002 to 2003 in the Transmitter “T” record and the Withholding “W” record.

An addendum will be submitted at a later date when the magnetic media changes are available.