## Explanation of the Form 1042-S Foreign Person's U.S. Source Income Subject to Withholding

**Multiple Statements:** Recipients will receive three copies of Form 1042-S for each type of income (box 1) and tax rate (box 3b) subject to reporting on Form 1042-S, from each withholding agent. Tax filers must attach Copy C of each unique 1042-S to their federal return, Copy D to their state tax return and Copy B is for the recipient's records. The recipient should retain a copy of their tax return and 1042-S forms for a minimum of 3 years after the due date for filing the income tax return.

Form 1042-S		Foreign Person's U.S. Source Income Subje					Withho	olding	202	3	OMB	No. 1	545-0096
Form <b>IUTL</b> -J Department of the Treasury Internal Revenue Service		Go to www.irs.gov/Form1042S for instructions a				and the latest information. $\square \bigcirc$			GV -	Copy B			y B
				UNIQUE FORM IDE			MENDE		IENDMENT	NO.			ipient
1 Income code	2 Gross income	3 Chapte	r indicator. Ente	er "3" or "4"	13e	13e Recipient's U.S. TIN, if			iy	13f Ch. 3 status code			
code		3a Exempt	tion code	4a Exemption code						· ·	4 status c		
		3b Tax rat	e.	4b Tax rate .	13h	Recipi	ient's GII	N 1	<li>13i Recipien number,</li>	t's foreign f if any	tax identific	ation	13j LOB code
5 Withhol	lding allowance												
6 Net income													
	al tax withheld				13K	Recipi	ent's acc	count numb	ber				
7b Check	k if federal tax with w procedures were	held was not	t deposited with	the IRS because									
					131	13I Recipient's date of birth (YYYYMMDD)							
7c Check partne	k if withholding occ ership interest	curred in sub	sequent year wi	th respect to a									
8 Tax wit	thheld by other age	ents			14a	14a Primary Withholding Agent's Name (if applicable)							
9 Overwith	held tax repaid to re	cipient pursua	int to adjustment p	procedures (see instructions	·					-			
(				)	14b	Prima	y Withho	olding Ager	nt's EIN	15 Check	if pro-rat	haeid	reporting
10 Total v	withholding credit (	(combine bo	xes 7a, 8, and 9	)									
					15a	Interme	diary or fl	ow-through	entity's EIN, i	fany <b>15b</b>	Ch. 3 status o	ode 1	5c Ch. 4 status code
11 Tax pa	aid by withholding	agent (amou	ints not withheld	d) (see instructions)									
10 11/11					_	Interme	ediary or t	low-through	n entity's nam	e			
12a Withi	holding agent's EIN	N	12b Ch. 3 status	code 12c Ch. 4 status code									
									gh entity's G			- if a	
12d Withholding agent's name					151	15f Country code 15g Foreign tax identification number, if any							
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15h	15h Address (number and street)								
10( 0	·		1	1 16	45	~				710		1.1	
12f Coun	try code 12	<b>12g</b> Foreign tax identification number, if any			151	15i City or town, state or province, country, ZIP or foreign postal code							
12h Addr	ress (number and s	etropt)			16a	Davor'	s name				16b P	aver's	TIN
	ess (number and s	streety			104	Fayer	Sildine				100 .	ayer o	11m
12i City o	or town, state or pr	rovince, cour	ntry 7IP or forei	n postal code	16c	Paver'	s GIIN			16d Ch.3	3 status code	16	e Ch. 4 status code
12. 0.1, 2	in toring oraco er pro	011100, 0111	my, 2 or retail	in poeta, code		l aj c.	0 0			100 0	olundo of Li		
13a Recipient's name 13b Recipient's country code			17a	State i	ncome t	ax withheld	d <b>17b</b> Pa	yer's state	e tax no.	17c	Name of state		
13c Address (number and street)													
13d City	13d City or town, state or province, country, ZIP or foreign postal code												

(keep for your records)

Form 1042-S (2023)

## **Statement Description**

Box 1 Income Code. This two digit income code identifies the appropriate income source:

12 - Other royalties (e.g., copyright, software, broadcasting, recording, publishing, endorsement payments)

- 16 Scholarship or fellowship grants
- **17** Compensation for independent personal services
- ${\bf 19}-{\sf Pay}$  for individuals whose immigration purpose is teaching and/or research
- 20 Pay for individuals whose immigration purpose is studying and training
- **23** Other income

See IRS Publication 515 for a detailed explanation of the income codes: https://www.irs.gov/pub/irs-pdf/p515.pdf

- **Box 2** Gross Income. For the corresponding income code and tax rate, the gross amount paid to you or on your behalf during the calendar year, including withheld tax.
- **Box 3a Exemption Code.** If the tax rate entered into box 3b is "00.00", the exemption code "04" is used to indicate "Exempt under tax treaty". Exempt Code "00" **may** be used to indicate that a tax rate greater than zero has been applied.
- **Box 3b** Tax Rate. The correct rate of withholding as applied to the income in box 2 (gross income) or box 6 (net income), as applicable.

	Valio	d Tax Rate Tal	<b>ole</b> : (04.00 equ		equals 4.9%,	
	00.00*	04.95	10.00	15.00	24.00	30.00
ſ	02.00	05.00	12.00	17.50	25.00	37.00
Γ	04.00	07.00	12.50	20.00	27.50	
ľ	04.90	08.00	14.00	21.00	28.00	

\*If the income is exempt from tax under a U.S. tax treaty or the IRS Code, the amount entered is "00.00".

- **Box 5** Withholding Allowance. Not applicable. The annual personal allowance for the tax year is \$0, so there is no reduction to taxable income.
- **Box 6** Net Income. This amount is the result of box 2 (gross income) minus box 5 (withholding allowance). This box is only used if there is an amount entered in box 5; otherwise, this box will be blank.
- **Box 7a** Federal Tax Withheld. This is the total amount of U.S. federal tax actually withheld; if no tax was withheld, the amount is "0". The tax amount withheld can be calculated by multiplying box 6 (net income) by box 3b (tax rate).
- **Box 13b** Recipient's Country Code. The country code must be for the country of which the recipient claims residency under that country's tax law. "OC" (other country) is used when the country of residence does not appear in the Country Codes table. The Country Codes table can be found on the IRS website: <u>https://www.irs.gov/countrycodes</u>
- Box 13f Ch. 3 Recipient Status Code. Code "16" is used to indicate an Individual.

**Note:** You **may** receive a variety of tax forms/letters (Form W-2, Form 1042-S, Scholarship/Fellowship Letter, etc.) reporting your income for the calendar year. These forms do not duplicate income reporting -- each dollar of income is only reported once. You must use all forms you received when preparing your income tax returns. **Do not throw them away**.

## **U.S. Income Tax Filing Requirements**

Generally, every nonresident alien individual, nonresident alien fiduciary, and foreign corporation with United States income, including income that is effectively connected with the conduct of a trade or business in the United States, must file a United States income tax return. However, there are exceptions. To determine whether you are required to file a federal tax return, see the IRS guidelines at <a href="https://www.irs.gov/publications/p519">https://www.irs.gov/publications/p519</a>

## Federal and State Tax Information

Internal Revenue Service	https://www.irs.gov/
How to Contact the IRS:	https://www.irs.gov/help/telephone-assistance
Forms and Publications:	https://www.irs.gov/forms-instructions
Assistance for Individuals:	(800) 829-1040, TTD (800) 829-4059; M-F, 7:00 a.m. to 7:00 p.m. local time
International Services for Individuals:	(267) 941-1000 (not toll-free); M-F, 5:00 a.m. to 10:00 p.m. Central Time
Wisconsin Department of Revenue	<u>https://www.revenue.wi.gov/</u>
How to Contact the WI DOR:	<u>https://www.revenue.wi.gov/Pages/ContactUs/home.aspx</u>
Forms and Publications:	<u>https://www.revenue.wi.gov/Pages/HTML/formpub.aspx</u>
Submit a Question	https://www.revenue.wi.gov/Pages/ContactUs/dorhelp.aspx
Assistance for Individuals:	(608) 266-2486