

June 4, 2024

1042 ATS Scenario 2

Taxpayer: Withholding Agent Two

TIN: 00-50000002

Forms Included in the Scenario:

- Form 1042
- Form 1042-S
- Form 1099-DIV
- Form 1099-INT
- Form 1099-MISC
- Form 1099-NEC
- Form 1099-OID

Additional Information: You must select "Yes" in the Return Header for the

IRSResponsiblePrtyInfoCurrIn

BusinessOfficer Grp:

PersonNm = Kirk Hickory
PersonTitleTxt = President
PhoneNum = 555-555-5555

Signing Officer Group:

SSN = 400-00-1031
PersonFirstNm = Mel Oak

Form 1042 filed by a WA (that is a QI) claiming a line 67 credit that is substantiated by Form 1042-S, 1099-DIV, 1099-INT, 1099-MISC, 1099-NEC, and 1099-OID. This scenario also includes a credit claim.

**Annual Withholding Tax Return for U.S. Source
Income of Foreign Persons**

Go to www.irs.gov/Form1042 for instructions and the latest information.

If this is an amended return, check here

Name of withholding agent WITHHOLDING AGENT TWO		Employer identification number 00-5000002	For IRS Use Only	
Ch. 3 Status Code 12	Ch. 4 Status Code 7	CC	FD	
Number, street, and room or suite no. (If a P.O. box, see instructions.) 2 Fig Square		RD	FF	
City or town, state or province, country, and ZIP or foreign postal code London, W1A 1AE		CAF	FP	
		CR	I	
		EDC	SIC	

If you do not expect to file this return in the future, check here Enter date final income paid

Section 1 Record of Federal Tax Liability (do not show federal tax deposits here)

Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)	Line No.	Period ending	Tax liability for period (including any taxes assumed on Form(s) 1000)
1	7		21	7		41	7	
2	15		22	15		42	15	
3	22		23	22		43	22	
4	31		24	31		44	30	
5	Jan. total		25	May total		45	Sept. total	
6	7		26	7		46	7	
7	15		27	15		47	15	
8	22		28	22		48	22	
9	29		29	30		49	31	
10	Feb. total		30	June total		50	Oct. total	
11	7		31	7		51	7	
12	15		32	15		52	15	
13	22		33	22		53	22	
14	31		34	31		54	30	
15	Mar. total		35	July total		55	Nov. total	
16	7		36	7		56	7	
17	15		37	15		57	15	25000
18	22		38	22		58	22	
19	30		39	31		59	31	
20	Apr. total		40	Aug. total		60	Dec. total	25000

Note: The totals from the above table are to be entered on lines 64b through 64d (as indicated in the instructions for those lines).

61 No. of Forms 1042-S filed: a On paper _____ b Electronically _____

62 Total gross amounts reported on all Forms 1042-S and 1000:

a Total U.S. source FDAP income (other than U.S. source substitute payments) reported	62a	500,000
b Total U.S. source substitute payments reported:		
(1) Total U.S. source substitute dividend payments reported	62b(1)	
(2) Total U.S. source substitute payments reported other than substitute dividend payments	62b(2)	
c Total gross amounts reported (add lines 62a–b)	62c	500,000
d Enter gross amounts actually paid if different from gross amounts reported	62d	

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions. Yes. Complete the following. No

Designee's name Walter Orchid	Phone no. 222-111-1111	Personal identification number (PIN) 0 0 0 0 1
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Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Your signature	Date	Capacity in which acting
Daytime phone number		

Paid Preparer Use Only

Print/Type preparer's name Walter Orchid	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P0000001
Firm's name Walter Orchid Co.			Firm's EIN 00-0000079	
Firm's address Orchid Tax			Phone no. 221-111-1111	

63	Total tax reported as withheld or paid by withholding agent on all Forms 1042-S and 1000:		
a	Tax withheld by withholding agent	63a	20000
b	Tax withheld by other withholding agents:		
(1)	For payments other than substitute dividends	63b(1)	120270
(2)	For substitute dividends	63b(2)	
c	Adjustments to withholding:		
(1)	Adjustments to overwithholding	63c(1)	10000
(2)	Adjustments to underwithholding	63c(2)	
d	Tax paid by withholding agent	63d	
e	Total tax reported as withheld or paid (add lines 63a–d)	63e	130270

Computation of Tax Due or Overpayment

64	Total net tax liability		
a	Adjustments to total net tax liability	64a	
b	Total net tax liability under chapter 3	64b	120270
c	Total net tax liability under chapter 4	64c	
d	Excise tax on specified federal procurement payments (total payments made x 2% (0.02))	64d	
e	Total net tax liability (add lines 64a–d)	64e	120270
65	Total paid by electronic funds transfer (or with a request for extension of time to file):		
a	Total paid during calendar year	65a	10000
b	Total paid during subsequent year	65b	
66	Enter overpayment applied as credit from 2023 Form 1042	66	
67	Credit for amounts withheld by other withholding agents:		
a	For payments other than substitute dividend payments	67a	120270
b	For substitute dividend payments	67b	
68	Total payments. Add lines 65 through 67	68	130270
69	If line 64e is larger than line 68, enter balance due here	69	
70a	Enter overpayment attributable to overwithholding on U.S. source income of foreign persons	70a	10000
b	Enter overpayment attributable to excise tax on specified federal procurement payments	70b	
71	Apply overpayment (sum of lines 70a and 70b) to (check one) : <input type="checkbox"/> Credit on 2025 Form 1042 or <input type="checkbox"/> Refund		

Section 2 Reconciliation of Payments of U.S. Source FDAP Income

1	Total U.S. source FDAP income required to be withheld upon under chapter 4	1	
2	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 because:		
a	Amount of income paid to recipients whose chapter 4 status established no withholding is required	2a	487070
b	Amount of excluded nonfinancial payments	2b	12930
c	Amount of income paid with respect to grandfathered obligations	2c	
d	Amount of income effectively connected with the conduct of a trade or business in the United States	2d	
e	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 (add lines 2a–d)	2e	500000
3	Total U.S. source FDAP income reportable under chapter 4 (add lines 1 and 2e)	3	500000
4	Total U.S. source FDAP income reported on all Forms 1042-S (from lines 62a, 62b(1), and 62b(2))	4	500000
5	Total variance, subtract line 3 from line 4; if amount other than zero, provide explanation on line 6	5	0
6			

Section 3 Potential Section 871(m) Transactions

Check here if any payments (including gross proceeds) were made by the withholding agent under a potential section 871(m) transaction, including a notional principal contract or other derivatives contract that references (in whole or in part) a U.S. stock or other underlying security. See instructions

Section 4 Payments by a Qualified Derivatives Dealer (QDD)

Check here if any payments were made by a QDD

If the box is checked, you must do the following.

(1) Attach Schedule(s) Q (Form 1042). See instructions.

(2) Enter your EIN (other than your QI-EIN)

000000000001 UNIQUE FORM IDENTIFIER AMENDED AMENDMENT NO.

1 Income code 06	2 Gross income 252,000	3 Chapter indicator. Enter "3" or "4" 3	3a Exemption code	4a Exemption code 15	13e Recipient's U.S. TIN, if any 00-5000002	13f Ch. 3 status code 12	13g Ch. 4 status code 07								
5 Withholding allowance		3b Tax rate 30 . 00	4b Tax rate 00 . 00	13h Recipient's GIIN 01 XYZW.99999.SL.1	13i Recipient's foreign tax identification number, if any	13j LOB code									
6 Net income		7a Federal tax withheld 75600			13k Recipient's account number										
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>		7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>			13l Recipient's date of birth (YYYYMMDD) <table border="1"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>										
8 Tax withheld by other agents		9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ()			14a Primary Withholding Agent's Name (if applicable)										
10 Total withholding credit (combine boxes 7a, 8, and 9) 75600		11 Tax paid by withholding agent (amounts not withheld) (see instructions)			14b Primary Withholding Agent's EIN	15 Check if pro-rata basis reporting <input type="checkbox"/>									
12a Withholding agent's EIN 00-5000000	12b Ch. 3 status code 15	12c Ch. 4 status code 01		15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code	15c Ch. 4 status code									
12d Withholding agent's name PAYER A		12e Withholding agent's Global Intermediary Identification Number (GIIN)			15d Intermediary or flow-through entity's name										
12f Country code US	12g Foreign tax identification number, if any		15e Intermediary or flow-through entity's GIIN		15f Country code	15g Foreign tax identification number, if any									
12h Address (number and street) 25 ROSE STREET		12i City or town, state or province, country, ZIP or foreign postal code NY, NY 10001			15h Address (number and street)										
13a Recipient's name WITHHOLDING AGENT TWO		13b Recipient's country code UK		15i City or town, state or province, country, ZIP or foreign postal code											
13c Address (number and street) 2 Fig Square		13d City or town, state or province, country, ZIP or foreign postal code London W1A 1AE		16a Payer's name		16b Payer's TIN									
				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code								
				17a State income tax withheld	17b Payer's state tax no.	17c Name of state									

CORRECTED (if checked)

Dividends and Distributions

**Copy B
For Recipient**

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. PAYER B 123 ELM ST ATLANTA, GA 30304		1a Total ordinary dividends \$ <u>89285</u>	OMB No. 1545-0110 Form 1099-DIV (Rev. January 2024) For calendar year <u>2024</u>
		1b Qualified dividends \$	
		2a Total capital gain distr. \$	2b Unrecap. Sec. 1250 gain \$
PAYER'S TIN 00-5500000	RECIPIENT'S TIN 00-5000002	2c Section 1202 gain \$	2d Collectibles (28%) gain \$
		2e Section 897 ordinary dividends \$	2f Section 897 capital gain \$
RECIPIENT'S name WITHHOLDING AGENT TWO Street address (including apt. no.) 2 Fig Square City or town, state or province, country, and ZIP or foreign postal code London W1A 1AE		3 Nondividend distributions \$	4 Federal income tax withheld \$ <u>25,000</u>
		5 Section 199A dividends \$	6 Investment expenses \$
		7 Foreign tax paid \$	8 Foreign country or U.S. possession
		9 Cash liquidation distributions \$	10 Noncash liquidation distributions \$
		11 FATCA filing requirement <input type="checkbox"/>	12 Exempt-interest dividends \$
Account number (see instructions)		13 Specified private activity bond interest dividends \$	16 State tax withheld \$ \$
		14 State	

CORRECTED (if checked)

**Interest
Income**

Copy B

For Recipient

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Payer C 123 AVENUE NY, NY 10001		Payer's RTN (optional)	OMB No. 1545-0112 Form 1099-INT (Rev. January 2024) For calendar year <u>2024</u>	
		1 Interest income \$ 53,571		
		2 Early withdrawal penalty \$		
PAYER'S TIN 00-5550000	RECIPIENT'S TIN 00-5000002	3 Interest on U.S. Savings Bonds and Treasury obligations \$		
RECIPIENT'S name WITHHOLDING AGENT 2 Street address (including apt. no.) 2 Fig Square City or town, state or province, country, and ZIP or foreign postal code London W1A 1AE		4 Federal income tax withheld \$ 15,000	5 Investment expenses \$	
		6 Foreign tax paid \$	7 Foreign country or U.S. territory	
		8 Tax-exempt interest \$	9 Specified private activity bond interest \$	
		10 Market discount \$	11 Bond premium \$	
		FATCA filing requirement <input type="checkbox"/>	12 Bond premium on Treasury obligations \$	13 Bond premium on tax-exempt bond \$
Account number (see instructions)		14 Tax-exempt and tax credit bond CUSIP no.	15 State	16 State identification no.
				17 State tax withheld \$

CORRECTED (if checked)

Miscellaneous Information

Copy B For Recipient

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Payer D 20 Anystreet ANYTOWN, ANYTOWN 10000		1 Rents \$	OMB No. 1545-0115 Form 1099-MISC (Rev. January 2024) For calendar year 2024	
		2 Royalties \$		
		3 Other income \$ 8,930	4 Federal income tax withheld \$	
PAYER'S TIN 00-5555000	RECIPIENT'S TIN 00-5000002	5 Fishing boat proceeds \$	6 Medical and health care payments \$	
RECIPIENT'S name Withholding Agent Two Street address (including apt. no.) 2 Fig Square City or town, state or province, country, and ZIP or foreign postal code London, WA1 1AE		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$	
		9 Crop insurance proceeds \$	10 Gross proceeds paid to an attorney \$	
		11 Fish purchased for resale \$	12 Section 409A deferrals \$	
13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	15 Nonqualified deferred compensation \$		
Account number (see instructions)		16 State tax withheld \$	17 State/Payer's state no. \$	18 State income \$

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. PAYER E 123 AVE WASHINGTON, DC 20013		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2024) For calendar year <u>2024</u>		Nonemployee Compensation	
PAYER'S TIN <u>00-5555500</u>	RECIPIENT'S TIN <u>00-5000002</u>	1 Nonemployee compensation \$ <u>4,000</u>			
RECIPIENT'S name Withholding agent Two Street address (including apt. no.) 2 Fig Square City or town, state or province, country, and ZIP or foreign postal code <u>London W1A 1AE</u>		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input checked="" type="checkbox"/> 3 4 Federal income tax withheld \$ <u>1,120</u>		Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
Account number (see instructions)		5 State tax withheld \$	6 State/Payer's state no.		7 State income \$
		\$			\$

Form **1099-NEC** (Rev. 1-2024)

(keep for your records)

www.irs.gov/Form1099NEC

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. PAYER F 123 AVENUE NY, NY 10001		1 Original issue discount for the year* \$ 5,357 <small>* This may not be the correct figure to report on your income tax return. See instructions on the back.</small>	OMB No. 1545-0117 Form 1099-OID (Rev. January 2024)	Original Issue Discount
		2 Other periodic interest \$	For calendar year <u>2024</u>	
PAYER'S TIN 00-5555550	RECIPIENT'S TIN 00-5000002	3 Early withdrawal penalty \$	4 Federal income tax withheld \$ 1,500	Copy B For Recipient
RECIPIENT'S name Withholding Agent Two Street address (including apt. no.) 2 Fig Square City or town, state or province, country, and ZIP or foreign postal code London W1A 1AE		5 Market discount \$	6 Acquisition premium \$	
		7 Description Gross Income REMIC	8 Original issue discount on U.S. Treasury obligations* \$	9 Investment expenses \$
		10 Bond premium \$	11 Tax-exempt OID \$	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Account number (see instructions)		12 State	13 State identification no. ----- \$	