

June 4, 2024

1042 ATS Scenario 4

Taxpayer: Withholding Agent Three

TIN: 00-50000004

Forms Included in the Scenario:

- Form 1042
- Form 1042-S
- Form 1099-G
- Form 1099-K
- Form 1099-PATR

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

*IRSResponsiblePrtyInfoCurrInd*

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-G, 1099-K, 1099-PATR. 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](http://www.irs.gov/Form1042) for instructions and the latest information.

If this is an amended return, check here

Name of withholding agent <b>WITHHOLDING AGENT THREE</b>		Employer identification number <b>00-5000004</b>		<b>For IRS Use Only</b>			
Ch. 3 Status Code <b>12</b>		Ch. 4 Status Code <b>07</b>		<b>CC</b>		<b>FD</b>	
Number, street, and room or suite no. (If a P.O. box, see instructions.) <b>2 Fig Square</b>				<b>RD</b>		<b>FF</b>	
City or town, state or province, country, and ZIP or foreign postal code <b>London, W1A 1AE</b>				<b>CAF</b>		<b>FP</b>	
				<b>CR</b>		<b>I</b>	
				<b>EDC</b>		<b>SIC</b>	

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	25000	41	7	
2	15	20720	22	15		42	15	
3	22		23	22	25000	43	22	
4	31		24	31		44	31	
5	Jan. total	20720	25	May total	50000	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	25000	54	30	
15	Mar. total		35	July total	25000	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	500000
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	500000
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 <b>Walter Orchid</b>	Phone no. <b>222-111-1111</b>	Personal identification number (PIN) <b>0 0 0 0 1</b>
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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 <b>Walter Orchid</b>	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN <b>P00000001</b>
Firm's name <b>Walter Orchid Co.</b>			Firm's EIN <b>00-0000079</b>	
Firm's address			Phone no. <b>222-111-1111</b>	

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

**Computation of Tax Due or Overpayment**

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

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

**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)



CORRECTED (if checked)

**Certain  
Government  
Payments**

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		1 Unemployment compensation \$ 142,856	OMB No. 1545-0120 Form <b>1099-G</b> (Rev. March 2024) For calendar year 2024
		2 State or local income tax refunds, credits, or offsets \$	
PAYER'S TIN 00-5500000	RECIPIENT'S TIN 00-5000004	3 Box 2 amount is for tax year	4 Federal income tax withheld \$ 40000
RECIPIENT'S name  Withholding Agent Three Street address (including apt. no.) 3 Fig Square City or town, state or province, country, and ZIP or foreign postal code London, W1A 1AE Account number (see instructions)		5 RTAA payments \$	6 Taxable grants \$
		7 Agriculture payments \$	8 If checked, box 2 is trade or business income <input type="checkbox"/>
		9 Market gain \$	
	10a State	10b State identification no.	11 State income tax withheld \$

**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.

CORRECTED (if checked)

**Payment Card and  
Third Party  
Network  
Transactions**

**Copy 2**

To be filed with the  
recipient's state  
income tax return,  
when required.

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  WITHHOLDING AGENT THREE 2 FIG SQUARE LONDON, WA1A 1AE		FILER'S TIN 00-5000004	OMB No. 1545-2205  Form <b>1099-K</b> (Rev. March 2024)
		PAYEE'S TIN 00-5555550	
		1a Gross amount of payment card/third party network transactions \$ 12,930	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input checked="" type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>		Check to indicate transactions reported are: Payment card <input checked="" type="checkbox"/> Third party network <input type="checkbox"/>	
		1b Card Not Present transactions \$	2 Merchant category code 1234
		3 Number of payment transactions 1	4 Federal income tax withheld \$ 3,620
PAYEE'S name  Payer C Street address (including apt. no.)  Anytown KC 10000 City or town, state or province, country, and ZIP or foreign postal code		5a January \$	5b February \$
		5c March \$	5d April \$
		5e May \$	5f June \$
		5g July \$	5h August \$
		5i September \$	5j October \$
		5k November \$	5l December \$ 12,930
		PSE'S name and telephone number	
Account number (see instructions)		6 State	7 State identification no. 8 State income tax withheld \$ \$

CORRECTED (if checked)

**Taxable  
Distributions  
Received From  
Cooperatives**

**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 123 Avenue NY, NY 10001		<b>1</b> Patronage dividends \$ 5357	OMB No. 1545-0118  Form <b>1099-PATR</b> (Rev. January 2023)  For calendar year 20 <u>24</u>
		<b>2</b> Nonpatronage distributions \$	
		<b>3</b> Per-unit retain allocations \$	
PAYER'S TIN 00-5555555	RECIPIENT'S TIN 00-5000004	<b>4 Federal income tax withheld</b> \$ 1,500	<b>5</b> Redeemed nonqualified notices \$
RECIPIENT'S name  Withholding agent Three Street address (including apt. no.)  2 Fig Square City or town, state or province, country, and ZIP or foreign postal code London W1A 1AE		<b>6</b> Section 199A(g) deduction \$	<b>7</b> Qualified payments (Section 199A(b)(7)) \$
		<b>8</b> Section 199A(a) qual. items \$	<b>9</b> Section 199A(a) SSTB items \$
		<b>10</b> Investment credit \$	<b>11</b> Work opportunity credit \$
Account number (see instructions)		<b>12</b> Other credits and deductions \$	<b>13</b> Specified Coop <input type="checkbox"/>