

June 4, 2022

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:

BusinessOfficer Grp:

PersonNm = Kirk Hickory  
PersonTitleTxt = President  
PhoneNum = 555-555-5555  
ForeignPhoneNum = 44-11-1111-1111

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**

**2022**

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  . h . . . . .

Name of withholding agent <b>WITHHOLDING AGENT TWO</b>		Employer identification number <b>00-5000002</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 A</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)	
<b>1</b>	<b>7</b>		<b>21</b>	<b>7</b>	<b>25000</b>	<b>41</b>	<b>7</b>		
<b>2</b>	<b>Jan. 15</b>	<b>20720</b>	<b>22</b>	<b>May</b>		<b>42</b>	<b>Sept. 15</b>		
<b>3</b>	<b>22</b>		<b>23</b>		<b>25000</b>	<b>43</b>		<b>22</b>	
<b>4</b>	<b>31</b>		<b>24</b>			<b>44</b>		<b>30</b>	
<b>5</b>	<b>Jan. total</b>	<b>20720</b>	<b>25</b>	<b>May total</b>	<b>50000</b>	<b>45</b>	<b>Sept. total</b>		
<b>6</b>	<b>7</b>		<b>26</b>	<b>7</b>		<b>46</b>	<b>7</b>		
<b>7</b>	<b>Feb. 15</b>		<b>27</b>	<b>June 15</b>		<b>47</b>	<b>Oct. 15</b>		
<b>8</b>		<b>22</b>	<b>28</b>		<b>22</b>	<b>48</b>		<b>22</b>	
<b>9</b>		<b>28</b>	<b>29</b>		<b>30</b>	<b>49</b>		<b>31</b>	
<b>10</b>	<b>Feb. total</b>		<b>30</b>	<b>June total</b>		<b>50</b>	<b>Oct. total</b>		
<b>11</b>	<b>7</b>		<b>31</b>	<b>7</b>		<b>51</b>	<b>7</b>		
<b>12</b>	<b>Mar. 15</b>		<b>32</b>	<b>July 15</b>		<b>52</b>	<b>Nov. 15</b>		
<b>13</b>		<b>22</b>	<b>33</b>		<b>22</b>	<b>53</b>		<b>22</b>	
<b>14</b>		<b>31</b>	<b>34</b>		<b>31</b>	<b>54</b>		<b>30</b>	<b>25000</b>
<b>15</b>	<b>Mar. total</b>		<b>35</b>	<b>July total</b>	<b>25000</b>	<b>55</b>	<b>Nov. total</b>		
<b>16</b>	<b>7</b>		<b>36</b>	<b>7</b>		<b>56</b>	<b>7</b>		
<b>17</b>	<b>Apr. 15</b>		<b>37</b>	<b>Aug. 15</b>		<b>57</b>	<b>Dec. 15</b>	<b>25000</b>	
<b>18</b>		<b>22</b>	<b>38</b>		<b>22</b>	<b>58</b>		<b>22</b>	
<b>19</b>		<b>30</b>	<b>39</b>		<b>31</b>	<b>59</b>		<b>31</b>	
<b>20</b>	<b>Apr. total</b>		<b>40</b>	<b>Aug. total</b>		<b>60</b>	<b>Dec. total</b>	<b>25000</b>	

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 **100**

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

**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 <b>Walter Orchid</b>	Date	Capacity in which acting
Print/Type preparer's name <b>Walter Orchid</b>	Preparer's signature	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. A</b>	Firm's EIN <b>00-0000079</b>	Phone no. <b>222-111-1111</b>		
Firm's address <b>Orchid Tax A</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:		
<b>(1)</b>	For payments other than substitute dividends	<b>63b(1)</b>	120270
<b>(2)</b>	For substitute dividends	<b>63b(2)</b>	
<b>c</b>	Adjustments to withholding: D		
<b>(1)</b>	Adjustments to overwithholding	<b>63c(1)</b>	( 10000)
<b>(2)</b>	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 2021 Form 1042	<b>66</b>	
<b>67</b>	Credit for amounts withheld by other withholding		
<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 <b>(check one)</b> : <input checked="" type="checkbox"/> Credit on 2023 Form 1042 or <input type="checkbox"/> Refund		

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

<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 U.S.	<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 line 62a, (b)(1), and (b)(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 Dividend Equivalent Payments by a Qualified Derivatives Dealer (QDD)**

Check here if any payments were made by a QDD

If box is checked, you must:

- (1) Attach Schedule Q (Form 1042). See instructions.
- (2) Enter the EIN (not the QI-EIN) of the QDD ►

**Foreign Person's U.S. Source Income Subject to Withholding**

▶ Go to [www.irs.gov/Form1042S](http://www.irs.gov/Form1042S) for instructions and the latest information.

**2022**

OMB No. 1545-0096

**Copy C** for Recipient

Attach to any Federal tax return you file

000000000001 UNIQUE FORM IDENTIFIER  AMENDED  AMENDMENT NO.

<b>1</b> Income code <b>06</b>	<b>2</b> Gross income <b>252,000</b>	<b>3</b> Chapter indicator. Enter "3" or "4" <b>3</b>	<b>3a</b> Exemption code	<b>4a</b> Exemption code <b>15</b>	<b>13e</b> Recipient's U.S. TIN, if any <b>00-5000002</b>	<b>13f</b> Ch. 3 status code <b>12</b>	<b>13g</b> Ch. 4 status code <b>07</b>
<b>5</b> Withholding allowance					<b>13h</b> Recipient's GIIN <b>01XYZW.99999.SL.123</b>	<b>13i</b> Recipient's foreign tax identification number, if any	<b>13j</b> LOB code
<b>6</b> Net income					<b>13k</b> Recipient's account number		
<b>7a</b> Federal tax withheld <b>75,600</b>					<b>13l</b> Recipient's date of birth (YYYYMMDD)		
<b>7b</b> Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>							
<b>7c</b> Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>							
<b>8</b> Tax withheld by other agents					<b>14a</b> Primary Withholding Agent's Name (if applicable)		
<b>9</b> Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ( )					<b>14b</b> Primary Withholding Agent's EIN		
<b>10</b> Total withholding credit (combine boxes 7a, 8, and 9) <b>75,600</b>					<b>15</b> Check if pro-rata basis reporting <input type="checkbox"/>		
<b>11</b> Tax paid by withholding agent (amounts not withheld) (see instructions)					<b>15a</b> Intermediary or flow-through entity's EIN, if any	<b>15b</b> Ch. 3 status code	<b>15c</b> Ch. 4 status code
<b>12a</b> Withholding agent's EIN <b>00-5000000</b>	<b>12b</b> Ch. 3 status code <b>15</b>	<b>12c</b> Ch. 4 status code <b>01</b>		<b>15d</b> Intermediary or flow-through entity's name			
<b>12d</b> Withholding agent's name <b>PAYER A</b>					<b>15e</b> Intermediary or flow-through entity's GIIN		
<b>12e</b> Withholding agent's Global Intermediary Identification Number (GIIN)					<b>15f</b> Country code	<b>15g</b> Foreign tax identification number, if any	
<b>12f</b> Country code <b>US</b>	<b>12g</b> Foreign tax identification number, if any				<b>15h</b> Address (number and street)		
<b>12h</b> Address (number and street) <b>25 ROSE STREET</b>					<b>15i</b> City or town, state or province, country, ZIP or foreign postal code		
<b>12i</b> City or town, state or province, country, ZIP or foreign postal code <b>NY, NY 10001</b>					<b>16a</b> Payer's name		<b>16b</b> Payer's TIN
<b>13a</b> Recipient's name <b>WITHHOLDING AGENT TWO</b>					<b>16c</b> Payer's GIIN		<b>16d</b> Ch. 3 status code
<b>13b</b> Recipient's country code <b>UK</b>					<b>16e</b> Ch. 4 status code		<b>17a</b> State income tax withheld
<b>13c</b> Address (number and street) <b>2 Fig Square</b>					<b>17b</b> Payer's state tax no.		<b>17c</b> Name of state
<b>13d</b> City or town, state or province, country, ZIP or foreign postal code <b>London, W1A 1AE</b>							

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>PAYER B</b> <b>123 ELM ST</b> <b>ATLANTA, GA 30304</b>		<b>1a</b> Total ordinary dividends \$ <b>89285</b>	OMB No. 1545-0110 Form <b>1099-DIV</b> (Rev. January 2022) For calendar year 20 <b>22</b>		<b>Dividends and Distributions</b>  <b>Copy B</b> <b>For Recipient</b>  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.
		<b>1b</b> Qualified dividends \$	<b>2a</b> Total capital gain distr. \$		
PAYER'S TIN <b>00-5500000</b>	RECIPIENT'S TIN <b>00-5000002</b>	<b>2c</b> Section 1202 gain \$	<b>2d</b> Collectibles (28%) gain \$		
RECIPIENT'S name <b>WITHHOLDING AGENT TWO</b> Street address (including apt. no.) <b>2 Fig Square</b> City or town, state or province, country, and ZIP or foreign postal code <b>London, W1A 1AE</b>		<b>2e</b> Section 897 ordinary dividends \$	<b>2f</b> Section 897 capital gain \$		
		<b>3</b> Nondividend distributions \$	<b>4 Federal income tax withheld</b> \$ <b>25000</b>		
Account number (see instructions)		<b>5</b> Section 199A dividends \$	<b>6</b> Investment expenses \$		
		<b>7</b> Foreign tax paid \$	<b>8</b> Foreign country or U.S. possession		
11 FATCA filing requirement <input type="checkbox"/>		<b>9</b> Cash liquidation distributions \$	<b>10</b> Noncash liquidation distributions \$		
		<b>12</b> Exempt-interest dividends \$	<b>13</b> Specified private activity bond interest dividends \$		
Account number (see instructions)		<b>14</b> State	<b>15</b> State identification no.	<b>16</b> State tax withheld \$	
		-----		\$	

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112		<b>Interest Income</b>
PAYER C 123 AVENUE NY, NY 10001		1 Interest income	Form <b>1099-INT</b> (Rev. January 2022)		
		\$ 53571	For calendar year 20 <u>22</u>		
PAYER'S TIN		2 Early withdrawal penalty		<b>Copy B For Recipient</b>	
00-5550000		\$			
RECIPIENT'S TIN		3 Interest on U.S. Savings Bonds and Treasury obligations			
00-5000002		\$		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.	
RECIPIENT'S name		4 Federal income tax withheld	5 Investment expenses		
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		\$ 15000	\$		
		6 Foreign tax paid	7 Foreign country or U.S. possession		
		\$			
		8 Tax-exempt interest	9 Specified private activity bond interest		
FATCA filing requirement <input type="checkbox"/>		\$	\$		
		10 Market discount	11 Bond premium		
Account number (see instructions)		12 Bond premium on Treasury obligations	13 Bond premium on tax-exempt bond		
		\$	\$		
		14 Tax-exempt and tax credit bond CUSIP no.	15 State	16 State identification no.	17 State tax withheld
					\$
					\$

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>PAYER D</b> <b>20 ANYSTREET</b> <b>ANYTOWN, ANYTOWN 10000</b>		<b>1 Rents</b> \$	OMB No. 1545-0115  Form <b>1099-MISC</b> (Rev. January 2022)  For calendar year 20 <u>22</u>	<b>Miscellaneous Information</b>  <b>Copy B</b> <b>For Recipient</b>
		<b>2 Royalties</b> \$		
		<b>3 Other income</b> \$ <b>8930</b>	<b>4 Federal income tax withheld</b> \$ <b>2500</b>	
PAYER'S TIN  <b>00-5555000</b>	RECIPIENT'S TIN  <b>00-5000002</b>	<b>5 Fishing boat proceeds</b> \$	<b>6 Medical and health care payments</b> \$	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.
RECIPIENT'S name  <b>WITHHOLDING AGENT TWO</b> Street address (including apt. no.)  <b>2 Fig Square</b> City or town, state or province, country, and ZIP or foreign postal code  <b>London, W1A 1AE</b>		<b>7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale</b> <input type="checkbox"/> \$	<b>8 Substitute payments in lieu of dividends or interest</b> \$	
		<b>9 Crop insurance proceeds</b> \$	<b>10 Gross proceeds paid to an attorney</b> \$	
		<b>11 Fish purchased for resale</b> \$	<b>12 Section 409A deferrals</b> \$	
		<b>13 FATCA filing requirement</b> <input type="checkbox"/>	<b>14 Excess golden parachute payments</b> \$	
Account number (see instructions)		<b>16 State tax withheld</b> \$	<b>17 State/Payer's state no.</b>	<b>18 State income</b> \$

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>PAYER E</b> <b>123 AVE</b> <b>WASHINGTON, DC 20013</b>		OMB No. 1545-0116 Form <b>1099-NEC</b> (Rev. January 2022) For calendar year 20 <u>22</u>		<b>Nonemployee Compensation</b>
PAYER'S TIN <b>00-5555500</b>	RECIPIENT'S TIN <b>00-5000002</b>	<b>1 Nonemployee compensation</b> \$ <b>4000</b>		
RECIPIENT'S name  <b>WITHHOLDING AGENT TWO</b> Street address (including apt. no.) <b>2 Fig Square</b> City or town, state or province, country, and ZIP or foreign postal code <b>London, W1A 1AE</b>		<b>2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale</b> <input checked="" type="checkbox"/> <b>3</b>		<b>Copy B</b> <b>For Recipient</b> 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)		<b>4 Federal income tax withheld</b> \$ <b>1120</b>		
\$		<b>5 State tax withheld</b> \$	<b>6 State/Payer's state no.</b>	
\$		<b>7 State income</b> \$		



CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Original issue discount for the year*	OMB No. 1545-0117	<b>Original Issue Discount</b>	
PAYER F 123 AVENUE NY, NY 10001		\$ 5357	Form <b>1099-OID</b> (Rev. October 2019)		
		* This may not be the correct figure to report on your income tax return. See instructions on the back.			
2 Other periodic interest		\$	For calendar year 20 <u>22</u>		
PAYER'S TIN	RECIPIENT'S TIN	3 Early withdrawal penalty	4 Federal income tax withheld	<b>Copy B For Recipient</b>	
00-5555550	00-5000002	\$	\$ 1500		
RECIPIENT'S name		5 Market discount	6 Acquisition premium		
WITHHOLDING AGENT TWO Street address (including apt. no.)		\$	\$		
2 Fig Square City or town, state or province, country, and ZIP or foreign postal code		7 Description	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.		
London, W1A 1AE		Gross Income REMIC			
FATCA filing requirement		8 Original issue discount on U.S. Treasury obligations*			9 Investment expenses
X		\$			\$
Account number (see instructions)		10 Bond premium	11 Tax-exempt OID		
		\$	\$		
		12 State	13 State identification no.	14 State tax withheld	
				\$	
				\$	