

June 4, 2023

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](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 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>7</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		41	7	
2	15		22	15		42	15	
3	22		23	22		43	22	
4	31		24	31		44	31	
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	28		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	31	
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	<b>62a</b>	500,000
b Total U.S. source substitute payments reported:		
(1) Total U.S. source substitute dividend payments reported	<b>62b(1)</b>	
(2) Total U.S. source substitute payments reported other than substitute dividend payments	<b>62b(2)</b>	
c <b>Total gross amounts reported</b> (add lines 62a–b)	<b>62c</b>	500,000
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	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>P0000001</b>
Firm's name <b>Walter Orchid Co.</b>			Firm's EIN <b>00-0000079</b>	
Firm's address <b>Orchid Tax</b>			Phone no. <b>221-111-1111</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:		
<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:		
<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 2022 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 <b>(check one)</b> : <input type="checkbox"/> Credit on 2024 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 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 Dividend Equivalent 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)

0000000001 UNIQUE FORM IDENTIFIER  AMENDED  AMENDMENT NO.

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

CORRECTED (if checked)

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 \$ 89285	OMB No. 1545-0110 Form <b>1099-DIV</b> (Rev. January 2024) For calendar year <u>2023</u>	<b>Dividends and Distributions</b>
		1b Qualified dividends \$		
		2a Total capital gain distr. \$	2b Unrecap. Sec. 1250 gain \$	<b>Copy B For Recipient</b>
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 \$	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  WITHHOLDING AGENT TWO		3 Nondividend distributions \$	4 Federal income tax withheld \$ 25,000	
Street address (including apt. no.)  2 Fig Square		5 Section 199A dividends \$	6 Investment expenses \$	
City or town, state or province, country, and ZIP or foreign postal code  London W1A 1AE		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"/>	13 Specified private activity bond interest dividends \$	
		12 Exempt-interest dividends \$		
Account number (see instructions)		14 State	15 State identification no.	
		16 State tax withheld \$		

DO NOT FILE

CORRECTED (if checked)

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 <b>1099-INT</b> (Rev. January 2024)  For calendar year <u>2023</u>		<b>Interest Income</b>
		1 Interest income  \$ 53,571			
		2 Early withdrawal penalty  \$		<b>Copy B</b>	<b>For Recipient</b>
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 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		4 Federal income tax withheld  \$ 15,000	5 Investment expenses  \$	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.	
		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  \$		
		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  \$ \$
FATCA filing requirement <input type="checkbox"/>					

September 28, 2023

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CORRECTED (if checked)

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 <b>1099-MISC</b> (Rev. January 2024)  For calendar year <u>23</u>	<b>Miscellaneous Information</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.
		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, W1A 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 \$	
Account number (see instructions)		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	15 Nonqualified deferred compensation \$
		16 State tax withheld \$	17 State/Payer's state no.	18 State income \$

DO NOT FILE

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 <b>1099-NEC</b> (Rev. January 2024) For calendar year <u>2023</u>		<b>Nonemployee Compensation</b>
PAYER'S TIN <u>00-5555500</u>	RECIPIENT'S TIN <u>00-5000002</u>	<b>1</b> Nonemployee compensation \$ <u>4,000</u>		
RECIPIENT'S name  WITHHOLDING AGENT TWO		<b>2</b> Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input checked="" type="checkbox"/>		<b>Copy 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.
Street address (including apt. no.) <u>2 Fig Square</u>		<b>3</b>		
City or town, state or province, country, and ZIP or foreign postal code <u>London, W1A 1AE</u>		<b>4 Federal income tax withheld</b> \$ <u>1,120</u>		
Account number (see instructions)		<b>5</b> State tax withheld <b>6</b> State/Payer's state no.		
		\$-----		
		\$-----		
		\$-----		

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

(keep for your records)

[www.irs.gov/Form1099NEC](http://www.irs.gov/Form1099NEC)

Department of the Treasury - Internal Revenue Service

ONLY DRAFT

September 27, 2023

DO NOT FILE



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 <b>1099-OID</b> (Rev. January 2024)	<b>Original Issue Discount</b>
		2 Other periodic interest \$	For calendar year <u>2023</u>	
PAYER'S TIN  00-5555550	RECIPIENT'S TIN  00-5000002	3 Early withdrawal penalty \$	4 Federal income tax withheld \$ 1,500	<b>Copy B</b>  <b>For Recipient</b>
		5 Market discount \$	6 Acquisition premium \$	
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		7 Description Gross Income REMIC		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.
		8 Original issue discount on U.S. Treasury obligations* \$	9 Investment expenses \$	
		10 Bond premium \$	11 Tax-exempt OID \$	
Account number (see instructions)		12 State	13 State identification no.	
			14 State tax withheld \$ \$	

TREASURY  
AND OMB USE  
ONLY DRAFT  
October 3, 2023

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