

For: State and County Offices

IRS Form W-8 and CCC Form 1042S for Foreign Persons

Approved by: Associate Administrator for Operations and Management



1 Overview

A Background

In 2010, FSA was subject to an audit performed by the IRS. One of the areas specifically targeted was Foreign Tax Withholding. The information obtained from the audit identified issues with the processes FSA had in place, including:

- identifying nonresident aliens
- maintaining appropriate documentation
- reporting Foreign Tax Withholding on payments made to nonresident aliens.

Currently, any foreign person meeting the definition of nonresident alien and receiving a payment **must** have taxes withheld unless the County Office has been provided Form W-8. The most common type of form received is a Form W-8ECI; however, other types of Form W-8 may be provided.

If a foreign person has provided the County Office Form W-8, creating an exemption from the foreign taxes, the County Office still **must** prepare CCC Form 1042S (Exhibit 1).

B Purpose

This notice provides actions that **must** be taken to:

- accurately report Foreign Tax Withholding made to nonresident aliens
- ensure that payments made to foreign persons are accurately reported to the customer and the IRS.

Disposal Date	Distribution
May 1, 2014	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Contacts

If there are questions about this notice, contact the appropriate person as follows.

IF issue is...	THEN contact...
software-related problems	the National Help Desk at 800-255-2434 or 816-926-1552. Note: Select option 3 for hardware and application software.
foreign person policies in this notice	Jackie Pickens by either of the following: <ul style="list-style-type: none">• e-mail at jackie.pickens@wdc.usda.gov• telephone at 202-772-6027.
foreign person operational questions	either of the following: <ul style="list-style-type: none">• Sandra Kiefer by either of the following:<ul style="list-style-type: none">• e-mail at sandra.kiefer@kcc.usda.gov• telephone at 816-926-6931• Rhonda Anthony by either of the following:<ul style="list-style-type: none">• e-mail at rhonda.anthony@kcc.usda.gov• telephone at 816-926-6251.

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2 Processing IRS Form W-8 and CCC Form 1042S

A Processing IRS Form W-8

The following table describes the actions that County Offices shall take to review all foreign producers to ensure that information is properly documented. For each foreign person with an IRS Form W-8 on file, do the following.

Action	Description						
Ensure IRS Form W-8 is current.	<p>Generally, Form W-8 will remain in effect for a period starting the date Form W-8 is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on Form W-8 incorrect. A change in circumstances means information on the Form W-8 has changed, such as an address.</p> <p>Example: If Form W-8 is dated June 17, 2013, Form W-8 will expire December 31, 2016.</p> <table border="1" data-bbox="537 800 1477 989"> <thead> <tr> <th data-bbox="537 800 857 837">IF Form W-8 is not...</th> <th data-bbox="862 800 1477 837">THEN...</th> </tr> </thead> <tbody> <tr> <td data-bbox="537 837 857 947">dated</td> <td data-bbox="862 837 1477 947">County Offices may date Form W-8 the day it is received and the validity period will start from this date.</td> </tr> <tr> <td data-bbox="537 947 857 989">current</td> <td data-bbox="862 947 1477 989">request a new Form W-8.</td> </tr> </tbody> </table>	IF Form W-8 is not...	THEN...	dated	County Offices may date Form W-8 the day it is received and the validity period will start from this date.	current	request a new Form W-8.
IF Form W-8 is not...	THEN...						
dated	County Offices may date Form W-8 the day it is received and the validity period will start from this date.						
current	request a new Form W-8.						
Request new IRS Form W-8.	<p>Request a new Form W-8 as follows:</p> <ul style="list-style-type: none"> • before expiration of existing Form W-8 • if the County Office knows of a reason making any information on the current Form W-8 unreliable or incorrect. <p>Note: If a new form cannot be obtained and the customer is receiving a payment, foreign tax must be withheld from the payment.</p>						
FAXing IRS Form W-8.	<p>FAX Form W-8 as follows:</p> <ul style="list-style-type: none"> • FAX a copy of all Form W-8's on file to FMD, FSC, Payment Management Office (PMO), Payment Reporting and Financing Group (PRFG) at 816-823-1871 • if Form W-8 has expired, FAX Form W-8 and indicate if a new Form W-8 will be obtained. <p>Note: When a new Form W-8 is received, FAX to FMD, FSC, PMO, PRFG at 816-823-1871.</p>						

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2 Processing IRS Form W-8 and CCC Form 1042S (Continued)

B CCC Form 1042S Distribution

County Offices shall not send CCC Form 1042S to customers. County Offices shall take the following actions to distribute IRS Form 1042-S:

- within 10 workdays of payment being made to a foreign person, create CCC Form 1042S and FAX to FMD, FSC, PMO, PRFG at 816-823-1871

Note: If CCC Form 1042S has not been updated for the current tax year, mark through the year and write the current tax year the payment was made. The “Current Tax” year is defined as January 1 through December 31.

- create and send CCC Form 1042S even if **no** withholding tax was withheld

Note: If **no** withholding tax was withheld, the customer **must** have a current Form W-8 on file.

- maintain the original CCC Form 1042S on file.

C National Office

The National Office shall:

- make monthly payments to the IRS for taxes withheld
- maintain a copy of Form W-8’s received
- maintain copies of CCC Form 1042S’s received
- create and send an **aggregated** final CCC Form 1042S to each customer
- create and send the final summary to the IRS for all CCC Form 1042S’s issued.

CCC Form 1042S

A Example of CCC Form 1042S

The following is an example of CCC Form 1042S that **must** be completed for each payment made to a foreign person.

Note: CCC Form 1042S **must** be completed, even if the withholding amount is \$0.

This form is available electronically. CCC Form 1042S U.S. Department of Agriculture Commodity Credit Corporation		Foreign Person's U.S. Source Income Subject to Withholding <input type="checkbox"/> AMENDED <input type="checkbox"/> PRO-RATA BASIS REPORTING				2013 OMB No. 1545-0096 Copy A for Internal Revenue Service	
1 Income code	2 Gross income	3 Withholding allowances	4 Net income	5 Tax rate	6 Exemption code	7 U.S. Federal tax withheld:	
						8 Withholding by other agents:	
						9 Total withholding credit:	
10 Amount repaid to recipient				14 Recipient's U.S. TIN, if any ▶ <input type="checkbox"/> SSN or TIN <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN			
11 Withholding agent's EIN ▶ <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				15 Recipient's foreign tax identifying number, if any		16 Country code	
12a WITHHOLDING AGENT'S name				17 NQI'S/FLOW-THROUGH ENTITY'S name		18 Country code	
12b Address (number and street)				19a NQI's/Entity's address (number and street)			
12c Additional address line (room or suite no.)				19b Additional address line (room or suite no.)			
12d City or town, province or state, country, ZIP or foreign postal code				19c City or town, province or state, country, ZIP or foreign postal code			
13a RECIPIENT'S name		13b Recipient code		20 NQI's/Entity's U.S. TIN, if any ▶			
13c Address (number and street)				21 PAYER'S name and TIN (if different from withholding agent's)			
13d Additional address line (room or suite no.)				22 Recipient account number (optional)			
13e City or town, province or state, country, ZIP or foreign postal code				23 State income tax withheld	24 Payer's state tax no.	25 Name of state	

CCC Form 1042-S (2013)

U.S. Income Tax Filing Requirements

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, no return is required to be filed by a nonresident alien individual, nonresident alien fiduciary, or a foreign corporation if such person was not engaged in a trade or business in the United States at any time during the tax year and if the tax liability of such person was fully satisfied by the withholding of United States tax at the source. (Corporations file Form 1120-F; all others file Form 1040NR (or Form 1040NR-EZ if eligible).) You may get the return forms and instructions at any United States Embassy or consulate or by writing to: Internal Revenue Service, 12011 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Todo extranjero no residente, todo organismo fideicomisario, extranjera no residente y toda sociedad anónima extranjera que reciba ingresos en los Estados Unidos, incluyendo ingresos relacionados con la conducción de un negocio o comercio dentro de los Estados Unidos, deberá presentar una declaración estadounidense de impuestos sobre ingreso. Sin embargo, no se requiere declaración alguna a un individuo extranjero, una sociedad anónima extranjera u organismo fideicomisario extranjero no residente, si tal persona no ha efectuado comercio o negocio en los Estados Unidos durante el año fiscal y si la responsabilidad con los impuestos de tal persona ha sido satisfecha plenamente mediante retención del impuesto de los Estados Unidos en la fuente. (Las sociedades anónimas envían la Forma 1120-F; todos; los demás contribuyentes envían la Forma 1040NR (o la Forma 1040NR-EZ si le corresponde).) Se podrán obtener formas e instrucciones en cualquier Embajada o Consulado de los Estados Unidos o escribiendo directamente a: Internal Revenue Service, 12011 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Tout étranger non-résident, tout organisme fidéicommissaire étranger non-résident et toute société étrangère percevant un revenu aux Etats-Unis, y compris tout revenu dérivé, en fait, du fornicionnement d'un commerce ou d'une affaire aux Etats-Unis, doit soumettre aux Etats-Unis, une déclaration d'impôt sur le revenu. Cependant aucune déclaration d'impôt sur le revenu n'est exigée d'un étranger non-résident, d'un organisme fidéicommissaire étrange non-résident, ou d'une société étrangère s'ils n'ont pris part a aucun commerce ou affaire aux Etats-Unis a aucun moment pendant l'année fiscale et si les impots dont ils sont redevables, ont été entièrement acquittés par une retenue a la source, de leur montant. (Les sociétés doivent faire leur déclaration d'impôt en remplissant le formulaire 1120F; tous les autres redevables doivent remplir le formulaire 1040NR-EZ si éligible.) On peut se procurer formulaires de declartions d'impots et instructions dans; toutes les Ambassades et tous les Consulats des Etats-Unis. L'on peut également s'adresser pour tous renseignements a: Internal Revenue Service, 12011 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Jede ausländische Einzelperson, jeder ausländnde Bevollmächtigte und jede ausländische Gesellschaft mit Einkommen in den Vereinigten Staaten, einschliesslich des Einkommens, welches direkt mit der Ausübung von Handel oder Gewerbe innerhalb der Staaten verbunden ist, müssen eine Einkommensteuererklärung der Vereinigten Staaten abgeben. Eine Erklärung, muss jedoch nicht von Ausländern, ausländischen Bevollmächtigten oder ausländischen Gesellschaften in den Vereinigten Staaten eingereicht werden, falls eine solche Person während des Steuerjahres kein Gewerbe oder Handel in den Vereinigten Staaten ausgeübt hat und die Steuerschuld durch Einbehaltung der Steuern der Vereinigten Staaten durch die Einkommensquelle abgegolten ist. (Gesellschaften reichen den Vordruck 1120-F ein; alle anderen reichen das Formblatt 1040NR oder wenn passend das Formblatt 1040NR-EZ ein.) Einkommensteuerklärungen und Instruktionen können bei den Botschaften und Konsulaten der Vereinigten Staaten eingeholt werden. Um weitere Informationen wende man sich bitte an: Internal Revenue Service, 12011 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

CCC Form 1042S (Continued)

B Preparing CCC Form 1042S

Follow the instructions in this table to prepare CCC Form 1042S for each payment made to a foreign person.

Note: Boxes **not** displayed in this table are **always** blank.

Box	Instructions
	Ensure the tax year shown on the form is the same as the tax year the payment was made. If the tax year is different, cross through and write the correct year on the form.
01	ENTER "50".
02	Enter gross total of the payment.
05	Enter tax rate applied (30 percent = 30.00, 0 percent = 00.00).
07	Enter amount withheld. If nothing was withheld, enter " 0.00 ".
09	Enter amount in Box 7.
11	ENTER " 43-0951685 ". CHECK (✓) " EIN ".
12a	ENTER " USDA, Farm Service Agency, Commodity Credit Corporation ".
12b	ENTER " Beacon Facility, Mail Stop 8588 ".
12c	ENTER " PO Box 419205 ".
12d	ENTER " Kansas City MO 64141-6205 ".
13a	Enter foreign person's name.
13b	Enter applicable recipient code from Exhibit 2.
13c-13e	Enter foreign person's address.
14	Enter foreign person's U.S. TIN, if any, and TIN type.
16	Enter foreign person's country of residence code from Exhibit 3.
22	Block states, "Optional". Users shall enter State and county code of county issuing payment and date (mm-dd-yyyy) payment was made.

CCC Form 1042S, Box 13b, “Recipient code”

The following table provides recipient codes for CCC Form 1042S, box 13b.

Code	Type of Recipient
01	Individual.
02	Corporation.
03	Partnership other than a withholding foreign partnership.
04	Withholding foreign partnership or withholding foreign trust.
05	Trust.
06	Government or international organization.
07	Tax-exempt organization (IRS section 501(a)).
08	Private foundation.
09	Artist or athlete.
10	Estate.
11	U.S. branch treated as U.S. person.
12	Qualified intermediary.
13	Private arrangement intermediary withholding rate pool - general.
14	Private arrangement intermediary withholding rate pool - exempt organization.
15	Qualified intermediary withholding rate pool - general.
16	Qualified intermediary withholding rate pool - exempt organizations.
17	Authorized foreign agent.
18	Public pension fund.
20	Unknown recipient.
21	Qualified securities lender - qualified intermediary.
22	Qualified securities lender - other.

CCC Form 1042S, Box 16, “Country code”

The following table provides a list of country codes for CCC Form 1042S, box 16. The list provided is from the IRS Form 1042-S instructions for tax year 2013.

Country	Code	Country	Code
Afghanistan	AF	Gibraltar	GI
Akrotiri	AX	Great Britain (United Kingdom)	UK
Albania	AL	Greece	GR
Algeria	AG	Greenland	GL
American Samoa	AQ	Grenada	GJ
Andorra	AN	Guadeloupe	GP
Angola	AO	Guam	GQ
Anguilla	AV	Guatemala	GT
Antarctica	AY	Guernsey	GK
Antigua and Barbuda	AC	Guinea	GV
Argentina	AR	Guinea- Bissau	PU
Armenia	AM	Guyana	GY
Aruba	AA	Haiti	HA
Ashmore and Cartier Islands	AT	Heard Island and McDonald Islands	HM
Australia	AS	Holy See	VT
Austria	AU	Honduras	HO
Azerbaijan	AJ	Hong Kong	HK
Bahamas, The	BF	Howland Island	HQ
Bahrain	BA	Hungary	HU
Baker Island	FQ	Iceland	IC
Bangladesh	BG	India	IN
Barbados	BB	Indonesia	ID
Belarus	B0	Iran	IR
Belgium	BE	Iraq	IZ
Belize	BH	Ireland	EI
Benin	BN	Isle of Man	IM
Bermuda	BD	Israel	IS
Bhutan	BT	Italy	IT
Bolivia	BL	Jamaica	JM
Bosnia-Herzegovina	BK	Jan Mayen	JN
Botswana	BC	Japan	JA
Bouvet Island	BV	Jarvis Island	DQ
Brazil	BR	Jersey	JE
British Indian Ocean Territory	IO	Johnston Atoll	JQ
Brunei	BX	Jordon	JO
Bulgaria	BU	Kazakhstan	KZ
Burkina Faso	UV	Kenya	KE
Burma	BM	Kingman Reef	KQ
Burundi	BY	Kiribati	KR

CCC Form 1042S, Box 16, "Country code" (Continued)

Country	Code	Country	Code
Cambodia	CB	Korea, North	KN
Cameroon	CM	Korea, South	KS
Canada	CA	Kosovo	KV
Cape Verde	CV	Kuwait	KU
Cayman Islands	CJ	Kyrgyzstan	KG
Central African Republic	CT	Laos	LA
Chad	CD	Latvia	LG
Chile	CI	Lebanon	LE
China	CH	Lesotho	LT
Christmas Island	KT	Liberia	LI
Clipperton Island	IP	Libya	LY
Cocos (Keeling) Islands	CK	Liechtenstein	LS
Colombia	CO	Lithuania	LH
Comoros	CN	Luxembourg	LU
Congo (Brazzaville)	CF	Macau	MC
Congo, Democratic Republic of (Kinshasa)	CG	Macedonia	MK
		Madagascar (Malagasy Republic)	MA
Cook Islands	CW	Malawi	MI
Coral Sea Islands Territory	CR	Malaysia	MY
Costa Rica	CS	Maldives	MV
Cote D'Ivoire (Ivory Coast)	IV	Mali	ML
Croatia	HR	Malta	MT
Cuba	CU	Marshall Islands	RM
Cyprus	CY	Martinique	MB
Czech Republic	EZ	Mauritania	MR
Denmark	DA	Mauritius	MP
Dhekelia	DX	Mayotte	MF
Djibouti	DJ	Mexico	MX
Dominica	DO	Micronesia, Federated States of	FM
Dominican Republic	DR	Midway Islands	MQ
Ecuador	EC	Moldova	MD
Egypt	EG	Monaco	MN
El Salvador	ES	Mongolia	MG
Equatorial Guinea	EK	Montenegro	MJ
Eritrea	ER	Montserrat	MH
Estonia	EN	Morocco	MO
Ethiopia	ET	Mozambique	MZ
Falkland Islands (Islas Malvinas)	FK	Namibia	WA
Faroe Islands	FO	Nauru	NR
Fiji	FJ	Navassa Island	BQ
Finland	FI	Nepal	NP

CCC Form 1042S, Box 16, "Country code" (Continued)

Country	Code	Country	Code
France	FR	Netherlands	NL
French Guiana	FG	Netherlands Antilles	NT
French Polynesia	FP	New Caledonia	NC
French Southern and Antarctic Lands	FS	New Zealand	NZ
		Nicaragua	NU
Gabon	GB	Niger	NG
Gambia, The	GA	Nigeria	NI
Georgia	GG	Niue	NE
Germany	GM	Norfolk Islands	NF
Ghana	GH	Northern Ireland	UK
Northern Mariana Islands	CQ	Spain	SP
Norway	NO	Spratly Islands	PG
Oman	MU	Sri Lanka	CE
Pakistan	PK	Sudan	SU
Palau	PS	Suriname	NS
Palmyra Atoll	LQ	Svalbard	SV
Panama	PM	Swaziland	WZ
Papua New Guinea	PP	Sweden	SW
Paracel Islands	PF	Switzerland	SZ
Paraguay	PA	Syria	SY
Peru	PE	Taiwan	TW
Philippines	RP	Tajikistan	TI
Pitcairn Island	PC	Tanzania	TZ
Poland	PL	Thailand	TH
Portugal	PO	Timor-Leste	TT
Puerto Rico	RQ	Togo	TO
Qatar	QA	Tokelau	TL
Reunion	RE	Tonga	TN
Romania	RO	Trinidad and Tobago	TD
Russia	RS	Tunisia	TS
Rwanda	RW	Turkey	TU
St. Barthelemy	TB	Turkmenistan	TX
St. Helena	SH	Turks and Caicos Islands	TK
St. Kitts (St. Christopher and Nevis)	SC	Tuvalu	TV
St. Lucia	ST	Uganda	UG
St. Martin	RN	Ukraine	UP
St. Pierre and Miquelon	SB	United Arab Emirates	AE
St. Vincent and the Grenadines	VC	United Kingdom(England, Wales, Scotland, North Ireland)	UK
Samoa	WS	Uruguay	UY
San Marino	SM	Uzbekistan	UZ

CCC Form 1042S, Box 16, “Country code” (Continued)

Country	Code	Country	Code
Sao Tome and Principe	TP	Vanuatu	NH
Saudi Arabia	SA	Venezuela	VE
Senegal	SG	Vietnam	VM
Serbia	RB	Virgin Islands (British)	VI
Seychelles	SE	Virgin Islands (U.S.)	VQ
Sierra Leone	SL	Wake Islands	WQ
Singapore	SN	Wallis and Futuna	WF
Slovak Republic (Slovakia)	LO	Western Sahara	WI
Slovenia	SI	Yemen	YM
Solomon Islands	BP	Zambia	ZA
Somalia	SO	Zimbabwe	ZI
South America	SF	Other Country	OC
South Georgia and the South Sandwich Islands	SX	Unknown Country	UC

Note: If a country is not listed, go to www.irs.gov and view IRS Form 1042-S instructions for the current tax year. A current list of country codes will be provided.