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## Planning for 2017 Form 1042-S Changes

HIGHER EDUCATION, NOT-FOR-PROFIT, TAX  
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Form 1042-S, Report of Foreign Persons' U.S. Source Income Subject to Withholding, has several additional reporting requirement changes for 2017.

The most noteworthy change for 2017 is the addition of the requirement for each withholding agent to assign a unique identification number to each Form 1042-S. This requirement is meant to assist the matching of original and amended forms. When filing an amended Form 1042-S, the unique identifier included must agree with the one reported on the original form. The number is chosen by the organization or withholding agent and can be reused in subsequent years. It must be exactly 10 digits, but may not be the recipient's U.S. or foreign tax identification number.

Another change to the form for 2017 is the addition of an amendment number box. This box, next to the "Amended" checkbox at the top of the form, allows the filer to identify how many times the form has been amended. Note that each iteration will have a different amendment number, but will have the same unique identifier.

While the above two changes are the primary changes, others include:

- Updated income code descriptions
- Addition and removal of several exemption codes
- Updated list of foreign country codes
- Pro-rata reporting box moved to new box 15
- Certain payments requiring use of recipients foreign taxpayer identification number and date of birth
- Clarification on how to report amounts repaid to recipients

One constant among all of the form updates is the due date. Whether filed on paper or electronically, Form 1042-S for 2017 is due to the IRS and recipients on March 15, 2018. A 30-day extension can still be obtained by filing Form 8809. Planning ahead for the 2017 Form 1042-S will result in a more efficient preparation process.

Contact us if you have any questions regarding Form 1042-S and visit the *Our Thoughts On* blog for more articles pertaining to the not-for-profit sector.

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