



[4830-01-p]

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**Proposed Collection; Comment Request for Dividend Equivalents from Sources within the United States (TD 9734), Forms 1042, 1042-S, and 1042-T.**

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

**SUMMARY:** The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. Currently, the IRS is soliciting comments concerning dividend equivalents from sources within the United States, Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, and Form 1042-T, Annual Summary and Transmittal of Forms 1042-S.

**DATES:** Written comments should be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] to be assured of consideration.

**ADDRESSES:** Direct all written comments to Laurie Brimmer, Internal Revenue Service, room 6526, 1111 Constitution Avenue NW., Washington, DC 20224.

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the form and instructions should be directed to LaNita Van Dyke, at (202)317-6009, Internal Revenue Service, room 6526, 1111 Constitution Avenue NW., Washington, DC 20224, or through the internet at [Lanita.VanDyke@irs.gov](mailto:Lanita.VanDyke@irs.gov).

**SUPPLEMENTARY INFORMATION:**

Title: TD 9374 (Final) / Dividend Equivalents from Sources within the United States, Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, and Form 1042-T, Annual Summary and Transmittal of Forms 1042-T.

OMB Number: 1545-0096.

Form Numbers: 1042, 1042-S, and 1042-T.

**Abstract:** The regulations pertain to section 871(m) regarding dividend equivalent payments that are treated as U.S. source income. These regulations provide guidance regarding when payments made pursuant to certain financial instruments will be treated as U.S.-source income and subject to U.S. withholding tax. The information provided is necessary to permit withholding agents to determine whether U.S. withholding tax is due with respect to a payment of a dividend equivalent and the amount of the tax. The information will also be used for audit and examination purposes. Form 1042 is used by withholding agents to report tax withheld at

source on payment of certain income paid to nonresident alien individuals, foreign partnerships, or foreign corporations. The IRS uses this information to verify that the correct amount of tax has been withheld and paid to the United States. Form 1042-S is used to report certain income and tax withheld information to nonresident alien payees and beneficial owners. Form 1042-T is used by withholding agents to transmit Forms 1042-S to the IRS.

Current Actions: There are changes to the burden previously approved by OMB. There are no changes to the collection however the estimates are being updated to eliminate double counting associated with the business collection.

Type of Review: Revision of a currently approved collection.

Affected Public: Business or other for profit organizations and individuals or households.

The burden estimate is as follows:

	Number of responses	Time per response	Total Annual Burden Hours
Form 1042	3,640	18.05	65,702
Form 1042-S	352,530	.58	204,467
Form 1042-T	1,950	.2	390
TD 9374	3,000	8	24,000
Total	361,120		294,559

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

REQUEST FOR COMMENTS: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information

technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

**Approved:** July 29, 2019.

**Laurie Brimmer,**  
*Senior Tax Analyst.*

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