

Modifications to the 1042-S Magnetic Media
Process for the 2003 tax year

Office of the President
University of California
Payroll Coordination &
Tax Services
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Service Request 16925
Magnetic Media Changes for 2003

The purpose of this document is to request modifications to the 1042-S magnetic media for 2003 tax year.

Publication Title Changes

For your information - The title of Publication 1187 has changed to Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically or Magnetically. A copy of the specifications is attached for your records.

1042-S Magnetic Media

Please note that Release 1533 contained the programming changes for tax year on the Transmitter "T" and the Withholding "W" records. The following changes should be made to the magnetic media record layout for the 2003 tax year:

Transmitter "T" Record Changes

The Transmitter "T" records should be modified to accept the following changes for the Field Positions 117-118:

- Currently, the two-digit Province Code for Quebec is PQ. The two-digit Province Code for Quebec should be changed to QC.
- A new two-digit Province Code has been added to the list of codes. The Transmitter "T" record should be modified to accept the new Province Code NU, for Nunavut. The new fields for the Province Code are highlighted in the table below:

Province Code	Province
AB	Alberta
BC	British Columbia
LB	Labrador
MB	Manitoba
NB	New Brunswick
NF	Newfoundland
NS	Nova Scotia
NT	Northwest Territories
NU	Nunavut
ON	Ontario
PE	Prince Edward Island
QC	Quebec
SK	Saskatchewan
YK	Yukon Territory

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Withholding Agent “W” Record Layout Changes

The Field Title and Description in Field Position 273-292 should be modified. Currently the information listed in this field is as follows:

Field Title	Description	
Withholding Agent's Phone Number and Extension	Required. Enter the withholding agent's telephone number and extension. Left-justify.	Location Specific

The information for this field should be modified as follows:

Field Title	Description	
Contact Phone Number and Extension	Required. Enter the telephone number of a person to contact regarding the electronic or magnetic files. Omit hyphens. If no extension is available, left-justify and fill unused positions with blanks.	Location Specific

Record Name Recipient “Q” Record

Withholding Allowance Field

- Currently, the Withholding Allowance, Field Position 18-29 can only be used with Income Code 15 or 16. This field should be modified to include Income Code 16, 17, 18, and 19. After modifications, this field should accept Income Codes 15 through 19.

Recipient's U.S. Tin Type

- Currently, the Recipient's U.S. Tin Type, Field Position 358 accepts the following values:

1=SSN/ITIN
2=EIN
3=QI-EIN

This field should be modified to accept an additional value of “0” (zero) = No TIN Required. After modifications, this field should accept the following values:

0=No TIN Required
1=SSN/ITIN
2=EIN
3=QI-EIN

Currently, the system sets the value to “1” for employee payroll records. This practice should continue

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Recipient Code 20

The Field Title and Description in Field Position 92-93 should be modified as follows:

For Accounts Payable records if Recipient Code 20 is used then the Recipient's Name Line 1, Field Position 94-133 must be "unknown" and Recipient's Name Lines 2 and 3, Field Position 134-173 and 174-213 must be blank. The Tax Rate, Field Position 42-45 must be 30%. The Exemption Code, Field Position 46-47 cannot be 04 (treaty exemption). If this is not the case, an error message should be issued.

Please note that the Recipient Code for employees is currently derived. There is no change to the derivation process for employees. The Recipient Code should continue to be derived in the same manner.