

## Announcement 99-79

Revenue Procedure 98-44, 1998-32 I.R.B. 11, dated August 10, 1998, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, magnetically or electronically, reprinted as Publication 1187 (Rev. 8-98), will be used to prepare Forms 1042-S for Tax Year (TY) 1999 filed in Calendar Year (CY) 2000.

Please use the 1999 Instructions for Form 1042-S and other appropriate publications listed in Part A, Sec. 1.04, in the preparation of 1999 Forms 1042-S.

Please make note of the following changes to the Publication 1187

(Rev. 8-98). These changes need to be adhered to in order for your Forms 1042-S to be filed correctly both magnetically/electronically with the Internal Revenue Service at the Martinsburg Computing Center.

1. The Tax Year reported in the Transmitter "T" Record, Recipient "Q" Record, and Withholding Agent "W" Record will be 1999, unless filing for a prior tax year.

2. The addresses for the Martinsburg Computing Center have changed.

- A. The new address for filing Form 1042-S magnetically/electronically to the Martinsburg Computing Center is:

If by Postal Service, truck, or air freight:

IRS-Martinsburg Computing Center  
Information Reporting Program  
230 Murall Drive  
Kearneysville, WV 25430

B. To send a magnetically filed extension of time request (Form 8809), undue hardship waivers (Form 8508), and requests for extension of time to file returns (Form 8809) or to furnish the statements to recipients use the following address:

If by Postal Service, truck or air freight:

IRS-Martinsburg Computing Center  
Information Reporting Program  
Attn: Extension of Time Coordinator  
240 Murall Drive  
Kearneysville, WV 25430

**NOTE:** Due to security regulations at MCC, the Internal Revenue police officers will not accept media from Private Delivery Services (PDSs) or couriers between the hours of 3:00 p.m. to 11:00 p.m. seven days a week, and 11:00 p.m. to 7:00 a.m., Saturday and Sunday.

3. The following types of media are no longer accepted by IRS/MCC:

1. 5 ¼-inch diskettes
2. 3 ½-inch diskettes created on a non-MS-DOS system
3. 3 ½-inch diskettes created on a System 36 or AS400

4. The acceptable sizes of Quarter Inch Cartridges (QIC) have changed. Part B, Section 4.08(b) delete Quarter Inch Cartridges with a size of QIC-11, QIC-320, and QIC-1350.

5. Part C, Bisynchronous (Mainframe) Electronic Filing Specifications, and Part D, Asynchronous (IRP-BBS) Electronic Filing Specifications, contained in Publication 1187 (Rev. 8-98) **will no longer be used for electronic filing** of Forms 1042-S. A revised Part C, Electronic Filing Specifications, included below, must be used for submitting all electronic files to the Martinsburg Computing Center beginning November 1, 1999. The new telephone number for electronic filing is **304-262-2400**.

## Part C. Electronic Filing Specifications

### Sec. 1 Background

.01 IRS-MCC is in the process of upgrading all of its hardware and software for electronic filing. Effective October 31, 1999, the Information Reporting Program - Bulletin Board System (IRP-BBS) and 3780 bisynchronous electronic filing systems will be discontinued. Starting November 1, 1999, users will be able to access the new electronic filing system via analog and ISDN BRI connections. Bisynchronous electronic filing will no longer be supported. The new system is designed to support the electronic filing of information returns only. The new telephone number for electronic filing is **(304-262-2400)**. Publications and forms will no longer be electronically available from MCC. Users needing the publications and forms no longer available on the IRP-BBS will need to download them from the IRS's Internet Web Site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov) or order them by calling 1-800-TAX-FORM (1-800-829-3676).

### Sec. 2 Advantages of Filing Electronically

Some of the advantages of filing electronically are as follows:

(1) Acknowledgment of files received.

(2) Notification within 20 workdays as to the acceptability of the data transmitted (30 days for replacement transmissions).

(3) Better customer service due to on-line availability of transmitters files for research purposes.

### Sec. 3 General

.01 Electronic filing of Forms 1042-S, originals, corrections, and replacements of information returns is offered as an alternative to magnetic media (tape, tape cartridge, or diskette) or paper filing, but is not a requirement. Transmitters filing electronically will fulfill the magnetic media requirements for those payers who are required to file magnetically. It may also be used by payers who are under the filing threshold requirement, but would prefer to file their information returns this way. If the original file was sent magnetically,

but was returned for replacement, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 The electronic filing of information returns is not affiliated with the Form 1040 electronic filing program. These two programs are totally independent, and filers must obtain separate approval to participate in each of them. All inquiries concerning the electronic filing of information returns should be directed to IRS/MCC. IRS/MCC personnel cannot answer questions or assist taxpayers in the filing of Form 1040 tax returns. Filers with questions of this nature will be directed to the Customers Service toll-free number (1-800-829-1040) for assistance.

.03 Files submitted to IRS/MCC electronically must be in standard ASCII code. No magnetic media or paper forms are to be submitted with the same information as the electronically submitted file.

.04 If a request for extension is approved, transmitters who file electronically will be granted an extension of time to file. Part A, Sec. 11, explains procedures for requesting extensions of time. Filers are encouraged to file their data as soon as possible.

.05 The formats of the "T", "Q", "W", and "Y" Records are the same for electronically filed records as they are for 3 1/2-inch diskettes, tapes, and tape cartridges, and must be in standard ASCII code. For electronically filed documents, each transmission is considered a separate file; therefore, each transmission must begin with a Transmitter "T" Record and end with an End of Transmission (EOT) "Y" Record.

### Sec. 4 Electronic Filing Approval Procedure

.01 Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned prior to submitting their files electronically. (Filers who currently have a TCC for magnetic media filing of Form 1042-S, beginning with numbers "22", do not have to request a second TCC for electronic filing.) Refer to Part A, Sec. 7, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own passwords and do not need prior or special approval.

**.03** With all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and are up to 8 alpha/numerics, which are case sensitive. However, if filers do forget their password, call **304-263-8700** for assistance.

**Note: Passwords are case sensitive.**

**Sec. 5. Test Files**

**.01** Filers are not required to submit a test file; however, the submission of a test file is encouraged for all electronic filers because of the new hardware and software. If filers wish to submit an electronic test file for Tax Year 1999 (returns to be filed in 2000), it **must** be submitted to IRS/MCC no earlier than December 1, 1999, and **no later than** February 15, 2000.

**.04** Files submitted electronically will be assigned a unique filename by the IRS system (the users may name files anything they choose from their end). The IRS assigned filename will consist of the submission type [TEST, ORIG (original), CORR (correction), and REPL(replacement)], filer's TCC and a four digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your original file for the calendar year and your TCC is 22000, the IRS assigned filename would be ORIG.22000.0001. Record the filename. This information will be needed by MCC in order to identify the file, if assistance is required, and to complete Form 4804.

**.05** Electronic filers must transmit their files by the due date of the return. If a file is bad, the filer will have 45 days to transmit the first replacement, and 30 days thereafter, if additional replacements are necessary.

**.06** Filers are advised not to resubmit an entire file if records were omitted from the original transmission. This will result

**.02** If a filer encounters problems while transmitting the electronic test files, contact IRS/MCC for assistance.

**.03** Filers can verify the status of their transmitted test data by dialing the electronic filing system phone number (**304-262-2400**). This information will be available within 20 workdays (30 workdays for replacements) after their transmission is received by IRS/MCC.

**Sec. 6. Electronic Submissions**

**.01** Electronically filed information may be submitted to IRS/MCC 24 hours a day, 7 days a week. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern Time by calling **304-263-8700**.

**.02 Do not transmit data electronically from December 28, 1999, through January 5, 2000.** This will allow time

in duplicate filing. A new file should be sent consisting of the records that had not previously been submitted.

**.07** The TCC (beginning with the numbers "22") in the Transmitter "T" Record must be the TCC used to transmit the file; otherwise, the file will be considered in error.

**Sec. 7. Transmittal Requirements**

**.01** The results of the electronic transmission will be available in the File Status area of the electronic system within 20 workdays (30 workdays for replacements); however, no further processing will occur until the signed Form 4804 is received. The Form 4804 must be post-marked by the due date of the return. No return is considered filed until a Form 4804 is received by IRS/MCC. The Form 4804 may be faxed to 304-264-5602.

**.02** Form 4804 can be ordered by calling the IRS toll-free forms and publications order number **1-800-TAX-FORM (1-800-829-3676)**, or it may be computer-

generated. It may also be obtained from the **IRS's Internet Web Site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov)**. If a filer chooses to computer-generate Form 4804, all of the information contained on the original form, including the affidavit, must also be contained on the computer-generated form.

**.03** Data compression is encouraged when submitting information returns electronically. MCC has the ability to decompress files created using several popular software compression programs such as ARC, COMPRESS, LHARC, and PKZIP.

The time required to transmit information returns electronically will vary depending on the modem speed and the type of data compression used, if any. **The time required to transmit a file can be reduced by as much as 95 percent by using software data compression and hardware compression.**

The following are actual transmission rates achieved in test uploads at MCC using compressed files. The actual transmission rates will vary depending on modem speeds.

Transmission Speed in bps	1000 Records	10,000 Records	100,000 Records
19.2K	23 Sec.	4 Min.	40 Min.
56K	14 Sec.	2 1/2 Min.	22 Min.
128K (ISDN)	5 Sec.	40 Sec.	4 Min.

**.03** The TCC used in the Transmitter "T" Record (beginning with numbers "22") is the TCC which must appear on the transmittal Form 4804.

**.04** Forms 4804 may be mailed to the following address:

If by Postal Service, air or truck freight:

IRS-Martinsburg Computing Center  
 Information Reporting Program  
**Attn: Electronic Filing Coordinator**  
 230 Murall Drive  
 Kearneysville, WV 25430

Please indicate on the envelope the following message:

**CONTAINS FORM 4804 INFORMATION - NO MAGNETIC MEDIA**

## Sec. 8. Electronic Filing Specifications

**.01** The Electronic Filing System is designed exclusively for the filing of various information returns.

**.02** A transmitter must have a TCC before a file can be transmitted. If you have a TCC for magnetic media filing which begins with the numbers "22", that TCC can also be used for electronic filing.

**.03** Filers can determine the acceptability of files submitted by checking the file status area of the system. These reports will be available on the electronic system within 20 workdays (30 workdays for replacements) after the transmission is received by IRS/MCC.

**.04** Contact the Electronic Filing System by dialing **304-262-2400**. This number supports analog connections from 1200 bps to 56Kbps or ISDN BRI 128 Kbps connections. The system can be accessed via Dial-up network/web browser or a communications software package such as Hyperterminal, Procomm, PCAnywhere, etc. The Dial-up network/web browser will provide an Internet-like look without going through the Internet. If you do not have this capability, a text interface will be available that can be accessed via typical communications software and will perform similar to the former IRP-BBS.

## Sec. 9. Dial-up Network/Browser Specifications (Web Interface)

**.01** Due to the large number of communication products available, it is impossible to provide specific information on a particular software package or hardware configuration. Filers should contact their software or hardware supplier for assistance. Your browser will need to be ca-

pable of file uploads (i.e., Internet Explorer 4.0, Netscape Navigator 2.0 or higher). The following are some general instructions (many of these settings may already be set by default in your software):

**.02** Dial-up network settings:

- (a) Set dial-up server type to PPP
- (b) Set network protocol to TCP/IP
- (c) Enable software compression
- (d) Enable PPP LCP extensions

**.03** Browser settings:

- (a) Set to receive 'cookies'
- (b) Enable JavaScript or Jscript
- (c) Browser must be capable of file uploads (i.e., Internet Explorer 4.0, Netscape 2.0 or higher)
- (d) Enter the URL address of <http://10.225.224.2>

## Sec. 10. Communication Software Specifications (Text Interface)

**.01** Communications software settings should be:

- No parity
- Eight data bits
- One stop bit
- Full duplex

## Sec. 11. Modem Configuration

**.01** Hardware features

- (a) Enable hardware flow control
- (b) Enable modem error control
- (c) Enable modem compression

## Sec. 12. Logon Procedures

**.01** The first time you log on to the electronic system, you will need to create a new account. After completing the registration information, you will be prompted for a user name and password. Passwords are assigned by the user at first

logon and are up to 8 alpha/numerics which are case sensitive. Remember your **exact** user name and password for future reference. If you forget your user name and password, call IRS/MCC at 304-263-8700 for assistance.

**.02** Once you are an established user, select the logon option and then you will be prompted for your logon name and password. Once you have entered the information, you will be at the Main Menu. Select one of the following options:

(a) Electronic Filing - this option will allow you to send your files and provide us with current mailing address information in case we need to send any correspondence.

(b) File Status - this option will display the results of your file transfer and will be posted in this area within 20 workdays (30 workdays for replacements).

## Sec. 13. Common Problems Associated with Electronic Filing

**.01** Refer to Part A, Section 17, for common format errors associated with magnetic/electronic files.

**.02** The following are the major non-format errors associated with electronic filing:

1. No Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically

Even though you have sent your information returns electronically, you will still need to mail a signed Form 4804 by the due date of the return. See Part C, Sec. 7.04, for the mailing address. You may also fax the Form 4804 to IRS/MCC at 304-264-5602.

---

## 2. Transmitter does not dial back to the electronic filing system to determine file acceptability.

Within 20 workdays (30 workdays for replacements), the results of your file transmission will be posted under the option called File Status. It is very important that you check this option because if your file is bad and we do not receive a timely replacement, you could be subject to a late filing penalty.

---

## 3. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately, and send 10 separate compressed files.

---

**4. Transmitter sends a file and File Status indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file.**

Once a file has been transmitted, you cannot send a replacement file unless the File Status indicates the file is bad (20 workdays after the file was transmitted). If you do not want us to process the file, you must first contact us at 304-263-8700 to see if this is a possibility. However, this will be considered as a replacement file. (See Part A, Sec. 16, for the definition of replacement.)

---

**5. File is formatted as EBCDIC.**

All files submitted electronically must be in standard ASCII code.

---