Note: *The draft you are looking for begins on the next page.*

Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms**. We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at IRS.gov/DraftForms and remain there after the final release is posted at IRS.gov/LatestForms. Also see IRS.gov/Forms.

Most forms and publications have a page on IRS.gov: IRS.gov/Form1040 for Form 1040; IRS.gov/Pub501 for Pub. 501; IRS.gov/W4 for Form W-4; and IRS.gov/ScheduleA for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at IRS.gov/FormsComments. Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click here.

TREASURY/IRS AND OMB USE ONLY DRAFT

Form **1042**
Department of the Treasury
Internal Revenue Service

Annual Withholding Tax Return for U.S. Source Income of Foreign Persons

Go to *www.irs.gov/Form1042* for instructions and the latest information.

OMB No. 1545-0096

2026

If this is an amended return, check here . . . . . ☐

Name of withholding agent	Employer identification number	For IRS Use Only	
		CC	FD
Ch. 3 status code	Ch. 4 status code	RD	FF
Number and street (if P.O. box, see instructions)	Room or suite no.	CAF	FP
		CR	I
City or town / State or province / Country / ZIP or foreign postal code		EDC	SIC

If you do not expect to file this return in the future, check here ☐ Enter date final income paid

Section 1 Record of Federal Tax Liability (do not show federal tax deposits here)

Line no.	Period ending		Tax liability for period (including any taxes assumed on Form(s) 1000)	Line no.	Period ending		Tax liability for period (including any taxes assumed on Form(s) 1000)	Line no.	Period ending		Tax liability for period (including any taxes assumed on Form(s) 1000)
1	Jan.	7		21	May	7		41	Sept.	7	
2		15		22		15		42		15	
3		22		23		22		43		22	
4		31		24		31		44		30	
5	Jan. total			25	May total			45	Sept. total		
6	Feb.	7		26	June	7		46	Oct.	7	
7		15		27		15		47		15	
8		22		28		22		48		22	
9		28		29		30		49		31	
10	Feb. total			30	June total			50	Oct. total		
11	Mar.	7		31	July	7		51	Nov.	7	
12		15		32		15		52		15	
13		22		33		22		53		22	
14		31		34		31		54		30	
15	Mar. total			35	July total			55	Nov. total		
16	Apr.	7		36	Aug.	7		56	Dec.	7	
17		15		37		15		57		15	
18		22		38		22		58		22	
19		30		39		31		59		31	
20	Apr. total			40	Aug. total			60	Dec. total		

Note: The totals from the above table are to be entered on lines 64b through 64d (as indicated in the instructions for those lines).

61	**No. of Forms 1042-S filed: a** On paper _____ **b** Electronically _____		
62	Total gross amounts reported on all Forms 1042-S and 1000:		
a	Total U.S. source FDAP income (other than U.S. source substitute payments) reported	62a	
b	Total U.S. source substitute payments reported:		
	(1) Total U.S. source substitute dividend payments reported	62b(1)	
	(2) Total U.S. source substitute payments reported other than substitute dividend payments . . .	62b(2)	
c	**Total gross amounts reported** (add lines 62a–62b)	62c	
d	Enter gross amounts actually paid if different from gross amounts reported	62d	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions. ☐ Yes. Complete the following. ☐ No

Designee's name | Phone no. | Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Your signature | Date | Capacity in which acting | Daytime phone number

Paid Preparer Use Only

Preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN

Firm's name | Firm's EIN

Firm's address | Phone no.

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TREASURY/IRS AND OMB USE ONLY DRAFT

63	Total tax reported as withheld or paid by withholding agent on all Forms 1042-S and 1000:		
a	Tax withheld by withholding agent	**63a**	
b	Tax withheld by other withholding agents:		
	(1) For payments other than substitute dividends	**63b(1)**	
	(2) For substitute dividends	**63b(2)**	
c	Adjustments to withholding:		
	(1) Adjustments to overwithholding	**63c(1)**	( )
	(2) Adjustments to underwithholding	**63c(2)**	
d	Tax paid by withholding agent	**63d**	
e	**Total tax reported as withheld or paid** (add lines 63a–63d)	**63e**	

Computation of Tax Due or Overpayment

64	Total net tax liability:		
a	Adjustments to total net tax liability	**64a**	
b	Total net tax liability under chapter 3	**64b**	
c	Total net tax liability under chapter 4	**64c**	
d	Excise tax on specified federal procurement payments (total payments made x 2% (0.02))	**64d**	
e	**Total net tax liability** (add lines 64a–64d)	**64e**	
65	Total paid by electronic funds transfer (or with a request for extension of time to file):		
a	Total paid during calendar year	**65a**	
b	Total paid during subsequent year	**65b**	
66	Enter overpayment applied as credit from 2025 Form 1042	**66**	
67	Credit for amounts withheld by other withholding agents:		
a	For payments other than substitute dividend payments	**67a**	
b	For substitute dividend payments	**67b**	
68	**Total payments.** Add lines 65 through 67	**68**	
69	If line 64e is larger than line 68, enter balance due here	**69**	
70a	Enter overpayment attributable to overwithholding on U.S. source income of foreign persons	**70a**	
b	Enter overpayment attributable to excise tax on specified federal procurement payments	**70b**	
71a	Apply overpayment (sum of lines 70a and 70b) to (**check one**): ☐ Credit on 2027 Form 1042 or ☐ Refund		
	Complete lines 71b, 71c, and 71d.		
b	Routing number _____ **c** Type: ☐ Checking ☐ Savings		
d	Account number _____		

Section 2 Reconciliation of Payments of U.S. Source FDAP Income

1	Total U.S. source FDAP income required to be withheld upon under chapter 4	**1**	
2	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 because:		
a	Amount of income paid to recipients whose chapter 4 status established no withholding is required	**2a**	
b	Amount of excluded nonfinancial payments	**2b**	
c	Amount of income paid with respect to grandfathered obligations	**2c**	
d	Amount of income effectively connected with the conduct of a trade or business in the United States	**2d**	
e	Total U.S. source FDAP income required to be reported under chapter 4 but not required to be withheld upon under chapter 4 (add lines 2a–2d)	**2e**	
3	Total U.S. source FDAP income reportable under chapter 4 (add lines 1 and 2e)	**3**	
4	Total U.S. source FDAP income reported on all Forms 1042-S (from lines 62a, 62b(1), and 62b(2))	**4**	
5	Total variance, subtract line 3 from line 4; if amount other than zero, provide explanation on line 6	**5**	
6	_____		

Section 3 Potential Section 871(m) Transactions

Check here if any payments (including gross proceeds) were made by the withholding agent under a potential section 871(m) transaction, including a notional principal contract or other derivatives contract that references (in whole or in part) a U.S. stock or other underlying security. See instructions ☐

Section 4 Payments by a Qualified Derivatives Dealer (QDD)

Check here if any payments were made by a QDD ☐

If the box is checked, you must do the following.

(1) Attach Schedule(s) Q (Form 1042). See instructions.

(2) Enter your EIN (other than your QI-EIN)

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