



# TaxNewsFlash

United States



No. 2023-293  
August 25, 2023

## IRS updates 2023 Form 1042-S instructions

The IRS published an update to 2023 Form 1042-S instructions providing additional instructions related to Form 1042-S reporting requirements under sections 1446(a) and (f) concerning publicly traded partnerships.

The [revised instructions](#) provide that:

*Page 12, the 2nd tip under Publicly Traded Partnerships (Sections 1446(a) and (f) Withholding Tax) should read as follows:*

*When a partner that is a U.S. person was treated as a foreign partner for purposes of withholding under section 1446(a) or (f) (including an allocation of a payment to the person made on a withholding statement), a Form 1042-S may be used to report the payment (and withholding) with respect to the U.S. person. In such a case, the applicable form 1099 must also be filed and furnished when otherwise required of the withholding agent with respect to the payment but should not report the withholding that was applied under section 1446(a) or (f). For further information on reporting requirements for Form 1099, see the General Instructions for Certain Information Returns.*

*Page 33, the note under Boxes 16a Through 16e, Payer's Name, TIN, GIIN, and Status Code should read as follows:*

*You must issue a separate Form 1042-S to complete boxes 16a through 16e for each PTP that makes a distribution reportable in any of the above-noted income codes except when you report a PTP distribution paid to a QI using reporting pools or are a QI reporting on Forms 1042-S in reporting pools with respect to a distribution. This exception also applies for purposes of the reporting of PTP distributions described in Publicly Traded Partnerships (Sections 1446(a) and (f) Withholding Tax).*

*A PTP may report the same amount of a PTP distribution on a qualified notice as subject to both section 1446(f) withholding and other chapter 3 or 4 withholding (such as under section 1446(a)). See Regulations sections 1.1446-4(b)(4) and 1.1446(f)-4(c)(2)(iii). In this case, you must report the same amount on separate Forms 1042-S, with the appropriate income code and associated*

*amount of withholding included on each form. Therefore, the total amounts reported on Forms 1042-S in Box 1 (income codes) resulting from the distribution may, in some cases, exceed the actual amount of the distribution.*

Read more on the [IRS Form 1042-S webpage](#)

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)