

§ 1.6042-2T

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for filing returns under this section, see § 1.6081-1.

(d) *Cross-reference to penalty.* For provisions relating to the penalty provided for failure to file timely a correct information return required under section 6042(a), see § 301.6721-1 of this chapter (Procedure and Administration Regulations). See § 301.6724-1 of this chapter for the waiver of a penalty if the failure is due to reasonable cause and is not due to willful neglect.

(e) *Magnetic media requirement.* For rules relating to permission to submit the information required by Form 1087 or 1099 on magnetic tape or other media, see § 1.9101-1. For the requirement to submit the information required by Form 1099 on magnetic media for payments after December 31, 1983, see section 6011(e) and § 301.6011-2 of this chapter (Procedure and Administration Regulations).

(f) [Reserved] For further guidance, see § 1.6042-2T(f).

[T.D. 6628, 27 FR 12796, Dec. 29, 1962, as amended by T.D. 6677, 28 FR 10147, Sept. 17, 1963; T.D. 6879, 31 FR 3493, Mar. 8, 1966; T.D. 6883, 31 FR 6589, May 3, 1966; T.D. 7000, 34 FR 996, Jan. 23, 1969; T.D. 7187, 37 FR 13258, July 6, 1972; T.D. 8734, 62 FR 53474, Oct. 14, 1997; T.D. 8804, 64 FR 11378, Mar. 9, 1999; T.D. 8895, 65 FR 50406, Aug. 18, 2000; T.D. 9658, 79 FR 12794, Mar. 6, 2014]

§ 1.6042-2T Returns of information as to dividends paid (temporary).

(a) [Reserved] For further guidance, see § 1.6042-2(a).

(1) [Reserved] For further guidance, see § 1.6042-2(a)(1).

(i) Every person who makes a payment of dividends (as defined in § 1.6042-3) to any other person during a calendar year. The information return shall show the aggregate amount of the dividends, the name, address, and taxpayer identifying number of the person to whom paid, the amount of tax deducted and withheld under section 3406 from the dividends, if any, and such other information as required by the forms. An information return is generally not required if the amount of dividends paid to the other person during the calendar year aggregates less than \$10 or if the payment is made to a person who is an exempt recipient described in § 1.6049-4(c)(1)(ii) unless the payor backup withholds under section

3406 on such payment (because, for example, the payee has failed to furnish a Form W-9), in which case the payor must make a return under this section, unless the payor refunds the amount withheld pursuant to § 31.6413(a)-3 of this chapter. Further, a return of information is not required under this section for—

(A) Payments with respect to which a return is not required by applying the rules of § 1.6049-4(c)(4) (by substituting the term *dividend* for the term *interest*); or

(B) Payments made by a paying agent on behalf of a corporation described in section 1297(a) with respect to a shareholder of the corporation if—

(1) The paying agent obtains from the corporation a written certification signed by an officer of the corporation, that states that the corporation is described in section 1297(a) for each calendar year during which the paying agent relies on the provisions of paragraph (a)(1)(i)(B) of this section, and the paying agent has no reason to know the written certification is unreliable or incorrect;

(2) The paying agent identifies, prior to payment, the corporation as a participating FFI (including a reporting Model 2 FFI (as defined in § 1.6049-4(f)(10) or (14), respectively), or reporting Model 1 FFI (as defined in § 1.6049-4(f)(13))), in accordance with the requirements of § 1.1471-3(d)(4) (substituting the terms *paying agent* and *corporation* for the terms *withholding agent* and *payee*);

(3) The paying agent obtains, before each year the payment would otherwise be reported, a written certification representing that the corporation shall report the payment as part of its reporting obligations under chapter 4 of the Code or an applicable IGA (as defined in § 1.6049-4(f)(7)) with respect to its U.S. accounts and provided the paying agent does not know that the corporation is not reporting the payment as required. A paying agent that knows that the corporation is not reporting the payment as required under chapter 4 of the Code or an applicable IGA (as defined in § 1.6049-4(f)(7)) must report all payments reportable under this section that it makes during

the year in which it obtains such knowledge; and

(4) The paying agent is not also acting in its capacity as a custodian, nominee, or other agent of the payee with respect to the payments.

(ii) through (e) [Reserved] For further guidance, see §1.6042-2(a)(1)(ii) through (e).

(f) *Effective/applicability date.* The provisions of paragraphs (a)(1)(i) of this section apply to payments made after June 30, 2014.

(g) *Expiration date.* The applicability of this section expires on February 28, 2017.

[T.D. 9658, 79 FR 12794, Mar. 6, 2014]

§ 1.6042-3 Dividends subject to reporting.

(a) *In general.* Except as provided in paragraph (b) of this section, the term *dividend* for purposes of this section and §§1.6042-2 and 1.6042-4 means the amounts described in the following paragraphs (a) (1) through (3) of this section—

(1) Any distribution made by a corporation to its shareholders which is a dividend as defined in section 316; and

(2) Any payment made by a stockbroker to any person as a substitute for a dividend. Such a payment includes any payment made in lieu of a dividend to a person whose stock has been borrowed. See §1.6045-2(h) for coordination of the reporting requirements under sections 6042 and 6045(d) with respect to such payments; and

(3) A distribution from a regulated investment company (irrespective of the fact that any part of the distribution may not represent ordinary income (i.e., may, for example, represent a capital gain dividend as defined in section 852(b)(3)(C)).

(b) *Exceptions*—(1) *In general.* For purposes of §§1.6042-2 and 1.6042-4, the amounts described in paragraphs (b)(1)(i) through (vii) of this section are not dividends.

(i) Amounts paid by an insurance company to a policyholder, other than a dividend upon its capital stock.

(ii) Payments (however denominated) by a mutual savings bank, savings and loan association, or similar organization, in respect of deposits, investment certificates, or withdrawable or re-

purchasable shares. See, however, section 6049 and the regulations under that section for provisions requiring reporting of these payments.

(iii) and (iv) [Reserved] For further guidance, see §1.6042-3T(b)(1)(iii) and (iv).

(v) Distributions or payments for the period that the amounts represent assets blocked as described in §1.1441-2(e)(3). The exemption in this paragraph (b)(1)(v) shall terminate when payment is deemed to occur in accordance with the rules of §1.1441-2(e)(3).

(vi) [Reserved] For further guidance, see §1.6042-3T(b)(1)(vi).

(vii) With respect to amounts paid or credited after December 31, 1982, any amount paid or credited to any person described in §1.6049-4(c)(1)(ii), unless a tax is withheld under section 3406 and is not refunded by the payor in accordance with §31.6413(a)-3 of this chapter (Employment Tax Regulations).

(2) *Payor.* The term *payor* has the same meaning as described in §1.6049-4(a)(2).

(3) [Reserved] For further guidance, see §1.6042-3T(b)(3).

(4) *Conversion into United States dollars of amounts paid in foreign currency.* For rules concerning foreign currency conversion, see §1.6049-4(d)(3)(i).

(5) *Effective/applicability date*—(i) The provisions of this paragraph (b) apply to payments made after December 31, 2000.

(ii) [Reserved] For further guidance, see §1.6042-3T(b)(5)(ii).

(c) *Special rule.* If a person makes a payment which may be a dividend, or if a nominee receives a payment which may be a dividend, but such person or nominee is unable to determine the portion of the payment which is a dividend (as defined in paragraphs (a) and (b) of this section) at the time he files his return under §1.6042-2, he shall, for purposes of such section, treat the entire amount of such payment as a dividend.

[T.D. 6628, 27 FR 12797, Dec. 28, 1962, as amended by T.D. 6908, 31 FR 16774, Dec. 31, 1966; T.D. 7987, 49 FR 42719, Oct. 24, 1984; T.D. 8029, 50 FR 23680, June 5, 1985; T.D. 8734, 62 FR 53475, Oct. 14, 1997; T.D. 8804, 63 FR 72186, Dec. 31, 1998; 64 FR 73411, Dec. 30, 1999; T.D. 8881, 65 FR 32205, May 22, 2000; T.D. 9658, 79 FR 12794, Mar. 6, 2014]