

IRS Delays E-File Requirement for Annual Withholding Tax Form for US Source Income of Foreign Persons

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The IRS has issued a notice ([Notice 2024-26](#)) that the e-filing requirement for [Form 1042](#) (Annual Withholding Tax Return of US Source Income of Foreign Persons) is delayed for calendar years 2024 and 2025.

The reason for this e-filing delay is due to a request for delay from withholding agents. The agency received feedback from withholding agents regarding challenges in transitioning to the procedures necessary for filing Forms 1042 electronically such as:

- limited number of [Approved IRS Modernized e-File Business Providers](#) for Form 1042; and
- difficulties accessing the schema and business rules for filing Form 1042 electronically.

Feedback from withholding agents that do not currently rely on Modernized e-File Business Providers for their electronic filing requirements provided that agents need additional time to upgrade their systems for filing Forms 1042 on the IRS's Modernized e-File platform. Additionally, withholding agents noted challenges implementing the authentication requirements for accessing the IRS's Modernized e-File platform.