

**§ 1.6041-7 Magnetic media requirement.**

(a) *General.* For rules relating to permission to submit the information required by Form 1099 or W-2 on magnetic tape or other media, see § 1.9101-1. See also paragraph (b)(2) of § 31.6011(a)-7 of this chapter (Employment Tax Regulations) for additional rules relating to Form W-2. High-volume filers of information returns must file their returns on magnetic media. See section 6011(e) and § 301.6011-2 of this chapter (Procedure and Administration Regulations) for the requirements for filing on magnetic media.

(b) *Returns on magnetic tape by departments of health care carriers.* (1) For calendar years beginning on or after January 1, 1971, a health care carrier, or an agent thereof, making payment of fees or other compensation to providers of medical and health care services, may make a separate return on magnetic tape for each separate department within a specific line of such carrier's business, so long as all of such returns taken together contain all of the information required by section 6041 with respect to each provider of medical and health care services to whom such health care carrier makes payments aggregating \$600 or more during the calendar year. Examples of separate departments within a specific line of such carrier's business (such as health and accident insurance) include, but are not limited to, separate departments to process claims of individual and group policyholders; and separate departments established along geographic lines.

(2) For purposes of this paragraph, the term "health care carrier" means any person making health care payments: (i) In exchange for the payment of a premium, (ii) in accordance with an employee benefit program, or (iii) in connection with a government-sponsored health care program.

[T.D. 7106, 36 FR 6422, Apr. 3, 1971, as amended by T.D. 8734, 62 FR 53473, Oct. 14, 1997]

**§ 1.6041-8 Cross-reference to penalties.**

For provisions relating to the penalty provided for failure to file timely a correct information return required under section 6041(a) or (b), see

§ 301.6721-1 of this chapter (Procedure and Administration Regulations). For provisions relating to the penalty provided for failure to furnish timely a correct payee statement required under section 6041(d), see § 301.6722-1 of this chapter. 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.

[T.D. 8734, 62 FR 53474, Oct. 14, 1997]

**§ 1.6041-9 Coordination with reporting rules for widely held fixed investment trusts under § 1.671-5.**

See § 1.671-5 for the reporting rules for widely held fixed investment trusts (WHFIT) (as defined under that section). For purposes of section 6041, middlemen and trustees of WHFITs are deemed to have management and oversight functions in connection with payments made by the WHFIT.

[T.D. 9241, 71 FR 4024, Jan. 24, 2006]

**§ 1.6041A-1 Returns regarding payments of remuneration for services and certain direct sales.**

(a) through (c) [Reserved]

(d) *Exceptions to return requirement.* [Reserved]

(1) and (2) [Reserved]

(3) *Foreign transactions—(i) In general.* No return shall be required under section 6041A with respect to payments described in this paragraph (d)(3).

(A) Returns of information are not required for payments that a payor can, prior to payment, associate with documentation upon which it may rely to treat as made to a foreign beneficial owner in accordance with § 1.1441-1(e)(1)(ii) or as made to a foreign payee in accordance with § 1.6049-5(d)(1) or presumed to be made to a foreign payee under § 1.6049-5(d)(2), (3), (4), or (5). However, such payments may be reportable under § 1.1461-1(b) and (c). For purposes of this paragraph (d)(3)(i)(A), the provisions in § 1.6049-5(c) (regarding rules applicable to documentation of foreign status and definition of U.S. payor and non-U.S. payor) shall apply. The provisions of § 1.1441-1 shall apply by substituting the term *payor* for the term *withholding agent*.

(B) Returns of information are not required for payments of remuneration for services from sources outside the