

Income Codes

Box 1.		Enter the appropriate income code.	
Code	Interest Income	16	Scholarship or fellowship grants
01	Interest paid by U.S. obligors – general	17	Compensation for independent personal services ²
02	Interest paid on real property mortgages	18	Compensation for dependent personal services ²
03	Interest paid to controlling foreign corporations	19	Compensation for teaching ²
04	Interest paid by foreign corporations	20	Compensation during studying and training ²
05	Interest on tax-free covenant bonds	23	Gross income – Other
22	Interest paid on deposit with a foreign branch of a domestic corporation or partnership	24	Real estate investment trust (REIT) distributions of capital gains
29	Deposit interest	25	Trust distributions subject to IRC section 1445
30	Original issue discount (OID)	26	Unsevered growing crops and timber distributions by a trust subject to IRC section 1445
31	Short-term OID	27	Publicly traded partnership distributions subject to IRC section 1446
33	Substitute payment – interest	28	Gambling winnings ³
51	Interest paid on certain actively traded or publicly offered securities ¹	32	Notional principal contract income ⁴
Code	Dividend Income	35	Substitute payment – other
06	Dividends paid by U.S. corporations – general	36	Capital gains distributions
07	Dividends qualifying for direct dividend rate	37	Return of capital
08	Dividends paid by foreign corporations	38	Eligible deferred compensation items subject to IRC section 877A(d)(1)
21	Gross income-Capital gain dividend	39	Distributions from a nongrantor trust subject to IRC section 877A(f)(1)
34	Substitute payment – dividends	41	Guarantee of indebtedness
40	Other dividend equivalents under IRC section 871(m) (formerly 871(l))	42	Earnings as an artist or athlete – no central withholding agreement ⁵
52	Dividends paid on certain actively traded or publicly offered securities ¹		
53	Substitute payments- dividends from certain actively traded or publicly offered securities ¹		
Code	Other Income	43	Earnings as an artist or athlete – central withholding agreement ⁵
09	Capital gains	44	Specified Federal procurement payments
10	Industrial royalties	50	Income previously reported under escrow procedure ⁶
11	Motion picture or television copyright royalties	54	Other income
12	Other royalties (for example, copyright, recording, publishing)		
13	Royalties paid on certain publicly offered securities ¹		
14	Real property income and natural resources royalties		
15	Pensions, annuities, alimony, and/or insurance premiums		

¹This code should only be used if the income paid is described in §1.1441-6(c)(2) and withholding agent has reduced the rate of withholding under an income tax treaty without the recipient providing a U.S. or foreign TIN.

² If compensation that otherwise would be covered under Income Codes 17 through 20 is directly attributable to the recipient's occupation as an artist or athlete, use Income Code 42 or 43 instead.

³ Subject to 30% withholding rate unless the recipient is from one of the treaty countries listed under *Gambling winnings (Income Code 28)* in Pub. 515.

⁴ Use appropriate Interest Income Code for embedded interest in a notional principal contract.

⁵ If Income Code 42 or 43 is used, Recipient Code 22 (artist or athlete) should be used instead of Recipient Code 16 (individual), 15 (corporation), or 08 (partnership other than withholding foreign partnership).

⁶ Use only to report gross income the tax for which is being deposited in the current year because such tax was previously escrowed for chapters 3 and 4 and the withholding agent previously reported the gross income in a prior year and checked the box to report the tax as not deposited under the escrow procedure. See the instructions to this form for further explanation.