

October 14, 2010

Electronic Federal Tax Payment System (EFTPS)



After December 31, 2010, taxpayers will no longer be able to make federal tax deposits at their local bank. The IRS has issued proposed regulations that would require all taxpayers currently using Federal Tax Deposit (FTD) coupons to use the Electronic Federal Tax Payment System (EFTPS), beginning January 1, 2011. The regulations, which are expected to go final by year-end, are in response to the decision of the Financial Management Service to discontinue the system that currently processes FTD coupons.

The regulations would require all deposits of the following taxes to be made using the EFTPS:

- Corporate income and corporate estimated taxes
- Unrelated business income taxes of tax-exempt organizations under 511
- Private foundation excise taxes under 4940
- Taxes withheld on nonresident aliens and foreign corporations
- Estimated taxes on certain trusts
- FICA taxes and withheld income taxes
- Railroad retirement taxes
- Non-payroll taxes, including backup withholding
- Federal Unemployment Tax Act (FUTA) taxes
- Excise taxes reported on Form 720 – Quarterly Federal Excise Tax Return

Using the EFTPS to make federal tax deposits provides many benefits to taxpayers: Deposits can be made 24 hours a day, 7 days a week, either online or by telephone, and can be scheduled up to 120 days in advance. Confirmation numbers are provided to guarantee that a deposit has been scheduled, and deposits can be traced if necessary, significantly reducing payment-related errors (which could result in penalties).

More information on the EFTPS, including how to enroll, can be found at www.eftps.gov, by calling EFTPS Customer Service at 1-800-555-4477, or by completing the attached form, and a Kerkering Barberio professional will be happy to assist you.

###

We hope this information is helpful. If you would like more details, please contact a Kerkering Barberio professional tax advisor at 941-365-4617.

FOR A BUSINESS

EIN: Employer Identification Number

Business name

Business U.S. phone

Business international phone

CONTACT INFORMATION

Name

Country

Address

City

State

Zip Code

U.S. phone

International phone

FINANCIAL INFORMATION

Payment Options

Authorize a transaction
yourself.

- OR -

Have your **financial institution** initiate your transaction. *Check with your financial institution first to see if this service is available and what fees you may be charged.*

Routing number

Account number

Account type

Checking – OR – Savings