

## Mandatory Change from Form 8109, Federal Tax Deposit Coupon, to EFTPS

The IRS has issued proposed regulations relating to Federal tax deposits by Electronic Funds Transfer. For deposits made by businesses and individuals using Form 8109, Federal Tax Deposit Coupon, the IRS will require that these entities transition to EFTPS, or Electronic Federal Tax Payment System. Form 8109 will be eliminated in 2011. This will apply to all deposits made after the date these regulations become final, but no earlier than January 1, 2011. The IRS expects to finalize these regulations by the end of the year, which means they would apply to deposits made on and after January 1, 2011. However, many financial institutions are already no longer accepting Form 8109 deposits; be sure to check with your bank as soon as possible if you are still using deposit coupons.

The following Federal tax deposits must now be made using EFTPS:

1. Corporate income and corporate estimated taxes;
2. Unrelated business income taxes of tax-exempt organizations under section 511;
3. Private foundation excise taxes under section 4940;
4. Taxes withheld on nonresident aliens and foreign corporations;
5. Estimated taxes on certain trusts;
6. FICA taxes and withheld income taxes;
7. Railroad retirement taxes;
8. Nonpayroll taxes, including backup withholding;
9. Federal Unemployment Tax Act (FUTA) taxes; and
10. Excise taxes reported on Form 720, *Quarterly Federal Excise Tax Return*.

Some things you should know about EFTPS:

1. Using EFTPS is free. There is no cost for using EFTPS if you schedule the payment yourself via the website or by phone.
2. The EFTPS may be accessed via the internet or telephone, and is available 24 hours a day, 7 days a week.
3. You can schedule a business payment up to 120 days in advance or an individual payment up to 365 days in advance.
4. You can use online and the voice response system (telephone) access interchangeably.
5. If the website, [www.eftps.gov](http://www.eftps.gov), is down, you must use the voice response system; website service disruptions are not an acceptable reason for late payment.
6. Payments must be scheduled at least one calendar day prior to the tax due date by 8:00 p.m. ET. Your payment instruction will then be executed on the date you selected.
7. Using EFTPS does not give the government unlimited access to your bank account. You initiate all of your payments.
8. Your payment history is available online. EFTPS will display all electronic payments made online, by phone, or by a third party within the last sixteen months. You may print or download this information.

*Same-Day Federal Tax Payments.* Currently, taxpayers needing to make same-day tax payments via EFTPS must contact their financial institution. The EFTPS website provides a taxpayer worksheet in pdf format for the taxpayer to complete and furnish to the financial institution. The taxpayer must contact the financial institution to inquire about availability, fees and deadlines. Wires received after 5:00PM ET will be rejected and returned to the financial institution. Same-Day Wire Instructions can be found at [www.eftps.gov](http://www.eftps.gov) when you select "Help & Information" and then "Downloads." Please be aware that while the instructions are available at [www.eftps.gov](http://www.eftps.gov), you must contact a financial institution to make a same-day payment.

## Mandatory Change from Form 8109, Federal Tax Deposit Coupon, to EFTPS (*continued*)

Here is how to get started:

### STEP 1: Enroll online.

To get started, you will need the following:

- a. Taxpayer Identification Number (your Employer Identification Number if you're enrolling as a business or your Social Security Number if you're enrolling as an individual).
- b. Banking account number and routing number.
- c. Address and name as they appear on your IRS tax documents.

Then, simply follow these instructions:

1. Go to **www.eftps.gov** and select "Enrollment."
2. Select "Business," or "Individual," or "Federal Agency."
3. Enter the requested information.
4. Submit.

In seven business days, you will receive your PIN in the mail.

### STEP 2: Get your password.

After you receive your PIN, call **1.800.982.3526** to get a temporary Internet password.

### STEP 3: Make your payment.

1. Go to **www.eftps.gov** and select "Make a Payment."
2. Log in with your EIN/SSN, PIN, and Internet password.  
**Note:** The first time you make a payment you will be prompted to change the temporary password you received.
3. Enter the payment information in the step-by-step screens.
4. When you're finished, save a copy of the Payment Confirmation page. This contains your EFT Acknowledgment Number that acts as a receipt for your payment instruction.

For additional information about EFTPS, visit **www.eftps.gov**. Resources there include an introduction, glossary, and frequently asked questions. For additional information about the proposed regulations requiring EFTPS, refer to REG-153340-09, *Notice of Proposed Rulemaking and Notice of Public Hearing Electronic Funds Transfer of Depository Taxes*. Call us at (336) 712-1788, or e-mail Amy Gardner at Amy@Lindsay-GardnerCPAs.com or Teresa Lindsay at Teresa@Lindsay-GardnerCPAs.com for assistance or additional information.