

August 4, 2010

Dear Client,

It's time to throw out those 8109 coupons! Beginning in 2011, many small businesses will be required to pay by EFT (Electronic Funds Transfer) when making their federal tax deposits.

The U.S. Department of the Treasury has announced that businesses currently permitted to use paper Federal Tax Deposit (FTD) coupons (Form 8109) **will have to make those deposits electronically beginning in 2011 with few exceptions.** The major exception to the rule will be for businesses with \$2,500 or less in quarterly tax liabilities that pay their tax liability when they file their return. If you think your business qualifies for the exception, please call our firm so we can verify you are not required to change.

The new initiative is one of several in the Treasury's plan to "go green", a move that is expected to save more than \$400 million and 12 million pounds of paper in the first five years alone.

The Electronic Federal Tax Payment System (EFTPS) is a free service from the U.S. Department of the Treasury. Since it began in 1996, millions of businesses, individuals, federal agencies, tax professionals and payroll services have used the EFTPS.

According to the IRS, there are several reasons to use EFTPS –

- **It's Fast.** You can make a tax payment in minutes.
- **It's Accurate.** You can review your information before it is sent.
- **It's Convenient.** You can make a payment from anywhere there's a phone or internet connection 24 hours a day, 7 days a week.
- **It's Easy To Use.** It's a step-by-step process that tells you what information you need to successfully complete your payment.
- **It's Secure.** EFTPS offers the highest level of security.

Enrollment is easy and can be completed in minutes. Make sure you have your Federal Employer Identification Number (FEIN) handy, the exact spelling of your name as it appears on your IRS tax documents and your financial institution information. Within 10 to 15 days you will receive your EFTPS confirmation package.

Publication 4132 (<http://www.irs.gov/pub/irs-pdf/p4132.pdf>) is a two sided sheet that explains the process of enrolling and paying via the Internet. You can also enroll at <https://www.eftps.gov/eftps/>

I hope this information is helpful. If you would like more details about this new regulation, please do not hesitate to call.

Sincerely,

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