

Questions and Answers about the Penalty Refund Program

Q. Why should I use EFTPS?

A. It's secure, fast, easy, and accurate. There are verification steps along the way that eliminate 90% of paper coupon errors. EFTPS is available 24 hours a day, 7 days a week, even when you're away from work. Plus, you receive an immediate acknowledgement number for every payment, and you can review all your electronic payments made within the last 16 months.

Q. Do I have to start using EFTPS at the beginning of the year in order to qualify for the refund?

A. No, the first quarter counted toward your 4 quarters of EFTPS use does not have to be at the beginning of the calendar year. If you do not enroll in time to use EFTPS for that quarter, you can start your 4 quarters of EFTPS use at the beginning of any later quarter.

Q. I'm in a seasonal business, some quarters I don't have any employees. Will these quarters still count for EFTPS use?

A. Seasonal employers must use EFTPS for four quarters too, but those four quarters may be spread out over more than 12 months.

(continued)

ELECTRONIC FEDERAL
EFTPS[®]
TAX PAYMENT SYSTEM

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Q. Which penalty will be refunded?

A. IRS will "look back" up to 4 quarters prior to your EFTPS quarters and remove the deposit penalty charged in the most recent quarter. You will want to enroll in EFTPS and use it for four quarters before the deposit penalty charged in the most recent quarter is too far in the past to be refunded.

Q. How long will it take to receive my refund?

A. Refunds will occur on a quarterly basis. However, if you have outstanding tax liabilities, the refund will first be applied to those liabilities and the excess, if any, will be refunded.

Q. After I enroll in EFTPS, if I pay with a check in some quarters, will I still receive the refund?

A. No. To qualify for a refund, you must use EFTPS to pay all your Form 941 taxes. This includes any payments that are due with this return.

Q. Do I still have to pay the penalty already assessed?

A. Yes, but if you qualify for the refund you'll get that money back with interest.



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Internal Revenue Service
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ELECTRONIC FEDERAL
EFTPS[®]
TAX PAYMENT SYSTEM

Special IRS Penalty Refund Offer

Enroll in and Use
EFTPS to Receive
a Special Refund
and Avoid Future
Penalties!

Form **941**
(Rev. January 2002)
Department of the Treasury
Internal Revenue Service (99)



The Electronic Federal Tax Payment System, EFTPS, is a service provided free by the U.S. Department of the Treasury to help business taxpayers make their tax payments on time electronically. With EFTPS you can schedule your payment instructions in advance (up to 120 days) to make sure your payment is there before the due date.

EFTPS gives you choices for how you want to pay your federal taxes:

▶ *online* ▶ *by phone*

Or you can make your payments through a service offered by your financial institution or payroll provider. Make sure you check with them first to learn if they offer this service and if you qualify to use it.

Here's How it Works

With EFTPS, you enter your payment instructions by Internet or phone at least one calendar day in advance of due date.

Your payments are automatically made on the date you indicate. No more running to the bank or Post Office with a check and a payment coupon.

If you have any questions about the Penalty Refund Program and EFTPS, please call: 1-800-555-4477 (24/7)

1-800-733-4829 (TDD Hearing-Impaired) 8 a.m. - 8 p.m. ET • 1-800-244-4829 (Español) 24/7
IRS Specialty Line for Penalty Referral questions • 1-800-829-0115

Here's How to Get Started

■ Enroll online at www.eftps.gov, or complete and mail Form 9779, EFTPS Business Enrollment Form.

■ Once you are successfully enrolled, within 10-15 days you will receive a *Confirmation Package* that contains

instructions on using EFTPS as well as information on how to obtain your Internet Password if you want to use EFTPS online.

■ In a separate mailing, you will receive your EFTPS Personal Identification Number (PIN) for secure use of EFTPS by Internet or phone. *Then you're ready to use EFTPS and participate in the Penalty Refund Program.*

*Enroll Today.
Use EFTPS to
your benefit.*



Here's how you claim a one-time refund of your late deposit penalty payment...

- 1 Enroll in EFTPS.
- 2 Use EFTPS for four consecutive quarters and deposit all your Form 941 taxes on time.
- 3 After using EFTPS for four consecutive quarters to timely deposit all your Form 941 taxes, IRS will automatically remove the penalty and refund your money if no other taxes are owed.

To learn more, visit...

www.irs.gov or www.eftps.gov

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TAX PAYMENT SYSTEM