



Proposed Regulations Expand the Use of Electronic Payment System and Discontinue Paper Coupons Next Year

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WASHINGTON — Consistent with a Financial Management Service initiative announced in April of this year, the IRS today issued proposed regulations to significantly increase the number of electronic transactions between taxpayers and the federal government.

The proposed regulations (REG 153340-09) would eliminate the rules for making federal tax deposits by paper coupon because the paper coupon system will no longer be maintained by the Treasury Department after Dec. 31, 2010. The proposed regulations generally maintain existing rules for depositing federal taxes through the Electronic Federal Tax Payment System (EFTPS).

Using EFTPS to make federal tax deposits provides substantial benefits to both taxpayers and the government. EFTPS users can make tax payments 24 hours a day, seven days a week from home or the office.

Deposits can be made online with a computer or by telephone. EFTPS also significantly reduces payment-related errors that could result in a penalty. The system helps taxpayers schedule dates to make payments even when they are out of town or on vacation when a payment is due. EFTPS business users can schedule payments up to 120 days in advance of the desired payment date.

Information on EFTPS, including how to enroll, can be found at www.eftps.gov or by calling EFTPS Customer Service at 1-800-555-4477.

Some businesses paying a minimal amount of tax may make their payments with the related tax return, instead of using EFTPS. More details regarding taxes required to be deposited using EFTPS, dollar thresholds and other specific requirements are in the proposed regulations.

Additional Information:

- [Publication 4132](#), which explains the process of enrolling and paying via the Internet
- [Publication 966](#), The Secure Way to Pay Your Federal Taxes for Businesses and Individuals
- [Publication 4169](#), Tax Professional Guide to Electronic Federal Tax Payment System
- [Publication 4320](#), EFTPS Toolkit, which contains PDF(s) and descriptions of EFTPS educational materials and their intended target audience, and is for use by tax professionals and financial institutions to assist in educating their clients on the benefits of EFTPS.
- [Publication 4275](#), Express Enrollment for New Businesses
- [Electronic Payment Options Home Page](#)

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