

## Frequently Asked Questions

### FTD PENALTY REFUND OFFER PILOT

**Q:** *Can a taxpayer who wasn't selected for the test receive the penalty refund offer?*

**A:** Not at this time. This is a test to see if the penalty refund incentive increases enrollment in EFTPS. However, the taxpayer can still use EFTPS voluntarily, and, if reasonable cause exists, can request penalty abatement by responding to the penalty notice or filing Form 843, Claim, with the service center where the employment tax returns were filed.

**Q:** *Why should the taxpayer use EFTPS?*

**A:** It's fast, easy, accurate, and secure. There are verification steps along the way that eliminate 90% of paper coupon errors. It's available 24 hours a day, 7 days a week, even when you're away from home. Plus, you receive an EFT Acknowledgement Number, and you can review all electronic payments made within the last 120 days.

**Q:** *Does the IRS have access to the taxpayer's checking account?*

**A:** No. The IRS does not have access to the taxpayer's bank account when the tax payments are initiated through EFTPS.

**Q:** *Does the taxpayer have to start using EFTPS at the beginning of the calendar year, in January, in order to qualify for the refund?*

**A:** No, the taxpayer can start their "year" at the beginning of any quarter, but must use EFTPS for one year (four quarters).

**Q:** *The taxpayer is in a seasonal business, and, in some quarters, doesn'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.

**Q:** *How long does the taxpayer have to claim the refund?*

**A:** The taxpayer must complete the one year of EFTPS use and send in the refund request within 2 years from the date the penalty was paid.

**Q:** *How long will it take to receive the refund?*

**A:** The taxpayer should receive the refund within six weeks after receipt of the request for penalty abatement. If the taxpayer has outstanding tax liabilities, the refund will first be applied to those liabilities and the excess, if any, will be refunded.

**Q:** *How does the taxpayer apply for the penalty refund?*

**A.** After using EFTPS for one year (four quarters), send a letter or copy of the penalty notice and request a refund of the penalty as a NEW EFTPS USER to IRS-TEC, 550 Main Street, Room 7-024-FTD/EFTPS, Cincinnati, OH 45202 5204.

**Q.** *Can the taxpayer make a payment with a check for some quarters and receive the penalty refund?*

**A.** No. To qualify for a refund, the taxpayer must use EFTPS to pay all Form 941 taxes for all four quarters, including payments made with the Form 941.

**Q.** *Does the taxpayer have to pay the penalty already assessed?*

**A.** Yes, but if the taxpayer qualifies for the refund, the IRS will send the money back with interest.

**Q.** *What if pilot participants have additional questions about the penalty refund offer?*

**A.** If there are additional questions regarding the Penalty Refund Program, please call 1-513-263-5200 (toll charge) between 8:00 a.m. and 5:30 p.m. ET, or email [nerohiocincytec@irs.gov](mailto:nerohiocincytec@irs.gov).