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**Small Business and Self-Employed**

**Taxpayer Education and Communication**

# **Electronic Filing and Payment**

## **Lesson 4**



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# Objectives

- **Describe the IRS *e-file* for Business programs**
- **List the benefits of these programs**
- **List the electronic payment options**
- **Determine which programs you can use in your business**
- **Explain the EFTPS Penalty Refund Offer**



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# IRS *e-file* for Business





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# ***e-file* for Business Forms**

- **Employment Taxes (Forms 940 and 941)**
- **Partnership Returns (Form 1065)**
- **Estates & Trusts (Form 1041)**
- **Information Returns (Forms 1099 and 1098)**
- **Corporate Returns (Forms 1120 and 1120S)**
- **Charities & Non-Profits (Forms 990, 990-EZ, 8868, 1120-POL)**



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# **940/941 Employment Tax *e-file* System**

- **941 *e-file* program accepts:**
  - All current quarter tax returns
  - Returns for four preceding quarters
- **940 *e-file* returns are annual with a calendar year**



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# Extended Due Dates

**Pay all taxes due by the normal due date**

**AND**

**Extend the return due date by 10 days**



# Employment Tax *e-file* Benefits

- **Flexible Filing**
  - 940 and 941 in single transmission
- **Error information**
  - Explicit information for each error identified
- **Fast Acknowledgement**
  - Processed immediately and acknowledged in real time



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# **More 940/941 *e-file* Benefits**

- **Integrated Payment Options**
  - File and pay at the same time
- **Completely electronic signature**
  - A PIN is your signature





# Who Can Participate?

**Business taxpayers through an:**

- **Authorized *e-file* provider**
- **Electronic Return Originator (ERO)**
- **Reporting agent**
- **Third-party transmitter**

**Visit [www.irs.gov](http://www.irs.gov) for a list of Approved *e-file* for Business Providers**



# Form 941 TeleFile

- **Filed by touch-tone telephone**
- **Available to employers meeting special criteria**
- **941TeleFile package is automatically mailed to eligible employers each quarter**
- **Simultaneous file/pay capability**



# Form 941 TeleFile Zero Wage

- **Filed by touch-tone telephone**
- **Use this when you have no:**
  - **Employees,**
  - **Withholding,**
  - **Deposits, and**
  - **Taxes to report.**



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## Form 1065 *e-file*

- **Form 1065 *e-file* - U.S. Return of Partnership Income:**
  - Includes Schedules K-1, and
  - Required for partnerships with more than 100 partners.
  - Benefits are:
    - Less Paper,
    - Reduced costs,
    - Improved accuracy and product quality, and
    - Electronic acknowledgement of return receipt.



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# How to Participate

- Go to [www.irs.gov](http://www.irs.gov)
- Click on the *e-file* logo
- Follow links to **Approved IRS *e-file* for Business Providers who offer 1065 *e-file***



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# **Form 1120/1120S *e-file***

- **Includes file and pay capability**
- **Supports 96 forms and schedules**
- **File through an authorized IRS *e-file* provider. Find a provider at [www.irs.gov](http://www.irs.gov)**



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# **Form 1120/1120S *e-file* Benefits**

**Convenient**

**Fast**

**Accurate**

**Safe**



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## EFTPS

The Quick and Easy Way to Pay Federal Taxes







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# What is EFTPS?

- **EFTPS - Electronic Federal Tax Payment System**
- **Free, and sponsored by the U.S. Dept. of the Treasury**
- **Serves more than 4 million businesses**
- **Enrolls 13,300 new businesses each week**
- **Available to all businesses and individuals**



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## Who Can Use EFTPS?

- Available to any business
- Ideally suited for individual taxpayers making quarterly Form 1040-ES payments
- Tax professionals can use EFTPS for:
  - Online payments (single payments),
  - Phone payments,
  - EFTPS PC software,
  - Batch Filer software, and
  - Bulk Filer (EDI capabilities).



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# Required Use of EFTPS

- **EFTPS required when Federal tax liability reaches \$200,000 in any given year**
- **Begin using it after the next full calendar year**



# EFTPS Features and Benefits

- **Complete control**
- **Schedule payments in advance**
- **Immediate confirmation**
- **16 months' payment history online or by phone**
- **Streamline paperwork**
- **Secure and accurate**
- **Convenient – 24/7**



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## EFTPS Uses

**Pay all of your federal taxes including:**

- **Income, employment, estimated, and excise taxes balances;**
- **Federal Tax Deposit (FTD) payments;**
- **Quarterly estimated (1040-ES) payments; and**
- **Installment agreement payments.**



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# **EFTPS Payment Methods**

- **EFTPS Direct (online or phone)**
- **EFTPS through a financial institution**
- **Through your payroll company**



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## EFTPS Direct (Phone/Online)

- You access it directly
- Specify/schedule dates funds will move:
  - Businesses – up to 120 days in advance
  - Individuals – up to 365 days in advance
- EFTPS automatically makes payments
- No IRS access to your account



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# **EFTPS—Financial Institution**

- **You instruct your financial institution when to move your funds**
- **Not all offer it**
- **There may be a cost**





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# **EFTPS—Payroll Company**

- **Check with them for fees and deadlines**
- **If not making all of your tax payments, you will need separate EFTPS enrollment**
- **Separate enrollment gives flexibility if you need to change companies**



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## Enrolling in the EFTPS

- **Enroll online ([www.eftps.gov](http://www.eftps.gov)), or call**
  - **1-800-555-4477 (English)**
  - **1-800-733-4829 (TDD hearing-impaired)**
  - **1-800-244-4829 (Español)**
- **Receive**
  - **Step-by-step Payment Instruction Book**
  - **Personal Identification Number (PIN)**
- **Begin paying when you get your PIN**



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## Customer Service

- **FTD Penalty Refund Program**  
**1-800-829-4933**
- **Name and/or address change**  
**1-800-829-3676**
- **Taxpayer Identification Number and/or name change**  
**1-800-829-4399**
- **Change bank account information**  
**1-800-555-4477 or [www.eftps.gov](http://www.eftps.gov)**



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# Information Needed to Enroll

- **Taxpayer Identification Number**
  - EIN for businesses
  - SSN for individuals
- **Name (as it appears on IRS documents)**
- **Financial Institution information**
  - Routing number of financial institution
  - Account number



# EFTPS Express Enrollment

- **Apply for an EIN**
- **Indicate you have, or will have, employees**

**AND**

- **You will automatically enroll in EFTPS**

**AND**

- **Receive a mailing with activation info**



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# **EFTPS Federal Tax Deposit Penalty Refund Offer**

- **Assessed a Form 941 deposit penalty?**
- **One-time penalty refund requirements:**
  - **Enroll in EFTPS,**
  - **Use it for four consecutive quarters,**
  - **Make all Form 941 payments on time, and**
  - **Fully pay the penalty.**
- **Automatic refund beginning April 2005**



# Electronic Funds Withdrawal

***e-file* and pay in a single step**

- **Using tax prep software**
  - Form 941 – year round
  - Form 940 and Form 940PR – through mid Feb
  - Form 1041 – through Oct 31
- **Using a tax professional**
  - All above
  - *e-file* for Form 1120/1120S – through Dec 31



# Credit Card Options

**Self-employment tax**      **yes**

**Individual income tax**      **yes**

**Business taxes**      **not at this time**





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# Summary

- **Filing tax returns electronically**
- **Paying taxes electronically**
- **Features and benefits of each option**
- **EFTPS FTD Penalty Refund Offer**
- **EFTPS Express Enrollment**



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# Need More Information?

- Publication 966, *Electronic Choices to Pay All Your Federal Taxes*
- Publication 3959, *EFTPS CD-ROM for Taxpayers (Business and Individual)*
- Website: [www.eftps.gov](http://www.eftps.gov)
- Call 1-800-829-4933 for the Business and Specialty Tax Line