

To our clients.....

Effective January 1, 2011, the IRS and banks will no longer accept payroll and business tax payments in the form of the 8109 coupons via your bank. With few exceptions, all tax payments must be made through EFTPS (Electronic Federal Tax Payment System) either via telephone or internet. We strongly suggest that you take the time prior to the end of the year to enroll in this system as the enrollment process can take up to a month for processing. Tax payments due in January, even for the 2010 tax year must be made electronically and not at your bank. Enrollment is simple and can be done online at www.eftps.gov in just a few minutes.

Please follow these steps to enroll for the **federal** tax payment system:

1. Gather the following information:
 - a. Your Tax ID number
 - b. Exact spelling of your entity name and address as it appears on tax documents
 - c. Bank account and routing numbers
2. Go to www.eftps.gov
3. At the bottom of the home page, click on the "Enrollment" button.
4. After reading the Privacy Act and Paperwork Reduction Act, click on the "I accept" box and choose the appropriate enrollment button either "Business" or "Individual".
5. Complete the information boxes (Tax ID, name, phone, contact info, your bank routing and account numbers, checking or savings account).
6. Click on "Review" and verify the information.
7. Enter your electronic signature by entering your name and Tax ID. Check "I accept" box. Click on "Complete".
8. Save a copy of your application confirmation by either printing it or downloading a pdf.
9. Await your welcome package and PIN in the mail – within two weeks from enrollment.
10. After you receive your PIN, call 1.800.982.3526 to get a temporary internet password.
11. To begin making payments online, go to www.eftps.gov and login. You will need three pieces of information – your Tax ID, your PIN and your Internet Password (you will be prompted to change the temporary password when you login the first time.)
12. Enter the payment information as prompted in the step-by-step screens.
13. Save or print a copy of your Payment Confirmation as you receipt.

*Please note that all payments made through EFTPS either via telephone or online must be made at least **one business day in advance of being due prior to 5 pm PST**. There is one business day minimum processing time for every payment.*

On a state level, the Franchise Tax Board has announced that they will be introducing Web Pay for Businesses in November 2010. Please see www.ftb.ca.gov for updates. Registration will likely be required.

For payroll taxes, the California Employment Development Department has two methods for online payments. One is becoming a registered user and one is for non-registered users to go online to www.edd.ca.gov and create a payment as needed either via your bank account or a credit card.

For further information please contact Lisa Calabrese at 818.712.0300 ext 19 or lcalabrese@pkmcpas.com.

Thank you.

Pomerantz, Kavinoky & Co.