

SECTION 1. PURPOSE

This revenue procedure provides information about the Electronic Federal Tax Payment System (EFTPS) programs for Batch Filers and Bulk Filers (Filers). EFTPS is an electronic remittance processing system for making federal tax deposits (FTDs) and federal tax payments (FTPs). The Batch Filer and Bulk Filer programs are used by Filers for electronically submitting enrollments, FTDs, and FTPs on behalf of multiple taxpayers.

SECTION 2. BACKGROUND

.01 Section 6302(c) of the Internal Revenue Code provides that the Secretary of the Treasury (Secretary) may authorize Federal Reserve banks, and incorporated banks and other financial institutions that are depositories or financial agents of the United States, to receive any tax imposed under the internal revenue laws, in such manner, at such times, and under such conditions as the Secretary may prescribe. Section 6302(c) also provides that the Secretary shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks and other financial institutions is to be treated as a payment of such tax to the Secretary.

.02 Section 6302(h) requires the Secretary to establish an electronic funds transfer (EFT) system to collect depository taxes (FTDs). EFTPS is the EFT system developed by the Secretary to collect federal taxes (FTDs and FTPs). *See* § 31.6302-1(h)(4)(i) of the Employment Tax and Collection of Income Tax at Source Regulations, and Rev. Proc. 97-33, 1997-30 I.R.B. 10.

.03 Some taxpayers are required by the regulations issued under § 6302(h) to make FTDs using EFTPS. *See* § 31.6302-1(h)(2)(i)(A). Taxpayers not required to make FTDs using EFTPS may choose to do so voluntarily. Taxpayers also may choose to make FTPs using EFTPS.

.04 All Filers using the Batch Filer or Bulk Filer programs must comply with this revenue procedure, and with the Implementation Guide for EFTPS Batch Filers, or the Implementation Guide for

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26 CFR 601.602: Tax forms and instructions.  
(Also Part I, §§ 6302; 31.6302-1)

Rev. Proc. 98-32

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EFTPS Bulk Filers, whichever is applicable.

.05 The two primary remittance methods in EFTPS are an Automated Clearing House (ACH) debit entry and an ACH credit entry. Filers may also use an Electronic Tax Application (ETA) transaction. These remittance methods are defined in section 3 and described in sections 9, 10, and 11 of this revenue procedure.

.06 Filers participating in EFTPS must ensure that taxpayers' funds are remitted on a timely basis. See § 31.6302-1(h)(8) for rules regarding when an FTD remitted by EFTPS is deemed made. For FTDs and FTPs remitted by EFTPS, see § 31.6302-1(h)(9) for rules regarding when the tax is deemed paid.

.07 If a taxpayer is required by regulations to make an FTD by EFTPS, a Filer may not use a paper FTD coupon (Form 8109, Federal Tax Deposit Coupon) or the magnetic tape FTD program (described in Rev. Proc. 89-48, 1989-2 C.B. 599) to make an FTD for the taxpayer. If a taxpayer is a voluntary participant in EFTPS (that is, a participant not required by regulations to make an FTD by EFTPS) and the Filer is unable, for any reason, to make an FTD using EFTPS or chooses not to use EFTPS to make an FTD, the Filer may make a timely FTD for the taxpayer by using a paper FTD coupon, or the magnetic tape FTD program if authorized by the taxpayer.

.08 EFTPS does not change the computation of tax liability, interest or penalties, or FTD or FTP due dates.

### SECTION 3. DEFINITIONS

.01 The definitions provided in this section will be used for the Batch Filer and Bulk Filer programs.

.02 *Administrative FRB Head Office Local Zone Time.* "Administrative FRB Head Office Local Zone Time" is the local zone time of the Administrative Federal Reserve Bank head office through which a financial institution, or its authorized correspondent bank, sends a Same-Day Payment.

.03 *Authorization.* An "Authorization" is an instrument used by a taxpayer to designate a Filer as the taxpayer's agent for submitting enrollments and for making FTDs or FTPs.

.04 *Automated Clearing House (ACH).* "Automated Clearing House" is a funds

transfer system, governed by the ACH Rules (the Operating Rules and the Operating Guidelines published by National Automated Clearing House Association (NACHA)) that provides for the interbank clearing of electronic entries for participating financial institutions.

.05 *ACH credit entry.* An "ACH credit entry" is a transaction in which a financial institution, upon instructions from a Filer, originates an FTD or FTP to the appropriate Treasury Department account through the ACH system. An ACH credit entry is a transfer of funds representing one FTD or FTP. There are no "bulk" ACH credit entries. See section 10 of this revenue procedure for information on an ACH credit entry.

.06 *ACH debit entry.* An "ACH debit entry" is a transaction in which one of the Financial Agents, upon instructions from a Filer, instructs the Filer's or the taxpayer's financial institution to withdraw funds from a designated account for an FTD or FTP and to route the FTD or FTP to the appropriate Treasury Department account through the ACH system. A single ACH debit entry is a transfer of funds representing one FTD or FTP. A bulk ACH debit entry (a remittance method available only in the Bulk Filer program) is a transfer of funds representing multiple FTDs or FTPs. See section 9 of this revenue procedure for information on an ACH debit entry.

.07 *Batch Filer.* A Batch Filer is a Filer that is registered under the Batch Filer program. A Batch Filer submits multiple electronic enrollment files at one time and uses a personal computer or telephone for making FTDs or FTPs.

.08 *Bulk Filer.* A Bulk Filer is a Filer that is registered under the Bulk Filer program. A Bulk Filer uses Electronic Data Interchange (EDI) files to transmit and receive enrollment or payment information. A Bulk Filer also has additional remittance methods (bulk ACH debit entries and bulk ETA entries).

.09 *Electronic tax application (ETA) transaction.* An "ETA transaction" (also referred to as "Same-Day Payment") is a transfer of funds through the ETA subsystem of EFTPS that receives, processes, and transmits an FTD or FTP and the related tax payment information for Same-Day Payments through Fedwire value transfers, Fedwire non-value transactions,

and Direct Access transactions. A single ETA transaction is a transfer of funds representing one FTD or FTP. A bulk ETA transaction (a remittance method available only in the Bulk Filer program) is a transfer of funds representing multiple FTDs or FTPs. See section 11 of this revenue procedure for information on an ETA transaction.

.10 *Employer identification number (EIN).* An "EIN" is a unique nine digit taxpayer identifying number issued by the Internal Revenue Service to business taxpayers for the purpose of reporting tax related information.

.11 *Federal Reserve Bank (FRB).* The "FRB" is the U.S. Government's fiscal agent. The FRB also processes ACH transactions to a commercial financial institution account or to a Treasury Department account.

.12 *Filer.* A "Filer" is a person making FTDs or FTPs on behalf of multiple taxpayers in the Batch Filer or Bulk Filer program. Each Filer must be either the taxpayer or a person authorized to act on behalf of the taxpayer.

.13 *Financial Agent.* For purposes of EFTPS, a "Financial Agent" (also referred to as a "Treasury Financial Agent") is a financial institution that is designated as an agent of the Treasury Department. The Secretary has designated Nations-Bank and First National Bank of Chicago (First Chicago) to be the Financial Agents for EFTPS. A Financial Agent processes Batch Filer and Bulk Filer registrations, processes taxpayer enrollments, receives payment information, originates ACH debit entries upon instructions from taxpayers or Filers, and provides customer service assistance for EFTPS enrollment and payment information.

.14 *IRS individual taxpayer identification number (ITIN).* An "ITIN" is a taxpayer identifying number issued by the Service to an alien individual who is ineligible to receive a social security number (SSN) for the purpose of reporting tax related information.

.15 *Prenotification ACH credit.* "Prenotification ACH credit" is a process whereby a financial institution verifies the appropriate Treasury Routing Transit Number (RTN), the Treasury Department's account number, and the taxpayer's taxpayer identification number (TIN).

.16 *Prenotification ACH debit*. “Prenotification ACH debit” is a process whereby the appropriate Financial Agent verifies the RTN of the financial institution, the account number, and the account type.

.17 *Social security number (SSN)*. An “SSN” is a taxpayer identifying number assigned to an individual or estate by the Social Security Administration.

.18 *Taxpayer identification number (TIN)*. A “TIN” is a taxpayer identifying number assigned to a taxpayer for the purpose of reporting tax related information. A TIN includes an EIN, ITIN, or SSN.

#### SECTION 4. OVERVIEW

Filers must follow the following procedures to participate in the Batch Filer or Bulk Filer programs:

(1) register as a Filer with the appropriate Financial Agent (see sections 5 and 6 of this revenue procedure);

(2) obtain an Authorization from each taxpayer for which the Filer will be submitting enrollments and making FTDs or FTPs, and submit these Authorizations to the Service (see section 7 of this revenue procedure); and

(3) enroll each of those taxpayers with the appropriate Financial Agent (see section 8 of this revenue procedure).

#### SECTION 5. REGISTRATION

.01 A Filer may register for the Batch

Filer or Bulk Filer program if the Filer anticipates making FTDs or FTPs for multiple taxpayers.

.02 The Batch Filer program is recommended for Filers who anticipate submitting 50 or more enrollments. Additional information for Batch Filers is furnished in the Implementation Guide for EFTPS Batch Filers. A copy of this implementation guide may be obtained from EFTPS Customer Service (see section 22 of this revenue procedure).

.03 The Bulk Filer program is recommended for Filers who anticipate making 750 or more FTDs or FTPs on a peak day. Additional information for Bulk Filers is furnished in the Implementation Guide for EFTPS Bulk Filers. A copy of this implementation guide may be obtained from EFTPS Customer Service (see section 22 of this revenue procedure).

.04 A Filer wanting to participate in either the Batch Filer or Bulk Filer program must submit the appropriate registration letter (also referred to as an “Agreement”). Some Bulk Filers may wish to use the Batch Filer program as a backup. To participate in both programs, a Filer must submit a Batch Filer registration letter and a Bulk Filer registration letter. Blank registration letter(s) may be obtained by contacting the appropriate Financial Agent (listed in section 6 of this revenue procedure).

.05 A Filer must submit the registration letter to the address designated in the in-

structions accompanying the registration letter.

.06 If an unregistered entity acquires a registered Filer, a new registration letter must be submitted by the unregistered entity if it wants to participate in either the Batch Filer or Bulk Filer program.

.07 A Filer should notify the appropriate Financial Agent if the Filer chooses to withdraw from either the Batch Filer or Bulk Filer program. A Filer that is inactive in the Batch Filer or Bulk Filer program (that is, the Filer has submitted no enrollments, FTDs, or FTPs in that program) for 6 months or more is treated as having withdrawn from that program. If a Bulk Filer uses the Batch Filer program as a backup, the Filer must submit an FTD or FTP through the Batch Filer program at least once every six months to prevent the Filer from being treated as having withdrawn from the Batch Filer program. If a Filer withdraws (or is treated as having withdrawn) from a program, the Filer must reregister to participate in that program.

#### SECTION 6. ASSIGNMENT TO A FINANCIAL AGENT

.01 A Filer’s assignment to a Financial Agent is based on the location of the Filer’s principal place of business. Each Financial Agent has responsibility for certain geographic locations as listed below:

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*NationsBank (800) 555-4477*

Alabama  
American Samoa  
Arizona  
Arkansas  
California (Los Angeles,  
Orange, San Bernardino, Riverside, San Diego, and  
Imperial counties only)  
Commonwealth of the Northern Mariana Islands  
Commonwealth of Puerto Rico  
Delaware  
District of Columbia  
Florida  
Georgia  
Guam  
Kentucky  
Louisiana  
Maryland  
Mississippi  
Nevada  
New Mexico

*First Chicago (800) 945-0966*

Alaska  
California (except Los Angeles, Orange, San Bernardino,  
Riverside, San Diego, and Imperial counties)  
Colorado  
Connecticut  
Hawaii  
Idaho  
Illinois  
Indiana  
Iowa  
Kansas  
Maine  
Massachusetts  
Michigan  
Minnesota  
Missouri  
Montana  
Nebraska  
New Hampshire  
New Jersey

NationsBank (800) 555-4477  
North Carolina  
Ohio  
Oklahoma  
Pennsylvania  
South Carolina  
Tennessee  
Texas  
U.S. Virgin Islands  
Virginia  
West Virginia

First Chicago (800) 945-0966  
New York  
North Dakota  
Oregon  
Rhode Island  
South Dakota  
Utah  
Vermont  
Washington  
Wisconsin  
Wyoming  
Foreign countries

.02 If a Filer wants to use the other Financial Agent, the Filer must submit a written request detailing the reasons for the request and providing the name and telephone number of a contact person. This request may be submitted to:

FTD & Electronic Payments Section,  
T:S:C:F

Internal Revenue Service

5000 Ellin Rd

Lanham, MD 20706

or faxed to FTD & Electronic Payments Section at (202) 283-7434 (not a toll-free number).

.03 A Filer, registered with a Financial Agent on April 27, 1998, may continue using the services of that Financial Agent, regardless of the geographic assignments in section 6.01 of this revenue procedure.

## SECTION 7. AUTHORIZATIONS

.01 If a Filer is not the taxpayer, the Filer must submit a taxpayer's Authorization to the Service before submitting the taxpayer's enrollment to the Financial Agent.

.02 Except as provided under the grandfather rule in section 24.02 of this revenue procedure, an Authorization must be submitted on Form 8655, Reporting Agent Authorization for Magnetic Tape/Electronic Filers, or any other instrument that complies with Rev. Proc. 96-17, 1996-1 C.B. 633, as modified by Rev. Proc. 97-47, 1997-42 I.R.B. 19.

.03 A Filer that acquires all or some of the clients of another Filer must obtain new Authorizations from those clients and submit the new Authorizations to the Service before making FTDs and FTPs on behalf of those clients.

.04 An Authorization permits a Filer to submit enrollments and to make FTDs or FTPs on behalf of a taxpayer. An Authorization may also permit the Filer to re-

ceive certain tax information on behalf of the taxpayer. Although EFTPS is designed for the payment of various types of tax, the Authorization may limit the types of tax information the Filer is permitted to receive. For example, a Filer may make FTDs and FTPs on behalf of the taxpayer, but may be authorized to receive only notices regarding FTDs for Form 941, Employer's Quarterly Federal Tax Return, and Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return.

.05 Except as provided in section 7.07 of this revenue procedure, a Filer submitting Authorizations to the Service for the Batch Filer and Bulk Filer programs on or after April 27, 1998, must include a list of all taxpayers for whom the Filer is submitting Authorizations. The list must include each taxpayer's complete name (for example, business name on file with Service), address (including zip code), and TIN. EINs, SSNs, and ITINs should each be grouped separately. Within each group, the taxpayers must be listed in TIN number sequence.

.06 Except as provided in section 7.07 of this revenue procedure, the Authorizations and the accompanying list must be submitted to:

EFTPS Coordinator—Authorizations

5333 Getwell Road

Stop 532

Memphis, TN 38118

or faxed to the EFTPS Coordinator at (901) 546-4112 (not a toll-free number).

.07 If a Filer has submitted Authorizations to the Service for the Form 941 ELF program, as described in Rev. Proc. 97-47, or the Form 941 or Form 940 Mag Tape Programs, as described in Rev. Proc. 96-18, 1996-1 C.B. 637, and these Authorizations allow the Filer to make payments on behalf of the taxpayer, the Filer is not required to resubmit the Authoriza-

tions or to submit a list containing those Authorizations to the Service. Similarly, if a Filer has submitted Authorizations to the Service for the magnetic tape FTD program, as described in Rev. Proc. 89-48, the Filer is not required to resubmit the Authorizations or to submit a list containing those Authorizations to the Service.

.08 To delete Authorizations that a Filer previously submitted to the Service, the Filer must submit a list of the taxpayers to be deleted to the EFTPS Coordinator. The list must be submitted in the format prescribed in section 7.05 of this revenue procedure and to the address (or fax number) provided in section 7.06 of this revenue procedure.

## SECTION 8. ENROLLMENT

.01 A Filer must submit electronic taxpayer enrollments to the appropriate Financial Agent in accordance with the applicable implementation guide. As part of completing each taxpayer enrollment, the Filer may choose to use the ACH debit entry or ACH credit entry remittance method on a taxpayer-by-taxpayer basis. In both the Batch Filer and the Bulk Filer programs, enrollment of a taxpayer in the ACH Debit remittance method will automatically enroll the taxpayer in the ACH Credit remittance method. In the Bulk Filer program, enrollment of a taxpayer in the ACH Credit remittance method will automatically enroll the taxpayer in the ACH Debit remittance method. However, in the Batch Filer program, enrollment of a taxpayer in the ACH Credit remittance method will *not* automatically enroll the taxpayer in the ACH Debit remittance method.

.02 The Financial Agent will verify the accuracy of the enrollment information for each taxpayer and enter the verified

enrollment information in its enrollment record database. As part of the verification process for an ACH debit entry in the Batch Filer program, the Financial Agent will originate a prenotification ACH debit, if requested by the Batch Filer. In the Bulk Filer program, prenotification ACH debits are not available. When a prenotification ACH debit is not made, the Filer assumes responsibility for the accuracy of the information, including the RTN of the financial institution.

.03 When the enrollment process for a taxpayer is completed, the Financial Agent will provide the Filer with an enrollment response record that either accepts or rejects the taxpayer's enrollment. A rejected enrollment will identify necessary corrections. Any necessary corrections must be submitted by the Filer as a new enrollment of that taxpayer.

.04 If a Filer attempts to make an FTD or FTP through EFTPS before a taxpayer is enrolled, the FTD or FTP generally will be rejected and the taxpayer may be subject to a penalty for a late FTD or FTP.

## SECTION 9. ACH DEBIT ENTRY

.01 For an FTD or FTP to be timely, a Filer must complete the initiation of an ACH debit entry with a Financial Agent at least one business day prior to the FTD or FTP due date.

.02 A Filer may "warehouse" an ACH debit entry for a business taxpayer by arranging for the entry up to 30 days in advance of the due date. A Filer may warehouse an ACH debit entry for an individual taxpayer by arranging for the entry up to 105 days in advance of the due date.

.03 After a Batch Filer or a Bulk Filer initiates a single ACH debit entry, the Financial Agent will validate the taxpayer's payment information and issue an acknowledgment number to the Filer. The acknowledgment number verifies when the necessary payment information was received by a Financial Agent but does not constitute proof of payment. See section 12 of this revenue procedure regarding proof of payment.

.04 After a Bulk Filer initiates a bulk ACH debit entry, the Financial Agent will validate the taxpayers' payment information and issue acknowledgment numbers to the Filer for accepted payments. The Bulk Filer will receive an acknowledg-

ment number for the bulk ACH debit entry and separate acknowledgement numbers for each accepted FTD or FTP included in the bulk ACH debit entry. The acknowledgment numbers verify when the necessary payment information was received by a Financial Agent but do not constitute proof of payment. See section 12 of this revenue procedure regarding proof of payment.

.05 In a bulk ETA debit entry, any rejected payment will be returned to the Bulk Filer without an acknowledgment number and subtracted from the bulk ACH debit entry, as specified in the Implementation Guide for EFTPS Bulk Filers. The Bulk Filer assumes responsibility for reinitiating any rejected payments.

.06 Pursuant to the Filer's instructions, the Financial Agent, on the date designated by the Filer, will originate the transfer of funds from the taxpayer's or Filer's account to the appropriate Treasury Department account. The Financial Agent also will transmit the related payment information, supplied by the Filer, to the Service for posting to the tax account(s) of the taxpayer(s).

.07 The Service will deem an FTD or FTP made by an ACH debit entry to have been made at the time of the debit (that is, when the amount is withdrawn from the taxpayer's or Filer's account and not returned or reversed).

.08 When a timely ACH debit entry cannot be made, a Filer may instruct the Financial Agent to complete the transaction at the next opportunity to submit an ACH debit entry. The Filer may also use an ACH credit entry or an ETA transaction. If a taxpayer is not required to use EFTPS for FTDs, the Filer may use a paper FTD coupon or, if authorized by the taxpayer, the magnetic tape FTD program. To avoid penalties, the FTD or FTP must be received by an appropriate means on or before the FTD or FTP due date.

.09 The ACH Rules will govern ACH debit entry returns and reversals.

## SECTION 10. ACH CREDIT ENTRY

.01 If a Filer chooses the ACH credit entry remittance method to make an FTD or FTP, the Filer may use any financial institution capable of originating an ACH credit entry.

.02 For each TIN used in making ACH credit entries through a financial institu-

tion, the Filer may request that the financial institution originate a prenotification ACH credit.

.03 To initiate a timely ACH credit entry, a Filer must take into account the financial institution's deadline for originating an ACH credit entry.

.04 When a timely ACH credit entry cannot be made, a Filer may instruct the financial institution to complete the transaction at the next opportunity to submit an ACH credit entry. The Filer may also use an ETA transaction. A Bulk Filer may initiate an ACH debit entry. However, a Batch Filer may initiate an ACH debit entry only if the taxpayer is enrolled for the ACH debit remittance method. If a taxpayer is not required to use EFTPS for FTDs, the Filer may use a paper FTD coupon or, if authorized by the taxpayer, the magnetic tape FTD program. To avoid penalties, the FTD or FTP must be received by an appropriate means on or before the FTD or FTP due date.

.05 The Financial Agent will receive and process the ACH credit entry payment information. The Financial Agent will compare the transaction's payment information with the taxpayer's enrollment record. If they match, the Financial Agent will send the payment information to the Service for posting to the taxpayer's tax account.

.06 If the Financial Agent cannot identify the taxpayer, the ACH credit entry will be returned to the originating financial institution.

.07 Failure to provide correct, complete, and properly formatted payment information may cause an ACH credit entry to be returned. In the event of a return, a Filer may instruct the financial institution to submit a corrected ACH credit entry at the next opportunity to submit an ACH credit entry. The Filer may also use an ETA transaction. A Bulk Filer may initiate an ACH debit entry. However, a Batch Filer may initiate an ACH debit entry only if the taxpayer is enrolled for the ACH debit remittance method. If a taxpayer is not required to use EFTPS for FTDs, the Filer may use a paper FTD coupon or, if authorized by the taxpayer, the magnetic tape FTD program. To avoid penalties, the FTD or FTP must be received by an appropriate means on or before the FTD or FTP due date.

.08 An ACH Credit entry that is not returned or reversed will be deemed made

at the time that the funds are paid into the appropriate Treasury Department account.

.09 The ACH Rules will govern ACH credit entry returns and reversals.

## SECTION 11. ELECTRONIC TAX APPLICATION TRANSACTION

.01 A Filer may use an ETA transaction to make an FTD or FTP. The Filer should contact the financial institution through which the ETA payment will be made to determine if the financial institution is capable of making an ETA payment.

.02 A Bulk Filer may use a bulk ETA transaction to make FTDs or FTPs. The Bulk Filer should contact the financial institution through which the bulk ETA payment will be made to determine if the financial institution is capable of making a bulk ETA payment.

.03 If a Filer uses a single ETA transaction, the transfer of funds and the transmission of the related payment information occur together. If a Bulk Filer uses a bulk ETA transaction, the transmission of the payment information precedes the related transfer of funds, both of which occur on the same day.

.04 The Service generally will deem an ETA payment to have been made on the date the payment is received by the FRB. A Filer should contact the financial institution through which the ETA payment will be made to determine the deadline for initiating ETA payments for a particular day. ETA payments received by the FRB after the deadline set forth in the Treasury Financial Manual, Volume IV (IV TFM), will not be accepted. Currently, the deadline in IV TFM is 2:00 p.m. Administrative FRB Head Office Local Zone Time. If a payment is not accepted, the Filer must reoriginate the payment using an ETA transaction or any other permissible remittance method.

.05 Additional ETA information may be found in the sections on Same-Day Payments in the Implementation Guide for EFTPS Bulk Filers and the EFTPS Payment Instruction Booklets for businesses.

## SECTION 12. PROOF OF PAYMENT

.01 For an ACH debit or credit entry posted to the taxpayer's account in a financial institution, a statement prepared

by that financial institution showing a transfer (that is, a decrease to the taxpayer's account balance) will be accepted as proof of payment if the statement:

(1) shows the amount and the date of the transfer; and

(2) identifies the U.S. Government as the payee (for example, "USA tax").

.02 For an ETA payment posted to the taxpayer's account in a financial institution, a taxpayer may request that its financial institution obtain a statement from the FRB that executed the transfer. This statement will be accepted as proof of payment if the statement:

(1) shows the amount and the date of the transfer; and

(2) identifies the U.S. Government as the payee (for example, "USA tax").

.03 For purposes of this section, statements prepared by a financial institution include statements prepared by a third party that is contractually obligated to prepare statements for the financial institution.

.04 A taxpayer's payment to a Filer (including a subsidiary's payment to its parent) is not a payment of tax by the taxpayer. Therefore, a statement prepared by the taxpayer's financial institution showing a transfer from the taxpayer's account to the Filer as payee is not proof of payment. Further, a statement prepared by the Filer's financial institution showing a transfer of funds from the Filer's account to the U.S. Government is not proof of payment because the payment may not have been made on behalf of the taxpayer. The taxpayer will need the acknowledgement number for an FTD or FTP made from the Filer's account to establish that the FTD or FTP was made on behalf of the taxpayer. The acknowledgement number allows the Service to trace the payment. The Filer has the acknowledgement number or may obtain it from the Financial Agent.

## SECTION 13. REFUNDS

No refunds of FTDs or FTPs will be made through EFTPS. However, a refund request may be made using existing tax refund procedures. If a taxpayer's error results in a significant hardship, the taxpayer may contact the Service at (800) 829-1040 for assistance.

## SECTION 14. DISASTER PROCEDURES

.01 A taxpayer's ability to make FTDs and FTPs timely may be affected by the time, severity, and extent of a major disaster. In such circumstances, the Service provides relief through the nonassertion or abatement of certain penalties. The Service publicizes the relief for a particular disaster area through the publication of a News Release, Notice, or Announcement. Generally, the Service identifies the taxpayers who qualify for this disaster relief.

.02 If a disaster affects a Filer, the Filer should provide the Service with the information necessary to identify those FTDs and FTPs of taxpayers outside the disaster area which were or will be late due to the disaster. The Service will then determine if the nonassertion or abatement of certain penalties is appropriate.

.03 In addition, if a Bulk Filer's primary processing system is affected by a disaster and the Bulk Filer's backup processing system fails, the Bulk Filer may use an emergency bulk ETA transaction under which the transfer of funds occurs before the transmission of the related payment information.

## SECTION 15. RESPONSIBILITIES OF A FILER

.01 Each Filer must:

(1) comply with this revenue procedure and the applicable implementation guide (Implementation Guide for EFTPS Batch Filers or Implementation Guide for EFTPS Bulk Filers);

(2) maintain a high degree of integrity, compliance, and accuracy;

(3) ensure that FTDs and FTPs are accurately and timely made;

(4) ensure the security of all transmitted information; and

(5) ensure that after a disabling event the Filer is able to operate its Batch Filer or Bulk Filer programs with minimal interruption (generally, less than 24 hours).

.02 A Filer that is not the taxpayer must:

(1) retain copies of each Authorization and each enrollment at its principal place of business for 4 years after the prescribed due date of the last return to which the any FTD or FTP relates, unless

the Filer is otherwise notified by the Service;

(2) retain any payment information (including acknowledgement numbers) at its principal place of business for 4 years after the prescribed due date of the return to which the FTD or FTP relates, unless the Filer is otherwise notified by the Service. A shorter retention period for payment information may be substituted for this "4-year" retention period, provided the Filer notifies the taxpayer in writing that the Filer will not be retaining the payment information after the shorter retention period and the Filer gives such information to the taxpayer. The shorter retention period must be at least 90 days; and

(3) advise the taxpayer to enroll itself separately in EFTPS. If the Filer is not authorized to make all the taxpayer's required FTDs and FTPs, the taxpayer's separate enrollment will allow the taxpayer to make its own FTDs and FTPs through EFTPS. To enroll separately, a taxpayer must submit a completed Form 9779, EFTPS Business Enrollment Form, or Form 9783, EFTPS Individual Enrollment Form, to the EFTPS Enrollment Processing Center at the address provided in the applicable form's instructions. See Rev. Proc. 97-33 for more information.

.03 A Filer that is the taxpayer must:

(1) absent a specific retention period prescribed by regulations, retain the payment information and any supporting material at its principal place of business for as long as the contents thereof may become material in the administration of any internal revenue law; and

(2) retain copies of each enrollment at its principal place of business for 4 years after the prescribed due date of the return to which the last FTD or FTP relates, unless otherwise notified by the Service.

## SECTION 16. ADVERTISING STANDARDS

.01 A Filer must comply with the advertising and solicitation provisions of 31 C.F.R. Part 10 (Treasury Department Circular No. 230). This circular prohibits the use or participation in the use of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive, or unfair statement or claim.

.02 A Filer must adhere to all relevant federal, state, and local consumer protection laws that relate to advertising and soliciting.

.03 A Filer must not use the Service's name, "Internal Revenue Service" or "IRS", within a firm's name.

.04 A Filer must not use improper or misleading advertising in relation to EFTPS.

.05 Advertising materials must not carry the Service, FMS, or other Treasury Seals.

.06 If a Filer uses radio or television broadcasting to advertise, the broadcast must be pre-recorded. The Filer must keep a copy of the pre-recorded advertisement for a period of at least 36 months from the date of the last transmission or use.

.07 If a Filer uses direct mail or fax communications to advertise, the Filer must retain a copy of the actual mailing or fax, along with a list or other description of the firms, organizations, or individuals to whom the communication was mailed, faxed, or otherwise distributed for a period of at least 36 months from the date of the last mailing, fax, or distribution.

.08 If a Filer uses a Web site or print media (including newspapers, magazines, or yellow pages) to advertise, the Filer must retain a copy of the advertising for a period of at least 36 months from the date of the last posting or publication.

.09 Acceptance in the Batch Filer or Bulk Filer programs is not an endorsement by the Service, FMS, or the Treasury Department of the quality of the services provided by the Filer.

## SECTION 17. REASONS FOR SUSPENSION

.01 The Service reserves the right to suspend a Filer from the Batch Filer or Bulk Filer programs for the following reasons (this list is not all-inclusive):

(1) failing to submit payment information in accordance with this revenue procedure and the applicable implementation guides;

(2) failing to maintain and make available the required records for the period specified in section 15 of this revenue procedure;

(3) submitting payment information on behalf of taxpayers for which the Service did not receive Authorizations;

(4) failing to abide by the advertising standards in section 16 of this revenue procedure;

(5) failing to cooperate with the Service's efforts to monitor Filers and investigate abuse in the Batch Filer or Bulk Filer programs; or

(6) generating significant complaints about the Filer's performance in the Batch Filer or Bulk Filer programs.

.02 If the Service informs a Filer that a certain action is a reason for suspension and the action continues, the Service may send the Filer a notice proposing suspension of the Filer from the Batch Filer or Bulk Filer program. However, a notice proposing suspension may be sent without a warning if the Filer's action indicates an intentional disregard of rules. A notice proposing suspension will describe the reason(s) for the proposed suspension, and indicate the length of the suspension and the conditions that need to be met before the suspension will terminate.

## SECTION 18. ADMINISTRATIVE REVIEW PROCESS FOR PROPOSED SUSPENSION

.01 A Filer that receives a notice proposing suspension from the Batch Filer or Bulk Filer program, as described in section 17.02 of this revenue procedure, may request an administrative review prior to the proposed suspension taking effect.

.02 The request for an administrative review must be in writing and contain detailed reasons, with supporting documentation, for withdrawal of the proposed suspension.

.03 The written request for an administrative review and a copy of the notice proposing suspension must be delivered to the address designated in the notice within 30 days of the effective date on the notice.

.04 After consideration of the written request for an administrative review, the Service will either issue a suspension letter or notify the Filer in writing that the proposed suspension is withdrawn.

.05 If a Filer receives a suspension letter, the Service's subsequent determination of whether a reason for suspension has been corrected is not subject to administrative review or appeal.

.06 Failure to submit a written request for an administrative review within the

30-day period described in section 18.03 of this revenue procedure irrevocably terminates the Filer's right to an administrative review of the proposed suspension, and the Service will issue a suspension letter.

## SECTION 19. EFFECT OF SUSPENSION

.01 The Filer's suspension will continue for the length of time specified in the suspension letter, or until the conditions for terminating the suspension have been met, whichever is later.

.02 After suspension, a Filer may submit an FTD under the Batch Filer or Bulk Filer program only if the FTD is due not more than 30 days after the effective date on the suspension letter. No FTPs may be submitted by the Filer under the Batch Filer or Bulk Filer programs during the suspension period.

.03 A Filer must provide written notification of a suspension from the Batch Filer or Bulk Filer programs to each taxpayer in the program(s) within 10 days from the date on the suspension letter. This notification must be provided even though the Filer may believe that the Filer will be able to meet the conditions for terminating the suspension within the 30-day period provided in section 19.02 of this revenue procedure.

.04 A Filer will be able to submit payment information under the Batch Filer or Bulk Filer programs without reregistering for those programs after:

- (1) the stated suspension period expires; and
- (2) the reason(s) for suspension are corrected.

## SECTION 20. APPEAL OF A SUSPENSION

.01 If a Filer receives a suspension letter from the Service, the Filer is entitled to appeal, by written protest, to the Service. The written protest must be delivered to the address designated on the suspension letter. During the appeals process, the suspension remains in effect.

.02 The written protest must be received by the Service within 30 days of the effective date on the suspension letter. The written protest must contain detailed reasons, with supporting documentation, for withdrawal of the suspension.

.03 Failure to appeal within the 30-day period described in section 20.02 of this revenue procedure irrevocably terminates the Filer's right to appeal the suspension under section 20.01 of this revenue procedure.

## SECTION 21. PENALTIES

.01 Section 6656 imposes a failure-to-deposit penalty if a taxpayer does not make a timely FTD, unless such failure is due to reasonable cause and not due to willful neglect. *See* Rev. Rul. 94-46, 1994-2 C.B. 278. Absent reasonable cause, a taxpayer that is required to deposit federal taxes by EFTPS is subject to the failure-to-deposit penalty if FTDs are made by means other than EFTPS (for example, using a paper FTD coupon). *See* Rev. Rul. 95-68, 1995-2 C.B. 272. However, for a taxpayer that was first required to deposit by EFTPS on or after July 1, 1997, this penalty will not be imposed solely by reason of a failure to deposit by EFTPS prior to July 1, 1998.

.02 Section 6655 imposes a penalty for underpayments of estimated tax by a corporation, private foundation, tax-exempt organization, or qualified settlement fund.

.03 Section 6651 imposes a failure-to-pay penalty if a taxpayer does not make a timely FTP, unless such failure is due to reasonable cause and not due to willful neglect.

## SECTION 22. FORMS, PUBLICATIONS, IMPLEMENTATION GUIDES, AND ADDITIONAL INFORMATION

.01 A Filer may obtain copies of this revenue procedure, enrollment forms (Forms 9779 and 9783), implementation guides, payment instruction booklets, registration letters, and additional information on EFTPS by calling EFTPS Customer Service at (800) 945-0966 (First Chicago) or (800) 555-4477 (Nations-Bank).

.02 A Filer may obtain enrollment forms and Authorizations (Forms 8655) by calling the IRS Distribution Center at (800) TAX-FORM ((800) 829-3676).

.03 A Filer may obtain information on the submission of Authorizations by calling the EFTPS Coordinator at (901) 546-4103 (not a toll-free call).

## SECTION 23. EFFECT ON OTHER DOCUMENTS

Section 9.03 of Rev. Proc. 97-33, 1997-30 I.R.B. 10, 13, is modified to provide the same rule (regarding the FRB's nonacceptance of late ETA payments) as set forth in section 11.04 of this revenue procedure.

## SECTION 24. EFFECTIVE DATE

.01 *In general.* This revenue procedure is effective April 27, 1998.

.02 *Grandfather rule.* A power of attorney on Form 2848, Power of Attorney and Declaration of Representative, or other document that satisfies the requirements of § 601.503(a) of the Statement of Procedural Rules, that was submitted to the Service on or before April 27, 1998, will be treated as an Authorization for purposes of this revenue procedure, even though it does not comply with section 7.02 of this revenue procedure.

## SECTION 25. PAPERWORK REDUCTION ACT

The collections of information contained in this revenue procedure have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1601.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collections of information in this revenue procedure are in sections 5, 6, 7, 8, 12, 14, 15, and 16 of this revenue procedure. This information is required to implement EFTPS, and verify that taxpayers have met their obligations to pay their taxes and make FTDs by EFTPS. This information will be used to identify persons paying taxes and making FTDs on behalf of taxpayers and to credit taxpayers' tax accounts for FTDs and FTPs made through EFTPS. The collections of information are mandatory. The likely respondents are business or other for-profit institutions.

The estimated total annual reporting and recordkeeping burden will be 51,885 hours.



The estimated annual burden per respondent/recordkeeper will vary from 71 hours to 91 hours, depending on individual circumstances, with an estimated average of 74.33 hours. The estimated number

of respondents and recordkeepers is 620.

The estimated annual frequency of responses is on occasion.

Books or records relating to a collection of information must be retained as

long as their contents may become material in the administration of any internal revenue law. Generally tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.