



Publication 4267A

Catalog Number 37827F

Alaska Edition

## Proposed Regulations to Discontinue Paper Coupons

Consistent with a Financial Management Service initiative announced in April of this year, the IRS 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 December 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](http://www.eftps.gov) or by calling 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.

## Customer Satisfaction Survey is Coming

As a reminder, our annual Customer Satisfaction Survey will be in the mail in the near future. The purpose of the survey is to obtain feedback from our customers that will allow us to measure customer satisfaction with our products and services, and to determine areas where we need to effect operational changes.



*paper coupon system no longer maintained by the Treasury Department*

## IN THIS ISSUE

Discontinue Paper Coupons	1
Customer Satisfaction Survey	1
Message from the Director	2
Trust Fund Taxes	3
Trust Fund Recovery Penalty	4/5
Federal Tax Deposits (& avoiding penalties)	6/ 10
Miscellaneous	11
Individual Tax Issues First-Time Homebuyer Credit	12
Tax Calendar for the 4th Quarter of 2010	13/ 14
ITG Specialists / EFTPS Scam	15



## Message from the Director

Fall is here and for those of us at the Internal Revenue Service, it is the beginning of a new fiscal year. We will soon be issuing our FY2011 Work Plan, sending out a new Customer Satisfaction Survey, and beginning a new round of training for Tribes. Fall is always a busy time in ITG!

In the coming fiscal year, I expect ITG to try some new ways of communicating with the Tribes. For example, later this fiscal year we will hold our first ever webinar! We also plan to update our publications, make subscribing to this newsletter easier, and enhance our website. We are seeking to improve our communication with you and make it easier for you to get the information you need to administer your tribe's tax matters. Please suggest things that you think would be useful. We will listen.

ITG will continue to hold listening meetings as part of our commitment to consult with tribes. We will resume holding 4 regional meetings per year and will announce the schedule soon. These sessions are a good chance for us to hear from you and to discuss areas of concern, answer questions you may have, and reaffirm our government-to-government relationship. We will also be participating in national and regional tribal meetings such as NAFOA, NITA, and NCAI to continue to provide current information on federal tax matters. Invite us and we will come to your regional meetings as well.

Finally, we will be using our website to continue to keep you up to date on matters related to implementing the Affordable Care Act and other legislation which impacts tribes and tribal members. As you know, there are many consultation efforts underway across multiple federal agencies on these matters. We know they are important to you and we will make every effort to get information to you quickly.

Christie Jacobs

### Form 941-X Revision

A revised Form 941-X, *Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund*, is now available. It accommodates corrections for the HIRE Act.

Any errors discovered on previously filed Forms 941 for

- ◇ **Qualified employer's social security tax credit** are corrected on lines 18c and 18d.
- ◇ **Qualified employer's social security tax exemption** are corrected on lines 11a-11c.

### IRS Invites Public Comment on New 1099 Reporting

[Notice 2010-51](#) invites public comments regarding guidance to be provided concerning new requirements with respect to the reporting of payments made in the course of the payor's trade or business. Very generally, these new requirements imposed by Section 9006 of *Affordable Care Act* expand the existing information reporting requirements to apply to payments made to corporations and to include certain payments of gross proceeds and with respect to property.



## Trust Fund Taxes are Important

As a **tribal government**, you (**Tribal Council Members**) have a lot of responsibility to **tribal members** and your employees. You want your **tribal government** to be successful. You constantly make decisions that affect your success. Each decision creates new opportunities and provides a new learning experience. You welcome the challenge!

Your employees are one of your most valuable resources. In paying their salary, you have the responsibility of withholding taxes from their paychecks. This withholding includes your employees' income tax and their share of FICA (Social Security and Medicare). You must periodically send this money to the Treasury on their behalf. This is called a "federal tax deposit."

You may be wondering why these federal tax deposits are so important. The deposits are actually part of your employees' wages. Equally important, the law requires that these deposits be made periodically. You could be charged large penalties if you don't make them when they are due.

When you pay your employees, you do not pay them all the money they earned. The income tax and the employees' share of FICA (Social Security and Medicare) you withhold from your employees' paychecks are the part of their wages you pay to the Treasury instead of to your employees. **The portion of their wages you hold for transmitting to the Treasury is called "Trust Fund" taxes.**

Through this withholding, your employees pay their contributions toward their retirement benefits (Social Security and Medicare) and the income taxes reported on their own tax returns. Your employees' trust fund taxes, along with the employer's matching share of FICA, are paid to the Treasury through the Federal Tax Deposit (FTD) System.

The part of your employees' wages that you do not give them is actually their money. You should deposit these amounts on time for their benefit. Postponing the tax deposit isn't the same as using your own money to make a late payment on your phone bill or to a supplier.

Congress established large penalties for employers that delay turning over employment taxes to the Treasury. The longer you delay paying that money, the more it could cost you.

### TRUST FUND TAX -

The money an employer is required to

1. withhold from an employee's wages
  - Federal Income Tax Withheld,
  - Social Security and Medicare taxes
2. periodically pay to the Treasury.

Federal income tax withheld is then credited against tax due on an employee's individual tax return.

Social Security and Medicare withheld are the employee's contribution toward retirement and hospital benefits.



## Trust Fund Recovery Penalty

What happens if your **tribal government** cannot or does not make payroll tax payments? Can the IRS hold **Tribal Council Members** responsible for unpaid payroll taxes and assess the TRUST FUND RECOVERY PENALTY? **Yes!**

**What is the trust fund recovery penalty?**

If income, social security, and Medicare taxes that must be withheld are not withheld or are not deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply to you, **tribal council members**, if these unpaid taxes cannot be immediately collected from the employer, business, or **tribal government**.

The Trust Fund Recovery Penalty (TFRP) may be assessed against any person, including an employee, a director, an officer, a **council member of a tribal government**, or a council member of a city government, who is responsible for collecting or paying withheld income and employment taxes, and willfully fails to collect or pay them. The TFRP may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, and paying over these taxes and who acted willfully in not doing so.

### **Employment Taxes and the Trust Fund Recovery Penalty (TFRP)**

To encourage prompt payment of withheld income and employment taxes, including social security taxes, Congress passed a law that provides for the TFRP. These taxes are called trust fund taxes because you actually hold the employee's money in trust until you make a federal tax deposit in that amount. The TFRP may apply to you if these unpaid trust fund taxes cannot be immediately collected from the business. The business does not have to have stopped operating in order for the TFRP to be assessed.

### **Who Can Be Responsible for the TFRP**

The TFRP may be assessed against any person who:

- is **responsible** for collecting or paying withheld income and employment taxes, and
- **willfully fails** to collect or pay them.

A **responsible** person is a person or group of people who has the duty to perform and the power to direct the collecting, accounting, and paying of trust fund taxes. This person may be:

- **a council member or employee of a tribal government,**
- a council member or employee of a city government,
- an officer or an employee of a corporation,
- a member or employee of a partnership,
- a corporate director or shareholder,
- a member of a board of trustees of a nonprofit organization,
- another person with authority and control over funds to direct their disbursement, or another corporation.

....continued on page 5



...continue from page 4 Trust Fund Recovery Penalty (TFRP)

For **willfulness** to exist, the responsible person:

- must have been, or should have been, aware of the outstanding taxes and
- either intentionally disregarded the law or was plainly indifferent to its requirements (no evil intent or bad motive is required).

Using available funds to pay other bills or creditors when the business is unable to pay the employment taxes is an indication of willfulness.

An employee is not a responsible person if the employee's function was solely to pay the bills as directed by a superior, rather than to determine which creditors would or would not be paid.

You may be asked to complete an interview in order to determine the full scope of your duties and responsibilities. Responsibility is based on whether an individual exercised independent judgment with respect to the financial affairs of the business.

### **Figuring the TFRP Amount**

The amount of the penalty is equal to the unpaid balance of the trust fund tax. The penalty is computed based on:

- The unpaid income taxes withheld, plus
- The employee's portion of the withheld social security and Medicare taxes.

### **Assessing the TFRP**

If the IRS determines that you are a responsible person, they will provide you a letter stating that they plan to assess the TFRP against you. You have 60 days (75 days if this letter is addressed to you outside the United States) from the date of this letter to appeal their proposal. The letter will explain your appeal rights. If you do not respond to their letter, the IRS will assess the penalty against you and send you a Notice and Demand for Payment.

### **Caution:**

Once the IRS asserts the penalty, they can take collection action against your personal assets. For instance, they can file a federal tax lien or take levy or seizure action against your wages, bank account, or vehicle. In Alaska, that could also include a levy against your Permanent Fund Dividends.

### **Avoiding the TFRP**

You can avoid the TFRP by making sure that all employment taxes are collected, accounted for, and paid to the IRS when required. Make your tax deposits and payments on time.

Additional information on employment taxes can be found in [Publication 15](#), Employer's Tax Guide, and [Form 941](#), Employer's Quarterly Federal Tax Return.

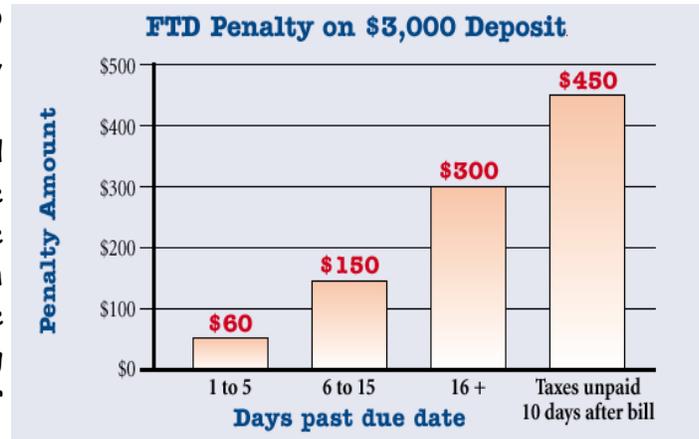


## Federal Tax Deposits

The part of your employees' wages that you do not give them is actually their money. You should deposit these amounts on time for their benefit. Postponing the tax deposit isn't the same as using your own money to make a late payment on a phone bill or to a supplier. Congress established large penalties for employers that delay in turning over employment taxes to the Treasury. If you delay paying that money, the more it could cost you.

To illustrate how much it will cost you to make your Federal Tax Deposits late, consider this example.

Assume your monthly liability for (1) withheld income tax, (2) Social Security and Medicare tax, and (3) your employer's matching share totals \$3,000 per month. Review the graph to see how quickly a penalty for making late deposits increases. As you can see, using your trust fund taxes to finance your other operating costs can be very expensive.



### Who must make deposits?

Deposits are **required** if you file Form 941 with \$2,500 or more in taxes per quarter.

### What taxes must be deposited?

- Income tax withheld from your employees
- FICA (Social Security and Medicare) tax withheld from your employees
- FICA (Social Security and Medicare) — the employer's share

### Important Difference

- Making deposits and filing employer returns with payments are not the same.
- Taxes are **reported** by filing and **paid** by depositing.

### When should you make Form 941 tax deposits?

- If your total taxes for the quarter are less than \$2,500, they can be paid with the return or deposited by the return due date.
- If your total taxes on Form 941 are \$2,500 or more, you will need to determine which deposit schedule to follow.
- The easiest and safest way is to make a deposit the **same day** you make payroll or anytime **no later than the deposit due date**.

### What is your deposit schedule?

To determine your deposit schedule, review the amounts of tax reported on your earlier Forms 941. This will establish your "lookback period," which is the twelve month period ending June 30 of the previous year. For 2011 taxes, you need to look back from July 1, 2009 to June 30, 2010. In other words, you look back the last two quarters of 2009 and the first two quarters of 2010.



Lookback Period for 2011 Deposits	
July 1, 2009 through June 30, 2010	
2009	2010
Third & Fourth Quarters	First & Second Quarters
07/01/2009 through 09/30/2009	01/01/2010 through 03/31/2010
10/01/2009 through 12/31/2009	04/01/2010 through 06/30/2010

- ⇒ After you determine your **lookback period**, you need to total the taxes reported on Forms 941, Line 10, during this period.
- ⇒ Once you determine your total tax during the lookback period, it is easy to determine your deposit schedule:

- If total taxes are \$50,000 or less, you make **Monthly Schedule Deposits**.
- If total taxes are greater than \$50,000 you make **Semiweekly Schedule Deposits**.

In this example, total taxes during the lookback period were **\$48,464.52**.

Since this total is less than \$50,000, the employer is a monthly schedule depositor for 2011.

Example for Monthly Schedule Depositor	
Quarter ending	Tax from Line 10, Form 941
September 30, 2009	\$ 8,385.44
December 31, 2009	11,216.18
March 31, 2010	13,455.26
June 30, 2010	<u>15,407.64</u>
<b>Total Taxes in Lookback Period</b>	<b>\$ 48,464.52</b>

Example for Semiweekly Schedule Depositor	
Quarter ending	Tax from Line 10, Form 941
September 30, 2009	\$ 15,253.76
December 31, 2009	13,461.56
March 31, 2010	11,769.52
June 30, 2010	<u>14,760.94</u>
<b>Total Taxes in Lookback Period</b>	<b>\$ 55,245.78</b>

In this example, total taxes during the lookback period were **\$55,245.78**.

Since this total is more than \$50,000, the employer is a semiweekly schedule depositor for 2011.

**Summary of Steps to Determine Your Deposit Schedule**

- Identify your lookback period.
- Add the total taxes you reported during the lookback period.
- Determine your deposit schedule; if total taxes are:
  - \$50,000 or less, you make **Monthly Schedule Deposits**.
  - Greater than \$50,000, you make **Semiweekly Schedule Deposits**.
- Employers are required to determine their own deposit schedule. Deposit schedules remain the same for the entire calendar year unless you meet one of the exceptions explained below.

## Exceptions to Deposit Schedules

### 1. \$100,000 Next- Day Deposit Rule:

- If, during any **deposit period**, you accumulate a tax liability of \$100,000 or more, you must make a deposit by the next banking day.
- Once you meet the \$100,000 next-day rule, you follow the semiweekly schedule for all deposits less than \$100,000. You are a semiweekly schedule depositor for the rest of the year and during all of the next calendar year.

### 2. Banking Days

- If a deposit is due on a non-banking day, make it by the close of the next banking day.
- Federal and state bank holidays, Saturdays and Sundays are non-banking days.

## Description of Deposit Schedules

Now that you know how to determine if you are a **Monthly** Schedule Depositor or a **Semiweekly** Schedule Depositor, you are ready to learn the deposit requirements for each schedule.

>>>>>>  
**Monthly Schedule Depositors** — Deposit each month's taxes by the 15th of the next month.

JULY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31



AUGUST						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
<b>15</b>	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Deposits for payroll paid any day in July are due on (or before) August 15.

ANY WEEK						
SUN	MON	TUE	WED	THU	FRI	SAT
						Payday
Payday	Payday	Payday			Deposit	

For wages paid Saturday, Sunday, Monday or Tuesday, deposit taxes by following Friday.

ANY WEEK						
SUN	MON	TUE	WED	THU	FRI	SAT
			Payday	Payday	Payday	
			Deposit			

For wages paid Wednesday, Thursday, or Friday, deposit taxes by following Wednesday.

<<<<<<  
**Semiweekly Schedule Depositors** — Most employers will make deposits on Wednesdays or Fridays, depending on when you pay payroll.

## How are deposits made?

Deposits are made electronically using your phone or computer. **The paper-based FTD coupon method will be discontinued after 12/31/2010.**

## How do I make electronic federal tax deposits?

Using your phone or personal computer and the **Electronic Federal Tax Payment System (EFTPS)**, you can arrange for your tax deposits to be transferred directly from your existing bank account to the Treasury. For deposits to be on time, **you must initiate the transaction at least one business day before the date the deposit is due before 4:00 p.m. Alaska time.** EFTPS is a service provided free by the Department of Treasury, and uses the highest security available. Any federal tax can be deposited electronically through EFTPS.



## Paper-based FTD coupons discontinued after 12/31/2010

the "X" in this box only if there is a change to Employer Identification Number or Name.

See instructions on page 1.

BANK NAME/ DATE STAMP

EIN

Telephone number ( )

Federal Tax Deposit Coupon  
Form 8109 (Rev. 12-2008)

AMOUNT OF DEPOSIT (Do NOT type, please print.)

DOLLARS		CENTS

IRS USE ONLY

Darken only one TYPE OF TAX		Darken only one TAX PERIOD
<input type="checkbox"/> 941	<input type="checkbox"/> 945	<input type="checkbox"/> 1st Quarter
<input type="checkbox"/> 1120	<input type="checkbox"/> 1042	<input type="checkbox"/> 2nd Quarter
<input type="checkbox"/> 943	<input type="checkbox"/> 990-T	<input type="checkbox"/> 3rd Quarter
<input type="checkbox"/> 720	<input type="checkbox"/> 990-PF	<input type="checkbox"/> 4th Quarter
<input type="checkbox"/> CT-1	<input type="checkbox"/> 944	
<input type="checkbox"/> 940		

FOR BANK USE IN MICR ENCODING

### Do I need to obtain special equipment in order to use EFTPS?

No, you may use any telephone, or your personal computer with Internet access to input your tax deposit information. You can pay online at our website: [www.eftps.gov](http://www.eftps.gov).

### How do I sign up for EFTPS?

Enroll online at [www.eftps.gov](http://www.eftps.gov), or call 1-800-555-4477 to request an enrollment form. After you complete the enrollment form, EFTPS will send you a Confirmation Packet, including a step-by-step Payment Instruction Booklet and the telephone numbers for accessing EFTPS.

### Does the EFTPS system have safeguards to prevent unauthorized access?

When you use EFTPS, you receive a personal identification number (PIN), that must be used in combination with your EIN to gain access to EFTPS. You have complete and exclusive control over your PIN. The IRS does not have access to your PIN. And if you make your payments online, you will also use an Internet Password, as an additional safeguard when using the Internet.

### How do I prove that I have made an electronic deposit?

With EFTPS, you will receive an immediate acknowledgment number when you complete the transaction. The acknowledgment number will verify you have timely initiated your payment. In addition, the funds transfer will appear on your bank statement.

### Will I be charged a fee for using EFTPS?

The government does not charge a fee for originating direct transactions through EFTPS. Most banks do not charge a fee for processing EFTPS payments. However, if the bank does charge a fee, it's usually no more than the cost of processing a paper check. You should check with your financial institution to learn if it will charge a fee.

### Can I schedule payments in advance?

Yes. You can go online or call to schedule a business tax payment up to 120 days in advance of the due date. On the date you indicate, the funds will be transferred to make your payment per your instructions.

## Is there a difference in how I complete the Form 941?

- **Monthly depositors** must enter the Monthly Summary of Federal Tax Liability on page 2 of the tax return by completing the monthly boxes on **line 17** of Form 941.
- **Semiweekly depositors** must submit a **Schedule B**, Employer's Record of Federal Tax Liability as an attachment to Form 941. Semiweekly depositors **do not** complete the monthly boxes on line 17 of Form 941. However, the semiweekly schedule depositor box under line 17 must be checked.

**Note:** These are a summary of your tax liability, **not** a summary of deposits made. If line 10 is less than \$2,500, **do not** complete the monthly boxes on line 17 **or** Schedule B. Simply check the box on line 17 indicating Line 10 is less than \$2,500. If you fail to complete a summary of your tax liability, **you may get a penalty.**

## Federal Tax Deposit Penalties

As we previously discussed, it is important to make **timely** federal tax deposits because most of the money belongs to your employees. If you make these deposits late, you will receive a penalty. This penalty is called a "failure to deposit" penalty and is computed by multiplying the amount of tax you have underpaid by a penalty %rate based on how many days late you make the deposit. For amounts not properly or timely deposited, the penalty rates are shown on the table at the right.

Failure to Deposit Penalty Percentage Rates	
Late Period/ Reason for penalty	Penalty Percentage Rate
Deposits made 1-5 days late	2%
Deposits made 6-15 days late	5%
Deposits made 16 + days late	10%
Taxes unpaid after the 10th day following the 1st IRS bill	15%
Deposit made at unauthorized financial institution	10%
Amounts subject to Electronic Deposit requirements, not deposited	10%

Please review your payroll procedures to determine if you are making timely deposits. When you make timely deposits, you avoid penalties. When you avoid penalties, money is available for other governmental needs. Don't let penalties get out of hand. They **are** avoidable!!!

## Summary of steps to avoid Failure to Deposit Penalties:

- Make deposits on or before the deposit due date.
  - Make your deposit any time between the payroll liability incurred date and the deposit due date. You are not required to wait until the due date nor will you receive a penalty for making deposits prior to the due date.
  - **For EFTPS deposits to be on time, initiate the transaction by 4:00pm AK time at least one business day before the date the deposit is due.**
- Include a summary of your tax liability with Form 941.
  - Monthly depositors use line 17 of Form 941.
  - Semiweekly depositors use Schedule B, Employer's Record of Federal Tax Liability.





## **Do You Know a Small Organization at Risk of Losing Its Exempt Status?**

We need your help to prevent tax-exempt organizations in your community from losing their tax exemption. Tax-exempt organizations, except churches and church-related groups, that fail to file for three consecutive years [automatically lose their tax-exempt status](#).

The IRS is providing [one-time relief](#) to allow small tax-exempt organizations to come back into compliance by October 15, 2010, and retain their tax-exempt status even though they failed to file for three consecutive years. The IRS has published a [list](#) of over 300,000 organizations at risk of losing their exemption because the IRS has no record of their filing for 2007, 2008 or 2009.

If you are a volunteer, member or just a friend of an organization at risk of losing its exemption, please alert the organization and encourage it to go to [IRS.gov](#) and find out how the organization can come back into compliance today.

## **Webinar on the Indoor Tanning Excise Tax**

On October 6, 2010 (2:00 PM ET), the IRS will have a FREE webinar on the new Indoor Tanning Excise Tax. The webinar will cover: the new regulations, who is liable, collecting and remitting the tax, the tax forms, and more. Additional information can be found at <http://www.irs.gov/businesses/small/article/0,,id=166814,00.html#2>

**Register on-line at:** <http://www.visualwebcaster.com/IRS/72128/reg.asp?id=72128>

## **BSA E-Filing Announces New Toll Free Number and Email Address**

The Financial Crimes Enforcement Network (FinCEN) announces a new toll free number and email address for the Bank Secrecy Act Electronic Filing (BSA E-Filing) Service Desk.

The new number is 1-866-346-9478 (Option 1) and the new email address is [BSAEFilingHelp@fincen.gov](mailto:BSAEFilingHelp@fincen.gov). The Service Desk hours and days of operation will remain the same: Monday through Friday 8 a.m. to 6 p.m. East Coast Time. The BSA E-Filing homepage is located at <http://bsaefiling.fincen.treas.gov>.

Above applies to casinos and check cashing service activities.

## **Pre Order the Tax Calendar for Small Businesses and Self-Employed**

The 2011 Tax Calendar is available for pre-order. If you order now, the English version of the 2011 Tax Calendar will be shipped by early November. The Tax Calendar for Small Businesses and Self-Employed (Pub 1518, Catalog Number 12350Z) is a 12-month wall calendar. It is filled with useful information on general business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, and common tax filing dates. Each page highlights different tax issues and tips that may be relevant to small business owners with room on each month to add notes, state tax dates, or business appointments.

[Copies can be ordered online](#) or from the IRS by calling (800) 829-3676.

### First-Time Homebuyer Credit

**Deadlines extended for certain members of the Armed Services:** To claim the First-Time Homebuyer Credit on your 2010 return, generally you must have entered into a binding contract to purchase the home before May 1, 2010, and have completed the purchase before July 1, 2010. However, those deadlines are extended for one year if you (or your spouse on a joint return) were a member of the Armed Services on qualified official duty outside the United States for at least 90 days between January 1, 2010 and April 30, 2010. You must still meet the general rules for the credit.

**Repayment of the First-time Homebuyer Credit:** Taxpayers who claimed the First-time Homebuyer Credit for a home purchased in 2008 must begin repaying the credit starting in tax year 2010. The 2008 credit must be repaid in equal installments over 15 years, so for the maximum \$7,500 credit the repayment will be \$500 each year. The repayment is computed on Form 5405, First-Time Homebuyer Credit and Repayment of the Credit, and will show on the tax return in the "Other Taxes" section.

In addition, for both 2008 and 2009 purchases, you generally must repay the credit if you dispose of the home or it ceases to be your main home during the 36-month period beginning on the purchase date. This includes situations where you sell the home, you convert the entire home to business or rental property, the home is destroyed, condemned, or disposed of under threat of condemnation, or the lender forecloses on the mortgage. If you disposed of the home because of death, divorce, military orders, or because the house was destroyed, you may qualify for an exception that would allow you to reduce or eliminate the amount to be repaid.

If you sell the home within 36 months of the purchase, you must repay the credit during the tax year of the sale. However, if you have sold the home to an unrelated person, the amount of repayment is limited to the amount of the gain you realize on the sale.

**For example:** Joe purchased his first home in 2009 for \$180,000, and claimed an \$8,000 First-time Homebuyers Credit. He sells the house in 2010 for \$185,000. In this simplified example, Joe's gain on the sale is \$5,000 (the sales price of \$185,000 minus his basis of \$180,000.) Joe must repay the credit on his 2010 tax return, but he only has to repay \$5,000, the amount of his gain. Joe will file Form 5405 with his 2010 tax return to calculate the repayment.

For more information, see the instructions for Form 5405, or Publication 17.

#### Do You Owe Federal Taxes? Internal Revenue Service offers payment options.

- ◆ Check or Money Order - Make payable to United States Treasury and submit with Form 1040-V, Payment Voucher.
- ◆ Credit Card or Debit Card - Details are on IRS.gov or in your tax form instructions. There are toll-free numbers and websites for each service provider.
- ◆ Electronic Funds Withdrawal - Schedule a payment from your bank account when you electronically file your return.
- ◆ EFTPS (Electronic Federal Tax Payment System) is a free system for tax payments available
  - ◇ Online at [www.eftps.gov](http://www.eftps.gov)
  - ◇ By telephone at 1-800-316-6541

You will be required to pay interest plus a late payment penalty on the unpaid taxes for each month or partial month after the due date.



# Federal Tax Calendar for Fourth Quarter 2010

## October 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 Make a deposit for Sep 25-28.*	2
3	4	5	6 Make a deposit for Sep 29-Oct 1.*	7	8 Make a deposit for Oct 2-5.*	9
10	11	12 Employees are required to report to you tips of \$20 or more earned during September.	13	14 Make a deposit for Oct 6-8.*	15 Make a deposit for Oct 9-12.* Make a deposit for Sep under monthly deposit rule.**	16
17	18	19	20 Make a deposit for Oct 13-15.*	21	22 Make a deposit for Oct 16-19.*	23
24/31	25	26	27 Make a deposit for Oct 20-22.*	28	29 Make a deposit for Oct 23-26.*	30

## November 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3 Make a deposit for	4	5 Make a deposit for	6
7	8	9	10 Make a deposit for Nov 3-5.* Employees are required to report to you tips of \$20 or	11	12	13
14	15 Make a deposit for Nov 6-9* Make a deposit for Oct	16	17 Make a deposit for Nov 10-12.*	18	19 Make a deposit for Nov 13-16.*	20
21	22	23	24 Make a deposit for	25	26	27
28	29 Make a deposit for	30				

\* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.  
 \*\* = Make a Monthly Deposit if you qualify under that rule.

**NOTE:** Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.



## December 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Make a deposit for Nov 24-26.*	2	3 Make a deposit for Nov 27-30.*	4
5	6	7	8 Make a deposit for Dec 1-3.*	9	10 Make a deposit for Dec 4-7.* Employees are required to report to you tips of \$20 or	11
12	13	14	15 Make a deposit for Dec 8-10.* Make a deposit for Nov under monthly deposit rule.**	16	17 Make a deposit for Dec 11-14.*	18
19	20	21	22 Make a deposit for Dec 15-17.*	23	24	25
26	27 Make a deposit for Dec 18-21.*	28	29 Make a deposit for Dec 22-24.*	30	31	

\* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

\*\* = Make a Monthly Deposit if you qualify under that rule.

**NOTE:** Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.

### Did you know?

You can subscribe/download the tax calender to your Outlook or iCal.

Just go to the link below and follow the instructions.

<http://www.irs.gov/businesses/small/article/0,,id=176080,00.html>

### Return Filing Dates

#### November 1

- File Form 730 and pay the tax on applicable wagers accepted during September 2010.
- File Form 720 for 3rd quarter of 2010.

#### November 30

- File Form 730 and pay the tax on applicable wagers accepted during October 2010.

#### January 3

- File Form 730 and pay the tax on applicable wagers accepted during November 2010.

## Indian Tribal Government (ITG) Specialists for Alaska

<u>name</u>	<u>location</u>	<u>phone/fax</u>	<u>e-mail</u>
<b>Judy Pearson</b>	Anchorage	Ph 907-271-6949	<a href="mailto:Judy.M.Pearson@irs.gov">Judy.M.Pearson@irs.gov</a>
		Fax 907-271-6664	
<b>Mary Jo Audette</b>	Anchorage	Ph 907-271-6874	<a href="mailto:Mary.J.Audette@irs.gov">Mary.J.Audette@irs.gov</a>
		Fax 907-271-6413	
<b>Diane Nesvick</b>	Anchorage	Ph 907-271-6917	<a href="mailto:Diane.M.Nesvick@irs.gov">Diane.M.Nesvick@irs.gov</a>
		Fax 907-271-6664	
<b>Joe Kincaid</b>	Portland	Ph 503-326-2381	<a href="mailto:Joe.Kincaid@irs.gov">Joe.Kincaid@irs.gov</a>
<b>Manager</b>		Fax 503-326-7441	
<b>Customer Service</b>		Ph 877-829-5500	
<b>Web site</b>	<a href="http://www.irs.gov/tribes">www.irs.gov/tribes</a>		

## Current scams and phishing sites posing as the IRS

There is a fraud risk you need to be aware of. It is related to the Electronic Federal Tax Payment System.

The IRS recently became aware of a fraudulent scheme targeting EFTPS users, the scheme uses an e-mail that claims your tax payment was rejected and directs you to a website for additional information. The website contains malware that will attempt to infect your computer.

If you receive a message claiming to be from the IRS or EFTPS, please:

1. Do not reply to the sender, access links on the site or submit any information to them.
2. Forward the message immediately to us at [phishing@irs.gov](mailto:phishing@irs.gov).
3. [How to report and identify](#) phishing, e-mail scams and bogus IRS websites.
4. If you receive a suspicious e-mail or discover a website posing as the IRS, please forward the e-mail or URL information to the IRS at [phishing@irs.gov](mailto:phishing@irs.gov).
5. [EFTPS](#) is a tax payment system provided free by the U.S. Department of Treasury. Pay federal taxes electronically via the Internet or phone 24/7. Visit [EFTPS](#) to enroll.

**Remember** The IRS does not initiate taxpayer communications through e-mail.