

**Office of Chief Counsel  
Internal Revenue Service  
memorandum**

CC:SB:SWatson

**Via Regular Mail**

**date:** March 13, 2005

**to:** Scott Reisher  
SB/SE Collection, Collection Policy – Risk Based Collection

**from:** Miriam A. Howe, Assistant Division Counsel (GL)  
(Small Business/Self-Employed)

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**subject:** Expansion of Credit Card Program for Payment of Taxes

Collection Policy has requested advice on expanding the Credit Card Payment Program to include additional types of returns and categories. Specifically, Collection Policy would like to include Form 1120 liabilities, Trust Fund liabilities, Excise Tax liabilities, BMF Installment agreements, BMF/IMF Offer-in-Compromise, and others as may be identified. After coordination with Administrative Provisions and Judicial Practice, this office concludes that Collection Policy may expand the program.

The program currently accepts credit and debit card payments for Individual Taxpayers for Balance Due Form 1040 (Individual Income Tax Return), Form 1040 ES (Estimated Tax for Individuals), Form 4868 (Application for Automatic Extension of Time to File US Individual Income Tax Return), Individual Current and Past Due Installment Agreements for TY 1995 – current, current year Form 1040 subsequent payments and, prior tax year Form 1040 payments beginning for the taxable year 1995. Beginning in 2006, individuals may also use a credit or debit card to make an "advance payment of determined deficiency."

Also as of 2006 Business Taxpayers make payments with credit or debit cards for current Form 941 Employment Tax Returns, current Form 940 Employment Tax Returns, and the three quarters preceding the current quarter of Form 941 Employment Taxes. The IRS will accept credit and debit card payments for the F944 – Employers Annual Federal Tax Return beginning in 2007.


PMTA : 00706

IRC § 6311 and Treas. Reg. § 310.6311-2(a)(1) govern credit and debit card payments. The statute permits payment by "any commercially acceptable means." Section 6311(d)(1)(A) specifically grants authority to the Secretary to prescribe regulations deemed necessary to receive payment by commercially acceptable means. Section 6311(d)(3) provides exceptions from other federal legislation concerning credit cards. The Treasury Regulation states:

Only credit cards or debit cards approved by the Commissioner may be used for this purpose, only the types of tax liabilities specified by the Commissioner may be paid by credit card or debit card, and all such payments must be made in the manner and in accordance with the forms, instructions, and procedures prescribed by the Commissioner.

Accordingly, if the Commissioner wishes to expand the types of tax liabilities that may be paid by credit or debit card, he should specify those types of tax liabilities. To accomplish this the Commissioner could publish interim guidance to be later incorporated into the IRM. There would be some revision of forms and instructions also. Collection Policy may draft and publish this interim guidance. We will be happy to assist you with this guidance.

Susan Watson is handling the issue in this office. Please contact her at (202) 283-7669 if you have any questions.

  
Miriam A. Howe  
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Small Business/Self-Employed