

Social Security Administration

Internal Revenue Service

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Reporter

Spring 2007

A Newsletter
for Employers

Social Security and American Payroll Association Provide Two Ways to Prepare W-2c, W-3c Online

No matter how hard you worked on your payroll year-end, you may still have to make a correction to the Form W-2 for a few of your employees. Social Security and the American Payroll Association have joined together to offer you two great ways to prepare and file your W-2c's electronically.

Social Security's service is called W-2c Online. It allows you to create and electronically submit to Social Security up to 5 Forms W-2c at a time, all from your personal computer. It provides an acknowledgement of your submission and gives you a PDF file for

your records and for printing copies for your employees and any state or local tax agencies. It is convenient to store the employer's copies.

W-2c Online is part of a suite of services that Social Security offers on its Business Services Online (BSO) Web site. BSO users say that you will find W-2c Online just as user-friendly as its other electronic services. Even if you didn't file your original wage report electronically, you can still use W-2c Online to make the corrections.

However, W-2c Online does have some limitations. For instance, employers can't use it to make: *continued on page 2*

Reducing the Tax Gap, a Strategic Priority for the IRS

The tax gap—it's the difference between the amount individual taxpayers and businesses should pay and what is actually paid. The IRS estimates that the overall tax gap for all types of tax is approximately \$345 billion. Approximately one-third of the tax gap relates to the amount businesses and employers owe.

To reduce the tax gap, the IRS has developed a simple "working equation"—service plus enforcement equals compliance.

Not service OR enforcement, but service AND enforcement.

Service means helping people and businesses understand their tax obligations and making it easier for them to participate in the tax system. To increase taxpayers' knowledge of their obligations, the IRS' Small Business/Self-Employed operating division is conducting outreach and education on tax topics that have a high rate of non-compliance. It has developed eight fact sheets to educate businesses and employers *continued on page 2*

Redesigned Form 2678, *Employer Appointment of Agent*, to be Introduced in Early 2007

Form 2678, *Employer Appointment of Agent* (<http://www.irs.gov/pub/irs-pdf/f2678.pdf>), is being redesigned and is scheduled to be introduced in early 2007. A cross-functional team led by the Office of Taxpayer Burden Reduction redesigned the form using a plain language format.

The redesigned Form 2678 has two signature boxes, one for the employer or payer who is requesting that an agent be authorized, and one for the agent requesting the authorization. Both are required to be completed when requesting authorization from the Service. Additionally, the redesigned Form 2678 includes a revoca-

tion check box. However, only one signature is required when requesting revocation of an agent's appointment.

The redesigned form simplifies for employers and payers the identification of which forms an agent may be authorized to file on their behalf. It also requests that agents check a box to indicate whether the employer is a disabled individual or other welfare recipient receiving home-care services through a state program.

The instructions for completing the form are contained within the two page form itself and provide the address where the form must be filed. **IRS**

Preparing W-2c, W-3c Online continued from page 1

- Corrections for tax-years other than 2006
- Corrections to previous Forms W-2c
- Corrections to only state or local wage/tax data
- Corrections for wages earned in the U.S. territories, wages earned under a military employer identification number or U.S. military wages

For these situations, you can use the Online W-2c and W-3c on the Web site of the American Payroll Association (except for wages earned in Puerto Rico) at <http://www.americanpayroll.org/news/formw2c.html>. Social Security has approved it.

Just like the Social Security form, it gives all the copies required for filing with federal, state, and local tax agencies, for your employees, and for yourself. The Web site also provides tips on preparing Forms W-2c and W-3c, information on the thresholds for electronic filing, and links to IRS instructions for completing these forms.

Either method is a big improvement over ordering the paper form and preparing it in a typewriter. Whichever method you use, if your wage and tax data are filed by a payroll service provider, be sure to let them know that you prepared and filed Forms W-2c on your own.

Social Security's W-2 Online and other services are available on the BSO Web site; go to <http://www.ssa.gov/bsa/bsowelcome.htm> or call 1-800-772-6270.

APA maintains a strong partnership with the IRS and Social Security, whose experts speak at many APA conferences and one-day seminars, including its Payroll Tax Forum. More information about the APA is available at <http://www.americanpayroll.org>. **APA**

The Tax Gap continued from page 1

on meeting their tax obligations:

- **Business Income and the Tax Gap** (<http://www.irs.gov/newsroom/article/0,,id=158618,00.html>)
- **Cost of Goods Sold and the Tax Gap** (<http://www.irs.gov/newsroom/article/0,,id=160515,00.html>)
- **Third-Party Reporting Reminders** (<http://www.irs.gov/newsroom/article/0,,id=161511,00.html>)
- **Home Office Deduction Reminders** (<http://www.irs.gov/newsroom/article/0,,id=163079,00.html>)
- **Car and Truck Expense Deduction Reminders** (<http://www.irs.gov/newsroom/article/0,,id=163780,00.html>)
- **Depreciation Reminders** (<http://www.irs.gov/newsroom/article/0,,id=164589,00.html>)
- **Deducting Business Supply Expenses** (<http://www.irs.gov/newsroom/article/0,,id=165272,00.html>)
- **Deducting Travel, Entertainment and Gift Expenses** (<http://www.irs.gov/newsroom/article/0,,id=167363,00.html>)

Strong enforcement is also crucial to reducing the tax gap. The honest taxpayer and business should not feel he or she is the only one doing the right thing. The IRS is vigorously pursuing those who do not.

The IRS has strengthened its enforcement programs over the past few years. Fiscal Year 2005 results demonstrate that it has restored the credibility of its enforcement programs:

- Individual audits were up 20 percent from 2004 to 1.2 million; they are up 97 percent since 2000.
- High-income audits were also up and have increased 120 percent since 2000.
- Corporate audits bottomed out in 2003 but by 2005 had recovered by over 50 percent.
- Collections are more robust. Last year the IRS had 2.7 million levies versus 220,000 in the year 2000.
- All told, enforcement revenues increased from \$43.1 billion in 2004 to \$47.3 billion last year.

While the IRS has made progress over the past year, there is much more to be done. In

Special Wage Payments

Confused about filing Special Wage Payments with Social Security? SSA only accepts Special Wage Payment reports from employers on paper Form 131, or via 3490 or 3480 tape cartridge models.

If you have any questions concerning the submission of Special Wage Payment reports to SSA, please refer to IRS Publication 957 (<http://www.irs.gov/formspubs/lists/0,,id=97819,00.html>). You may also contact the Employer Services Liaison Officer in your region for assistance at http://www.socialsecurity.gov/employer/wage_reporting_specialists.htm. **SSA**

Try W-2c Online!

Dislike those dreaded paper W-2cs? Now you can make your corrections online. Social Security's W-2c Online will allow you to create, print and submit Forms W-2c directly over the Internet. Plus, W-2c Online is just as user-friendly as SSA's other options in our suite of electronic services. Best of all—it's FREE!

Visit <http://www.socialsecurity.gov/employer>, and choose "How to File." **SSA**

his Fiscal Year 2007 budget proposal, the President asked Congress to further strengthen enforcement and submitted five legislative proposals designed to reduce the tax gap and improve tax administration:

- Expanding third-party information reporting to include certain government payments for property and services,
- Expanding third-party information reporting on debit and credit card reimbursements paid to certain merchants,
- Clarifying liability for employment taxes for employee-leasing companies and their clients,
- Expanding beyond income taxes the requirement that paid return preparers sign returns and imposing a penalty when they fail to do so, and
- Authorizing the IRS to issue levies to collect employment tax debts prior to collection due process proceedings.

To find out more about the Tax Gap and what you can do about it, go to the Tax Gap Web site at <http://www.irs.gov/newsroom/article/0,,id=158619,00.html>. **IRS**

Easing the Burden of Submitting/Receiving Income Withholding Orders

Wouldn't it be nice for states to be able to electronically transmit income withholding orders to employers and for employers to be able to accept these electronic documents at the push of a button AND, in the process, establish an electronic link for all future communication? States and employers answered YES!

In August of 2004, a work group consisting of federal and state child support workers and employers met in Chicago to develop a process by which the income withholding order information could be transmitted electronically. In less than a year, their concept became a reality after a few states and employers participated in a pilot project to test the process.

The electronic income withholding order (e-IWO) enables states to transmit income withholding orders electronically through a standardized file layout. In addition, employers can electronically notify states regarding the status of e-IWOs received, including terminations and lump sum payments.


The e-IWO Project has resulted in:

- Increased child support collections
- Reduced administrative expenditures for states (postage, paper, handling)

- Reduced processing and handling costs for employers
- Improved communication between child support agencies and employers
- Withholding information provided in a consistent and uniform format

Due to the overwhelming success of the pilot project and the benefits indicated above, the Federal Office of Child Support Enforcement (<http://www.acf.hhs.gov/programs/cse>), along with state child support enforcement agencies and public and private employers, are looking to implement the process on a national level through the development of a centralized portal.

The portal will provide a central place for interested states and employers to "push and pull" or drop off and/or pick up e-IWO files. Various transport mechanisms are being reviewed to determine the best methodology for transmitting and receiving child support income withholding files.

Outreach efforts continue to educate states and employers about this process and its benefits. Anyone interested in more details, or in participating in the project should contact Bill Stuart at william.k.stuart@lmco.com or Anne Gould at anne.gould@acf.hhs.gov. 

Six States Now Require Electronic Child Support Payment

California, Florida, Illinois, Indiana, Massachusetts and Pennsylvania have all passed legislation or regulations requiring employers to remit their child support payments electronically. The criteria for determining whether your company must submit electronic payments vary by state.

California: Employers in California who are required to file their state taxes electronically are required to remit their child support payments electronically. The California State Disbursement Unit is fully operational, and employers are encouraged to begin conversion of their paper checks to electronic payments. California offers a web-based payment service for employers and non-custodial parents:

CA SDU Electronic Help Desk
(866) 325-1010 (toll-free)

<http://www.casdu.com>

(Click on "Set up your account")

casdu-electronichelpdesk@firstdatacorp.com

Florida: Employers in Florida with 10 or more employees or who pay \$30,000 or more in State taxes annually are required to remit their child support payments electronically. Florida offers two web-based payment services:

ExpertPay (free to employers)

1-800-403-0879

customer.service@expertpay.com

<http://www.expertpay.com>

or

<http://www.myfloridacounty.com>

(fee to employers: \$5 per 20 payments)

1-877-326-8689

Email: webmaster@myfloridacounty.com

Illinois: Employers in Illinois with 250 or more employees or fewer than 250 employees but paying on 10 or more orders are required to remit their child support payments electronically. The State offers a web-based payment service for employers: ExpertPay (free to employers)

1-800-403-0879

customer.service@expertpay.com

<http://www.expertpay.com>

Indiana: Employers in Indiana with more than 50 employees and having more than one employee with an income withholding order are required to remit their child support payments electronically. Indiana also has a non-compliance fine of \$25 per employee, per pay period. The State offers a web-based payment service for employers:

In Child Support Payment System

(free to employers)

1-317-232-4893

<http://www.mychildsupport.in.gov>

Massachusetts: Employers in Massachusetts with five or more employees who have child support orders are required to remit their child support payments electronically. Also, employers with a history of irregular or untimely payments or other instances of failure to remit child support payments may be required to remit electronically. The State offers a web-based payment service for employers:

ExpertPay (free to employers)

1-800-403-0879

customer.service@expertpay.com

<http://www.expertpay.com>

Pennsylvania: Employers in Pennsylvania with 15 or more employees and who are paying on two or more orders are required to remit their child support payments electronically. Also, employers with a history of two payments that have been returned for insufficient funds will be required to remit electronically. There is a monetary sanction for failure to comply. Pennsylvania also offers a web-based payment service:

ExpertPay (free to employers):

1-800-403-0879

customer.service@expertpay.com

<http://www.expertpay.com>

For more information on electronic payments in Pennsylvania, call PA-SCDU Customer Service:

1-877-676-9580 or

Email: pa-childsupp-2.fc-sls@acs-inc.com

Coming soon: Oregon will soon require employers to remit their child support payments electronically.

For more information on converting to electronic payments for child support, contact your State Child Support Enforcement agency or Nancy Benner at nancy.benner@acf.hhs.gov or (202) 401-5528.

Visit the Federal Office of Child Support Enforcement's web site at <http://www.acf.hhs.gov/programs/cse/> and click on "Information for Employers." 

New Electronic Filing Requirements for Exempt Organizations

Two new electronic filing requirements for tax-exempt organizations went into effect after December 31, 2006.

First, certain tax-exempt organizations will have a new filing requirement imposed by the Pension Protection Act of 2006. For tax periods beginning after December 31, 2006, tax-exempt organizations whose gross receipts are normally less than \$25,000 must electronically file an annual notice.


The IRS is developing a filing system for the annual electronic notice and will publicize filing procedures upon completion of the filing system. For the latest information about filing the annual electronic notice, you can:

- Sign up for Exempt Organization's *EO Update*, a regular e-mail newsletter that highlights new information posted on the charities pages of irs.gov. To

subscribe go to <http://www.irs.gov/charities/content/0,,id=154838,00.html>.

- Check our web site at <http://www.irs.gov/eo>.

Second, some tax-exempt organizations will be required to electronically file their Forms 990. For tax years ending on or after December 31, 2006, tax-exempt organizations will be required to e-file if they have \$10 million or more in total assets and file 250 or more returns a year. In addition, private foundations and charitable trusts will be required to e-file Forms 990-PF regardless of their asset size, if they file at least 250 returns.

More information about e-filing for charities and non-profits, including the list of approved e-file providers, is available at the Charities & Non-Profits page on the IRS Web site at <http://www.irs.gov/efile/article/0,,id=108211,00.html>. 

There's Still Time for Your Employees to 'Free File' Their Taxes

70% of Taxpayers Eligible to Free File

For the fifth straight year, eligible taxpayers can use the Free File site (<http://www.irs.gov/efile/article/0,,id=118986,00.html>) to prepare and electronically file their federal income tax returns without charges. There are no hidden fees. This system was developed by the Internal Revenue Service (IRS) in partnership with the Free File Alliance LLC, a group of industry leading private-sector tax preparation companies.

Free File is available to anyone who earns \$52,000 a year or less. That's 70 percent of all taxpayers, approximately 95 million Americans. Even if employees do not qualify for Free File, they should be aware of its benefits. Many have friends and family members who may be able to use the program, including children who have recently entered the workforce, or retirees.

For those who are not required to file a tax return, Free File can be used to receive their Telephone Excise Tax Refund that's being offered in 2007.

Fewer Errors, Faster Refunds

Free File is a fast, easy and safe-to-use process. The benefits of using Free File are identical to those of e-filing, which include:

- Reduced tax return preparation time
- Faster refunds since federal tax returns are prepared and submitted electronically
- More accurate return, thanks to the functions built into the software itself

- Acknowledgement of return receipt

- Free File software includes the latest information on tax breaks


- Available 24 hours a day, seven days a week, in both English and Spanish

- State tax return preparation and e-filing at no charge in some cases

To use Free File, employees must first go to the IRS web site, <http://www.irs.gov>, click on "Free File", then press the "Start Now" button and choose a tax preparation company from the list provided. (Free File is not available by going directly to a company's web site.) Not all companies offer services to everyone. Filers should be sure to read the offer description to find which company best their individual needs.

Free File also has a "Guide Me to a Company" feature that will assist taxpayers in selecting a company that offers services tailored to their particular situation. Once a company is selected, users click on the link to that company's web site and begin preparing their return.

Some Free File Alliance companies offer other free tax preparation and e-filing services. For example, they may offer free preparation and e-filing services for taxpayers who want to apply for an Extension of their Individual Income Tax Return.

In sum, Free File will save your employees time and money, as well as expedite their refunds. 

SSA/IRS

Reporter

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Baltimore, MD 21201

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SSA.IRS.REPORTER@irs.gov

Fax: 410-962-2572

CHANGE OF ADDRESS? OUT OF BUSINESS?

Notify the IRS. Submit Change of Address Form 8822 available at <http://www.irs.gov/pub/irs-pdf/f8822.pdf> to the IRS center to which you sent your business returns.

Please include your Employer Identification Number (EIN).

Cincinnati IRS Center
Cincinnati, OH 45999

Ogden IRS Center
MS:6273

Ogden, UT 84207

Attn: BMF Entity Control Unit

Outside US:

Philadelphia IRS Center
Philadelphia, PA 19255

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IRS and SSA "Help" Telephone Numbers and Web Addresses Now on IRS.gov

IRS and SSA "Help" telephone numbers and Web addresses are now posted on [IRS.gov](http://www.irs.gov/businesses/small/article/0,,id=109886,00.html) at <http://www.irs.gov/businesses/small/article/0,,id=109886,00.html>.

TEST YOUR KNOWLEDGE

Maintaining Controls over Payroll

Situation: Hickory Company had just completed its third year of operation and now employed a staff of ten employees. When it began business, Hickory's owner, Jesse, made the tax deposits and filed the employment tax returns with the help of Glen, a key assistant. As the firm grew busier, however, these duties were gradually turned over to Glen—as far as Jesse was concerned, this part of the business was taken care of and attention could be focused on other matters (Jesse continued to review and sign the tax returns, though).

One week, while Glen was away from the office, Jesse happened to glance at the incoming mail and noticed a letter inquiring about missing employment tax returns. This was unexpected news as Jesse recalled reviewing and signing these returns when they were due.

On further investigation, Jesse found that the employment tax deposits had stopped sometime in the prior year. Glen had been diverting the funds to a personal account and had stopped filing the employment tax returns as well (apparently the returns Jesse approved and signed were never sent in). Hickory Company was now faced with the prospect of unpaid delinquent tax returns.

Question: What measures (internal controls) might have helped with Hickory's situation?

Answer: Internal controls are part of a system of "checks and balances" designed to safeguard business assets and promote compliance with company policies. Two of these controls, 1) the **separation of duties**, and 2) **bank reconciliations**, might have made Glen's misappropriation more difficult to accomplish or might have alerted Jesse earlier to the missing deposits.

The **separation of duties**, i.e. having one person responsible for filing employment tax returns and another responsible for making tax deposits, may make it more difficult for any one employee to gain unrestricted access (and possibly misuse) the payroll process. (Having another person open incoming mail may also provide further control.)

Periodic **bank reconciliations** are also an established internal control practice: in this


procedure, comparisons are made of the bank statement account balances to the cash balances recorded in the company's books and records. Differences among the balances are traced to underlying transactions such as outstanding checks and deposits; these comparisons may help a business find errors in the books or accounting records.

As part of these reconciliations, an employer should also take steps to confirm that employment tax deposits have been made; if done using the Electronic Federal Tax Payment System (EFTPS), federal tax deposits can be viewed for up to a 16 month period. EFTPS provides businesses a secure and accurate way to make timely deposits of federal taxes online or by telephone; further information is available at <http://www.eftps.com> (click on the Help & Information tab).

Whether a company's payroll is done "in-house" or through an outside provider, the employer has the ultimate responsibility for the timely and accurate filing of employment tax returns and the depositing of employment taxes. While no procedure is failsafe, the proper application of internal controls may help in meeting this responsibility.

Resources for Additional Information:

Section 11 (Depositing Taxes), Publication 15, (Circular E), Employer's Tax Guide
<http://www.irs.gov/pub/irs-pdf/p15.pdf>

Further discussion available at Small Business Resources at <http://www.irs.gov/businesses/small/content/0,,id=98864,00.html>. Click on the link to FirstGov, <http://www.usa.gov> and enter the search term Internal Controls. 

Telephone Excise Tax Refund Available to Tax Exempts, Businesses and Individuals on 2006 Returns

Tax-exempt organizations, businesses and individuals who paid federal excise taxes on long-distance and bundled telephone service billed after Feb. 28, 2003 and before Aug. 1, 2006, may request a refund of these taxes.

The Telephone Excise Tax Refund (TETR) is a one-time payment available on your 2006 federal income tax return.

Businesses and tax-exempts can use their old phone bills for the 41-month billing period to figure out the actual amount of tax they paid. Or they can review their bills for 2 months and use a special formula at <http://www.irs.gov/newsroom/article/0,,id=164305,00.html> to figure the refund.

Tax-exempt organizations must complete Form

8913, *Credit for Federal Telephone Excise Tax Paid*, and attach the form to Form 990-T to request the refund. Businesses must fill out and attach Form 8913 to the income tax return they normally file: Form 1120, Form 1120S, Form 1065 or Form 1041.

The IRS developed the formula for calculating the refund after receiving public input and discussing the issue with business organizations, the Small Business Administration and the tax-exempt community. Tax-exempt organizations may not use the standard amount available to individuals.

Individual taxpayers have a choice when requesting the refund. Instead of locating as many as 41 months of old phone bills, they can use a standard refund amount based on the total number of exemptions they are eligible to claim on their tax return,

or they can locate those bills and request the actual amount of tax paid.

Visit IRS.gov at <http://www.irs.gov/newsroom/article/0,,id=164032,00.html>, for complete information about the telephone tax refund.

Related Items:

■ Telephone Tax Refunds: Questions and Answers for Businesses and Tax-Exempt Organizations (<http://www.irs.gov/newsroom/article/0,,id=164310,00.html>)

■ IRS Announces Standard Amounts for Telephone Tax Refunds (<http://www.irs.gov/newsroom/article/0,,id=161504,00.html>)


■ Government to Stop Collecting Long-Distance (<http://www.irs.gov/newsroom/article/0,,id=157706,00.html>) 

FREE IRS Newsletter for Businesses and Employers Now Available

The IRS has started a FREE news service, e-News for Small Businesses. It is distributed every Wednesday and will bring timely, useful tax information right to your computer, including, but not limited to:

- Important upcoming tax dates
- What's new on the IRS Web site
- Reminders and tips to assist businesses with tax compliance
- IRS news releases and special IRS announcements

e-News' convenient format will put IRS tax information at your fingertips. At the top of the left hand margin will be "Useful Links" that will bring you quickly to some of the most useful information on IRS.gov for small businesses and the self-employed.

To start your FREE subscription to e-News, just go to IRS.gov at <http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>, type in your e-mail address and submit. 

Attributed Tip Income Program (ATIP)

Employers in the food and beverage industry should be aware of the Attributed Tip Income Program. ATIP provides benefits to employers and employees similar to those offered under previous tip reporting agreements without requiring one-on-one meetings with IRS to determine tip rates or eligibility.

Employers and employees do not have to sign any contracts or agreements - making this program attractive to small employers. Also, in addition to reducing record-keeping burdens, ATIP carries safe-harbor protections for participating employers. This means the IRS will not initiate a tip examination of a participating establishment or participating employee as long as the establishment meets its ATIP requirements.

If you own a food or beverage establishment, review the specific requirements in Revenue Procedure 2006-30 at http://www.irs.gov/irb/2006-31_IRB/ar11.html to decide if an ATIP agreement is right for you. Employers can elect to enroll in ATIP by checking a box on the Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips.

Related links:

ATIP press release (<http://www.irs.gov/newsroom/article/0,,id=160536,00.html>)


Market Segment Understanding Web site

(<http://www.irs.gov/businesses/small/article/0,,id=98944,00.html>)

Form 8027 (<http://www.irs.gov/pub/irs-pdf/f8027.pdf>)

and Instructions for Form 8027 (<http://www.irs.gov/pub/irs-pdf/i8027.pdf>) 

Health Insurance Covering S Corporation Shareholders

In many solely-owned businesses, the owner of the business will purchase health insurance in his or her own name versus the name of the business. The type of entity may greatly affect where this insurance premium expense may be deducted on the individual's personal income tax return. For more information, go to: <http://www.irs.gov/businesses/small/article/0,,id=157049,00.html>. 

IRS Resources for Businesses like Yours


IRS Small Business Workshops are designed to help the small business owner understand and fulfill their Federal Tax responsibilities. Workshop topics vary from a general overview of taxes to more specific topics such as recordkeeping and retirement plans. Although most are free, some workshops have fees associated with them. For a schedule of small business workshops in your area, go to: <http://www.irs.gov/businesses/small/article/0,,id=99202,00.html>.

If you are unable to attend a workshop, the **IRS Virtual Small Business Workshop** is available on DVD (Pub. 1066C) and online in streaming video. Visit the Small Business Self-Employed online classroom at <http://www.irs.gov/businesses/small/article/0,,id=97726,00.html> to access the Virtual Small Business Tax Workshop.

Two other handy IRS resources are the **2007 Small Business Resource Guide (SBRG) CD-ROM** (Pub 3207) and **2007 Tax Calendar for Small Businesses and Self-Employed** (Pub 1518). Both cover a wide range of topics, from starting a business to retirement plan options.

The interactive SBRG CD is designed to equip small business owners with the skills and knowledge needed to successfully manage a business. It covers a wide range of topics, from starting a business to retirement plan options.

The 2007 Tax Calendar provides the small business owner with a ready resource for meeting their tax obligations. The 12-month wall calendar is filled with useful information on general business taxes, electronic filing and paying options, retirement plans, business publications and forms, and common tax filing dates.

To order a copy of the DVD, resource guide, or calendar, visit the Small Business Products Online Ordering page at <http://www.irs.gov/businesses/small/article/0,,id=101169,00.html> or order through the IRS distribution center by calling (800) 829-3676. 

Here's a benefit that can make your employees smile:

FREE FILE AT IRS.GOV

Qualified employees can prepare and file their 2006 Federal tax returns for FREE electronically.

Tell your employees to visit www.irs.gov and click on FREE FILE to learn about benefits including:

- Faster refunds — in as little as 10 days with Direct Deposit
- Improved accuracy
- Secure
- No software to buy or download
- Available 24 hours a day/7 days a week

FREE FILE is available to any taxpayer who earns \$52,000 per year or less.

freefile
Take the free way.

Tax filing made fast, free and easy.

Tell your employees to visit www.irs.gov and click on FREE FILE to see if they qualify.