

IRS Offers Electronic Payment Option

The IRS offers three convenient, safe and secure electronic payment options to taxpayers. The options for paying income taxes are: electronic funds withdrawal, credit cards and the Electronic Federal Tax Payment System (EFTPS). These electronic payment methods ensure on-time receipt of payments, significantly reduce the likelihood of lost or misapplied payments and are available 24 hours a day, 7 days a week.

With electronic funds withdrawal, you can e-file and, at the same time, authorize an electronic funds withdrawal from your checking or savings account to pay electronically the following types of taxes: Form 1040 series, Form 2350, Form 4868, Form 1040-ES, Form 940, Form 941, Form 1041, Form 1120, 1120S, 1120POL, Form 7004, and Form 8868. You can choose to e-file early and schedule a payment for withdrawal on a future date, up to April 17, 2006. You receive an electronic acknowledgment once IRS accepts your e-file return and lists the tax payment on your bank statement as proof of payment. The IRS safeguards your bank account information along with other tax return information.

You can use a credit card to pay by phone or Internet, if you file your tax return using Form 1040 series, Form 940 or a Form 941 return. Individual taxpayers can use this option to pay the following taxes electronically: current year Form 1040 balance due, balance due or advanced payment of determined deficiency (audit adjustment or underreporting) notice, installment agreement, prior year, Form 1040-ES and Form 4868 payments. Businesses can pay the balance due on Form 940 and Form 941 by phone or Internet. You receive a confirmation number at the end of the transaction and the tax payment is listed on your credit card billing statement as proof of payment. Service providers charge a fee.

The Electronic Federal Tax Payment System (EFTPS) can be used by all taxpayers to pay all tax types. This payment option is ideal if you plan to make more than one payment per year, such as Form 1040ES payments or Installment Agreement payments. Best of all, EFTPS is a free service offered by the U.S. Department of Treasury. EFTPS is a secure way to make sure your payments arrive when they are due, and you will receive an immediate acknowledgement of receipt for every payment. Funds will only be transferred from your bank account to the Treasury's account per your instructions.

Find more information and resources regarding Electronic Payments at:
www.irs.gov/efile.