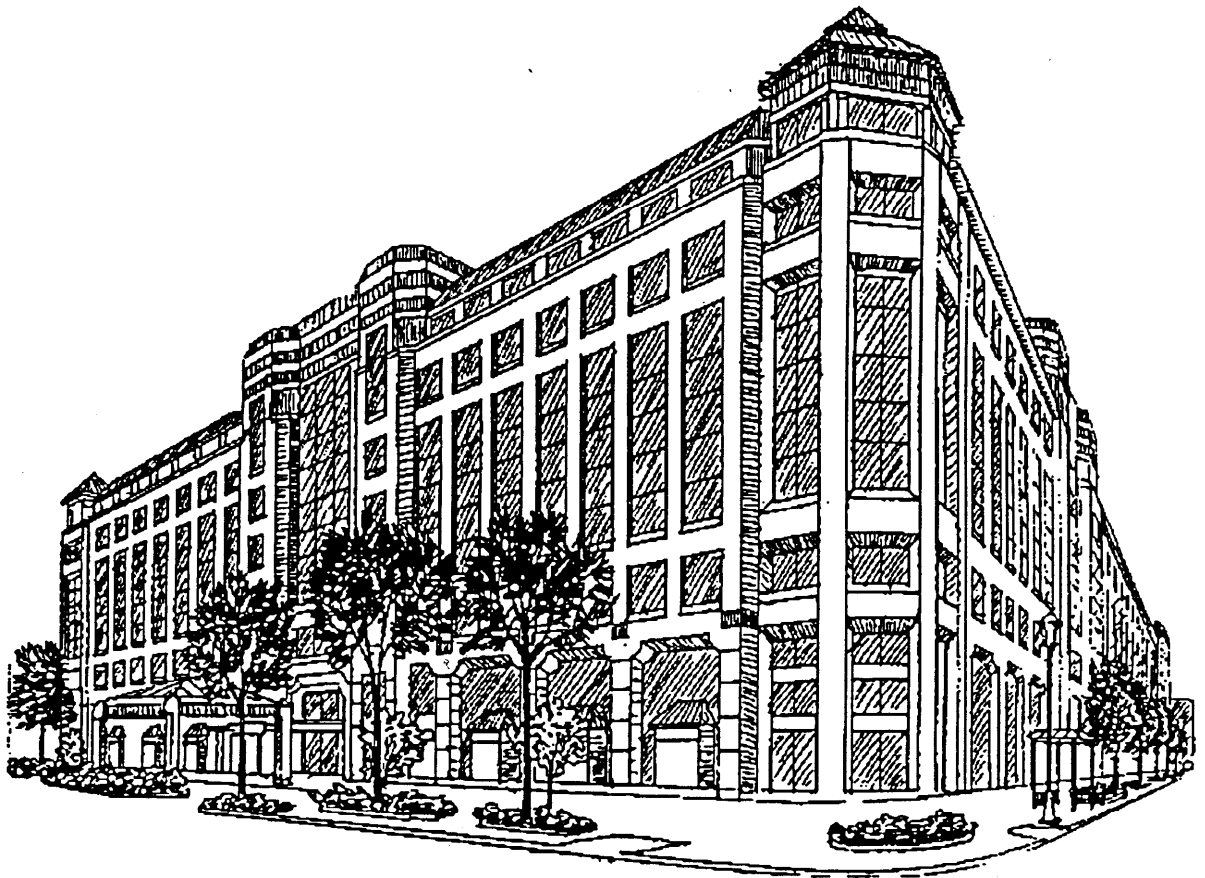




**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS**

**ATF PROCEDURE 92-1
PAYMENT OF FIREARMS AND AMMUNITION
EXCISE TAX BY ELECTRONIC FUND TRANSFER**



ATF

ATF PROCEDURE 92-1 -- PAYMENT OF FIREARMS AND AMMUNITION
EXCISE TAX BY ELECTRONIC FUND TRANSFER

Section 1. PURPOSE.

This ATF Procedure provides instruction and guidance to taxpayers electing to pay firearms and ammunition excise taxes by electronic fund transfer (EFT).

Section 2. BACKGROUND.

ATF has established a voluntary electronic payment system which allows taxpayers, at their option, to make firearms and ammunition excise taxpayments by EFT. Any taxpayer may elect to pay firearms and ammunition excise taxes due with semimonthly or monthly tax deposits and quarterly tax returns by EFT. A taxpayer who elects to make taxpayments by EFT must continue to make payment by EFT for a minimum of four consecutive calendar quarters.

An EFT is a non-paper transfer of funds from the taxpayer's financial institution account to the Treasury Account at the Federal Reserve Bank (FRB) of New York. Such transfers are initiated through an electronic terminal and not by check, money order, or other paper instrument. The taxpayer's financial institution, either directly or through a correspondent bank, must use the EFT system known as Fedwire. This system requires that the financial institution transmit the EFT payment to the FRB of New York.

Section 3. TAXPAYER'S WRITTEN NOTIFICATION.

Taxpayers who elect to make taxpayments by EFT shall notify the ATF regional director (compliance), in writing, of their agreement to make taxpayments by EFT.

Taxpayers shall submit their written notification on or before the 10th day of the calendar quarter preceding the calendar quarter in which the taxpayer will begin making payments by EFT. Once taxpayers have made this notification, they are not required to notify the regional director (compliance) of their continued use of EFT in succeeding calendar quarters.

Section 4. DISCONTINUANCE OF TAXPAYMENTS BY EFT.

At any time after making EFT payments for four consecutive calendar quarters, a taxpayer may elect to

discontinue making payments by EFT and resume using some other approved form of payment, such as a check or money order.

Taxpayers who elect to discontinue using EFT shall attach to the first tax deposit form or tax return on which they choose to discontinue paying the tax by EFT a written notification to the regional director (compliance) stating that payment of firearms and ammunition excise taxes will no longer be made by EFT.

Section 5. PREPARING AND FILING ATF TAX DEPOSIT FORMS AND TAX RETURNS.

Taxpayers paying taxes by EFT will state "Payment Made by EFT" at the top of ATF Forms 5300.26, Federal Firearms and Ammunition Excise Tax Return, and 5300.27, Federal Firearms and Ammunition Excise Tax Deposit. This information is very important for the proper crediting of the taxpayer's account. All other items on the forms will be prepared in accordance with instructions on the forms with the exception that EFT taxpayers will ignore any instruction or items indicating that the payment should accompany the tax deposit form or tax return.

The use of EFT to pay taxes involves no change in the due dates of the tax deposits and tax return or the place of filing such deposits and returns. ADDRESSES OF PLACES FOR FILING ARE SHOWN ON THE TAX DEPOSIT AND TAX RETURN FORMS.

Taxpayers may choose to file their returns and deposits on the last day prescribed by law. However, to facilitate processing, taxpayers are strongly encouraged to file their tax deposit forms and/or tax returns prior to making their EFT payments and well in advance of the filing due date. This procedure will allow ATF to more quickly match the tax deposit form and/or tax return to the EFT payment and to find any discrepancies. The longer discrepancies go undetected, the more costly they can be to the taxpayer in terms of additional penalties and interest owed.

The law (26 U.S.C. 6651(a)(2)) provides a penalty for failure to pay the amount shown as tax on a return on or before the date prescribed for payment of such tax. The law (26 U.S.C. 6656(a)) also provides a penalty for failure to make timely deposits of taxes. The penalties shall be imposed unless it is shown that the failure to make a timely deposit or payment of tax is due to reasonable cause and not due to willful neglect. There is no such provision for forgiving interest when an EFT payment is not timely.

Section 6. ELECTRONIC FUND TRANSFER MESSAGES ON FEDWIRE.

Taxpayers **must** send a separate Fedwire message for each ATF tax deposit and tax return that is required to be filed. In other words, taxpayers may not use one Fedwire message to pay the tax reported on two or more tax deposits or returns.

Taxpayers are responsible for making arrangements with their financial institution to send Fedwire messages. If a taxpayer's financial institution is not a member of the Federal Reserve System, the taxpayer's financial institution must use a correspondent bank having access to Fedwire.

Taxpayers must provide specific information to their financial institution so that a transfer of funds can take place. A sample Fedwire format and description of required information are shown in Section 7. Some of the information remains constant; other information must be provided by the taxpayer and the financial institution, for each separate transaction.

Taxpayers must take into account any deadlines established by their financial institution to make a timely transmission of the Fedwire payment into the Treasury Account. Penalties and interest for late payment may be assessed when a payment has not been timely credited into the Treasury Account.

Taxpayers should follow up with their financial institution to ensure that the payment was made. Such confirmation should include both verification that funds were indeed removed from the taxpayer's account and an acknowledgment by the financial institution that the payment was in fact delivered to the FRB. This information will be useful if it becomes necessary to resolve any discrepancies. It will also serve as the record of payment to be retained as part of the taxpayer's records.

Taxpayers and their financial institutions should use extreme care in providing information for EFT messages sent on Fedwire. Failure to supply correct information can result in errors which may subject the taxpayer to penalties and interest for late payment. Taxpayers are strongly urged to carefully review this section and Section 7 below with their financial institution well in advance of the date on which the first EFT message is to be sent on Fedwire.

Section 7. SAMPLE ELECTRONIC FUND TRANSFER (EFT) FEDWIRE MESSAGE.

A sample EFT Fedwire message and a narrative description of it are given below.

***SAMPLE FEDWIRE MESSAGE**

```
_____  
      (1)  
021030004 _____ (2)  
  
_____  
      (3) _____ (4) _____ (5)  
                                $XX.XXX.XX  
  
_____  
      (6) _____ / _____  
_____  
      (7) (8)  
TREAS NYC/CTR/  
_____  
      (9) _____ (10)  
BNF=/AC-20100002 OBI= XYZ COMPANY/5300.26 Jan.-Mar./ _____  
      (10)  
EIN 98-7654321/101 Blue St. Bluefield, VA 24605  
_____  
_____
```

Item 1. RECEIVING BANK ABA # - The Treasury Department's American Bank Association (ABA) number for deposit messages is:

021030004

This number should be entered by the sending financial institution for all deposit messages sent to the Treasury.

Item 2. TYPE-SUBTYPE-CD - The type and subtype code will be provided by the sending financial institution and is required for all messages sent on Fedwire.

Item 3. SENDING BANK ABA # - This number is the financial institution's ABA routing and transmit number and will be provided by the sending financial institution.

Item 4. SENDING BANK REFERENCE # - The reference number, up to sixteen characters in length, is inserted by the sending financial institution.

- Item 5.** AMOUNT - The transfer amount must be punctuated with commas and decimal point indicating the cents digits; use of the "\$" is optional. For example, the amount might read \$20,000.00. This item will be provided by the taxpayer.
- Item 6.** SENDING BANK NAME - This information is automatically inserted by the Federal Reserve Bank.
- Item 7.** RECEIVING BANK NAME - The Treasury Department's name for deposit messages is "TREAS NYC." This name should be entered by the sending financial institution.
- Item 8.** PRODUCT CODE - A product code of "CTR" for customer transfer should be the first data in the RECEIVER - TEXT field.
- Item 9.** AGENCY LOCATION CODE - THIS ITEM IS OF CRITICAL IMPORTANCE. IT MUST APPEAR ON THE FUNDS TRANSFER PAYMENT MESSAGE IN THE PRECISE MANNER AS STATED TO ALLOW FOR THE AUTOMATED PROCESSING AND CLASSIFICATION OF THE FUNDS TRANSFER MESSAGE TO THE AGENCY LOCATION CODE OF THE APPROPRIATE AGENCY. The agency location code (ALC) refers to the eight digit numeric symbol used to identify the Bureau of Alcohol, Tobacco and Firearms. The Bureau's unique code must be specified in the funds transfer message in order for the funds to be correctly classified to the Bureau. The ALC identification sequence includes the beneficiary code-field tag, BNF=, and the identifier code, /AC-, followed by the appropriate ALC number. These three components must be in the following format to identify the Bureau of Alcohol, Tobacco and Firearms:

BNF=/AC-2010002

The ALC identification sequence can, if necessary, begin on one line and end on the next line; however, the field tag "BNF=" must be on one line and cannot contain any spaces.

- Item 10.** THIRD PARTY INFORMATION - Item ten should contain the appropriate information to identify the taxpayer and tax form. The Originator to Beneficiary Information field tag "OBI=" is used to signify the beginning of the free-form third party text. The field tag "OBI=" must be on the same line and cannot contain any spaces. The field tag

is placed following the ALC identification sequence and preceded by a space. An example of this data line for the Bureau would be as follows:

BNF=/AC-2010002 OBI=

IT IS IMPORTANT TO NOTE THAT THE LENGTH OF THE THIRD PARTY TEXT DEPENDS ON HOW CLOSE YOU CAN PLACE THE ALC IDENTIFICATION SEQUENCE (ITEM 9) TO THE PRODUCT CODE (ITEM 8). UNDER THE FEDERAL RESERVE SYSTEM'S STRUCTURED THIRD PARTY FORMAT, FINANCIAL INSTITUTIONS HAVE THE ABILITY TO PLACE ADDITIONAL INFORMATION FIELDS FOR THEIR OWN USE BETWEEN ITEM 8 AND ITEM 9. HOWEVER, TAXPAYERS AND FINANCIAL INSTITUTIONS SHOULD LIMIT THE USE OF THESE ADDITIONAL FIELDS AND ATTEMPT TO ADHERE TO THE FOLLOWING FORMAT FOR ITEMS 7, 8, 9 AND 10:

TREAS NYC/CTR/BNF=/AC-2010002 OBI=

The format shown above will allow 219 character positions of information following the "OBI=" indicator.

Item 10, the THIRD PARTY INFORMATION should contain the following information in order:

Payer's Name. The taxpayer's name as it appears on the ATF tax form.

Tax Form Identification. Identify the tax form for which the Fedwire message is being made. The ATF form number and period covered will be given by the taxpayer. For example:

5300.27 JAN-MAR 92
5300.26 JAN-MAR 92

Employer Identification Number. This number is familiar to taxpayers and is very important to ATF for identifying taxpayers. The letters "EIN" should appear before the number.

Address of Taxpayer. The taxpayer's address as it appears on the ATF tax form.

NOTE : Insert a slash (/) between the categories of information in item 10.

The information that is constant is shown in the Funds Transfer Deposit Message Format above. This includes the RECEIVING BANK ABA # (ITEM 1), the RECEIVING BANK NAME (ITEM 7), the PRODUCT CODE (ITEM 8), and the AGENCY LOCATION CODE (ITEM 9). The information that is to appear in ITEM 10 (THIRD PARTY INFORMATION) is described in detail above. The taxpayer must provide ITEM 5 (AMOUNT) to the sending financial institution.

Taxpayers should inform their financial institution to use due care and insure that all information is provided in the prescribed format. Failure to provide the information in the prescribed format may cause a delay in the transfer of funds resulting in assessment of penalties for failure to pay and failure to make timely EFT deposits and assessment of interest.

Section 8. INQUIRIES.

Inquiries. If you have any questions, please contact the Bureau of Alcohol, Tobacco and Firearms' Technical Services office in your area:

**Illinois, Indiana, Kentucky,
Michigan, Minnesota, North Dakota,
Ohio, South Dakota, Wisconsin,
West Virginia**

550 Main Street, Room 6525
Federal Office Bldg.
Cincinnati, OH 45202
(513) 684-3335
FAX (513) 684-3168

Connecticut, District of Columbia,
Delaware, Massachusetts, Maryland,
Maine, New Hampshire, New Jersey,
New York, Pennsylvania,
Rhode Island, and Vermont:

**The Curtis Center, Suite 875
Independence Square West
Philadelphia, PA 19106
(215) 597-2246
FAX (215) 597-7255**

**Alabama, Florida, Georgia,
Mississippi, North Carolina,
South Carolina, Tennessee and
Virginia:**

2600 Century Parkway NE,
Suite 305
Atlanta, GA 30345
(404) 679-5080
FAX (404) 679-5099

Arkansas, Colorado, Iowa,
Kansas, Louisiana, Missouri,
Nebraska, New Mexico, Oklahoma,
Texas, and Wyoming:

**1114 Commerce Street
7th Floor
Dallas, TX 75242
(214) 767-2277
FAX (214) 767-2750**

Alaska, Arizona, California,
Hawaii, Idaho, Montana, Nevada,
Oregon, Utah, Washington:

221 Main Street
11th Floor
San Francisco, CA 94105
(415) 744-7011
FAX (415) 744-9443