



FEDERAL RESERVE BANK  
OF DALLAS

TONY J. SALVAGGIO  
FIRST VICE PRESIDENT

DALLAS, TEXAS  
75265-5906

December 30, 1994

Notice 94-133

**TO:** The Chief Operating Officer of  
each financial institution in the  
Eleventh Federal Reserve District

**SUBJECT**

**Electronic Federal Tax Payment System**

**DETAILS**

In October you received a notice from this Bank informing you of the efforts by the Treasury's Financial Management Service and Internal Revenue Service (IRS) to modernize the Federal tax deposit system. The effort to convert the current paper-based tax payment system to electronics began in 1992 with the introduction of the TAXLINK system. TAXLINK was developed as a prototype to test various system designs that could be utilized in a nationwide system. The nationwide system, entitled Electronic Federal Tax Payment System (EFTPS), will become operational in mid- to late 1995.

In July 1994, the IRS issued regulations for mandating the use of electronic systems to collect Federal tax payments. Beginning January 1, 1995, approximately 800 corporate taxpayers nationwide, who had employment tax deposits of \$78 million or more in 1993, will be required to make their tax payments electronically. These taxpayers must enroll in the TAXLINK system and may request assistance from their depository institution to initiate their payments. Those taxpayers required to begin reporting January 1, 1995, should have completed their enrollment by November 18, 1994. If any of these corporations or their subsidiaries are your customers, they may be contacting you regarding the tax payment changes.

Beginning January 1995, taxpayers who had employment tax deposits of \$78 million or more in 1993, have three alternatives for initiating electronic payments. Those alternatives are:

- ACH Credit
- ACH Debit
- Fedwire Funds Transfer

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For additional copies, bankers and others are encouraged to use one of the following toll-free numbers in contacting the Federal Reserve Bank of Dallas: Dallas Office (800) 333-4460; El Paso Branch *Intrastate* (800) 592-1631, *Interstate* (800) 351-1012; Houston Branch *Intrastate* (800) 392-4162, *Interstate* (800) 221-0363; San Antonio Branch *Intrastate* (800) 292-5810.

For those institutions, two additional options will become available, effective in April 1995. Those options are:

- Non-Value Fedwire Funds Transfer
- Electronic Tax Application

**ENCLOSURE**

Enclosed is a summary sheet describing the payment options.

**MORE INFORMATION**

For more information, please contact Nancy Barton, (214) 922-6746, at the Dallas Office; Dieter Stanchos, (915) 521-8265, at the El Paso Office; Marilyn Salmon, (713) 652-1521, at the Houston Office; or Mario Garcia, (512) 978-1300, at the San Antonio Office.

Detailed booklets about EFTPS are being distributed to all TT&L depositaries by each District Federal Reserve Bank. Non-TT&L depositaries who feel they may be asked by their corporate customers to provide such services may request the detailed booklets by contacting Janie Worley, (214) 922-6761, at the Dallas Office.

For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

