

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 5956]
March 9, 1967

Deposit of Corporation Income Taxes
With Depository Banks

To All Banks and Trust Companies
in the Second Federal Reserve District:

The Treasury Department has instituted a new tax deposit system for corporation income tax payments, requiring corporations to deposit their income tax payments, accompanied by a distinctive Federal Tax Deposit form, with Depositories for Federal Taxes or Federal Reserve Banks, in lieu of making remittances directly to the Internal Revenue Service. The new deposit system applies to installment payments of estimated corporation income taxes made on or after January 1, 1967, and installment and final payments of corporation income taxes (other than estimated income taxes) made on and after January 1, 1968 for tax years ending on and after December 31, 1967. The Treasury has adopted regulations governing deposits of such taxes; the regulations are set forth in Treasury Department Circular No. 1079, dated March 3, 1967, a copy of which is printed on the following pages.

Every bank and trust company qualified to act as a Depository for Federal Taxes under Treasury Department Circular No. 848, pursuant to which it now accepts deposits of income and Social Security taxes withheld from wages and other taxes, is authorized to accept deposits of corporation income taxes without further qualification. To the extent provided in the accompanying regulations, corporation income tax deposits are eligible for deposit in a Depository's Tax and Loan Account, maintained under its qualification pursuant to Treasury Department Circular No. 92.

Depositories should transmit daily to this Bank their remittances of corporation income tax deposits, together with their receipts of the accompanying tax deposit forms, by the same form of transmittal letter (W. Tax 15) that they now use for remitting other tax deposits, but with separate transmittal letters for corporation income taxes and other taxes.

Additional copies of this circular will be furnished upon request.

ALFRED HAYES,
President.

REGULATIONS GOVERNING THE DEPOSIT WITH DEPOSITORY BANKS AND FEDERAL RESERVE BANKS OF CORPORATION INCOME TAXES UNDER THE INTERNAL REVENUE CODE OF 1954

1967

Department Circular No. 1079

Fiscal Service
Bureau of Accounts

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, D. C.

To FEDERAL RESERVE BANKS, INCORPORATED BANKS AND TRUST COMPANIES, AND OTHERS CONCERNED:

The following regulations were published in the Federal Register on March 8, 1967:

Title 31 — MONEY AND FINANCE:
TREASURY

Chapter II — FISCAL SERVICE, DEPARTMENT
OF THE TREASURY

Subchapter A — BUREAU OF ACCOUNTS

Part 214 — DEPOSIT WITH FEDERAL
RESERVE BANKS AND
DEPOSITARIES FOR FEDERAL
TAXES OF CORPORATION
INCOME TAX UNDER THE
INTERNAL REVENUE CODE
OF 1954, AS AMENDED

(Department Circular No. 1079)

Sec.

- 214.1 Scope of regulations
- 214.2 Authorization of Federal Reserve Banks
- 214.3 Functions of Federal Reserve Banks
- 214.4 Authorization of Depositaries for Federal Taxes
- 214.5 Functions of Depositaries for Federal Taxes
- 214.6 Federal Tax Deposit Forms

AUTHORITY: The provisions of this Part 214 issued under sec. 10, 56 Stat. 356, as amended; sec. 15, 38 Stat. 265; sec. 8, 40 Stat. 291, as amended; 12 U.S.C. 265, 391; 31 U.S.C. 771, and sec. 6302(c), Internal Revenue Code of 1954, as amended, unless otherwise noted.

SOURCE: The provisions of this Part 214 appear at 32 F.R. 3820, March 8, 1967, and are contained in Treasury Department Circular No. 1079, dated March 3, 1967.

§ 214.1 *Scope of regulations*

The regulations in this part authorize Federal Reserve Banks and Depositaries for Federal Taxes to receive deposits of corporation income tax. The regulations govern the processing of deposits with such Banks and Depositaries of (a) installment payments of estimated corporation income tax pursuant to section 6154 of the Internal Revenue Code of 1954, as amended, made on and after January 1, 1967, and (b) installment and final payments of corporation income tax (other than estimated income tax)

pursuant to section 6152 of that Code, as amended, made on and after January 1, 1968, for tax years ending on and after December 31, 1967. Such tax is hereafter referred to as corporation income tax.

§ 214.2 *Authorization of Federal Reserve Banks*

The Federal Reserve Banks, as fiscal agents of the United States, are hereby authorized and directed, subject to the provisions of this part, to receive from corporations or their agents, deposits of corporation income tax.

§ 214.3 *Functions of Federal Reserve Banks*

(a) The Federal Reserve Banks shall perform the following functions with respect to deposits of corporation income tax:

1. The Banks shall receive directly from corporations, or their agents, remittances in the form of check or money order, drawn to the order of the Bank, covering the amount to be deposited as corporation income tax, accompanied by a pre-inscribed Form 503¹—Federal Tax Deposit, Corporation Income Taxes, on which the amount of the deposit has been entered in the space provided.

2. The Banks shall stamp, in the space provided on the face of each tax deposit form received directly from corporations, the date the tax deposit was received, and the name and identifying number of the Bank.

3. The Banks shall receive from Depositaries for Federal Taxes, under cover of transmittal letters, remittances or advices of

¹ Form 503 attached to Department Circular 1079, dated March 3, 1967, filed as part of original document.

credits to Treasury Tax and Loan Accounts and tax deposit forms relating to deposits of corporation income tax made with such Depositories.

4. The Banks shall establish accounting control over remittances received directly from corporations, as well as remittances and advices of credit received from Depositories, and process related entries in the account of the Treasurer of the United States.

5. The Banks shall establish accounting control over tax deposit forms, process the forms, and transmit them to the Office of the Treasurer of the United States.

§ 214.4 Authorization of Depositories for Federal Taxes

Every incorporated bank and trust company, now or hereafter designated and qualified to act as a Depository for Federal Taxes under Part 213 of this subchapter (Treasury Department Circular No. 848, Second Revision, dated May 2, 1958), is hereby authorized and directed to accept from corporations or their agents, subject to the provisions of this part and without compensation for its services, deposits of corporation income tax. To the extent provided in section 214.5(a)(6), such tax deposits are eligible for deposit in a Depository's Tax and Loan Account, maintained under its qualification as a Special Depository of public moneys pursuant to Part 203 of this subchapter (Treasury Department Circular No. 92 (Revised), dated November 10, 1949, as amended).

§ 214.5 Functions of Depositories for Federal Taxes

(a) Depositories for Federal Taxes shall perform the following functions with respect to deposits of corporation income tax:

1. Depositories shall accept directly from corporations or their agents, cash or checks, drawn on and to the order of the Depository, covering the amount to be deposited as corporation income tax. Each deposit must be accompanied by a pre-inscribed Form 503—Federal Tax Deposit, Corporation Income Taxes, on which the amount of the deposit has been entered in the space provided.

2. Depositories are not required to accept from corporations checks drawn on other banks, but they may do so at their own risk. If such checks are accepted, Depositories must, nevertheless, stamp the date each deposit was received on the tax deposit form, and transmit the forms, together with payment therefor, to the Federal Reserve Bank of their district at the close of business on the day the deposits were received, in accordance with requirements stated in paragraph 6.

3. Depositories shall not accept public debt securities of the United States as deposits of corporation income tax.

4. Depositories shall, upon request by a corporation, acknowledge receipt of deposits. This may be accomplished by placing their stamp impression in the space provided on the stub portion of the tax deposit form, detaching the stub, and returning it to the taxpayer.

5. Depositories shall place, in the space provided on the face of each tax deposit form, a stamp impression reflecting (i) the date on which the tax deposit was received by the Depository or its branch; (ii) the name and location of the Depository; and (iii) the Depository's transit number or identifying number assigned by the Federal Reserve Bank. The timeliness of the deposit will be determined by the date of receipt shown by the stamped impression.

6. Depositories shall forward daily to the Federal Reserve Bank of their district all tax deposit forms received that day from taxpayers, together with payment in funds immediately available at the Federal Reserve Bank point, or with advice that funds have been credited in the Treasury Tax and Loan Account of the Depository. Depositories shall detach any stubs, which were left attached to the deposit forms by taxpayers, before forwarding the deposit forms to the Federal Reserve Bank. Each transmittal will be accompanied by a transmittal letter in the form prescribed by the Federal Reserve Bank of the district.

7. Depositories shall establish, prior to transmittal to the Federal Reserve Bank, an adequate record of all deposits of corporation income tax, so that a Depository will be able to identify deposits in the event tax deposit forms are lost in shipment between it and the Federal Reserve Bank. For this purpose a record should be made of each deposit, showing the date of deposit, the corporation's employer identification number, and the amount of the tax deposit. The Depository's copy of transmittal letters may be used to provide the necessary information if individual deposits are listed separately, showing employer's identification number, deposit date, and related amounts for each deposit.

(b) The Federal Reserve Banks will furnish Depositories with further information.

§ 214.6 Federal Tax Deposit Forms

Each deposit of corporation income tax shall be accompanied by a Form 503—Federal Tax Deposit, Corporation Income Taxes. The Bureau of Accounts, Treasury Department, on the

basis of data furnished by the Internal Revenue Service, will so far as possible furnish to corporations a supply of tax deposit forms sufficient to meet their normal needs for the current year, approximately one month prior to the due date of their first deposit. However, a corporation will not be excused from making a deposit by the fact that no Form 503 has been furnished. Accordingly, if a corporation required to make such deposits has not received Form 503 tax deposit forms, it should communicate with the District Director of Internal Revenue for the district in which the corporation files its return (or director of the Internal Revenue Service

Center for its region). Likewise, if additional tax deposit forms are needed, the corporation should request such additional supplies from the District Director or Service Center, furnishing its name, identification number, address and the ending date of its taxable year, as shown on the corporation's tax return.

JOHN K. CARLOCK
Fiscal Assistant Secretary

Dated: March 3, 1967

EXHIBIT A

DEPARTMENTAL CIRCULAR NO. 1079

FEDERAL TAX DEPOSIT
CORPORATION INCOME TAXES
(Form 503)
FACE

SERIAL NUMBER 012	EMPLOYER'S IDENTIFICATION NO. 52-4567890	TAXABLE YEAR ENDING DEC 1967	AMOUNT OF DEPOSIT DOLLARS CENTS
<p style="text-align: center;">FEDERAL TAX DEPOSIT CORPORATION INCOME TAXES</p> <div style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">TAXPAYER'S NAME AND ADDRESS THE NATIONAL CORPORATION 19604 BALTIMORE BLVD. BALTIMORE, MD. 21202</p> </div> <div style="display: flex; justify-content: space-between;"> <p><u>NOTICE TO TAXPAYER</u></p> <p><u>BANK NAME / DATE</u></p> </div> <p>1. VERIFY PREPRINTED DATA; IF INCORRECT, SEE INSTRUCTION NO. 5 ON REVERSE. 2. ENTER AMOUNT OF DEPOSIT IN SPACES PROVIDED ON BODY OF FORM AND STUB. 3. ENTER CHECK OR MONEY-ORDER NUMBER AND DATE ON STUB. DETACH AND RETAIN STUB FOR YOUR RECORD.</p>			
		<p style="text-align: right;">U.S. TREASURY DEPARTMENT FORM 503 FISCAL SERVICE/BUREAU OF ACCOUNTS</p> <p style="text-align: right;">16M 554488</p> <p style="text-align: right;">SERIAL NO. 012</p> <p style="text-align: right;">TAXABLE YEAR ENDING DEC 1967</p> <p style="text-align: right;">\$ _____ CHECK NO. _____ DATE. _____</p> <p style="text-align: right;"><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p style="text-align: right;">DETACH STUB BEFORE MAILING</p>	

REVERSE

DO NOT STAPLE

INSTRUCTIONS TO TAXPAYER

DO NOT MUTILATE

- BEFORE MAKING DEPOSIT**—Verify preprinted data on the face of this form; if incorrect, see instruction No. 5. Complete deposit form and stub in accordance with instructions on face of form. This form is for use in making a deposit of corporation income taxes (including estimated corporation income taxes) and should not be used for any other class of taxes.
- HOW TO MAKE DEPOSIT**—Mail or deliver completed form, together with check or money order for amount of tax deposit, to any commercial bank qualified as a Depository for Federal Taxes, or mail to Withheld Tax Department of a Federal Reserve Bank or the Detroit Branch of the Federal Reserve Bank of Chicago. Remittance should be made payable to commercial bank depository or Federal Reserve Bank to which you mail or deliver your tax deposit. Serial number on face of form should be written on your remittance to reference it to related tax deposit form.
- WHEN TO MAKE DEPOSITS**—(a) Deposits of estimated corporation income tax shall be made in accordance with the time schedule set forth on Form 1120-ES—Declaration

- of Estimated Income Tax for Corporations. (b) Deposits of corporation income tax (final or installment payments) other than estimated corporation income tax shall be made in accordance with due dates set forth in the Instructions for Form 1120—U. S. Corporation Income Tax Return. Timeliness of deposits will be determined by date received by commercial bank depository or Federal Reserve Bank.
- TAXPAYER'S RECORD OF DEPOSIT**—Before mailing deposit form, detach stub portion and retain it for your record. The deposit portion of this form will not be returned to you, but will serve as a basis for crediting your tax account identified by the Employer's Identification Number on the face of form.
- CORRECTING PREPRINTED DATA**—If Employer's Identification Number, address, or Taxable Year Ending date is incorrect, the necessary corrections should be made on the face of the deposit form before making your deposit in the regular manner. The District Director of Internal Revenue for your district should also be advised of these changes by separate letter.