

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

Circular No. 6079  
December 19, 1967

**Deposit of Federal Taxes With Depository Banks**

**Revised Procedures, Effective January 1, 1968**

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

The Treasury Department has revised its procedures for the deposit of employment and excise taxes, effective January 1, 1968. The revised procedures are set forth in Treasury Department Circular No. 1079 (First Revision), dated December 13, 1967, a copy of which is printed on the following pages. The Treasury has prepared a notice to taxpayers required to make deposits of such taxes, describing the revised procedures. For your information, the text of the notice is as follows:

Effective with deposits of Federal taxes accruing on and after January 1, 1968, certain changes in procedures will be made. These changes do not apply to deposits for any tax liability accruing before January 1, 1968.

Under the new procedures, taxpayers will continue to deposit taxes with a commercial bank Depository for Federal Taxes or with a Federal Reserve Bank. A new Federal Tax Deposit form, a punch card with a detachable stub, will be used by taxpayers in making their deposits and retaining a record of each deposit. *Federal Reserve Banks will no longer return validated depositary receipts to taxpayers.* Taxpayers will simply claim credit for their deposits on their tax returns, on the basis of their own records which will include the stub detached from each deposit form used. Tax deposit credits claimed on returns will be verified by the Internal Revenue Service against deposits made with commercial bank depositaries and Federal Reserve Banks.

There will be a separate and distinct Federal Tax Deposit form with the detachable stub for each class of tax being deposited. Each form will be prepunched with the taxpayer's identifying number and other identifying data, to insure accurate credit to the taxpayer's account in IRS. The deposit forms will be preinscribed with the taxpayer's name and address, and the form and stub will be preinscribed with the taxpayer's identifying number, taxable period and serial number. The taxpayer will need to enter only the amount of the deposit in the spaces provided on the deposit and stub portions, detach the stub for his records, and submit the deposit portion with his remittance for the amount of the deposit.

A supply of prepunched and preinscribed Federal Tax Deposit forms will be mailed to each taxpayer at the address indicated on his tax return in time to make the first deposit required in 1968. Branch offices of taxpayers that make deposits should take steps to obtain the required forms from their central office which files the tax return. Taxpayers should examine the Federal Tax Deposit forms when received to verify the accuracy of the preinscribed data. Instructions with respect to procedure for making tax deposits and for obtaining additional forms appear on the tax deposit forms.

Additional information concerning the new tax deposit procedures will be contained in official releases of the Internal Revenue Service. The changes in deposit procedures do not affect the requirements for filing tax returns, except, as indicated above, that taxpayers will no longer be required to attach validated depositary receipts to their tax returns.

The new prepunched and preinscribed Federal Tax Deposit forms will simplify depositing for the taxpayer and insure maximum accuracy in crediting the deposits to the correct account. The new procedures will also result in significant economies in processing the tax deposits.

Depositories should advise taxpayers who inquire that additional Federal Tax Deposit forms, if needed, should be requested from the Internal Revenue Service center that furnished the initial supply of forms.

The Treasury Department emphasizes the necessity of timely remittance of tax deposit funds at the close of business on the day the deposits are received by the depository. Depositories should

transmit daily to this Bank their remittances, accompanied by the tax deposit forms for all classes of tax, by our transmittal letter (W. Tax 15). Separate transmittal letters should be used for remittances of depositary receipt forms representing tax liabilities accruing before January 1, 1968.

As set forth in Treasury Department Circular No. 1079 (First Revision), depositaries are required to accept cash, a postal money order, or a check drawn on the depositary. The acceptance of a check drawn on the depositary is without risk to the depositary and refund is guaranteed if subsequently the check cannot be charged to the drawer's account. However, the cashing for a taxpayer of a check drawn on another bank to obtain cash for making a tax deposit is a matter entirely between the depositary and the taxpayer. The risk of uncollectible checks, and charges or fees imposed by the depositary, are not the concern of the Treasury Department in such cases.

Additional copies of this circular will be furnished upon request.

ALFRED HAYES,  
*President.*

## REGULATIONS GOVERNING THE DEPOSIT OF FEDERAL TAXES WITH DEPOSITORY BANKS AND FEDERAL RESERVE BANKS

1967

Department Circular No. 1079 (First Revision)

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 December 16, 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 (First Revision)]

Part 214, Subchapter A, Chapter II of Title 31 of the Code of Federal Regulations [also appearing as Treasury Department Circular No. 1079, dated March 3, 1967] is hereby revised effective January 1, 1968,<sup>1</sup> to read as follows:

#### Part 214 — DEPOSITARIES FOR FEDERAL TAXES.

Sec.

214.1 Scope of regulations.

214.2 Definitions.

214.3 Particular locations.

214.4 Designation of Depositaries for Federal taxes.

214.5 Qualification.

214.6 Handling of deposits of Federal taxes.

214.7 Specific instructions.

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

<sup>1</sup> The procedure prescribed by this part will supersede the procedure prescribed by Part 213 of this chapter (Department Circular 848 (Second Revision)) for the deposit of Federal taxes for which the liability accrues on or after January 1, 1968.

SOURCE: The provisions of this part appear at 32 F.R. 18044, December 16, 1967.

#### § 214.1 *Scope of regulations.*

The regulations in this part govern the designation and qualification of Depositories for Federal Taxes and the handling by them of deposits of Federal taxes.

#### § 214.2 *Definitions.* As used in this part, the term:

"depositary" means a Depository for Federal Taxes.

"Federal taxes" means those Federal taxes which have been specified by the Secretary of the Treasury or his delegate as eligible for payment through the procedure prescribed by this part.

"Federal tax deposit form" means a form, pre-inscribed with the name, address, and identification number of the taxpayer, supplied to a taxpayer by the Treasury Department to accompany deposits of Federal taxes made under the procedure prescribed by this part.

§ 214.3 *Particular locations.* For the purposes of this part, depositaries located in Puerto Rico, the Virgin Islands, and the Panama Canal Zone will be considered as being located in the New York Federal Reserve district and those located in Guam and American Samoa will be considered as being located in the San Francisco Federal Reserve district.

#### § 214.4 *Designation of Depositories for Federal Taxes.*

Every incorporated bank and trust company in the United States, Puerto Rico, the Virgin Islands, the Panama Canal Zone, Guam and American Samoa, and every United States branch of a foreign banking corporation authorized by the State in which it is located to transact commercial banking business, is designated as a Depository for Federal Taxes.

#### § 214.5 *Qualification.*

(a) *Authorization.* A depositary is not authorized to act under its designation and the procedure prescribed by this part until it has been qualified.

(b) *Application.* To qualify a depositary must file with the Federal Reserve Bank of its district an application accompanied by a resolution of its board of directors authorizing the application, both on forms available from the Federal Reserve Bank.

(c) *Agreement.* Receipt by a depositary of notice of approval of its application by the Fed-

eral Reserve Bank completes the depositary's qualification and creates an agreement between it and the Treasury Department under which the depositary agrees to be bound by all the terms and provisions of this part and the provisions prescribed in § 202 of Executive Order 11246, entitled "Equal Employment Opportunity" (30 F.R. 12319).

(d) *Existing agreements.* Existing agreements between depositaries and the Treasury Department shall continue in effect without further action until terminated. A depositary which accepts a deposit of Federal taxes under an existing agreement thereby agrees to be bound by all the terms and provisions of this part and the provisions prescribed in § 202 of Executive Order 11246, entitled "Equal Employment Opportunity" (30 F.R. 12319).

(e) *Termination of agreement.* The Secretary of the Treasury may terminate at any time the agreement with any depositary. Failure upon the part of a depositary to comply with the terms of its agreement, or with instructions issued pursuant to this part, may, in the discretion of the Secretary of the Treasury, constitute grounds for the termination of the agreement. A depositary may terminate its agreement by notice, in writing, to the Federal Reserve Bank of its district.

#### § 214.6 *Handling of deposits of Federal taxes.*

(a) *Deposits with depositaries.* A depositary shall, through any of its offices that accept demand or time deposits:

(1) Accept from a taxpayer cash, a postal money order drawn to the order of the depositary, or a check or draft drawn on and to the order of the depositary, which shall be without risk to the depositary, covering an amount to be deposited as Federal taxes when accompanied by a Federal tax deposit form on which the amount of the deposit has been properly entered in the space provided.

(2) When requested to do so by a taxpayer who makes a deposit of Federal taxes in cash over the counter, issue a counter receipt, which may be accomplished by completing and returning to the taxpayer the stub portion of the Federal tax deposit form.

(3) Place, in the space provided on the face of each Federal tax deposit form, a stamp impression reflecting the date on which the tax deposit was received by the depositary, by reference to which the timeliness of the tax payment will be determined, and the name and location of the depositary.

(4) Forward each day to the Federal Reserve Bank of its district the Federal tax deposit forms, with stubs detached, for all tax deposits received that day, together with payment in funds immediately available at the Federal Reserve Bank, or with advice that the amount has been credited in the Treasury Tax and Loan Account into which the depository is authorized to credit funds representing the payment of taxes pursuant to its designation as a Special Depository of Public Money under the provisions of Part 203 of this subchapter. Each transmittal shall be accompanied by a transmittal letter in the form prescribed by the Federal Reserve Bank of the district.

(5) Establish, prior to transmittal to the Federal Reserve Bank, an adequate record of all deposits of Federal taxes so that it 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 must be made of each deposit, showing as a minimum the date of deposit, the taxpayer's identifying number, and the amount of the deposit. The depository's copies of transmittal letters may be used to provide the necessary information if individual deposits are listed separately showing date, taxpayer's identifying number, and amount.

(6) Not accept compensation from taxpayers for accepting deposits of Federal taxes and handling them as required by this section.

(b) *Deposits with Federal Reserve Banks.* A Federal Reserve Bank shall, through any of its offices:

(1) Accept directly from a taxpayer cash, a check or money order drawn to the order of the Bank, or Treasury bills as authorized in Part 309 of this chapter, covering an amount to be deposited as Federal taxes when accompanied by a Federal tax deposit form on which the amount of the deposit has been properly entered in the space provided.

(2) When requested to do so by a taxpayer who makes a deposit of Federal taxes in cash over the counter, issue a counter receipt, which may be accomplished by completing and returning to the taxpayer the stub portion of the Federal tax deposit form.

(3) Place, in the space provided on the face of each Federal tax deposit form accepted directly from a taxpayer, a stamp impression reflecting the date on which the tax deposit was received by the Bank, by reference to which the timeliness of the tax payment will be determined, and the name of the Bank.

§ 214.7 *Specific instructions.* Federal Reserve Banks are authorized to issue instructions consistent with these regulations for carrying out the requirements of this part.

JOHN K. CARLOCK

*Fiscal Assistant Secretary*

Dated: December 13, 1967