

DEPT OF TREASURY
IRS



Department of the Treasury
Internal Revenue Service
AUSTIN, TX 73301

Date of this notice
Employer Identification Number
Form 941 Tax Period



541-0440 LOCAL HOUSTON
1-800-829-1040 OTHER TX

1995 FEDERAL TAX DEPOSIT REQUIREMENTS FOR SEMIWEEKLY DEPOSITORS

THIS IS AN INFORMATION NOTICE - YOU DON'T NEED TO RESPOND.

EFFECTIVE JANUARY 1, 1993, EMPLOYERS ARE REQUIRED TO MAKE THEIR FEDERAL EMPLOYMENT TAX DEPOSITS FOLLOWING EITHER A MONTHLY OR SEMIWEEKLY DEPOSIT SCHEDULE. EACH YEAR WE WILL NOTIFY YOU WHICH DEPOSIT SCHEDULE OUR RECORDS INDICATE YOU SHOULD USE FOR THE COMING YEAR. HOWEVER, YOU ARE RESPONSIBLE FOR DETERMINING THE DEPOSIT SCHEDULE THAT APPLIES TO YOU.

IN OCTOBER 1994, WE REVIEWED THE RETURNS YOU FILED FOR THE FOUR QUARTERS ENDING SEPTEMBER 1993, DECEMBER 1993, MARCH 1994, AND JUNE 1994 (REFERRED TO AS THE LOOKBACK PERIOD). AT THAT TIME, YOUR TOTAL EMPLOYMENT TAX LIABILITY FOR THE FOUR QUARTERS WAS MORE THAN \$50,000.

THEREFORE, FOR WAGES PAID AFTER DECEMBER 31, 1994, YOU SHOULD MAKE YOUR DEPOSITS FOLLOWING THE SEMIWEEKLY SCHEDULE.

THE DAY YOUR SEMIWEEKLY DEPOSIT IS DUE DEPENDS ON YOUR PAYDAY. IF YOU PAY WAGES ON A WEDNESDAY, THURSDAY, OR FRIDAY, THE DEPOSIT IS DUE BY THE FOLLOWING WEDNESDAY. IF YOU PAY WAGES ON A SATURDAY, SUNDAY, MONDAY, OR TUESDAY, THE DEPOSIT IS DUE BY THE FOLLOWING FRIDAY.

IF AT ANY TIME WITHIN YOUR DEPOSIT PERIOD, YOUR ACCUMULATED EMPLOYMENT TAXES REACH \$100,000 OR MORE, YOU MUST DEPOSIT ON THE NEXT BANKING DAY. AFTER MAKING THIS ONE DAY DEPOSIT, YOU WILL MAKE SUBSEQUENT DEPOSITS USING THE SEMIWEEKLY SCHEDULE UNTIL THE NEXT TIME YOUR ACCUMULATED EMPLOYMENT TAXES REACH \$100,000 OR MORE.

PLEASE BEAR IN MIND THAT YOU ARE REQUIRED TO FILE YOUR RETURNS QUARTERLY EVEN THOUGH YOU MAKE SEMIWEEKLY DEPOSITS.

PROVISIONS OF THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) LEGISLATION REQUIRE DEPOSITS TO BE MADE BY ELECTRONIC FUNDS TRANSFER (EFT). THE MANDATORY USE OF THIS SYSTEM WILL BE GRADUALLY PHASED IN OVER A PERIOD OF YEARS FOR ALL DEPOSITORS OF FEDERAL EMPLOYMENT TAX. EFFECTIVE JANUARY 1, 1995, EMPLOYERS WITH EMPLOYMENT TAX DEPOSITS OF \$78 MILLION OR MORE DURING CALENDAR YEAR 1993 ARE REQUIRED TO MAKE THEIR DEPOSITS USING EFT.

THE ENCLOSED NOTICE 931 EXPLAINS BOTH THE MONTHLY AND SEMIWEEKLY DEPOSIT REQUIREMENTS IN MORE DETAIL. YOU CAN ALSO FIND USEFUL INFORMATION IN CIRCULAR E, EMPLOYER'S TAX GUIDE. FOR ADDITIONAL INFORMATION ON ENROLLMENT IN AN ELECTRONIC FUNDS TRANSFER SYSTEM REFER TO REVENUE PROCEDURE 94-48.

ENCLOSURE:
NOTICE 931

**WHAT DOES NAFTA HAVE
TO DO WITH US EMPLOYERS
& WITHHOLDING TAX?**