



Department of the Treasury
Internal Revenue Service
OPERATING DIVISION

Date:
08/12/2020
Person to contact:

Employee ID number

Contact telephone number:

Contact fax number:

Taxpayer ID number: (last 4 digits):

Dear:

Our records show that you haven't deposited federal employment taxes as required by law (Treasury Regulation Section 31.6302). **If you do not bring your account current with the required deposits within 30 days of the date of this letter, we will consider stricter civil or criminal enforcement procedures.**

We may:

- **File a Notice of Federal Tax Lien (NFTL) to protect the government's interest**

By filing this notice, we are making a legal claim to your property as security for the payment of your tax debt. An NFTL is a public notice to your creditors that we have a claim against all your property, including property you acquire after we file the lien. An NFTL can have a negative effect on your credit rating. We may also seize (levy) your property. A levy is a legal seizure of property to satisfy a tax debt.

- **Assess a trust fund recovery penalty under Internal Revenue Code Section 6672 for the unpaid trust fund taxes**

We can assess a trust fund recovery penalty against anyone who is responsible for, and willfully fails to, collect, account for, or pay to the IRS income and employment taxes the law requires to be withheld. Willfulness exists if a person allows payment of net wages when the employer has insufficient funds to pay the taxes or uses withheld taxes for other purposes. Willfulness also exists if a person who knows of a previous failure to pay taxes allows payments to others (including payment of additional wages) rather than using available funds to pay the tax delinquency.

- **Refer the matter to the Department of Justice (DOJ) to institute a civil suit or to seek criminal prosecution**

In a civil suit, the DOJ can seek an injunction that requires the employer to comply with the federal employment tax laws and prohibits the employer from paying any amounts until the employer pays the correct amounts to the IRS. The DOJ may also ask the court to appoint a receiver to take control of the business to ensure tax compliance.

The DOJ can also pursue criminal charges based on the willful failure to report and pay over withheld taxes (Section 7202 of the Internal Revenue Code). Willfulness is evident if an employer paid net wages and didn't leave enough funds to make the required tax payments or used withheld trust fund taxes for other purposes. **Convictions may result in imprisonment and other penalties. Other criminal statutes may also apply.**

I encourage you to comply with the federal employment tax deposit rules and to file your returns on time. I am enclosing Notice 931, *Deposit Requirements for Employment Taxes, which explains the deposit rules.*

Thank you for your cooperation.

Sincerely,

[Name]

[Title]

Enclosure:

Notice 931

SAMPLE