



Department of the Treasury
Internal Revenue Service
[Operating Division or Program Name]

Date:
08/12/2020
Taxpayer ID number (last 4 digits):

Person to contact:

Employee ID number:

Contact telephone number:

Contact fax number:

Dear [Name]:

We reviewed your federal tax deposits history and noticed that your deposits have changed. This could be due to a change in your payroll, unfamiliarity with deposit requirements, or some other factors. Unfortunately, you weren't available to discuss these changes when we visited your business.

Your responsibility as an employer

Trust fund tax is money an employer withholds from employees' wages for income tax and FICA (social security and Medicare tax). As the employer, you must withhold trust fund taxes from employees' wages. You hold these taxes in trust until you pay them to the Department of the Treasury by making periodic federal tax deposits.

Penalty for failing to deposit timely

If you don't deposit the taxes as required, we may assess penalties of up to 10% of the amount not deposited, depending on the number of days the federal tax deposits are late. If you still haven't paid the taxes when you file Form 941, *Employer's QUARTERLY Federal Tax Return*, we'll assess interest and penalties on any unpaid balance. The percentage can increase to 15% for amounts still unpaid after the date of the first notice asking for payment.

Penalty for failing to pay

Individuals who must account for and deposit these trust fund taxes for the business can be personally liable for a penalty if the business fails to pay these taxes. The penalty is equal to the amount of the unpaid trust fund taxes that the business owes the Treasury. For more information, see Notice 784, *Could You be Personally Liable for Certain Unpaid Federal Taxes?*

Penalty for failing to file your return timely

Even if you can't pay your taxes timely, you should still file your Form 941 timely. If you file the return after the due date, we'll assess penalties for filing late unless you have a reasonable cause for the delay. These penalties can increase to 25% of the amount due on the return.

Additional information

For more information, visit www.irs.gov and search "employment taxes" for the small business employment tax section. You can also view Publication 15, *(Circular E), Employer's Tax Guide*, and Notice 931, *Deposit Requirements for Employment Taxes*. You can get any of the notices or publications mentioned in this letter by visiting our website at www.irs.gov/formspubs or by calling 1-800-TAX-FORM (1-800-829-3676).

If you have questions about your federal tax deposit obligations on your account, you can call us at the number listed at the top of this letter.

Sincerely,

[Name]
[Title]

Tax Quarter	Tax Return	Deposits Made	Penalties Assessed
Prior Quarter			
Current Quarter			Not Applicable

SAMPLE