



5 Ways to Avoid Getting a Payroll Tax Notice

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Acceptance That Tax Notices Happen



- Realize you are working with a government agency that is underfunded, understaffed, and using antiquated technology (the IRS).
- You may be dealing with another underfunded, understaffed government agency (the USPS).
- Mistakes happen!



Set Yourself Up For Success – E-file



- Wherever possible, e-file your payroll tax returns, including your end-of-year filings such as W-2s and W-3s.
- There are a lot of third-party services that allow you to electronically file your payroll returns.
 - <http://irs.gov/e-file-providers/tax-year-2024-94x-modernized-e-file-mef-providers>
- Even when e-filed, there is still a chance the IRS may lose the return, and you will receive a notice.
- The IRS is mandating e-filing for more and more taxpayers – be aware.



If You Can't E-file, Send Certified



- Mailing your payroll tax filings is not the recommended delivery method, but if you have to mail it, send it certified.
- By law, the IRS has to accept your mailing date as the date of delivery to the IRS if you send certified.
- If you don't send certified, the IRS records the date the mail was delivered to their service center as the date of delivery.



If You Can't Send Certified, Send Early



- If you don't mail your payroll tax returns certified, the IRS determines the date of delivery as the date the payroll tax returns are delivered to the service center.
- If you mail on the due date, this means your payroll tax returns will be deemed to be late filed, incurring penalty and interest for late filing.
- Do not wait to file the payroll tax returns – file them as early as possible to avoid possible USPS delays.





Be Careful When Using EFTPS



- Using EFTPS for your tax deposits is one of two mandatory options for electronic payment options for your payroll tax deposits.
- Ensure your banking information is up to date in EFTPS and you know your EFTPS PIN.
- Make sure you are making a payment to the correct tax period.
- If you use QuickBooks or other accounting software to assist in your payroll tax deposits, make sure your EFTPS PIN is up to date in the software. If it is not, your EFTPS deposit could be rejected, and the software may not give you a meaningful notification that the EFTPS deposit was rejected.





Don't Overpay Your Taxes Due



- Only pay the taxes that are due – do not overpay.
- If you do overpay, make sure you indicate whether you want the payment refunded or credited to the next tax period when you file your quarterly payroll tax return.



Questions



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