Introduction

This guide is meant to assist a capital funding agency to identify and work through the process of determining a community’s federal tax payment status. The guide is not meant to be an all inclusive instruction manual on the complexities of the Federal IRS system. It is merely concerned with providing you with some basic information about community tax requirements and how you can identify any tax issues before investing in community capital projects. This guide is for Federal taxes only and does not address the specifics of State taxes. As a funder, you need to also be aware of State tax requirements for communities. For further information on State issues, please contact the Alaska State Department of Labor and Workforce Development.

Frequently Asked Questions

Why should our agency check for tax problems?
If your agency funds or builds projects in rural Alaska, you need to know if there are any tax problems in the community with whom you are working. Tax issues can easily threaten grant funds from various sources. If funds are compromised, the entire project could be jeopardized. The IRS can lien and levy assets of the community. If the IRS liens the community’s assets, your agency could lose the new infrastructure once the community becomes the legal owner of the infrastructure.

The community must demonstrate capacity for financial management and sustainability. If your agency is looking to invest in a community, there needs to be some level of assurance that the project being built will be sustainable in the community for the long term. If the community does not have the ability to appropriately manage the infrastructure, it will deteriorate quickly and could become a liability.

Tax problems can be a symptom of a larger management problem within the community. Generally speaking, paying Federal taxes should be a relatively easy process for communities to manage. If the community doesn’t have the capacity to track the required tax information and make their payments, then there should be some significant scrutiny on the part on the project funder as to the community’s ability to fiscally manage a new project. If the issue is a lack of revenue and not capacity, the same level of scrutiny should exist. If the community cannot fiscally support itself currently, what kind of impact will the project have on the community’s future financial viability?

What Federal taxes do communities have to pay?
In general a community, as an employer, must pay employment taxes to the IRS. The Federal Insurance Contribution Act (FICA) requires that both the employer and the employee fund both Social Security and Medicare. In addition to Federal income tax withholding, an employer has a duty to withhold from the employee’s paycheck his/her share of social security and Medicare tax
 Cities and their employees do not have to pay the Social Security portion of FICA taxes if they were in another retirement program by July 1, 1991. In certain circumstances, if a city is currently in the Social Security program, they can opt out and join an approved retirement program. For all employees hired after March 31, 1986, all cities must pay and also withhold the Medicare tax portion of FICA from an employee's paycheck.

If the city is in the Social Security Retirement System, it must collect the FICA taxes from each employee, match the contribution, and pay these funds over to the Internal Revenue Service. The employee's taxes are collected by withholding money from their paychecks. The employer is responsible for the employee's taxes on all wages paid out, even if, through a mistake, the taxes are withheld or collected from the employee but not paid to the IRS. As an employer, the community is liable for social security and Medicare taxes and withheld income tax even if they do not deduct and withhold them. A city matches all employee contributions to the Social Security Retirement System. The amount due from employees and the employer is based on the total wages paid by the city.

Non-municipal employers **must** participate in Social Security and must pay the full portion of Social Security and Medicare taxes. Employers match employee contributions.

Under the FICA program, an employer must maintain employee records identifying:
- the name
- address
- date of birth
- Social Security account number
- the total amount and date of wages or salary payments
- the period of work the payment covers
- the amount of payment considered to be taxable wages
- the amount of tax withheld or collected
- when and why an employee's services were terminated

*The community is responsible for making sure:*
- the appropriate withholdings are collected
- the employee's and employer's taxes are collected
- the taxes are reported using IRS form 941, or 941C
- the taxes are deposited correctly
- the Schedule B (Form 941) is included with the return (if required)

Unemployment tax is generally covered under the State Employment Security Contributions (ESC) program. However, if a tribal government is not current on their ESC payments they may be required to pay Federal Unemployment Tax Act (FUTA) contributions. This is the Federal equivalent to the State ESC unemployment tax.
Besides the employment taxes discussed above, communities may also be subject to excise tax on fuel or communication services. Obligations for these taxes are dependent upon the type of services provided by the community such as retail fuel sales or telephone services.

**How do the communities make their tax payments?**

There are several different ways that communities can make their tax payments. The Department of Commerce, Community and Economic Development (DCCED) recommends that communities pay the federal tax obligations when they issue their paychecks. These taxes are not paid directly to the IRS each payday. Rather, payments are made through a qualified bank.

There are two IRS deposit schedules: monthly or semiweekly. The IRS notifies the community annually whether they are a monthly or semiweekly depositor for the upcoming calendar year. The rules apply to Social Security and Medicare taxes and Federal income tax withheld on wages, tips, and sick pay. The deposit schedule for a calendar year is determined from the total taxes reported on an employer’s quarterly tax reporting Form 941 using a four-quarter look back period. If the community reported $50,000 or less of employment taxes for the lookback period, they are a monthly depositor; if they reported more than $50,000, they are a semiweekly depositor.

- Under the monthly rule, employment and other taxes withheld on payroll made during a calendar month must be deposited by the 15th day of the following month.

- Under the semiweekly rule, employment and other taxes withheld on payroll made on Wednesday, Thursday, and/or Friday must be deposited by the following Wednesday. Meanwhile, if payroll was paid on a Saturday, Sunday, Monday, or Tuesday, deposits must be made by the following Friday.

The IRS is encouraging employers to use the Electronic Federal Tax Payment System (EFTPS). It is an easy to use electronic transfer system that helps communities pay their tax obligations quickly and efficiently via the Internet or telephone.

**When and how do you check community tax status?**

As a funder, you should verify the tax status of any community prior to any grant award for a capital project. However, you should not stop there. When you verify that a community is current on its Federal tax liabilities, you are looking at their tax status for a given day. As time passes and the project moves forward, their tax status should be periodically monitored. The agency review of the community’s Federal tax status should be an integral part of any phased project.
Tax status should be checked in a logical sequence as the project develops. Some possible time frames or project milestones that may be used for verifying a community’s tax status are:

- At the end of a planning phase
- Prior to issuing construction funds
- Changes in project scope or duration
- Six to eight weeks after regular fiscal quarters
- Any other management problems that are found
- At the end of project phases
- Prior to restarting construction after a delay or seasonal stoppage
- Two months into new calendar year

You can use the Authorization to Request Federal Tax Information form to check the Federal tax payment status of communities.

**What is the “Authorization to Request Federal Tax Information” form?**

The Authorization to Request Federal Tax Information form (the Form) is a document that has been developed jointly by the IRS and DCCED. It satisfies the information release requirements of IRS Form 8821 and allows the community to authorize someone else to see their tax information. It is required because, as taxpayers, the community has the same privacy rights as an individual taxpayer. As a funding agency, you do not have the inherent right to see those confidential records. The community must give that right to you, as all tax information is confidential.

The intent of the form is to create a simple and quick way to get a snapshot of the community’s Federal tax filings. All the information is contained on one page. The completed form tells you if the community has paid their Federal taxes and filed the necessary forms for the time periods requested on the form. The IRS will tell you whether or not a community is compliant with their Federal taxes. If they are not compliant with their taxes, the form tells you what forms or payments have not been received.

**How do I use the form and what does it tell me?**

There is a complete set of line item instructions included with the form. Please refer to the back of the form for specific use instructions.

After you complete the form and fax it to the IRS, you will get a faxed reply. There are two responses/results: compliant or non-compliant. If the IRS reply is checked compliant, then the community has met their Federal tax filing and payment requirements. If it comes back non-compliant, the form will show how much the community owes. It will include filing time periods and years, the location, time periods and amounts of any liens, and forms that have not been filed with the IRS.
The form provides a picture of the community’s tax status on the day the information was requested. That is why it should be repeated periodically as previously outlined. It is possible for the community to be compliant today but have staff turnover and quickly become non-compliant.

A tax problem exists in the community; now what?
The form came back and showed the community is non-compliant with their Federal tax requirements. There are resources and options available to help communities through these problems. The chart below illustrates the steps and options available to communities and agency working through tax and/or management issues during capital projects.

**Community Tax Issue Flowchart**

- Community is IRS Compliant
  - 1. Community receives technical assistance and training and becomes IRS compliant
  - 2. Joins Regional entity to get capacity
  - 3. Joins other local entities to get capacity
  - 4. Contracts with private firm to get capacity
  - Community becomes IRS compliant with capacity
  - Agency funds project

- Community is not IRS Compliant
  - 5. Community continues current practices
  - Community stays non-compliant
  - Agency does not fund project

1. If the community chooses to receive technical assistance and training, there are several options. Assistance can be requested from IRS, DCCED, or private contractors. The IRS can assist communities in learning the proper procedures in reporting and paying Federal taxes (See appendix 5 for contact information). DCCED offers technical assistance to communities through the Rural Utility Business Advisor (RUBA) program for general and financial management. Private contractors can provide technical assistance on tax management.
2. Depending on the project and the community, a regional organization can sometimes provide a management safety net for communities. If several communities do not have the individual capacity to manage a specific utility, often times the pooling of resources into a regional entity provides the capacity needed to manage the utility.

3. If there is no appropriate or logical regional entity, sometimes the different organizations within the same community can pool resources and create capacity. Examples of this may be the village council and city council combining forces on a particular project or service or a village corporation providing financial management for the project or utility.

4. Sometimes the community can simply contract out the particular portion of the management functions. A good example of this would be a tax and payroll service calculating payroll, issuing checks and paying the taxes for the community. The community can retain a good deal of local control while ensuring that some very vital functions are being performed. The down side to this model is the cost to the community. Sometimes a mentoring arrangement can be established where the outside firm handles the financial management and reporting while training the community and slowly handing the financial functions back to the community.

5. The last option of course is the community choosing not to address the tax problem. If this occurs, the granting agency is forced to decide if they want to invest a project in the community with current tax problems and the likelihood of continuing and worsening problems.

How does the community satisfy their tax liability?
The community has chosen a proactive path from above to resolve their tax liability. There are several ways the community can fix their tax problem. The community can enter into discussions with the IRS to establish payment arrangements. There are several types of payment arrangements available.

An installment plan will take the amount of Federal taxes owed and break it down into small monthly payments that the community can pay.

Another option is entering into an Offer In Compromise (OIC)**. An OIC allows a community to negotiate with the IRS to settle on a specific amount owed and a particular payment plan for the community. The IRS has the ability to negotiate amounts owed by communities. If the community enters into an OIC, the community must stay current on all tax liabilities for 5 years. If the community does not remain compliant, the OIC will become null and void, and the IRS may take immediate action to recover the full amount of the debt owed by the community. The OIC is a great tool that allows the IRS and the community to come to a reasonable arrangement on back debt; however, the community must address the issues that put them in debt in the first place. If the community enters into an OIC without the capacity to accurately calculate and pay taxes, the OIC will fail and the IRS can seize community owned assets.

**Although it is an option, it is typically very difficult for a community to meet the criteria to qualify for an OIC.
The tax liability is paid, is the problem solved?
Tax problems are often a symptom of a larger problem. The process of calculating and paying Federal taxes is relatively easy. If the community is not paying their taxes, you need to discover why they are non-compliant. Common reasons communities have tax problems are:

- Frequent staff turnover
- Employees who are not adequately trained or qualified (don’t know how to pay taxes)
- Poor financial management causing cash flow shortages (no money to pay the taxes)
- Poor record keeping practices resulting in incorrect tax calculations
- Inconsistent payments-(paying taxes at different times and not on a set schedule)
- Fear of the IRS
- Pressure to pay other community liabilities first
- Poor budgeting
- Lack of managerial oversight by Councils

After the community has sought help and entered into a payment agreement with the IRS, it is imperative that you look at the reasons why the community was initially non-compliant. Have they addressed not only the IRS debt but also the reason for the debt? Is the problem solved?

Resources

The community has some resources available to them to help work through any tax issues. The IRS has local staff who specialize in local government and Indian tribal government tax matters. These IRS employees should be the community’s first resource as they can build a personal relationship with the IRS and possibly head off problems before they occur.

If the community has an ongoing issue with the IRS that has not been resolved through normal processes, or has suffered, or is about to suffer, a significant hardship as a result of the application of the tax laws, they can contact the Taxpayer Advocate Service. See Appendix 4.

The Department of Commerce, Community and Economic Development (DCCED) has the Rural Utility Business Advisor (RUBA) program that provides technical assistance for local government management issues.
Appendices

Appendix 1 - Acronyms

Appendix 2 - Terms and Definitions

Appendix 3 - Common Forms, Information Returns, and Publications

Appendix 4 - Resource contact information

Appendix 5 - Instructions for the Authorization to Request Federal Tax Information
Appendix 1
Acronyms

SSA  Social Security Administration
IRS  Internal Revenue Service
EFTPS  Electronic Federal Tax Deposit System
OIC  Offer in Compromise
FICA  Federal Insurance Contribution Act
FUTA  Federal Unemployment Tax Act
CAF  Central Authorization File
DCCED  Department of Commerce, Community and Economic Development
DCA  Division of Community Advocacy
RUBA  Rural Utility Business Advisor
ESC  Employment Security Contribution (State of Alaska, Unemployment Tax)
DOL  Department of Labor and Workforce Development (State of Alaska)
Appendix 2
Terms and Definitions

**Compliance:** A taxpayer is in full compliance with their federal filing requirements when all required returns and payments have been received by the IRS. There are no unfiled returns and no balance dues.

- Employment tax returns (Form 941) have been filed and the tax fully paid.
- Information returns (Forms W-3/W-2, 1096/1099) have been filed. The returns have been sent to the SSA or IRS, as applicable. There are no unfiled returns and no unpaid civil penalties.
- Excise tax returns (Form 720: 3% Communication Tax when telephone services are provided, Fuel Tax when retail fuel sales are provided) have been filed and the tax fully paid.

**Balance Due Accounts:** By law, the IRS has the authority to collect outstanding federal taxes for ten years from the date the liability was established by the IRS. If a taxpayer does not pay the taxes they owe and if they make no effort to pay them, the IRS can ask the taxpayer to take action to pay the taxes, such as selling or mortgaging any assets or getting a loan. If the taxpayer still makes no effort to pay their bill or to work out a payment plan, the IRS may also take more serious action, such as levying bank account, other income, or seizing assets.

**Formal Payment Arrangements:** Installment agreements allow the full payment of debt in smaller, more manageable amounts. Installment agreements generally require equal monthly payments. The amount of the installment payment will be based on the amount the taxpayer owes and their ability to pay that amount within the time available to the IRS to collect the tax debt from them. To be eligible for an installment agreement, the taxpayer must file all required returns, and they must be current with federal tax deposits. A user fee is charged to set up an installment agreement.

An Offer in Compromise (OIC) may be accepted by the IRS to settle unpaid tax accounts for less than the full amount of the balance due. This applies to all taxes, including any interest, penalties, or additional amounts arising under the internal revenue laws. A user fee is charge for submitting an offer. To be considered for an OIC, the taxpayer must file all of the returns that are due and, if applicable, be current with all Federal Tax Deposits for the last two quarters.
Taxpayers must agree to the future compliance provisions when offers are accepted. The taxpayer must timely file all tax returns and pay all taxes due during the compliance period. The compliance period is five years from the acceptance date or until the offer amount is paid in full, whichever is longer.

**Federal Tax Lien:** A Notice of Federal Tax Lien may be filed to secure the government’s interest against other creditors. Liens give the IRS a legal claim to property as security for payment of the owner’s tax debt. The federal tax lien arises when the IRS sends a bill for taxes owed and the taxpayer neglects or refuses to fully pay the debt within 10 days after the notice is sent.

By filing a Notice of Federal Tax Lien, the taxpayer’s creditors are publicly notified that the IRS has a claim against all of taxpayer’s property, including property they acquire after the lien was filed. The lien attaches to all property (such as vehicles, equipment, and buildings) and to all rights to property.

**Release of the Notice of Federal Tax Lien:** The IRS will issue a notice of release:

- If it is in the best interest of the government.
- Immediately after a taxpayer satisfies the tax due with a certified check or money order.
- Within 30 days after a taxpayer satisfies the tax due (including interest and other additions) by paying the debt or by having it adjusted.
- Within 30 days after the IRS accepts a bond that the taxpayer submits, guaranteeing payment of the debt.

**Levy:** A levy is a legal seizure of a taxpayer’s property to satisfy a tax debt. Levies are different from liens. A lien is a claim *used as security* for the tax debt, while a levy actually *takes the property* to satisfy the tax debt.

If a taxpayer does not pay their taxes (or make arrangements to settle their debt), the IRS may seize and sell any type of real or personal property that they own or have an interest in. For instance:

- The IRS could seize and sell property (such as equipment or a building), or
- The IRS could levy property that is the taxpayer’s but is held by someone else (such as bank accounts, rental income, accounts receivables, or commissions).

The IRS usually levies only after these three requirements are met:

- The IRS has assessed the tax and sent the taxpayer a *Notice and Demand for Payment*,
- The taxpayer neglected or refused to pay the tax, and
- The IRS sent the taxpayer a *Final Notice of Intent to Levy* and *Notice of Your Right to A Hearing* (levy notice) at least 30 days before the levy. The IRS may give the taxpayer this notice in person, leave it at taxpayer’s usual place of business, or send it to taxpayer’s last known address by certified mail, return receipt requested.
If the IRS levies the taxpayer’s bank account, the bank must hold funds the taxpayer has on deposit (up to the amount owed) for 21 days. This period allows the taxpayer time to solve any problems from the levy. After 21 days, the bank must send the money, plus interest if it applies, to the IRS.

**Federal Tax Deposit Requirements:** In general, an employer must deposit income tax withheld and both the employer and employee social security and Medicare taxes by mailing or delivering a check, money order, or cash to a financial institution that is an authorized depositary for Federal taxes.

Employers are required to determine how often they must make federal tax deposits. Generally, if the total employment taxes for the preceding year was $50,000 or less, federal tax deposits must be made by the 15th of every month. If total taxes for the preceding year were greater than $50,000, federal tax deposits must be made within three days of the date payroll checks were issued. The Electronic Federal Tax Deposit System (EFTPS) is available for those employers who want (or are required) to transmit their deposits via the computer or phone.

**Penalties:** If deposits are made late, employers will receive a penalty. This penalty is called a “failure to deposit” penalty and is computed by multiplying the amount of underpaid tax by a penalty percentage rate based on how many days late the deposit were made.

In addition to the above deposit penalties, employers may be subject to penalties if they late file their Form 941 or don’t pay the amount due on the return.

Civil Penalties are assessed on taxpayer accounts due to acts that are not related to actual filing of tax returns. Congress enacted the penalties in order to address the continuing problems of non-compliance with tax laws. Civil Penalties are imposed on an employer that fails

- to provide correct Social Security numbers on Forms W-2 and 1099
- to file timely Forms W-2 and 1099
- to provide correct information on Forms W-2 and 1099
- to reconcile W-2 information with Form 941 information
## Appendix 3

### Common Forms, Information Returns, and Publications

<table>
<thead>
<tr>
<th>FORMS</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>F 940</td>
<td>Employer’s Annual Federal Unemployment (FUTA) Tax Return</td>
</tr>
<tr>
<td>F 941</td>
<td>Employer’s Quarterly Federal Tax Return</td>
</tr>
<tr>
<td>F 945</td>
<td>Annual Return of Withheld Federal Income Tax</td>
</tr>
<tr>
<td>F 720</td>
<td>Quarterly Federal Excise Tax Return</td>
</tr>
<tr>
<td>F W-3</td>
<td>Transmittal of Income and Tax Statements</td>
</tr>
<tr>
<td>F W-2</td>
<td>Wage and Tax Statement</td>
</tr>
<tr>
<td>F 1096</td>
<td>Annual Summary and Transmittal of U.S. Information Returns</td>
</tr>
<tr>
<td>F 1099-MISC</td>
<td>Information Return for Miscellaneous Income such as rents, prizes and awards, and nonemployee compensation.</td>
</tr>
</tbody>
</table>

### Publications

<table>
<thead>
<tr>
<th>Pub 1</th>
<th>Your Rights As A Taxpayer</th>
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<tr>
<td>Pub 5</td>
<td>Your Appeal Rights and How to Prepare a Protest if You Don’t Agree</td>
</tr>
<tr>
<td>Pub 15</td>
<td>Circular E - Employer's Tax Guide</td>
</tr>
<tr>
<td>Pub 15-A</td>
<td>Employer's Supplemental Tax Guide</td>
</tr>
<tr>
<td>Pub 15-B</td>
<td>Employer's Tax Guide to Fringe Benefits</td>
</tr>
<tr>
<td>Pub 594</td>
<td>What You Should Know About the IRS Collection Process</td>
</tr>
<tr>
<td>Pub 963</td>
<td>Federal-State Reference Guide</td>
</tr>
<tr>
<td>Pub 966</td>
<td>Electronic Choices to Pay All Your Federal Taxes</td>
</tr>
<tr>
<td>Pub 3425</td>
<td>4 Easy Ways to Use EFTPS (Electronic Federal Tax Payment System)</td>
</tr>
<tr>
<td>Pub 4268</td>
<td>Employment Tax guide for Indian Tribal Governments</td>
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</tbody>
</table>

**Publication 15**, Circular E - Employer's Tax Guide, explains tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, and paying employment taxes. It explains the forms that an Employer must give to the employees, those that the employees must give to their Employer, and those that the Employer must send to the IRS and SSA. This guide also has tax tables that the Employer needs to figure the taxes to withhold from each employee.

**Publication 15-A**, Employer’s Supplemental Tax Guide, includes specialized information supplementing the basic employment tax information provided in Publication 15.

Appendix 4
Resources

IRS Local Government Services
Gary Petersen, FSLG Specialist
200 S Virginia St. Suite 105
Reno, NV 89501
775-325-9282
gary.e.petersen@irs.gov

IRS Indian Tribal Government Services
Judy Pearson, Indian Tribal Governments
949 E 36th Avenue, MS A151 JP
Anchorage, AK 99508
Phone: (907) 271-6949
Fax: (907) 271-6664
E-mail: Judy.M.Pearson@irs.gov

Rural Utility Business Advisor Program
550 W. 7th Ave. #1770
Anchorage, Ak. 99501
Phone: 907-269-4580
Fax: 907-269-4563
E-mail scott_ruby@commerce.state.ak.us

Local Taxpayer Advocate
949 East 36 Avenue, Stop A-405
Anchorage, AK 99508
Tel: (907) 271-6877
Fax: (907) 271-6157
Appendix 5
Instructions for the Authorization to Request Federal Tax Information

Narrative paragraph: The beginning paragraph is written in first person language, so the use of “We” refers to the community as they are granting you the authority to see their tax status. The name and job title of the agency person working with the community should be placed in the blank spaces labeled [name] and [title]. The agency that they work for should be placed in the space labeled [agency]. The community is granting the release to the individual, not the whole agency. The forms listed in the paragraph are all the needed forms in order to determine if the community is IRS compliant. Please see the Agency Guide to Community Tax Issues publication for more information on the specific forms.

The tax periods must be completed by the requesting agency. The IRS will look at the tax status for the time periods that you have selected. Please remember there is a time delay for internal IRS processing of returns, and there can be a 4-6 week lag between tax information submitted by the community and when the IRS shows it in their records. You should select a time period that covers the last several years. If you were submitting the form on August 1, 2004 you might want to submit dates like 08/01/2001 to 08/01/2004. This will give you several years to check for any problems. Remember though, payments made within the 4-6 weeks from submission may not be shown.

The check boxes allow you to select which particular tax issue you wish to see. It is recommended, that as a matter of procedure, that you check all the boxes.

Signatures: The community fills in this section. The signatory must be someone who is legally authorized to release the information. Generally speaking the chief elected official (Mayor or Tribal president) or the chief administrative official has the authority to sign for the community. The community will need to provide their Taxpayer I.D. number this number will look like this: 92-0012345. If the community has several Tax I.D. numbers for different programs, get a release form for each I.D.

Submission: Once the form has been properly filled out, fax it to (405) 297-4495. The IRS will complete the form and fax it back to you at the number you provided on the header.

IRS Reply: The IRS will complete the bottom section of the form. If the community is compliant with their Federal taxes then the reply will simply be checked as compliant. If the community is not compliant, the specific reasons will be checked in the appropriate boxes. It will show the Years/Periods, locations, Liens, and amounts owed . The Years/Periods time will be submitted in a format like this: 941- 200209. The first set of numbers (941) refers to the IRS form that is missing. In this case it is form 941, the Employers Quarterly Federal Tax Return. The next set of numbers refers to the dates. So 200209 would be the period ending on the last day of September in the year 2002.

Examples:
200401 - period ending the last day of January 2004
200403 - period ending the last day of March 2004
200406 - period ending the last day of June 2004
200412 - period ending the last day of December 2004

Please see reverse for actual form
Authorization to Request Federal Tax Information
All Applicants Must Complete This Form

We hereby authorize [name], [title] of [agency], to obtain information from the Internal Revenue Service (IRS) concerning our federal tax returns for the tax Forms(s) 940, 941, 945, 720 and information return Forms W-3, W-2, 1096, and 1099 for all tax periods from [beginning date] to [end date]. The following information may be released by the IRS to the above named staff, provided the request is made to the IRS within 60 days of our signature and date of this authorization.

☐ Whether we are currently in compliance with federal Employment and Excise tax filing requirements.
☐ Whether we have failed to file Employment/Excise tax returns for which returns are currently due.
☐ Whether we have failed to file Information returns (Forms W-3, W-2, 1096, 1099) and Civil Penalties are due.
☐ Whether notices of Federal Tax Liens have been filed against us in any recording District.
☐ Whether we currently have a formal payment arrangement for any amounts owed to the IRS.
☐ The amounts of any currently outstanding balance due whether or not secured by any recorded Notice of Federal Tax Lien.

Specific use not recorded on Centralized Authorization File (CAF)

I certify I have the authority to execute this form with respect to the tax matters/periods covered.

X __________________________ Name (Please Print)
Signature and Title

☐ Deemed Compliant by IRS
☐ Taxpayer is in compliance with Federal Tax Deposit requirements.
☐ Taxpayer owes federal taxes Years/Periods: ____________________ Amount: ____________________ but has a payment agreement and is current with the schedule of payments due

☐ Deemed Non-compliant by IRS
☐ Taxpayer owes federal taxes Years/Periods: ____________________ Amount: ____________________ and has no payment agreement
☐ Notice(s) of Federal Tax Lien Recorded: District ____________________ State: ____________________
☐ Taxpayer has not filed for the following Information returns for the following tax periods: ____________________

FOR INTERNAL REVENUE SERVICE:
Title: ____________________
Date: ____________________