

**From the desk of
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IRS Accepting Cash

With the national debt skyrocketing with the issuance of “free” money, and Congress now considering a second round of doing so again the Internal Revenue Service has announced that they no longer are being so particular in who they accept payment from, and in what form.

The IRS is now accepting cash payments for federal taxes from both individuals, and business taxpayers.

Historically the IRS has been extremely reluctant to accept cash payments for various reasons, not the least of which is that they do not trust their own employees to properly administer the receipt of cash payments, and more importantly that the IRS has always considered those who traffic in cash may not be compliant as to the tax laws, or possibly be involved in what is considered to be criminal activities such as the drug trade.

With the national debt now getting to excessive levels the IRS is no longer so squeamish or particular as to taking in cash payments, or from who although they have come up with a highly restrictive process for doing so.

The IRS has partnered with a number of retail enterprises such as 7-Eleven stores, Ace Cash Express and Casey's General Stores along with ACI Worldwide's OfficialPayments.com, and the PayNearMe Company which allows taxpayers to make a payment who may not have a bank account or credit card.

The IRS issued a public announcement stating that "We continuously look for ways to enhance the services we provide for our taxpayers".

The IRS provides a number of ways for taxpayers to pay their taxes by check, direct debit, credit card, and through electronic funds withdrawal when filing electronically.

This cash payment option allows taxpayers the ability to pay their taxes without having to show up at an IRS center, thereby avoiding the potential discussion that might ensue.

Those wishing to take advantage of the cash payment option should visit the IRS.gov/payments, select the cash option in the "Other Ways You Can Pay" section and follow the instructions.

There is a \$1,000 payment limit per day and a \$3.99 fee per payment.

The PayNearMe process involves a three-step process.

The IRS urges taxpayers choosing this option to start the process well ahead of any tax due date deadline to avoid interest and penalty charges.

While this program has been in effect for several years in one form or another, and is now being expanded, we do see some problems in utilizing this payment option both in the daily limitation, and in that it may very well raise questions that you might not want to answer such as how you conduct business, and where the cash may have come from.

The IRS keeps records regarding every possible way that you might be not complying with the tax laws, and trafficking in cash is one of their highest priorities.

We do suggest payment in all instances through the more traditional ways such as by check, and/or the direct payment facility when electronically filing your tax returns.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

Should you have questions relating to any tax or financial matters call at (818) 346-2160, or you can visit us on the web at www.petemcpa.com!

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