

105TH CONGRESS  
1ST SESSION

S. 570

To amend the Internal Revenue Code of 1986 to exempt certain small businesses from the mandatory electronic fund transfer system.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 1997

Mr. NICKLES (for himself, Mr. BREAUX, Mr. MACK, Mr. BAUCUS, Mr. D'AMATO, Mr. BOND, Mr. DEWINE, Mr. COCHRAN, Mr. ENZI, Mr. HAGEL, and Mr. THOMAS) introduced the following bill; which was read twice and referred to the Committee on Finance

# A BILL

To amend the Internal Revenue Code of 1986 to exempt certain small businesses from the mandatory electronic fund transfer system.

1        *Be it enacted by the Senate and House of Representa-*

2 tives of the United States of America in Congress assembled,

### 3 SECTION 1. EXEMPTION OF CERTAIN SMALL BUSINESSES

## 4 FROM ELECTRONIC FUND TRANSFER RE-

## 5 REQUIREMENTS.

6 (a) IN GENERAL.—Section 6302(h)(2) of the Inter-

7 nal Revenue Code of 1986 (relating to use of electronic

8 fund transfer system for  
9 amended to read as follows:

## 1       “(2) TAXPAYERS SUBJECT TO SYSTEM.—

2               “(A) IN GENERAL.—The regulations re-  
 3               ferred to in paragraph (1) shall only require  
 4               taxpayers to use the electronic funds transfer  
 5               system for a calendar year if the aggregate  
 6               amount of depository taxes of such taxpayer for  
 7               the second preceding calendar year exceeded the  
 8               applicable dollar amount.

9               “(B) APPLICABLE DOLLAR AMOUNT.—For  
 10              purposes of subparagraph (A)—

<b>If the 2d preceding calendar year is:</b>	<b>The applicable dollar amount is:</b>
1995 .....	\$47,000,000
1996 .....	30,000,000
1997 .....	20,000,000
1998 .....	10,000,000
1999 or later .....	5,000,000.

11               “(C) AGGREGATION RULE.—All persons  
 12              treated as a single employer under subsections  
 13              (a) and (b) of section 52 shall be treated as a  
 14              single taxpayer for purposes of subparagraph  
 15              (A).

16               “(D) VOLUNTARY COMPLIANCE.—The Sec-  
 17              retary shall encourage taxpayers not described  
 18              in subparagraph (A) to participate in the elec-  
 19              tronic funds transfer system. The participation  
 20              of such taxpayers shall be voluntary.”

21       (b) CONFORMING AMENDMENT.—Section 6302(h)(4)  
 22      of such Code is amended to read as follows:

1                 “(4) COORDINATION WITH OTHER ELECTRONIC  
2                 FUND TRANSFER REQUIREMENTS.—Under regula-  
3                 tions, any tax required to be paid by electronic fund  
4                 transfer under section 5061(e) or 5703(b) shall be  
5                 paid in such a manner as to ensure that the require-  
6                 ments of the second sentence of paragraph (1)(A)  
7                 are met.”

8                 (c) REPORTS.—The Secretary of the Treasury or his  
9                 delegate shall submit annual reports to the Committee on  
10                 Finance of the Senate and the Committee on Ways and  
11                 Means of the House of Representatives. Such reports shall  
12                 provide an analysis of the progress being made in imple-  
13                 menting the electronic funds transfer system under section  
14                 6302(h) of the Internal Revenue Code of 1986, including,  
15                 but not limited to, information with respect to—

16                     (1) the number and nature of any penalties im-  
17                 posed on taxpayers due to noncompliance with such  
18                 system,

19                     (2) any administrative efficiencies accruing to  
20                 the Federal Government by reason of such system,  
21                 and

22                     (3) the amount of any additional costs imposed  
23                 on businesses to comply with such system.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to deposits required to be made  
3 on and after the date of the enactment of this Act.

○