

104TH CONGRESS
2D SESSION

H. R. 4251

To amend the Internal Revenue Code of 1986 to exempt certain small businesses from the required use of the electronic fund transfer system for depository taxes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 1996

Mr. HASTINGS of Washington introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exempt certain small businesses from the required use of the electronic fund transfer system for depository taxes, and for other purposes.

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. EXCEPTION FOR SMALL BUSINESSES FROM RE-**
4 **QUIRED USE OF ELECTRONIC FUND TRANS-**
5 **FER SYSTEM.**

6 (a) IN GENERAL.—Subsection (h) of section 6302 of
7 the Internal Revenue Code of 1986 (relating to use of elec-
8 tronic fund transfer system for collection of certain taxes)

1 is amended by redesignating paragraphs (3) and (4) as
2 paragraphs (4) and (5), respectively, and by inserting
3 after paragraph (2) the following new paragraph:

4 “(3) EXCEPTION FOR SMALL DEPOSITORS.—

5 “(A) IN GENERAL.—A taxpayer who is a
6 small depositor for any calendar year shall not
7 be required to make deposits by electronic fund
8 transfer for taxes attributable to payments
9 made during the following calendar year.

10 “(B) SMALL DEPOSITOR.—A taxpayer is a
11 small depositor for any calendar year if the
12 amount of employment taxes attributable to
13 payments made by such taxpayer during such
14 year is \$50,000 or less.”

15 (b) REQUIRED PERCENTAGES OF DEPOSITS FROZEN
16 AT 1996 LEVEL.—

17 (1) Subparagraph (B) of section 6302(h)(2) of
18 such Code is amended—

19 (A) by striking “the applicable required
20 percentage” in clause (i) and inserting “20.1
21 percent”, and

22 (B) by striking “the applicable required
23 percentage” in clause (ii) and inserting “30
24 percent”.

1 (2) Paragraph (2) of section 6302(h) of such
2 Code is amended by striking subparagraph (C).

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect on July 1, 1997.

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