Subject: Mandatory IRS Electronic Payments – Executive Order 14247 Compliance

Dear Client:

We are writing to inform you of an important change in federal tax payment procedures that may affect your filing and payment obligations. Under Executive Order 14247, the U.S. Department of the Treasury will require all federal tax payments and refunds to be made electronically beginning September 30, 2025. This mandate applies to individuals, trusts, estates, partnerships, and corporations, with limited exceptions. While further guidance is still being sought and there are appeals for wider exceptions and/or a longer implementation period, we wanted to inform you of this mandate, so your payments and refunds are processed without delay or penalties.

After September 30, 2025:

- Paper checks will no longer be accepted for federal tax payments
- Refunds will be issued via direct deposit only
- Non-compliance may result in payment delays or penalties

Following are approved electronic payment methods currently in use by the IRS for:

Individuals

- IRS Direct Pay: Pay directly from a checking or savings account
  https://www.irs.gov/payments/direct-pay
- Debit/Credit Card Payments: Via IRS-approved processors (please note fees may apply)
  https://www.irs.gov/payments/pay-your-taxes-by-debit-or-credit-card
- ACH Debit During E-Filing: Authorize payment when filing electronically (provide bank information to SBP CPA)

Trusts and Estates

- EFTPS (Electronic Federal Tax Payment System)
  Requires enrollment using the trust's Employer Identification Number (EIN)
  https://www.eftps.gov/
- ACH Debit via Form 1041 E-Filing: Authorize payment when filing electronically (provide bank information to SBP CPA)

Corporations and Partnerships

- EFTPS (mandatory for entities with payroll or estimated tax obligations)
- ACH Credit: Initiated through your bank with IRS routing instructions
- Third-Party Payroll Providers: Ensure they are compliant with electronic mandates

There are exceptions for the following; we do not recommend relying on these exceptions.

- Lack of access to banking or internet services
- Emergency hardship or national security concerns
- Treasury Secretary discretion

Since the next quarterly payment is due on 9/15, before the mandate, that payment is exempt from this mandate. However, any payments due after 9/30 are required to be made electronically. If there are refunds due with your returns, we will need to also obtain banking information for you to have any refunds directly deposited into your account.

We strongly recommend:

1. Registering and creating online accounts with the IRS and FTB
2. Enrolling in EFTPS now if you haven’t already
3. Scheduling payments in advance to avoid last-minute issues. In some instances, especially for trusts, consider making the 2025 Q4 payment before 9/30/2025.

Please contact us if you have any questions.

Sincerely,

Scott B. Price, CPA