

105TH CONGRESS
1ST SESSION

H. R. 722

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

FEBRUARY 12, 1997

Mr. HASTINGS of Washington (for himself, Mr. TALENT, Mr. NETHERCUTT, Mr. MANZULLO, Mrs. KELLY, Mr. COMBEST, Mr. CUNNINGHAM, Mr. HOEKSTRA, Mrs. SMITH of Washington, Mr. GOODLING, Mr. CHABOT, Mr. MCHUGH, Mr. BARTLETT of Maryland, Mr. MCINTOSH, Mr. BARR of Georgia, Mr. SCARBOROUGH, Mr. GILLMOR, Mr. CONDIT, Mr. SNOWBARGER, Mrs. EMERSON, Mr. MORAN of Kansas, Mr. WATKINS, Mr. COOKSEY, and Ms. HARMAN) 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,*

1 **SECTION 1. EXCEPTION FOR SMALL BUSINESSES FROM RE-**
2 **QUIRED USE OF ELECTRONIC FUND TRANS-**
3 **FER SYSTEM.**

4 (a) **IN GENERAL.**—Subsection (h) of section 6302 of
5 the Internal Revenue Code of 1986 (relating to use of elec-
6 tronic fund transfer system for collection of certain taxes)
7 is amended by redesignating paragraphs (3) and (4) as
8 paragraphs (4) and (5), respectively, and by inserting
9 after paragraph (2) the following new paragraph:

10 “(3) **EXCEPTION FOR SMALL DEPOSITORS.**—

11 “(A) **IN GENERAL.**—A taxpayer who is a
12 small depositor for any calendar year shall not
13 be required to make deposits by electronic fund
14 transfer for taxes attributable to payments
15 made during the following calendar year.

16 “(B) **SMALL DEPOSITOR.**—A taxpayer is a
17 small depositor for any calendar year if the
18 amount of employment taxes attributable to
19 payments made by such taxpayer during such
20 year is \$50,000 or less.”

21 (b) **REQUIRED PERCENTAGES OF DEPOSITS FROZEN**
22 **AT 1996 LEVEL.**—

23 (1) Subparagraph (B) of section 6302(h)(2) of
24 such Code is amended—

1 (A) by striking “the applicable required
2 percentage” in clause (i) and inserting “20.1
3 percent”, and

4 (B) by striking “the applicable required
5 percentage” in clause (ii) and inserting “30
6 percent”.

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

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to amounts otherwise required to
11 be deposited after June 30, 1997.

○