

No e-pay penalties for 2009

During the 2009 calendar year, the FTB will not assess penalties if a taxpayer subject to the new mandatory e-pay requirements pays by check instead of electronically. The FTB has announced that they realize taxpayers and practitioners need additional time to put practices and procedures in place to comply with the new requirement, and have postponed implementation of the penalty.

The law currently states that all payments made by an individual on or after January 1, 2009, regardless of taxable year or amount, must be remitted electronically to the FTB **after** the individual either has:

- Made a single estimated tax or extension payment greater than \$20,000 for a taxable year beginning on or after January 1, 2009; or
- Filed an original return with a tax liability greater than \$80,000 for a taxable year beginning on or after January 1, 2009.

However, for 2009, the FTB will not impose penalties. We suggest that you prepare your client for 2010 when penalties could be assessed.