

Charge Information Screen

The screenshot shows a dialog box titled "Addition To Tax". It contains the following fields and values:

- Description of Charge: First
- Date of Liability: 4/30/1989
- Date Interest Runs on Charge: 4/30/1989
- Total Charge: \$500.00
- Unallocated: (empty)
- Indicate How Charge Was Allocated --
- Applied As Tax: \$300.00
- Applied As Penalties: \$200.00

Buttons: OK, Cancel

Description of Charge

Enter any appropriate description.

Date of Liability

Enter the date that this charge is first owed.

Date Interest Runs on Charge

Enter the date that interest runs on this charge. This date could be different than it's Date of Liability.

Total Charge

Enter the total amount of the charge.

Applied As Tax

Enter the amount applied as tax. The Total Charge amount must equal the amount Applied As Tax plus the amount Applied as Penalties.

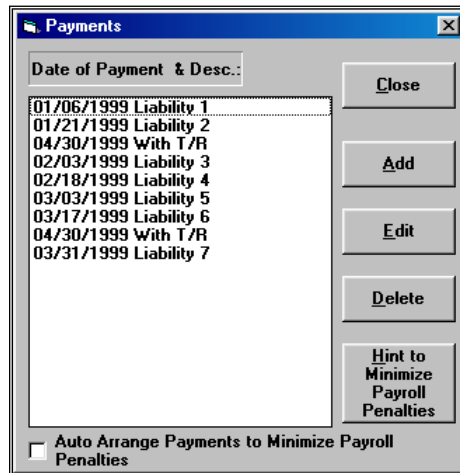
Applied As Penalties

Enter the amount applied as penalties.

Payments...

This menu choice is to enter partial payments of tax. Be careful that the only partial payments that you enter are after the Start Calculation and before the End Calculation date. These payments should be entered after entering Penalties and Other Charges.

Select Or Add Payments



The screenshot shows a window titled "Payments" with a list of payments and several control buttons. The list contains the following entries:

Date of Payment	Description
01/06/1999	Liability 1
01/21/1999	Liability 2
04/30/1999	With T/R
02/03/1999	Liability 3
02/18/1999	Liability 4
03/03/1999	Liability 5
03/17/1999	Liability 6
04/30/1999	With T/R
03/31/1999	Liability 7

Buttons on the right side of the window include: Close, Add, Edit, Delete, and Hint to Minimize Payroll Penalties. At the bottom, there is a checkbox labeled "Auto Arrange Payments to Minimize Payroll Penalties".

Select Or Add Payments Screen

Payment Date

If there is already information about a payment in the system, it's date will show up in this listing. You can **Edit** or **Delete** any of those payments from this screen. Choosing **Add** will let you enter a payment.

Close

To return to the Main Screen.

Add

To go to screen where you can enter a new payment.

Edit

To edit a payment's information, click on the date of the payment you want to change, then click on the Edit button. This will take you to the Payment Information screen for this date.

Delete

To delete a payment, click on the date of the payment you want to change, then click on the Delete button.

Hint to Minimize Payroll Penalties

This button is only visible if this calculation relates to payroll taxes. Click on this button to get suggestions on how to use this program to minimize payroll deposit penalties.

Auto Arrange Payments to Minimize Payroll Penalties

This check box is only visible if this calculation relates to payroll taxes. Check this box to have the program determine the best order to apply payments. There are situations where there are too many payments for the program to manipulate.

Payment Information Screen

Payment Information	
Description of Payment:	First
Payment Date	4/30/1989
Payment Amount:	\$500.00
Unallocated:	
Max. Interest:	
<input checked="" type="checkbox"/> Use IRS Allocation Method	
Allocate To Tax:	\$500.00
Allocate To Penalties:	\$0.00
Allocate To Interest:	\$0.00

Payment Information Screen

Description of Payment

Enter an optional description of the payment.

Payment Date

Enter the date of the payment.

Payment Amount

Enter the payment amount.

Use IRS Allocation Method

In most cases, you will want this item checked. The IRS Allocation Method will allocate the payment first to unpaid taxes, next to unpaid penalties and last to unpaid interest.

Allocate to Taxes

If IRS Allocation Method is chosen, this will show the payment's allocation to tax. If the taxpayer allocated the payment, please enter the amount of tax paid with this payment.

Allocate to Penalties

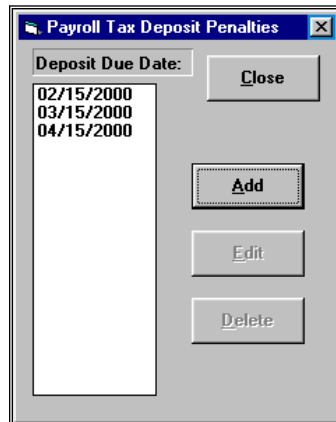
If IRS Allocation Method is chosen, this will show the payment's allocation to penalties. If the taxpayer allocated the payment, please enter the amount of penalties paid with this payment.


Allocate to Interest

If IRS Allocation Method is chosen, this will show the payment's allocation to interest.

If the taxpayer allocated the payment, please enter the amount of interest paid with this payment. You will see a recommendation for the maximum allowable interest. If you choose to enter more than the maximum interest, you will get a warning, but the program will accept that amount.

8. **Click** on the **OK** button.
9. Repeat steps 4 – 8 for the 3/15/2000 and the 4/15/200 deposits. When you are done entering the liabilities, the Payroll Tax Deposit screen should look as follows:



10. **Click** the **Close** button on the Payroll Tax Deposit screen.
11. Save the information by **clicking** on the Save button  on the Main Screen.

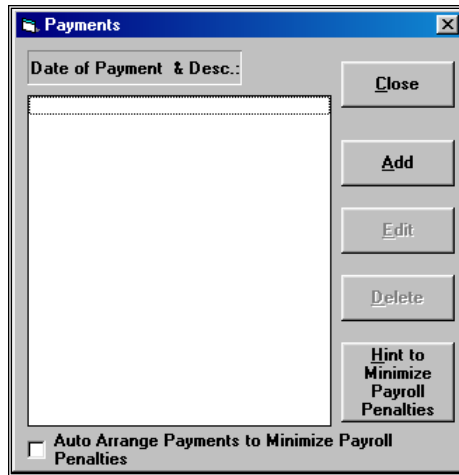
Enter Payroll Deposits

You will be entering the following payroll deposits:

DATE	PAYMENT
2/15/00	\$4,000
3/15/00	\$4,000
4/15/00	\$5,000
4/30/00	\$1,000
4/30/00	\$1,000

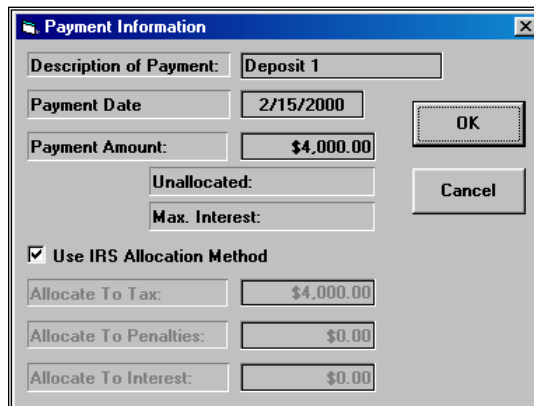
THIS IS IMPORTANT! Note that there are two 4/30/2000 payments for \$1,000 each, **NOT** one for \$2,000. That way the program can apply \$1,000 of the 4/30/2000 payment to the 2/15/2000 liability and the other \$1,000 to the 3/15/2000 liability. It is important to enter deposits in the order that you want them applied, but, in some cases, the program can automatically match payments and liabilities to arrive at the minimum payroll penalty, see "[Auto Arrange Payments to Minimize Payroll Penalties](#)" on page 18.

1. Click on the **Inputs** menu choice.
2. Click on the **Payments** menu choice. A Payments screen will appear as follows:



The screenshot shows a dialog box titled "Payments" with a close button (X) in the top right corner. Below the title bar is a label "Date of Payment & Desc.:" followed by a large empty text area. To the right of this area are four buttons: "Close", "Add", "Edit", and "Delete". Below these buttons is a button labeled "Hint to Minimize Payroll Penalties". At the bottom left, there is a checkbox labeled "Auto Arrange Payments to Minimize Payroll Penalties" which is currently unchecked.

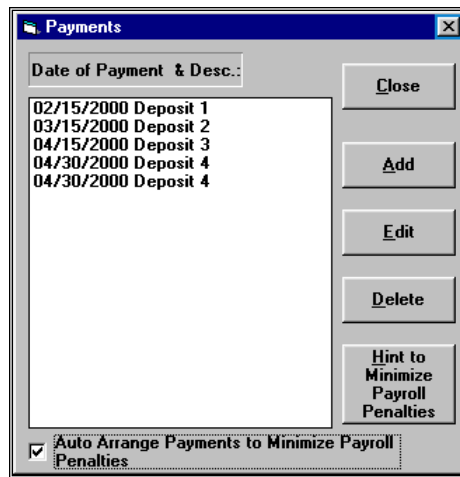
3. Click on the **Add** button. A Payment Information screen should appear.
4. Type **Deposit 1** for the Description of Payment input.
5. Type **02152000** for the Payment Date input.
6. Type **4000** for the Payment Amount input. The Payments screen should reappear:



The screenshot shows a dialog box titled "Payment Information" with an OK button (X) in the top right corner. The form contains several input fields: "Description of Payment:" with the value "Deposit 1", "Payment Date:" with the value "2/15/2000", and "Payment Amount:" with the value "\$4,000.00". There are also fields for "Unallocated:" and "Max. Interest:" which are currently empty. Below these fields is a checkbox labeled "Use IRS Allocation Method" which is checked. Underneath this checkbox are three fields: "Allocate To Tax:" with the value "\$4,000.00", "Allocate To Penalties:" with the value "\$0.00", and "Allocate To Interest:" with the value "\$0.00". On the right side of the dialog, there are two buttons: "OK" and "Cancel".

7. Click on the **OK** button.

8. Repeat steps 3 – 7 for each of the other payments. When you are done entering payments, the Payments screen should look like this:




Notice that Deposit 4 appears two times. That \$2,000 payment is entered as if it were two payments of \$1,000 to cover the \$1,000 short falls for 2/15/2000 and 3/15/2000.


9. **Click** on the Auto Arrange Payments to Minimize Payroll Penalties check box.



10. **Click** the Payments screen **Close** button.

11. Save the information by **clicking** on the Save button  on the Main Screen.

Print Reports

- To print reports **click** on the picture on the Tool Bar that looks like a printer .
- **Click** on the **OK** button for the print dialog screen.
- On the Report Choices screen **click** on Summary of Results and Payroll Deposit Pen.
- **Click** on the **OK** button.
- To exit after the reports are printed **click** on the picture on the Tool Bar that looks like a door.

Index

S

§301.6601-1(e) 24
§6211 24
§6601(a) 24
§6601(c) 24
§6601(e)(2)(A) 25
§6601(e)(2)(B) 25
§6601(h) 25
§6621(a)(1)(A) 26
§6621(c)(2)(A) 26
§6651(a)(1) 27
§6651(a)(2) 27
§6651(d)(1) 9
§6653(b) 29
§6656 28
§6656(b)(1) 28
§6656(b)(1)(B) 15
§6656(e) 28
§6662 27
§6662(c) 27
§6662(d) 27
§6662(d)(2) 27
§6662(e) 28
§6663 29

A

About Screen 4
Accuracy Related Penalties 27
 Negligence 27
 Substantial Understatement 27
 Substantial Valuation Misstatement 28
Accuracy Related Underpayment 10
Add 14
Adequate disclosure 27
Allocate to Interest 19
Allocate to Penalties 19
Allocate to Taxes 19
Allocation of a payment 25
Amount Shown on Return 8
Amount Subject to 50% Interest Fraud 12

Amount Subject to 50% of Interest Negligence 11
Amount Subject to Flat Rate Fraud 12
Amount Subject to Flat Rate Negligence 11
Applied As Penalties 17
Applied As Tax 17
Are Your Inputs Correct 30
Assessment date 25, 30
Auto Arrange Payments to Minimize Payroll Penalties 18, 29, 38

C

Calculate §6651(d)(1) Increased Failure To Pay Rate 9
Calculate 50% of Interest Fraud Penalty 12
Calculate 50% of Interest Negligence Penalty 11
Calculate Flat Rate (5%) Negligence Penalty 11
Calculate Flat Rate Fraud Penalty 12
Carryback Year Interest 24
Charge Date 16
Charge Information Screen 17
Charges 15
Check the IRS's calculation of interest and penalties 30
Choose A Filename 32, 34
Civil Fraud 12, 25, 29
Close 14
Comparing Program Results To IRS 30
Compound interest 25
Contents... 5
Corporate Taxpayer 7
Corrupted 1

D

Date for Starting Increased Rate 9
Date Interest Is Suspended 21
Date Interest Runs on Charge 17
Date of Demand for Immediate Payment (Jeopardy Assessment) 15
Date of Earliest Delinquency Notice 15
Date of Liability 17
Date Return Filed 9
Date Suspended Interest Is Restarted 21
Delete a charge 16
Delete a payment 18
Delete a payroll deposit 14
Denver Tax Software 4
Deposit Due Date 14
Description of Payment 19, 37
Detailed Analysis Report 23, 31, 33
Disk caching 1
Does §6656(b)(1)(B) Apply 15
Due Date for Deposit 15
Due Date of Deposit 35
Due Date of Return 7, 32, 34

E

Edit 14
Edit a charge 16
Edit a payment 18
Edit a payroll deposit 14
End Calculation 7, 32, 34
Enter information 32
ENTER key 4
Enter Payroll Deposits 36
Entering Information 4
Estimated taxes
 Penalty for underpayment of 25
Example 32
exit 4
Exit 1, 33, 38
Extensions 24

F

Failure To File 9, 25, 27
Failure To Make Deposit Of Taxes 28
Failure To Pay 8, 27
Filename 32, 34
Fraud 12

G

Getting started 4

H

Help 5
help file 5
Hint to Minimize Payroll Penalties 18

I

Initial Balance 7, 32, 34
Initial Inputs 6
Input Report 22
Input screen 4
Inputs 30, 32
Installation
 Network 2
Installing
 And Starting 2
Interest
 Compounded 25
 Factors 25
 General Rule 24
 On Penalties 25
Interest & Penalties -- The Law 24
Interest rate
 Large corporations 26
 Overpayments 26

Tax Motivated 26
Interest Rate 25
IRS 31
IRS Allocation Method 19, 25
IRS examination 21, 30
IRS interest rate 25
IRS notice 30

L

Large corporate overpayment rate 26
Large corporate underpayment rate 26
Large corporation overpayment rate 20
Large corporation underpayment rate 20

M

Main Screen 4
Menu 5

N

Negligence 11
Negligence -- Accuracy Related 27
Net operating loss 24
Netting of interest 26
Network Installation 2
New Scenario 34
NOL 24
Notifying The IRS About A Mistake 31
Num Lock 5
Numeric information 5

O

Optional 2nd Line 6
Optional Interest Rates 20
Other Charges... 15
Overpayment interest rate 26
Overview 1

P

Partial payments 30
Payment 25
Payment Amount 19, 37
Payment Date 18, 19, 37
Payment Information Screen 19
Payments
 Select 18
Payments screen 37
Payments... 17
Payroll Deposit Information screen 35
Payroll Deposit Penalties 28
Payroll Penalties
 An Overview of the Law 28

Auto Arrange Payments to Minimize Payroll Penalties 29, 38
Due Date of Deposit 35
Enter Liabilities 35
Enter Payroll Deposits 36
How Payroll Payments Are To Be Applied 28
How To Match Payroll Deposits With Liabilities 28
Payroll Tax Deposit screen 35
Required Deposit 35
Payroll Tax 7
 Indicate in Initial Inputs 34
 Initial Balance 34
 Start Calculation 34
Penalties 8, 27
 State 8
Penalty Rate
 Substantial Understatement Penalty 13
Penalty Reports 23
Personal Holding Companies 27, 28
Print Reports 33, 38
Procedure 3

Q

Quick Start 3

R

Rate Table 7
Readme file 8
READWINT.TXT 8
Refund 7
Refund situations 31
Report Choices Screen 22, 33, 38
Reports 22
Required Deposit 15, 35
Rev. Proc 90-58 28
Rev. Proc. 99-10 28

S

S Corps 27, 28
Select Or Add Other Charges 16
Select Or Add Payments 18
Start Calculation 6, 28, 32, 34
Start Date For Large Corporation Overpayment Rate 20
Start Date For Large Corporation Underpayment Rate 20
Starting 4
Starting Situation 7
State interest rates 7
State Penalties 8
Steps 3
Substantial Overstatement Of Pension Liabilities -- Accuracy Related 28
Substantial Understatement -- Accuracy Related 27

Substantial Understatement Penalty 13
Substantial Valuation Misstatement -- Accuracy Related 28
Summary Of Results 22
Summary Report 31
Suspend interest 21
Suspended interest 24, 30
System Requirements 2

T

Tax Motivated Rates 20, 26
Taxpayer 6
Total Charge 17
Trust Fund Penalties 28, 33
Turning off your computer 1
Tutorial 5

U

Underpayment of estimated taxes 25
Understated Tax 13
Use IRS Allocation Method 19
Use Large Corporation Overpayment Rate After 12/31/94 20
Use Large Corporation Underpayment Rate After 12/31/90 20

V

Valuation Overstatement Penalty 13

Y

Year Interest Paid 25