

ID: CCA\_2008080412531941

Number: **200923036**

Release Date: 6/5/2009

Office:

UILC: 6205.00-00

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**From:**

**Sent:** Monday, August 04, 2008 12:53:20 PM

**To:**

**Cc:**

**Subject:** FW: Review and Comment on new Appeals Employment Tax Non-Worker Classification/Section 530 Cases

Thanks, . You are correct that the 2504 has been treated as a supplemental return, making the interest-free adjustment rules available if there is an "error." The new regs (effective 1/2009) provide that the 2504 will be an adjusted return, making the same rules available. Also, it's important to point out that once the ER "makes an adjustment" via a 941c (old method), a 941-X (new method in 2009) or a 2504, the issuance of a notice and demand for payment after the adjustment is made does not nullify the interest-free treatment from the time the taxes were originally due to the time the adjustment must be paid.

The relevant difference in the new and old rules is this: previously, you could pay the amount by the due date of the return for the period in which the 2504 is signed to be entirely interest free; if not paid by such date, interest will begin to accrue. Beginning in 2009, the amount must be paid at the time the 2504 is signed or interest will begin to accrue then. Do you want the letter to be used immediately or beginning 1/2009?