

QUESTIONS AND ANSWERS ABOUT PAYING TAXES VIA ELECTRONIC FUNDS TRANSFERS

What method may I use for paying by EFT?

West Virginia accepts ACH Credit and ACH Debit payments. However, in an emergency a wire transfer may be used if it is prearranged with the Revenue Division Director.

What is an ACH Credit?

An Automated Clearing House (ACH) Credit occurs when the taxpayer contacts their bank to initiate a transaction debiting their bank account and transferring to the State's account the amount due.

Tell me more about ACH Credits.

Check with your bank to see what type of ACH origination services they offer for businesses. The ACH Credit must be accomplished utilizing the tax payment (TXP) convention with the addendum record of a NACHA CCD+ application. *As the originator of the ACH Credit transaction, the cost of each transaction is charged to you.*

What is an ACH Debit?

An Automated Clearing House (ACH) Debit occurs when the taxpayer authorizes the State Tax Department to access their bank account and withdraw the funds indicated for payment. The Taxpayer makes the transfer by telephone using the State's pay-by-phone system, or by filing on-line if available. This process requires a personal identification number (PIN) to complete the transaction.

Who pays by EFT?

The State's mandatory EFT program is targeted to taxpayers who make a single tax payment of at least \$100,000 in a year. (See Publication WV/EFT-4 for more detailed information.) However, any taxpayer who wishes may apply to pay by EFT.

What is the benefit of EFT?

- Avoids writing checks that could be delayed or lost in the mail;
- Provides efficient accounting of funds by allowing you to know exactly when the tax payment will be deducted from your account;
- EFT payments improve West Virginia's cash flow, without increasing taxes;

- EFT payments ensure rapid, timely tax payments; and
- **If you file on-line (not available for all taxes), you do not have to mail a return.**
- EFT payments provide security and confidentiality for all transactions.

What taxes can be paid by EFT?

All tax returns currently filed to the State Tax Department are eligible for EFT. This includes estimated payments, annual returns and billing payments.

Do I still need to send returns? If so, when are they due?

Except for returns which can be filed on-line, you must still send your paper returns and they must be received by the due date. Returns must be marked ACH in the upper left corner and in order for the Tax Department to match your return to your payment, you must send all ACH returns to:

**WV STATE TAX DEPARTMENT
RD-EFT
PO BOX 11895
CHARLESTON WV 25339-1895**

Failure to send returns to the proper PO Box will result in your not receiving proper credit for your payment.

What if no tax is due?

You should send your return to the regular PO box for that tax or file on-line or by tele-file, if available.

When do I initiate the EFT?

The banking industry's ACH system requires a minimum of one business day to operate.

Tax payments remitted electronically by ACH Credit must arrive in the State's bank account not later than the day the tax is due. Therefore, to meet this deadline, EFT payments must be initiated no later than the day before the due date.

Tax payments remitted electronically by ACH Debit must be initiated through the State's pay-by-phone system, or by filing on-line, if available, by 12:00 A. M. midnight Eastern Time on the business day *prior* to the due date.

If you file, on-line and pay by ACH Debit, the payment will be automatically deducted from your account in two to four business days.

What if the due date falls on a weekend or holiday?

If the due date falls on a Saturday, Sunday, or bank holiday, payment by EFT shall be made so that the funds are immediately available in the State Treasurer's account on the first business day after the due date. If the date on which the taxpayer is required to initiate either an ACH Debit or an ACH Credit falls on Saturday, Sunday, or a State or bank holiday, the taxpayer shall initiate the transaction on the preceding business day.

What if I pay more than one type of tax?

A separate transmission must be made for each type of tax you are paying. You may not combine taxes into one lump sum.

When can I begin paying by EFT?

If you choose the *ACH Credit* option, you must complete and return the Application for Electronic Funds Transfer (WV/EFT-5) marked for ACH Credit **or submit an on-line application**. You will then be notified to send a prenote. After a successful prenote (a zero dollar transmission, correctly formatted), you will receive written approval informing you when to begin paying by EFT.

If you choose the *ACH Debit* option, you must complete and return the Application for Electronic Funds Transfer (WV/EFT-5) marked for ACH Debit **or submit an on-line application**. You will then be provided with a PIN.

Note: If your application is incomplete, it will be returned, and you will not be allowed to prenote (ACH Credit), or be sent a PIN (ACH Debit) until your application is complete.

What if I am a tax professional filing returns for my clients?

Generally, you must submit a WV/EFT-5 for each taxpayer, which includes the name and WV Tax Identification Number for each taxpayer, as well as a contact person. However, if a taxpayer has multiple account numbers, you must submit an application for each account number.

How do I know where to send by ACH Credit?

Once your application has been approved, you will be supplied with the State's bank routing number and the EFT deposit account number.

If I am unable to complete an ACH transaction, can I send a payment by wire transfer?

Yes, but only if prearranged with the Revenue Division Director by phone at (304) 558-8710 or (304) 558-8712 between the hours of 7:00 AM and 3:00 PM, Eastern Time, Monday through Friday, or via email at TAXACH@TAX.STATE.WV.US

What if I don't make my EFT payment by the Tax due date?

Your payment will be late and you will be subject to interest and penalty. Make your EFT payment as soon as possible after the due date. Calculate the interest and penalty and include it as part of your EFT payment report. If you don't include interest and penalty as part of your EFT payment, you will receive a bill for the amount of interest and penalty due.

How do I change my name, address, or account number?

You must complete a new WV/EFT-5 and indicate it is a change.

What if I no longer wish to pay by EFT?

You must complete a WV/EFT-5 and indicate it is a withdrawal. However, if you make a single payment in excess of \$100,00 in a year, you must file by EFT.

Is it possible to change previously reported EFT information?

The only way to change the reported information is to contact your bank on the same day you initiated the ACH Credit transaction and request a change. Changes may not be made after the transaction has been transmitted to the State.

To change the reported information on an ACH Debit transaction initiated through the State's pay-by-phone system, contact the Department as soon as possible for assistance.

If I need assistance with an EFT, who do I contact? Where can I get forms and publications?

The application form and complete EFT instructions are available on the Tax Department's website at WWW.STATE.WV.US/TAXDIV under Electronic Services, or you can contact Taxpayer Services at (304) 558-3333 between the hours of 8:30 AM and 5:00 PM Eastern Time, Monday through Friday.