

QUESTIONS AND ANSWERS ABOUT PAYING TAXES VIA ELECTRONIC FUNDS TRANSFERS USING ACH CREDIT OR PAY-BY-PHONE

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 prearranged with the Revenue Division.

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 using the State's pay-by-phone system or by authorizing a payment when filing on line, where available.

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 if I have an out of the country address and bank account?

West Virginia does not accept ACH transaction originating outside the United States. You must pay by check drawn on a United States bank in US dollars.

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;
- If you file online, you do not have to mail a return; and
- EFT payments provide security and confidentiality for all transactions.

What taxes can be paid by EFT?

All taxes currently administered by the State Tax Department are eligible for EFT. This includes regular monthly and quarterly return payments, estimated payments, annual returns payments, and audit and billing payments.

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

Except for returns that are filed online, you must still mail a paper return and they must be received by the due date. If you filed online, you do not need to send a paper return.

For more information on filing returns on line, go to WWW.WVTAX.GOV and click on the MYTAXES.WVTAX.Gov link.

When do I initiate an 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 or the MyTaxes online filing system by 12:00 AM midnight eastern time on the business day *prior* to the due date.

When will the funds be withdrawn from my account?

Funds will generally be withdrawn from your account the day following the settlement date.

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

If the due date falls on a Saturday, Sunday, or bank holiday, payments 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 transaction falls on Saturday, Sunday, or a State or bank holiday, the taxpayer shall initiate the transaction the preceding business day.

What if I pay more than one type of tax?

A separate ACH 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 method, 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 be notified by mail when your application is processed and instructed to submit a prenote (a zero dollar transmission) to test the format of your addenda record. Once a correct addenda record is received, you will be approved for EFT.

If you choose to use the ACH Debit Pay-By-Phone option, you must complete the Application for Electronic Funds Transfer (WV/EFT 5) marked ACH Debit or submit an online application. You will then be sent a personal identification number (PIN) for use with the pay-by-phone system.

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 contact information. However, if a taxpayer has multiple account numbers, you must submit an application for each account number.

NOTE: There are special rules for Payroll Service Providers. Please contact the Revenue Division at (304) 558-8692 for additional information.

How do I know where to send my 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 the ACH Transaction, can I send a payment by wire transfer?

Yes, but ONLY if prearranged with the Revenue Division. Approval can be obtained by calling (304) 558-8692 between the hours of 7:30 AM and 3:30 PM Eastern Time. Fedwires are approved on a one-

time basis for emergency payments. Fedwire is not a regularly accepted method of electronic payment.

What if I don't make by 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 statement of account for the amount of interest and payment due.

How do I change my bank account number for Pay-By-Phone?

You must complete a new WV/EFT -5 and indicate it is a change of banking information. You must do this at least two weeks before your next payment is due.

What if I no longer wish to pay by EFT?

You must complete a WV/EFT5 and indicate it is a withdrawal from the EFT program. However, if you make a single payment in excess of \$100,000 in a year, you must pay 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 submitted to the State.

To change the reported information on an ACH Debit transaction through the pay-by-phone system, contact (304) 558-8692 prior to the transaction date for assistance.

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

The application form and complete EFT instructions are available on line at www.wvtax.gov under Electronic Services, or you may contact Taxpayer Services at (304) 558-3333 between the hours of 8:30 AM and 5:00 PM Eastern Time, Monday through Friday.