



A guide to Washington State Department of Revenue

Electronic Payments

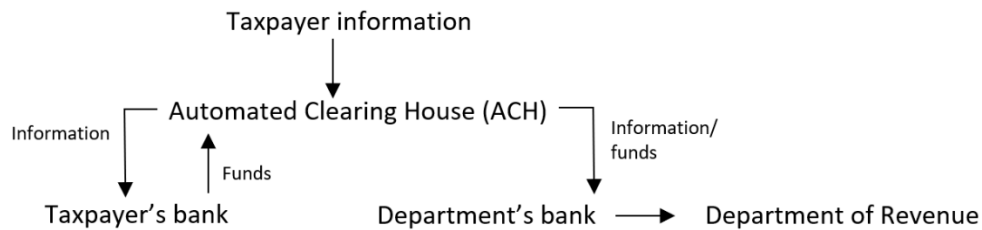
The purpose of this guide is to help you choose the electronic tax payment option that works best for you. Explanations of each payment option, frequently asked questions, and definitions of terms are included.

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Automated Clearing House (ACH) debit

ACH debit authorizes the department's bank to withdraw specific funds from your bank account and deposit them into the department's account. Each reporting period, you can initiate and authorize the payment amount and date of withdrawal when you electronically file your return. The ACH Debit option is available by selecting the "Bank Account" option when making a payment in the department's electronic filing system.



Cost

There is no additional cost to use the ACH debit option. No special equipment is required.

Electronic filing

Electronic filing is an internet-based application that allows your business to file and pay your Washington state excise taxes online. When you electronically file your return with the ACH debit payment option, the department will automatically debit your account on the payment effective date.

Payment deadline

You must submit your return and payment request no later than 11:59 p.m. Pacific Standard Time (PST) on the return due date. The payment effective date will default to the ACH payment date, which is the next business day after the return due date. If you complete the transaction after 11:59 p.m., the payment will be late. You cannot set the effective date for the same day you are initiating a transaction.

Warehousing your payment

The ACH debit option allows you to initiate your payment anytime during the month and "warehouse" it until the due date or an effective date designated by you. (Payments for \$50.00 or less cannot be warehoused for a future date.) In other words, "to warehouse" means you may set an effective date in the future and the funds are not withdrawn from your account until either the due date or the date you have specified as the effective date of the transaction. You cannot warehouse a payment past the ACH debit due date.

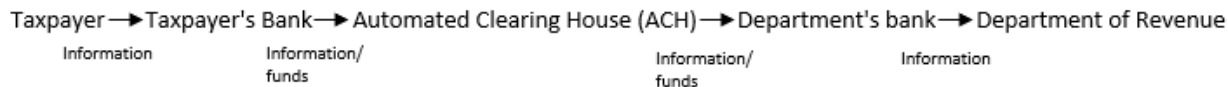
Example: On Jan. 14, you electronically file your December return. At that time, you can set the effective date (the date that funds will be withdrawn from your account) for any future date (except weekends and banking holidays) through the payment due date of Jan. 26.

Filter/debit block

The department's filter number for ACH debit transactions is **9916001118**. If you have a debit block on your bank account, you must provide this number to your bank to authorize payments. The number enables your bank to identify and authorize the department's bank to withdraw specific funds from your account. Your bank may also require the company name, which is **WA ST DEPT REV**. Each month you will initiate and authorize the payment amount and date of withdrawal.

Automated Clearing House (ACH) credit

ACH credit is a transaction where the taxpayer authorizes their bank to send funds to the department's account.



ACH credit option

The ACH credit transaction requires you to send supplemental information along with the payment in a special format called a tax payment addendum convention or TXP record. The National Automated Clearing House Association (NACHA) approved the TXP record and is therefore widely used by states that accept ACH credit transactions. Please refer to pages 4 and 5 for an example of the TXP record and field descriptions.

You need to verify your bank's ability to initiate ACH credit transactions before choosing this option. If your bank cannot send an ACH credit transaction, please contact a representative at the Department of Revenue.

As a reminder, certain fields of your ACH credit transaction change every month. You will need to change the tax period and payment amount each time you enter a payment transaction with your financial institution.

Cost/responsibility

You initiate the transfer through your bank, therefore you and your bank assume the responsibility of being the ACH originator. There may be set up and/or transaction costs involved by using this option, depending on the bank you use. Please contact your bank for information related to fees associated with this payment method.

Payment deadline

You are responsible for contacting your bank to ensure funds are deposited in the department's bank no later than 5:00 p.m. PST on the payment due date. As each bank has their own

guidelines for payments, you will be responsible for determining payment initiation deadlines.

If funds have not been deposited to the department's bank account by the payment due date, a late payment penalty will be assessed.

Transaction verification

After your transaction is complete, you will receive a verification (trace) number from the ACH Network. Keep the verification (trace) number for your records. This number is used in the event your payment must be traced.

Requirements

You must send supplemental filing information with the funds transfer. Your bank needs to use the Cash Concentration or Disbursement Plus (CCD+) with TXP format in the addenda record to ensure that your account is properly credited. This includes identification of the taxpayer (registration number), reporting frequency, type of tax being paid, tax period covered, amount of the remittance, etc.

Global Banks and Institutions

If you are initiating a payment internationally, you may be asked for a SWIFT code. A SWIFT code, also called a SWIFT number, is a standard format for Business Identifier Codes (BIC). It's used to identify banks and financial institutions globally.

DOR's SWIFT Code: USBKUS44IMT

**Department of Revenue's bank
information**

State of Washington

Department of Revenue

PO Box 47464

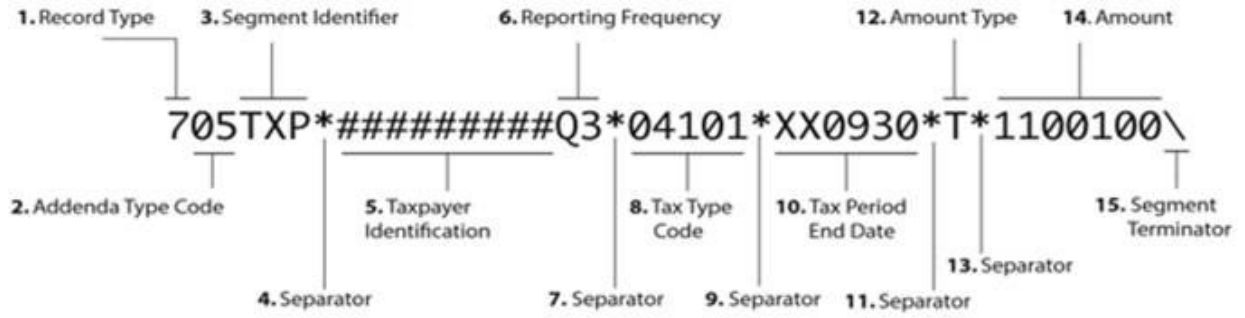
Olympia, WA 98504-7464

Transit routing number: **123000848**

DOR account number: **153910882262**

Addenda record

Sample tax payment addenda (TXP) layout



If you have any questions regarding this format, please refer to the NACHA rulebook, your financial institution or the Department of Revenue at 360-705-6215.

| Item no. | Field name | Contents/ example | Length (bytes) | Comments |
|----------|----------------------------|----------------------|-------------------|--|
| 1 | Record type | 7 | 1 | Must have a value of 7, which identifies the item as a special addenda record. |
| 2 | Addenda type code | 05 | 2 | Must have a value of 05, which identifies the item as a special addenda applying to the CCD (Cash Concentration or Disbursement) entries. |
| 3 | Segment identifier | TXP | 3 | Must have a value of TXP, which identifies this transaction as a tax payment. |
| 4 | Separator | * | 1 | The asterisk * identifies this field as a separator. |
| 5 | Taxpayer identification | ##### | 9 | Must be your tax registration number. It is located in the right-hand corner of your mailing label. Use only the nine digits before the asterisk in the label. |
| 6 | Reporting frequency | ## | 2 | Must indicate your reporting frequency for the tax being paid. The field must be two numbers/characters. Use 01— 12 for monthly, Q1—Q4 for quarterly or AA for annual. |
| 7 | Separator | * | 1 | See comments on item 4. |
| 8 | Tax type code | 04101 | 5 | Choose from the following tax type codes: 04101 for excise tax and advanced computing; 04102 for use tax; 07201 for cigarette tax. |
| 9 | Separator | * | 1 | See comments on item 4. |
| 10 | Tax period end date | YYMMDD | 6 | Indicates the tax period for which the payment is being made. It should always be the last day of the tax period, not the due date for the return. The tax period will always be six characters long. The format is Year, Month, Day (YYMMDD). For example, the September 2005 and Quarter 3, 2005 tax period end dates are both Sept. 30, 2005 or 050930. |
| 11 | Separator | * | 1 | See comments on item 4. |
| 12 | Amount type | T | 1 | Must be a T to indicate that the payment is a tax payment. |
| 13 | Separator | * | 1 | See comments on item 4. |
| 14 | Amount | \$\$\$\$\$\$CC | Max. 10 | Refers to the amount transferred and can be up to ten digits in length. There is no decimal point; the last two digits are always read as cents. (For example, 1100100 is \$11,001.00.) Do not include edit characters. This field contains numeric data only. Remember the amount field is variable in length. |
| 15 | Segment terminator | \ | 1 | Must be a \ to identify it as terminating the information. |
| 16 | Reserved spaces | Spaces | Variable | Must be filled with spaces to complete the free form area of the special addenda record through position 83. |
| 17 | Special addenda sequence # | 1 | Last 4 | Must be a one to indicate one special addenda record present. |
| 18 | Entry detail sequence # | ##### | Last 7 | Contains the ascending sequence number section of the entry detail record's trace number. This number is the same as the last seven digits or the trace number field of the associated entry detail record. |

Fed wire

ACH payments are normally transmitted by either the ACH credit or debit method. If you are not able to use the normal method and the due date is approaching, you can send payment by Fed wire.

You will need the name and address of the department's bank account, found below.

Department of Revenue's bank information

State of Washington
Department of Revenue
PO Box 47464
Olympia, WA 98504-7464

Transit routing number: **123000848**
DOR account number: **153910882262**

Cost/responsibility

You will initiate the transfer through your bank, therefore you and your bank assume the responsibility of being the ACH originator. By using this option there may be costs involved, depending on the bank you use. Please contact your bank related to fees associated with this payment method.

Also, include the following information when sending your payment:

- company name
- tax registration number (TRN)/Unified Business Identifier (UBI)
- period/year
- amount of transfer

Credit or Debit card

The department contracts with a third-party to accept credit card payments.

Credit card options

You may use Visa, MasterCard, Discover or American Express to pay your liability.

Cost/responsibility

A 2.96% service fee (with a \$1 minimum) is charged by our third-party card processor.

The maximum tax payment is \$9,999,999.00.

Payment deadline

You must submit your return and payment request no later than 11:59 p.m. PST on the return due date. If you complete the transaction after 11:59 p.m., the payment will be late. You cannot set the effective date for the same day you are initiating a transaction.

If funds have not been deposited to the department's bank account by the payment due date, a late payment penalty will be assessed.

Transaction verification

After your transaction is complete, you will receive a verification (confirmation) number. Keep the verification number for your records. This number is used in the event your payment must be traced.

Administrative details

ACH payment due dates - weekends and holidays

The payment is due on the next banking day after the tax return's due date. If the payment due date falls on Saturday, Sunday or a holiday, the payment is due on the next banking day. Banking holidays are those recognized by the Federal Reserve System in the state of Washington. A list of the holidays are below.

Example: The February return's due date is March 25. Assume March 25 falls on a Sunday. The next banking day would be Monday, March 26, and the new return due date. The department must receive the funds by March 27. The latest you can complete your transaction with the ACH debit option is 11:59 p.m. PST, on March 26. For the ACH credit option, please follow your bank's guidelines.

Federal Reserve Holidays

New Year's Day
Martin Luther King Jr. Day
Presidents' Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Christmas Day

A schedule of the ACH due dates is available at dor.wa.gov/EFT.

Tax return/late payment penalty

Your tax return must be electronically filed on or before the tax return due date.

Example: The monthly tax return due date is the 25th of the month. If the 25th falls on a weekend or a holiday, the return due date becomes the next banking day. The department may find you responsible for penalties, if circumstances within your control or the control of your bank, delay payment beyond the deadline.

In the case where a delayed payment occurs and you feel you are not responsible, please contact a DOR representative at 360-705-6709.

You must file the tax return — the ACH payment alone does not complete the transaction.

Proof of payment

As standard practice, you should keep verification (trace) numbers and bank statements showing the withdrawals from your account. If proof of payment is an issue, the following applies:

ACH debit: The responsibility of tracing the transaction is with the department's bank. You need to call the department at 360-705-6709. The department's bank will trace the transaction, verify its timeliness, and correct it if an error exists.

ACH credit: You need to contact your bank with your verification (trace) number. The responsibility of tracing the transaction falls with your bank. Your bank should trace the transaction, identify if and why the problem exists, and correct it if an error occurred. Your bank should inform you and then you should contact a representative at the department with the pertinent information.

Penalties will be upheld or waived depending upon the trace information and the normal penalty criteria as outlined in Washington Administrative Code (WAC) 458-20-228.

Refunds

In order to process an electronic refund, the department needs to maintain your bank account number on file regardless of the ACH option used for payments. If you elect to have your refunds processed electronically, you must provide the information necessary to electronically credit your bank account.

Emergencies

In the event of an unusual situation or emergency that prevents the successful completion of your ACH transaction, contact a representative at the department for instructions.

Questions and answers

What is the difference between ACH debit and ACH credit?

The **ACH debit option** is an arrangement between you and the department's bank. You initiate the transaction, authorize the payment amount, and date of withdrawal when the return is electronically filed. There is no cost to you if you choose this option.

The **ACH credit option** is an arrangement between you and your bank. You initiate the transaction and your bank sends the funds to the department's bank. You must check with your bank to make sure they can send ACH transactions with addenda records. There could be some set up and/or monthly costs involved.

What is the most common option chosen?

ACH debit is the most common option chosen.

When is the payment due?

Payment is due the first banking day (Monday through Friday) following the tax return due date. Normally the 26th of the month will be the payment due date for monthly accounts. Therefore, for ACH debit users, the payment transaction must be completed no later than 11:59 p.m. PST on the 25th. ACH credit users must contact their bank to find out when their transaction needs to be completed to be timely.

What does warehousing your payment mean?

Warehousing is the ability for ACH debit users to initiate their payment prior to the due date and make it effective for some time in the future. Payments for \$50.00 or less cannot be scheduled for a future date.

Example: You could initiate your payment on the 10th of the month and set the effective date for the 26th. The money will not be deducted from your account until the effective date of the 26th.

In what situation does the department accept Fed wires?

The department will accept Fed wires in the case of an emergency.

Will I receive instructions on how to initiate my payment?

If you choose the ACH debit option and have saved your banking information previously, your payment will be automatically initiated when you submit your online return.

If you choose the ACH credit option, you will need to get instructions on how to initiate your payments from your bank. For more information, please review the ACH Credit section in this guidebook.

What proof do I have that my transaction is complete?

As an **ACH debit user**, you will receive a confirmation number on your electronic filed return.

As an **ACH credit user**, you will receive a confirmation number from your financial institution. Your bank uses this number to trace the transaction if needed.

I want to change from the ACH credit option to the ACH debit option. What do I need to do?

When submitting your excise tax return, the payment page will display with all electronic payment options. If you want to pay by ACH debit, you will need to provide your banking information. For additional questions, please call a DOR representative.

Am I required to file and pay my excise taxes electronically?

If you file monthly, quarterly, or annually, you must file and pay your returns electronically. Failure to do so may result in penalties.

I am changing banks. What do I need to do?

Sign in to My DOR at dor.wa.gov. Go to the Settings hyperlink and add a new bank account. For additional questions, please call a DOR representative.

Can the department withdraw funds from my bank account without my knowledge or permission?

No. If you are an ACH debit user, you must initiate any transaction. If you are an ACH credit user, you initiate your payments through your bank.

I transmitted the wrong payment amount. What do I do?

If the payment has not processed, sign in to My DOR at dor.wa.gov. From the Excise Tax account, click on Submissions. Call the Department for assistance at 360-705-6709.

I am remitting Unclaimed Property. What do I need to do?

For Unclaimed Property reporting payments, contact Unclaimed Property Holder Services at 360-534-1502.

How do I submit an ACH credit payment for my advanced computing return?

To initiate an ACH credit transaction for your advanced computing return you will need to use the excise account addenda code with your reporting frequency and advanced computing taxpayer identification number. For additional questions, please call a DOR representative.

How do I find my transit routing number?

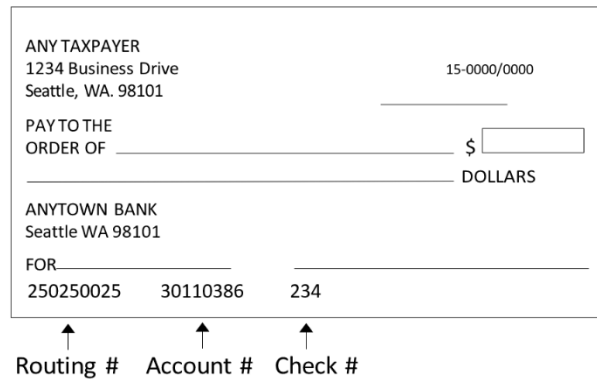
The sample of a personal check below indicates where these numbers are located. On a business check, the check number is listed first, then the routing number, and then the account number. Check with your bank if you have any questions.

Transit routing number

The first two digits of the routing number must be 01-12 or 21-32. Do not use a deposit slip to verify this number because it may contain internal routing numbers that are different from the routing number needed for ACH. On the sample check below, the routing number is 250250025.

Account Number

The account number can be up to 17 digits. Omit hyphens, spaces, and special symbols. On the sample check below, the account number is 30110386.



Glossary

This guidebook along with the financial industry uses the below terms. The terms may have additional meanings and be used in other contexts by the National Automated Clearing House Association or other participating financial institutions.

Automated Clearing House or ACH is operated either privately or by a Federal Reserve Bank as a clearinghouse for the exchange of funds.

Addenda Record is an ACH record type that carries supplemental data needed to identify a taxpayer or provide information concerning a payment.

Banking day refers to any day Monday through Friday excluding Federal Reserve holidays.

CCD+ refers to the CCD Plus (Addenda) format that includes an Addenda Record with additional characters that represent payment-related information. This is used if payment is made by the ACH credit option.

Electronic Funds Transfer or ACH, as defined in the statute, is the transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer or magnetic tape, to order, instruct, or authorize a financial institution to debit or credit an account.

ACH credit is a transaction in which the taxpayer authorizes its bank to send funds to the department's account.

ACH debit authorizes the department's bank to withdraw specific funds from the taxpayer's account and deposit them in the department's account. Each month the taxpayer initiates and authorizes the payment amount and date of withdrawal when the return is electronically submitted.

Fed wire refers to the wire transfer system operated by the Federal Reserve System. A Fed wire is not an ACH transaction.

National Automated Clearing House Association or NACHA is the national governing body that monitors and operates the rules and regulations for electronic transactions.

Payment due date is the next banking day (Monday through Friday) after the tax return's due date. Funds must be received in the department's bank account on or before the payment due date to be considered timely.

Tax payment addendum convention or TXP is the format used in the free form field of the CCD+ addenda record and is designed to provide detailed information when a person chooses to initiate an ACH credit to the collecting state. This is the format approved by the Federation of Tax Administrators, the Committee of State Taxation and the National Automated Clearing House Association.

Tax return due date is the 25th of each month for monthly accounts. If the 25th falls on a weekend or a holiday, the return due date becomes the next banking day. For quarterly and annual filers, please consult the ACH due date flyer or the department's website at dor.wa.gov/ACH.

Warehousing your payment allows you to initiate your payment at any time during the month and "warehouse" it until an effective date designated by you. Warehouse means that you may set an effective date in the future. The funds are retained in your account until the date you have specified as the effective date of the transaction. The warehouse feature is available to ACH debit users.

Electronic Payment Assistance

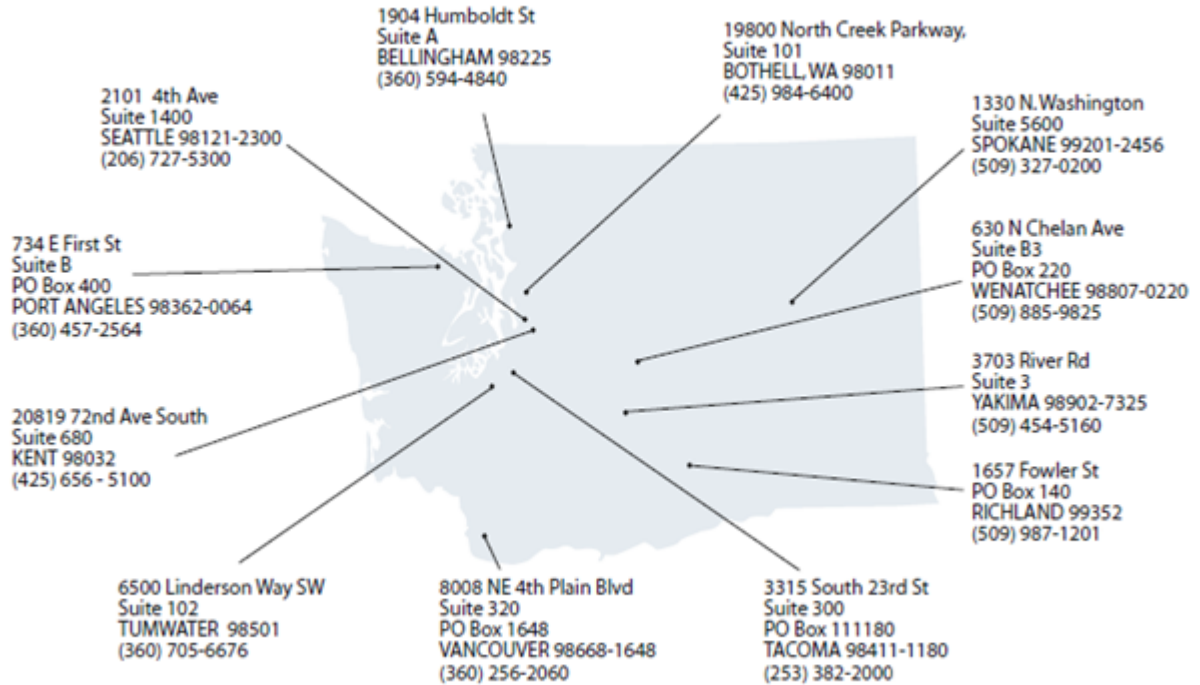
If you have questions regarding this information, please contact the department at 360-705-6705 or fax 360-705-6655.

Department of Revenue taxpayer assistance

Telephone Information Center: **360-705-6705**

Website: dor.wa.gov

Local Office Locations



For tax assistance or to request this document in an alternate format, visit dor.wa.gov or call 360-705-6709. Teletype (TTY) users may use the Washington Relay Service by calling 711.