

E-Withhold Frequently Asked Questions

What is the E-Withhold levy process?

E-Withhold is a statutory process under RCW 82.32.235 (3) and WAC 458-20-21701 authorizing the Washington State Department of Revenue (DOR) to serve a levy (or withhold) on any financial institution electronically, in the form of a list. Financial institution (FI) "...means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law."

Why is DOR implementing E-Withhold?

Legislation (SSB 6169) was passed to enhance collection on tax liens where there are no agreed to payment terms.

Is participation by my financial institution optional?

No, service of an electronic list of levies, E-Withhold, is a tool granted to DOR in addition to the existing manual paper levy process. When a FI is served, it places obligations on the institution to deliver property in the institution's possession or control. The FI can become liable for the tax debt if it does not comply. DOR has discretion to provide temporary mitigation for specific issues upon written request. Please see mitigation information below.

When does my institution need to begin E-Withhold processing?

Official service began April 10, 2010. DOR has taken a phased-in approach to implementation. When a Financial Institution is selected to receive its first service, a notification email is sent two weeks prior to service.

How do I learn about E-Withhold and resolve questions or issues?

Go to <http://dor.wa.gov/e-withhold> to view information on: Data File Formats, SFT Login and Use, Excel Instructions, the E-Withhold Process, and other helpful references. If you would like to attend a WebEx meeting, please send a meeting request to dorewithholds@dor.wa.gov. We will contact you to set a date and time.

What is a WebEx meeting?

A WebEx meeting is conducted via the internet and telephone. DOR uses this meeting format to discuss the overall E-withhold process, answer IT questions and provide mitigation procedures. Specific mitigation requests will not be discussed during the meeting.

How often will the Department serve an E-Withhold file?

The Department is authorized to serve an electronic list no more than once a month. DOR can limit the frequency of service based on a mitigation request.

Will the Department stop using the paper withhold (levy)?

No, the Department will continue to use individual service of the paper levy in addition to service of the electronic list. Service of an electronic list of levies is not in lieu of the department's authority to serve a paper levy.

What is mitigation?

When a FI faces significant issues in meeting the procedural requirements outlined in this process or WAC 458-20-21701, a written request must be submitted to DOR for special handling. The request should identify the condition(s) creating the challenge(s). DOR will work with the institutions on a case by case basis to develop a mitigation plan that will still achieve the desired outcome of locating and recovering assets of debtors with filed tax liens.

Some of the criteria the department will consider when analyzing ways to mitigate impact include: limited staff, technical inability to respond to electronic service, geographic remoteness or exclusion of business accounts.

Requests for mitigation assistance should be directed to DOR
via email to: dorewithholds@dor.wa.gov
or via U.S. Mail to: Department of Revenue
Attn: Compliance Division – CRRT
PO Box 47473
Tumwater WA 98504-7473

Our FI does not have business accounts. Can DOR send a file with liens for individuals only?

Yes, this is a mitigation request. Send the request to dorewithholds@dor.wa.gov and clearly state your institution has only individual accountholders and does not accept corporation or LLC accounts.

How many records can we receive on a list?

The statewide file could range from about 6,000 to 10,000 records depending on the format chosen. DOR can reduce the size of the list based on mitigation requested from the financial institution.

When is official service?

Official service occurs when the E-Withhold "Inquiry" file is placed into the designated "FromDOR" SFT folder.

How long does my FI have to respond when the "Inquiry" file is placed in our SFT folder?

DOR begins service by placing the "Inquiry" file in the designated SFT folder on the 5th of each month or the first business day thereafter. An email notification is sent to the FI stating the file is in their folder. The FI's have 10 calendar days to respond by entering the located data, renaming the response file per the assigned [naming convention](#) and uploading it into the "ToDOR" folder on the SFT server.

It is important for you to provide DOR with current designees to respond to these emails.

When does the financial institution withhold the assets/accounts?

The FI will be notified when the "Withhold" file (revised list) is placed in the SFT folder. The notification will instruct the institution to withhold the assets/accounts at this time.

What if our institution has no account/assets for liens listed in the file?

For response files using the DOR Preferred or Excel spreadsheet format - the "Inquiry" file uploaded to the FI's SFT "FromDOR" folder will have a "no accounts/assets found" default indicator of "00". No change is needed to show a "no accounts/assets" outcome, but the file must be renamed and returned to the SFT server.

For files in the format mirroring FIDM Method 2, a response file named per the assigned [naming convention](#) must be provided per the [FIDM Method 2 Specifications](#).

How is an E-Withhold released when no assets are found?

Any record with the default "no assets/accounts found" indicator will automatically be considered released upon successful processing of the response file. DOR will send an email notification if the file does not process.

How is an E-Withhold levy released when assets are located?

An E-Withhold levy is released when the "Payment" file processes successfully and payment due to DOR has been remitted. DOR will send an email notification if the file does not process or payment does not match the balance owed in the Payment file.

When should the financial institution remit payment to DOR?

The payment must be transmitted via ACH Credit (or check if granted through the mitigation process) within 31 days of placement of the "Inquiry" file in the FI's folder. However, the payment can be sent any time after receiving the revised list (Withhold file), up to the 31st day. The payment reconciliation file must be uploaded to the "ToDOR" folder on the SFT server the same day as the payment is remitted.

We do not have an IT department - how do we respond to this process?

Go to <http://dor.wa.gov/e-withhold> to view information regarding supported Data File Formats, SFT - Login and Use, Excel Instructions, the E-Withhold Process and E-Withhold Excel File Options. - Email dorewithholds@dor.wa.gov with your issues and limitations. Please review the information - provided on our website prior to contacting the Department. - Email dorewithholds@dor.wa.gov to request a WebEx meeting to discuss the process and to answer any - IT questions. -

Will the Department of Revenue provide the FIDM Method 2 format?

DOR is presently offering a format that mirrors FIDM Method 2 for first two steps of the E-Withhold process.

Can our institution use a 3rd party core processor to comply with E-Withhold?

Yes, it's up to the institution to decide how to meet their requirements. However, the Department of Revenue will not deliver electronic levy lists to the 3rd party vendor.

Can our FI obtain a large test file with lien information to stress test our programming?

Yes, email dorewithholds@dor.wa.gov with your request and the contact information for the requesting party. DOR IT staff will place the file in your folder on the SFT server. You will need the SFT Login and password to retrieve this file. Please state whether you want the 950 lien test file, or the full file with about 6000 liens for testing. The test files are statewide and both contain individual and corporate liens.

What if a problem arises or a deadline is missed with the E-Withhold process?

Contact the E-Withhold team promptly. Email DOR at dorewithholds@dor.wa.gov to explain the issue and proposed solution. Please provide a contact person and telephone number for immediate contact.

What DOR contact information should be provided to the accountholder regarding their levy?

Remind the accountholder the copy of the Notice and Order to Withhold and Deliver mailed to their attention has the name and telephone number for the Revenue Agent (RA) working the account. If the accountholder has not received their notice, please have them call 1-800-647-7706 and ask for the agent assigned to their account.

Will the FI's receive a paper copy of each levy to provide to customers and retain for their records?

Financial institutions will not receive paper copies of levies served electronically. All legal information required for service is included in the electronic file placed in the folder. The financial institution retains a copy of the file for a record of the levies. DOR mails a copy of the levy to the taxpayer (member/customer).

What if there are no funds available to withhold at the time I receive the Withhold file?

A response file is required to complete the E-Withhold Process. To provide the response file indicating no funds withheld, rename the file per the assigned [naming convention](#) and upload the renamed file into the "ToDOR" folder on the [SFT Server](#). Updates within the Withhold file are not required if funds are not withheld as the file is sent with a default code of 0.00 in the "Amount Withdrawn" field. Our automated system reads this as no funds were withheld for the selected account(s).

What is the SFT service?

This is a secure method for transmitting information via the Department of Information Services (DIS) Secured File Transfer (SFT) service. This data transfer method is used by DOR to electronically serve a list of Notice and Order to Withhold and Deliver levies and for FI's to respond electronically. There is no fee charged to use this service. All data transfers are performed using SSH Encryption.

DOR will establish SFT User Accounts for each financial institution using the contact information provided by the FI. Once logged into the server, the financial institution is able to access their "FromDOR" and "ToDOR" folders. The "FromDOR" folder will be used by the financial institution to retrieve files from DOR. The "ToDOR" folder allows the FI to submit response files back to DOR. The financial institutions are responsible for maintaining current contact information with DOR.

A unique logon ID and temporary password will be sent via email to the financial institution's contact person allowing access to the SFT site. Passwords expire every 90 days. An email will be sent to the contact person two weeks prior to expiration. Once the initial password is changed, DOR does not have access to the security passwords. For step-by-step instructions regarding use and login procedures, please see the [SFT Login and Use Instructions](#). For a password reset, please contact DORDLSFTAdmin@dor.wa.gov.