

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 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 MyTaxes website 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 have a combined total tax payment of at least \$25,000 during the previous fiscal year for businesses. For individuals, the requirement is targeted to taxpayers who have made a single payment of at least \$100,000. (See Publication WV/EFT-4 for more detailed information.). However, any taxpayer who wishes to pay by EFT may apply.

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

West Virginia does not accept ACH transactions from a company or bank originating outside the United States. You must use a United States bank in US dollars to utilize either ACH method.

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?

If you filed electronically, you do not need to send a paper return. If you meet the threshold required for mandatory EFT payments, you are also required to file tax returns for all taxes electronically. A list of exclusions to this requirement and more information about filing returns is available on line at www.wvtax.gov.

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 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 Credit transmission must be made for each type of tax you are paying. You may not combine taxes into one lump sum. If using MyTaxes and the ACH Debit option, you may click the "Make Payments" link to pay multiple taxes at one time.

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 at <https://www.wva.state.wv.us/wvtax/taxeftonline/>. You will be notified by mail when your application is processed and asked to submit a prenote (a zero dollar or penny transmission) to test the format of your addenda record. Once a correct addenda record is received and the format is approved by an EFT representative, you will be approved for EFT payments. Failure to complete the prenote test may result in lost or late payments.

NOTE: If your application is incomplete, it will be returned and you will not be allowed to prenote (ACH Credit) until your application is complete.

If you choose to use the MyTaxes website (ACH Debit), personal income filers may use the "Pay Personal Income Tax" link. If you are a business filer, must create an account and add your banking information before you will be able to pay your taxes.

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

Generally, you must submit a WV/EFT 5 for each Federal ID or Social Security Number, which includes the name and WV Tax Identification Number for each taxpayer, as well as contact information.

NOTE: There are special rules for Payroll Service Providers. Please contact the Withholding Division at (304) 558-8644 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) 558-8693 between the hours of 8:00 AM and 4:00 PM Eastern Time. Wire Transfers are approved on a one-time basis for emergency payments. Wire

transfers are not a regularly accepted method of electronic payment.

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 statement of account for the amount of interest and payment 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 combined total tax payments in excess of \$25,000 in a year for businesses or a single payment of \$100,000 for individuals, you must pay via EFT. Failure to comply with these requirements may result in a civil penalty of 3 percent of your total tax liability on top of any other interest, additions and penalties.

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.

What happens if my payment is returned by my bank?

Effective July 1, 2014, per West Virginia Code §11-10-5n, the West Virginia State Tax Department will begin implementation of a \$15.00 service charge for each returned electronic payment.

How can I avoid returned payment fees?

When using the MyTaxes website, you will need to add banking information for use in paying West Virginia taxes. During this process, it is best to check your information for errors to avoid sending incorrect information in the request to your bank. Verifying that your account has the available funds needed to complete the transaction is very important. Also, make sure that you have provided your bank with our Originator ID of 1556000814 if you have debit block protection on your account.

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

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.