Electronic Funds Transfer

ACH Debit Instructions and Guidelines

(for Touchtone, Voice Operated and Batch payment methods)

EFT Helpline
1-877-308-9103
(select option 2, 1, and then 1 again)

December 2015

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INTRODUCTION

Welcome to the North Carolina Department of Revenue's Electronic Funds Transfer program. Pre-approval is required to make North Carolina tax payments by the Automated Clearing House (ACH) Debit Method for Touchtone, Voice Opererated, and Batch payment methods. This information guide provides the instructions for making EFT payments by these methods. The Department is available to assist you in making the transition from traditional payment methods to making payments electronically.

This information guide is not intended to be a complete explanation of the rules and regulations of the National Automated Clearing House Association (NACHA); rather it is intended to provide the specific requirements of the North Carolina Department of Revenue for the ACH Debit Touchtone, Voice, and Batch payment methods. A complete set of ACH rules and regulations may be obtained from your local ACH Association or NACHA.

The Department of Revenue is currently receiving electronic payments through these methods for the following tax types.

> Withholding Tax
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> Corporate Estimated Tax
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> Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Others)
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>
> Insurance Tax

ENROLLMENT

You must first become enrolled with the Department in order to make payments by ACH Debit- Touchtone, Voice, or Batch methods. Each participant must complete an ACH Debit Payment Method Authorizaton Agreement (form EFT-100D) and submit to the Department:

<table>
<tr><td>By mail:</td><td>OR</td><td>by fax:</td></tr>
<tr><td>Electronic Funds Transfer Unit</td><td></td><td>919-733-3149</td></tr>
<tr><td>North Carolina Department of Revenue</td><td></td><td></td></tr>
<tr><td>PO Box 25000</td><td></td><td></td></tr>
<tr><td>Raleigh, NC 27640-0001</td><td></td><td></td></tr>
</table>

The EFT-100D form is available on our website at www.dornc.com/electronic/eft.html.

GENERAL INFORMATION

The Department does not charge for using ACH Debit services.

Under the ACH Debit method, you authorize a third party contract service bureau known as a Data Collection Center (DCC) to electronically transfer tax payments from your bank account to the Department of Revenue's bank account. The Department will furnish the DCC with the banking information you provided on the ACH Debit Payment Method Authorization Agreement (EFT-100D).

The DCC will record this information in its database and mail the security information needed to access the Department's EFT Service **directly** to your company's contact person or authorized representative. The security information consists of your Tax Account/NCDORID Number (also known as your Tax ID Number) and a 4-digit Personal Identification Number (PIN). The PIN ensures that only you or your approved contact can authorize withdrawals against your bank account. **The Department of Revenue will not receive this PIN. If you do not receive your PIN within 14 days after receipt of your approval letter, please contact Customer Service at 1-888-217-0799.** It is important that your PIN be retained in a safe and secure location. For Touchtone and Voice methods, you may change your PIN by contacting Customer Service or directly through the Touchtone or Voice systems (instructions can be found in Appendices D and E). For the Batch payment method, each Tax ID/NCDORID and associated PIN should be be included in the file upload.   **Should you forget or misplace your PIN, contact Customer Service at 1-888-217-0799 for assistance.**

INPUT METHODS

There are three methods in which you can initiate payments using ACH Debit services: Touchtone, Voice, and Batch.

Touchtone: By using the Touchtone keypad on your phone, you enter the information regarding the tax payment. An automated voice response guides you through the entry of information. Detailed instructions and a call worksheet are available in Appendix E.

Voice: A live operator will answer the toll-free number and assist you with this transaction. Detailed instructions and a call worksheet are available in Appendix D.

Batch: This online payment method is available for tax service providers or companies that transmit a batch of 10 or more tax payments at a time to the Department. The online Batch payment method prompts you for the information necessary to complete the transaction. Help text and instructions are provided in Appendix F and online. This input method requires a personal computer with internet connection. The compatible browsers are Internet Explorer 6.0 or greater, Firefox 3.0 or greater. The Operating System version required is Windows 95 or greater. Encryption 128-bit and screen resolution 1024 X 768 is recommended.

You are encouraged to make copies of call worksheets and complete the information regarding your payment prior to initiating your payment. Once your payment is completed, please retain the copy of the worksheet for your records.

TIMELINESS OF MAKING EFT PAYMENTS

To ensure timely payment, you must initiate your payment by 3:45 p.m., Eastern Time, on the business day **prior** to the day you wish the funds to be transferred. This call must be made at least **one day prior** to the due date of the tax. The Department does offer payment warehousing. A transaction can be warehoused for up to 60 days. The transaction will be deposited into the Department's account on the banking day you specify when making your payment(s).

PAYMENT CONFIRMATION

For Touchtone and Voice methods- at the conclusion of your call, you will be provided with a verification (trace) number which serves as your proof of payment (or receipt).

For the Batch method, payments accepted by the system will display a Reference Number.

These numbers also provide an audit trail for the Department should any questions or problems arise. Please retain these numbers for your records.

DEBIT BLOCKS

Some financial institutions offer a "Debit Block" service for some banking accounts. A Debit Block is a restriction placed on a bank account to prevent unauthorized debits to the account. A debit block must be removed before an ACH Debit transaction can occur successfully. **If you are unsure if your bank account has a debit block, contact your financial institution for more information**.

For ACH Debit (Touchtone, Voice, or Batch payments), you may also provide your bank with the North Carolina Department of Revenue Company ID- **1561545517**. This number allows the bank to identify the NC Department of Revenue as an acceptable party to debit the account and bypass a debit block.

CHANGES IN BANKING INFORMATION

It is imperative that you notify the Department of Revenue immediately of any changes in your banking information. The EFT Unit should be notified about bank changes at least 10 (ten) days prior to the payment due date. Failure to provide these changes may prevent your transaction from being completed timely and accurately. To make changes, please complete a new authorization agreement (EFT-100D) and indicate on the form the date the changes should take effect. You may mail and/or fax the completed forms to the Department at the following address and/or fax number:

> Electronic Funds Transfer Unit
> North Carolina Department of Revenue
> Post Office Box 25000
> Raleigh, NC 27640-0001
> Fax: (919) 733-3149

CORRECTIONS

Should you discover that an error was made in communicating tax payment information to the DCC prior to 3:45 p.m., Eastern Time, on the business day before the scheduled payment settlement date, you may contact Customer Service at 1-888-217-0799 to revise or cancel the transaction. For Batch payments, you may also cancel online (see Appendix F for more information).

If an error is discovered after the noted cut-off time or on a subsequent day, contact the EFT Helpline at 1-877-308-9103 option 2, then 1 for more information. If the tax has been overpaid, you may request a refund or the overpayment may be applied toward the tax due for the next reporting period. Refunds will not be made electronically; existing procedures will be followed. If the liability has been underpaid, an EFT Specialist can assist with instructions for making the payment of the additional amount due.

HOLIDAYS AND WEEKENDS

Taxpayers participating in the Department of Revenue's EFT program must initiate tax payments so that the amount due settles into the Department's bank account on or before the due date of the payment under the appropriate Revenue law.

If a tax due date falls on a Saturday, Sunday, State observed holiday, or financial institution holiday, the deposit by electronic funds transfer is required on or before the next banking day.

If the call-in day falls on a Saturday, Sunday, State observed holiday, or finanical instituion holiday, the transaction must be initiated by 3:45pm ET on the preceding business day (the prior day).

Please note that transactions can settle into the Department's bank account if financial institutions are not closed for a State observed holiday.

A schedule of legal holidays is shown in Appendix C.

EMERGENCIES

Should a processing issue or emergency arise which prevents a payment from being transmitted by the method of transfer for which you have been approved, contact the EFT Helpline at 1-877-308-9103 option 2 then 1. Specific advice for making the tax payment will be given.

PENALTIES

If an electronic payment is not received by the appropriate due date or if the required tax return is not filed by the due date, the provisions for late payment penalties, late filing penalties, and interest will be assessed under the applicable provisions of the North Carolina Revenue Laws.

If an electronic transfer cannot be completed as a result of insufficient funds or the nonexistence of an account, a penalty for bad electronic funds transfer will be assessed equal to 10% of the amount of the tax (maximum penalty $1,000.00) as provided for in General Statute 105-236(1a) of the North Carolina Revenue Laws.

If you are required to make tax payments electronically, but remit payment in another form (without specific authorization), i.e., check, money order, or cash, you will be liable for a penalty equal to 5% of the amount of the tax (maximum penalty $1,000.00) as provided for in General Statute 105-236(1b) of the North Carolina Revenue Laws.

TAX RETURN FILING REQUIREMENTS

Paying by EFT does not change the filing requirements or due dates for tax returns that are required to be filed.

Tax forms are available on our website and certain tax returns are available for online electronic filing as well. You may visit our website at www.dornc.com for more information.

Important Note: **If you are making an EFT payment that requires a return to be filed and the return is not submitted, your account may become delinquent and you may be subject to additional penalties and interest.**

>>>>   The following lists show returns that are **required** to be filed even if payment is made via EFT and the returns that are not required to be filed if payment is by EFT.

Returns required to be filed:

Sales & Use Tax

(1) E-500 – Sales & Use Tax Return

A semimonthly taxpayer is required to make two payment transactions a month and must file a return on a monthly basis- all of which are due by the 20th day of the month following the end of reporting period. It is important to note that this will require **two** payment transactions both due on the 20th. Two transactions are needed since the payments are for two different reporting periods. For example, on April 20th two payment transactions should be submitted. One payment transaction is the balance due from the March period. The other payment transaction is a prepayment for the April period. Monthly taxpayers must file the return and pay the tax by the 20th day of each month for all taxes due for the preceding calendar month.

(2) E-500J – Machinery and Equipment Tax Return

Effective January 1, 2006, purchasers of mill machinery and equipment are liable for accruing and remitting this tax to the Department. A taxpayer who currently files and remits sales and use tax should file and remit the machinery and equipment tax using the same filing frequency as for sales and use tax. Form E-500J, Machinery and Equipment Tax Return is to be used to report the amount of tax due on purchases subject to the tax.

Returns required to be filed (cont.):

Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)

(1) E-500E – Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)

Companies subject to remit this tax electronically will remit the tax on a quarterly, monthly or semimonthly basis. Quarterly taxpayers must file the return and pay the tax on or before the last day of January, April, July, and October for the preceding three-month period. Monthly taxpayers must file the return and pay the tax by the 20th day of each month for all taxes due for the preceding calendar month. A semimonthly taxpayer is required to make two payment transactions a month and must file a return on a monthly basis- all of which are due by the 20th day of the month following the end of reporting period. It is important to note that this will require **two** payment transactions both due on the 20th. Two transactions are needed since the payments are for two different reporting periods. For example, on April 20th two payment transactions should be submitted. One payment transaction is the balance due from the March period. The other payment transaction is a prepayment for the April period.

Utilities Franchise Tax

(1) CD-310 Utilities Franchise Tax Return Electric Companies
(2) CD-318 Utilities Franchise Tax Return Water & Sewer Companies

Electric Companies – Companies subject to the Utilities Franchise Tax will remit the tax on a quarterly, monthly or semimonthly basis. Taxpayers subject to remitting the tax quarterly must pay the tax with the quarterly return on or before the last day of January, April, July, and October for the preceding three-month period. Taxpayers subject to remitting monthly must remit the tax by the 20th day following the end of the month and the return is due quarterly by the last day of the month following the end of the quarter. Taxpayers subject to remitting on a semimonthly basis must pay the tax twice a month by the 20th and file a return on a quarterly basis. It is important to note that semimonthly taxpayers are required to make **two** payment transactions both due on the 20th. Two transactions are needed since the payments are for two different reporting periods. For example, on April 20th two payment transactions should be submitted. One payment transaction is the balance due from the March period. The other payment transaction is a prepayment for the April period. The return covers the quarter and is due by the last day of the month following the end of the quarter.

No changes have been made to either the due date of payments or the filing requirements for Water and Sewage Companies.

If you are required to pay more than one type of Utilities Franchise Tax, separate EFT transactions must be initiated for each tax type.

Returns required to be filed (cont.):

Piped Natural Gas

(1) CD-312 Excise Tax Return Piped Natural Gas

Companies subject to the Piped Natural Gas tax will remit on a semimonthly basis. A semimonthly taxpayer is required to make **two** payment transactions a month by the 20th and file a return on a quarterly basis. Two transactions are needed since the payments are for two different reporting periods. For example, on April 20th two payment transactions should be submitted. One payment transaction is the balance due from the March period. The other payment transaction is a prepayment for the April period. A return is due quarterly by the last day of the month following the end of the quarter.

Alcoholic Beverage Tax

(1) B-C-775 – Spirituous Liquor Return by ABC Boards
(2) B-C-786 – Fortified & Unfortified Wine Excise Tax Return Wineries and Wine Shipper Permittees
(3) B-C-784 – Fortified & Unfortified Wine Excise Tax Return
(4) B-C-710 – Beer Excise Tax Return

No changes have been made to either the due date of payments or the filing requirements for tax returns. You will be furnished appropriate forms identifying your company as an EFT taxpayer. Please use these forms to report the information necessary to reconcile your payment with your tax liability. These new reports should be used to avoid delay in processing and crediting your account once you begin making your payments electronically.

If you are required to pay more than one type of Alcoholic Beverage Tax, separate EFT transactions must be initiated for each tax type.

Tobacco Products Tax

(1) B-A-5 – Monthly Return of Resident Cigarette Distributor
(2) B-A-6 – Monthly Return of Nonresident Cigarette Distributor
(3) B-A-101 – Monthly Other Tobacco Products Excise Tax Return

Payment by EFT does not change the filing requirements or the due date of payments for tobacco products tax. You must file reports, including any schedules and/or attachments, and remit payments by the appropriate due dates.

If you are required to pay more than one type of Tobacco Products Tax, separate EFT transactions must be initiated for each tax type.

Motor Fuels Tax

      (1) Gas-1202 – Motor Fuels Supplier Return
      (2) Gas-1219 – Motor Fuel Importer Return
      (3) Gas-1252 – Alternative Fuels Provider Return
      (4) Gas-1264 – Fuel Alcohol & Biodiesel Provider Return
      (5) Gas-1288 – Kerosene Supplier Return

Payment by EFT does not change the filing requirements or the due date of payments for motor fuels tax. You must file reports, including any schedules and/or attachments, and remit payments by the appropriate due dates. You will be furnished appropriate forms identifying your company as an EFT taxpayer. These new reports should be used to avoid a delay in processing and crediting your account once you begin making your payments electronically.

If you are required to pay more than one type of Motor Fuels Tax, separate EFT transactions must be initiated for each tax type.

Insurance Premium Tax

      (1) IB-13 – Insurance Premium Tax Return Life, Accident and Health Companies
      (2) IB-14 – Installment Payments Return – April 15th
      (3) IB-15 – Installment Payments Return – June 15th
      (4) IB-16 – Installment Payments Return – October 15th
      (5) IB-23 – Insurance Premium Tax Return Title Companies
      (6) IB-24 – Installment Payments Return – April 15th
      (7) IB-25 – Installment Payments Return – June 15th
      (8) IB-26 – Installment Payments Return – October 15th
      (9) IB-33 – Insurance Premium Tax Return Property & Casualty Companies
      (10) IB-34 – Installment Payments Return – April 15th
      (11) IB-35 – Installment Payments Return – June 15th
      (12) IB-36 – Installment Payments Return – October 15th
      (13) IB-43 – Self-Insured Workers' Compensation Premium Tax Return
      (14) IB-46 – Installment Payments Return – April 15th
      (15) IB-47 – Installment Payments Return – June 15th
      (16) IB-48 – Installment Payments Return – October 15th
      (17) IB-53 – Gross Premium Tax Return Self-Insured Workers' Comp
      (18) IB-54 – Installment Payments Return – April 15th
      (19) IB-55 – Installment Payments Return – June 15th
      (20) IB-56 – Installment Payments Return – October 15th

(22) IB-63 – Gross Premium Tax Return HMO
(23) IB-64 – Installment Payments Return – April 15th
(24) IB-65 – Installment Payments Return – June 15th
(25) IB-66 – Installment Payments Return October 15th
(26) IB-73 – Gross Premium Tax Return Hospital or Dental Service
(27) IB-74 – Installment Payments Return – April 15th
(28) IB-75 – Installment Payments Return – June 15th
(29) IB-76 – Installment Payments Return – October 15th
(30) IB-83 – Gross Premium Tax Return Risk Purchasing Group

Payment by EFT does not change the filing requirements or the due date of payments for insurance taxes. You must file returns and remit payments by the appropriate due dates.

*Returns NOT required to be filed:

Withholding Tax

(1) NC-5P – N.C. Income Tax Withholding Payment Voucher
(2) NC-5 – Employer's Report of N.C. Income Tax Withheld

You will continue to file Forms NC-3, NC-3M or NC-3A, Employer's Annual Reconciliation of North Carolina Income Tax Withheld. Semi-weekly filers must also file Form NC-5Q, Quarterly Income Tax Withholding Return. Liabilities discovered as a result of completing the NC-5Q should be remitted by check accompanied by a NC-5P.

Corporate Tax

(1) CD-429 – Corporate Estimated Income Tax Voucher

Extensions with payments (CD-419) and tax liabilities due on the final return for the Corporation may be paid on the DOR website www.dornc.com or by check, not by EFT.

* Taxpayers receiving these non-required coupons or reports after enrolling in the EFT Program should not send in the coupon/report after the EFT payment has been made. The payment information accompanying these funds transfers constitutes the filing of the return for these tax types. For all other tax schedules, refer to the appropriate General Statute for filing requirements.

TAXPAYER ASSISTANCE

Should you have **questions** about the EFT program or **need assistance** in making electronic funds transfers, please contact the EFT Helpline at 1-877-308-9103 (option 2 then 1) from 8:00 a.m. to 5:00 p.m., Eastern Time, Monday-Friday.

General information concerning North Carolina taxes, downloadable tax forms, and other Electronic Services, are also available on the Department's website: www.dornc.com.

Further information concerning Streamlined Sales Tax is available on the national website for Streamlined Tax: www.streamlinedsalestax.org.   To volunteer and register through the Streamlined Central Registration: visit www.sstregister.org/sellers.

APPENDIX A - TAX TYPE (TXP) CODES

When reporting tax payment information to the Data Collection Center, you will be asked for a Tax Type Code. Listed below are the valid Tax Type (TXP) Codes for the Department of Revenue's ACH Debit services.

TAX TYPE	TAX TYPE (TXP) CODE
Withholding Taxes	
Semi-weekly	01101
Monthly	01102
Quarterly	01103
Corporate Income Installments	02100
Utilities Franchise Tax	
Electric Companies	03010
Water and Sewage Companies	03012
Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)	04001
Sales & Use Tax	
Semi-monthly	04120
Monthly	04111
Quarterly	04109
Machinery and Equipment Tax	04000
Motor Fuels Tax	
Motor Fuels Taxes	05101
Alternative Fuels Taxes	05200
Alcoholic Beverage Tax	
Winery/Wine Shipper	06201
Wine Distributor	06202
Beer	06300
Spiritiuous Liquor	06500
Piped Natural Gas Tax	07000
Insurance Taxes	07100
Tobacco Products Tax	
Cigarette Tax	07200
Other Tobacco Products	07300

Taxpayers remitting more than one type of Utilities Franchise Tax, Alcoholic Beverage Tax, Tobacco Products Tax, or Motor Fuels Tax must initiate a separate transaction with the DCC for each tax type. Taxpayers remitting Insurance Taxes for the Gross Premiums Tax, Additional Statewide Fire and Lightning Tax, and the Insurance Regulatory Charge, will initiate **one payment** for the sum total of all three tax types. A separate transaction should be initiated if you are also required to pay Insurance Tax for the Additional Local Fire and Lightning Tax.

APPENDIX B

TAX PERIOD END DATE

When reporting information to the Data Collection Center you will be prompted for a tax period end date. The tax period end date is used to identify the period the payment covers. The format for the tax period end date is MMDDYY (MM-Month, DD-Day, YY-Year). Listed below are explanations of the valid tax period end dates for the various tax schedules.

Withholding Taxes

For quarterly taxpayers, the tax period end date is last day of the quarter for which the tax accrues. For monthly taxpayers, the tax period end date is last day of the month for which the tax accrues. The tax period end date for semi-weekly withholding taxes is the date the wages are paid to the employees.

Example 1: If your quarterly withholding tax payment is for the quarter ended March 31, 2011, you would format the Tax Period End Date as 033111.

Example 2: If your monthly withholding tax payment is for the month ended February 28, 2011, you would format the Tax Period End Date as 022811.

Example 3: If your withholding tax frequency is semi-weekly and the date the wages are paid to the employees is November 15, 2011, you would format the Tax Period End Date as 111511.

Estimated Payments of Corporate Income Tax

The tax period end date for estimated payments of corporate income tax is the last day of the tax year.

Example: If your estimated payment of corporate income tax is due on September 15, 2006 and is for the tax year ending December 31, 2011, you would format the Tax Period End Date as 123111.

Utilities Franchise Tax

For quarterly taxpayers, the tax period end date is the last day of the quarter for which the tax accrues. For monthly taxpayers, the tax period end date is the last day of the month for which the tax accrues. For semimonthly filers, the tax period end date is the 15th day or the last day of the month. The format for this entry is MMDDYY.

Example 1: If your quarterly utilities franchise tax is for the quarter ending March 31, 2011, you would format the Tax Period End Date as 033111

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Example 2:   If your monthly utilities franchise tax is for the month ending January 31, 2011, you would format the Tax Period End Date as 013111.

Example 3: If your semimonthly utilities franchise tax is due for the semimonthly period January 15, 2011, you would format the Tax Period End Date as 011511.

Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)

For quarterly taxpayers, the tax period end date is the last day of the quarter for which the tax accrues. For monthly taxpayers, the tax period end date is the last day of the month for which the tax accrues. For semimonthly taxpayers, the period end date is the 15th or the last day of the month. The format is MMDDYY.

Example 1:   If your quarterly Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)is for the quarter ending March 31, 2011, you would format the Tax Period End Date as 033111.

Example 2:   If your monthly Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)is for the month ending January 31, 2011, you would format the Tax Period End Date as 013111.

Example 3:   If your semimonthly Combined General Rate Sales and Use Tax Return (Utility, Liquor Gas, and Other)is due for the semimonthly period January 15, 2011, you would format the Tax Period End Date as 011511.

Piped Natural Gas Tax

The tax period end date for piped natural gas tax is the 15th day or the last day of the month. The format for this entry is MMDDYY.

Example: If your piped natrual gas tax payment is for the period January 1, 2011 through January 15, 2011, you will indicated the Tax Period End Date as 011511.

Alcoholic Beverage Tax

The tax period end date for alcoholic beverage tax is the last day of the month for which the tax accrues.

Example: If your alcoholic beverage tax payment is for the reporting period of December 2011, you would indicate the tax period end date as 123111.

Sales & Use Tax

The tax period end date for semi-monthly sales and use tax is the 15th day or the last day of the month. If any date other than the 15th or the last day of the month is used, the System will not accept the entry and will issue an error message.

Example 1: If your sales and use tax payment is for the reporting period of June 15, 2011, you would indicate the tax period end date as 061511.

Example 2: If your sales and use tax payment is for the reporting period of November 30, 2011, you would indicate the tax period end date as 113011.

Machinery and Equipment Tax

The tax period end date and filing frequency for machinery and equipment tax should be the same as the tax period end date and filing frequency for sales and use tax.

Tobacco Products Tax - Cigarette Tax and Other Tobacco Products Tax

The tax period end date for tobacco products tax is the last day of the month for which the tax accrues. If your company is filing on a fiscal month basis, the tax period end date is the last day of your reporting period.

Example 1: If your tobacco products tax payment is for the calendar month of June 2011, you would indicate the tax period end date as 063011.

Example 2: If your tobacco products tax payment is for the fiscal month ending July 17, 2011, you would indicate the tax period end date as 071711.

Motor Fuels Tax

The tax period end date for motor fuels tax is the last day of the month for which the tax accrues.

Example: If your motor fuels tax payment is for the reporting period of July 2011, you would indicate the tax period end date as 073111.

Insurance Taxes

The tax period end date for the annual insurance tax return is the last day of the preceding calendar year.

Example: If your annual insurance tax return payment is due on March 15, 2011, you would format the Tax Period End Date as 123110.

The tax period end date for the installment payments of insurance taxes is the due date of the installment. The format for this entry is MMDDYY.

Example: If your installment payment is due on June 15, 2011, you would format the Tax Period End Date as 061511.

APPENDIX C

LEGAL HOLIDAYS

Holiday

New Year's Day

Martin Luther King, Jr.'s Birthday

President's Day

Good Friday

Memorial Day

Independence Day

Labor Day

Columbus Day

Veteran's Day

Thanksgiving

Christmas

The holidays listed above are observed by the State of North Carolina, North Carolina
financial institutions, and/or the Federal Reserve System. If you have a question regarding the date a
holiday is observed, you may call the E-Services Support Team or your financial institution.

APPENDIX D

Voice Instructions for the ACH Debit Method
Electronic Funds Transfer
North Carolina Department of Revenue

IMPORTANT: For your tax payment to be considered timely, you must call the Data Collection Center (DCC) by **3:45 p.m., Eastern Time,** at least one banking day prior to the tax due date. The funds will be transferred from your bank account to the Department on the day you designate during your call.

Part I.

Before placing your call, make sure that you have the following information:

A. Your 11 digit Tax Id/NCDORID Number (This number is your Department of Revenue Tax Account/NCDOR ID Number).
B. Your 4 digit PIN (personal identification number).
C. Tax Type Code.
D. Tax Period End Date.
E. Tax Payment Amount.
F. Verification Code (Check Digit).
G. The date you would like your bank account to be debited.

Please calculate the verification code (check digit) for the tax payment amount **PRIOR** to placing the call. This calculation ensures that the correct tax payment amount is initiated and received.

Use the following calculation, assuming a tax payment amount of $58,367.24.

Step	Action	Example
a.	Tax Payment Amount.	$58,367.24
b.	Sum all the digits together.	5+8+3+6+7+2+4 = 35
c.	Add every **other** digit, beginning from the **right.**	4+7+3+5 = 19
d.	Count the number of digits within the amount.	5,8,3,6,7,2,4 = 7
e.	Add the amounts computed from b, c, and d. Use the result of this computation as the verification code for Step 8.	35+19+7 = **61**

If the value of the verification code is greater than 2 digits, use the last two digits.

Part II

Once you have the information from Part A, call 1-888-PAY-NCTA (1-888-729-6282).

1. **System:** "Welcome to the North Carolina Department of Revenue's EFT Service. If you wish to initiate your payment through the touchtone system, please press "1" now. Otherwise, you may hold the line to speak with an operator."

   Caller: Remain on the line for an operator.

2. **Operator:** "Operator XXX. Welcome to the North Carolina Department of Revenue's EFT Service. What is your Tax ID/NCDORID number?"

   Caller: "My Tax Id Number is _____."

   Operator: The operator will repeat your Tax ID/NCDORID Number.

3. **Operator:** "What is your password?"

   Caller: "My PIN/password is _____."

4. **Operator:** "What is the Tax Type Code being reported?"

   Caller: "The Tax Type Code is _____."

   Operator: The operator will repeat the Tax Type Code.

   Example: The tax type code for Semi-weekly Withholding Taxes is 01101. Refer to Appendix A of the ACH Debit Instructions and Guidelines for valid Tax Type Codes.

5. **Operator: "**Will this be a payment, cancellation, inquiry, or a password change?"

   Caller: **Select the payment option.**

6. **Operator:** "What is the Tax Period End Date?"

   Caller: "The Tax Period End Date is MM/DD/YY."

   Operator: The operator will repeat the Tax Period End Date.

   Example: Refer to Appendix B of the ACH Debit Instructions and Guidelines for the information requested.

7. **Operator:** "What is the Tax Payment Amount?"

   Caller: "The Tax Payment Amount is $$$$$$$$.cc."

   Operator: The operator will repeat the Tax Payment Amount as $$$$$$$$ point cc.

   Please provide dollars and cents. The minimum value is $0.01 and the maximum value is $99,999,999.99.

8. **Operator:** "What is your Verification Code?"

   Caller: The verification code is _____." (This is the verification code computed in Steps a - e.)

Operator: The operator will repeat the verification code.

9. **Operator:** "What date would you like your bank account debited?"

   Caller: Specify the date you would like the Department to debit your bank account.
   Operator: The operator will repeat the date you provided.

This is the date you would like your bank account to be debited and the Department to receive your tax payment. It must be a legal banking day. Payments can be warehoused for up to 60 days. If a debit date is not specified, the date will default to the next business day.

10. **Operator:** "Your payment has been accepted. Your reference number is _____. Repeating, your reference number is _____."

11. **Operator:** "Do you wish to make additional payments or perform additional functions?"
    Caller: "Yes" or "No". If no, your call has been completed.

INQUIRING ON A TRANSACTION

You may inquire on any transaction on file for a period of 60 days. If a change is needed to a specific transaction, you should follow the procedures for cancelling transactions. To inquire about a transaction, you must:

1. **System:** "Welcome to the North Carolina Department of Revenue's EFT Service. If you wish to initiate your payment through the touchtone system, please press "1" now. Otherwise, you may hold the line to speak with an operator."

   Caller: Remain on the line for an operator. The operator will ask you for your Tax ID/NCDORID Number, Password, and the Tax Type Code.

2. When the operator asks: "Will this be a payment, cancellation, inquiry, or a password change?" **Select the Inquiry option.**

3. If you want to inquire on a specific payment, please provide the reference number. Otherwise, proceed with a general review of the prior reports on file. The information is available for 60 days.

4. Once you have obtained the requested information, you may end the inquiry.

CANCELLING A TRANSACTION

For transactions that have not been transmitted to the Department: Payments that have not been transmitted to the Department can be cancelled provided you cancel the transaction by 3:45 p.m., Eastern Time, on the business day prior to the date you specified for the transaction to be received by the Department. To cancel a transaction, you must:

1. **System:** "Welcome to the North Carolina Department of Revenue's EFT Service. If you wish to initiate your payment through the touchtone system, please press "1" now. Otherwise, you may hold the line to speak with an operator."

   Caller: Remain on the line for an operator. The operator will ask you for your Tax ID/NCDORID Number, Password, and the Tax Type Code.

2. When the operator asks: "Will this be a payment, cancellation, inquiry, or a password change?" **Select the cancellation option.**

3. Provide the reference number of the payment you wish to cancel.

4. Request the operator to confirm all of the data associated with the tax payment. When the operator asks, "Are you sure you wish to cancel this payment ?", either rescind the request to cancel or verify the desire to cancel the transaction.

5. Upon cancellation, the operator will provide you with a new Reference Number as a confirmation of the cancellation.

6. **Operator:** "Do you wish to make payments or perform additional functions?"
   Caller: "Yes" or "No". If no, your call has been completed.

SUBSEQUENT DAY: Call the Department of Revenue's EFT Helpline at 1-877-308-9103 option 2 then option 1 for assistance.

PASSWORD CHANGES

1. **System:** "Welcome to the North Carolina Department of Revenue's EFT Service. If you wish to initiate your payment through the touchtone system, please press "1" now. Otherwise, you may hold the line to speak with an operator." (Procedures for changing passwords through the touchtone system can be found in Appendix E.)

   Caller: Remain on the line for an operator. The operator will ask you for your Tax ID/NCDORID Number, Password, and the Tax Type Code.

2. When the operator asks: "Will this be a payment, cancellation, inquiry, or a password change?" **Select the password option.**

3. Provide the operator with the new 4 digit password of your choice. The operator will ask you to repeat the password a second time for verification.

4. **Operator:** "Do you wish to make payments or perform additional functions?"
    Caller: "Yes" or "No". If no, your call has been completed.

PROBLEMS ???

Should you experience any difficulties in reaching the ACH System or relaying any of the necessary information, please contact the Electronic Funds Transfer Unit from 8:00 a.m. to 5:00 p.m., Eastern Time, Monday-Friday at 1-877-308-9103 option 2 and then option 1.

APPENDIX E

Touchtone Instructions for the ACH Debit Method
Electronic Funds Transfer
North Carolina Department of Revenue

IMPORTANT: For your tax payment to be considered timely, you must call the Data Collection Center (DCC) by **3:45 p.m., Eastern Time**, at least one banking day prior to the tax due date. The funds will be transferred from your bank account to the Department on the day you designate during your call.

Part I.

Before placing your call, make sure that you have the following information:

A. Your 11 digit Tax Id/NCDORID Number (This number is your Department of Revenue Tax Account/NCDORID Number).
B. Your 4 digit PIN (personal identification number).
C. Tax Type Code.
D. Tax Period End Date.
E. Tax Payment Amount.
F. Verification Code (Check Digit).
G. The date you would like your bank account to be debited.

Please calculate the verification code (check digit) for the tax payment amount **PRIOR** to placing the call. This calculation ensures that the correct tax payment amount is initiated and received.

Use the following calculation, assuming a tax payment amount of $58,367.24.

Step	Action	Example
a.	Tax Payment Amount.	$58,367.24
b.	Sum all the digits together.	5+8+3+6+7+2+4 = 35
c.	Add every **other** digit, beginning from the **right.**	4+7+3+5 = 19
d.	Count the number of digits within the amount.	5,8,3,6,7,2,4 = 7
e.	Add the amounts computed from b, c, and d. Use the result of this computation as the verification code for Step 9.	35+19+7 = **61**

If the value of the verification code is greater than 2 digits, use the last two digits.

Part II

Once you have the information from Part A, call 1-888-PAY-NCTA (1-888-729-6282).

1. **System:** "Welcome to the North Carolina Department of Revenue's EFT Service. If you wish to initiate your payment through the touchtone system, please press "1" now. Otherwise, you may hold the line to speak with an operator."

   Caller: "1"

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2. **System:** "To expedite your call, please press the pound (#) sign after each entry **and** after the system repeats your entry. If your entry or what you hear is NOT correct, press the asterisk (*) key and the system will reprompt that field. At any time during the recording, press the asterisk (*) key three times to transfer to an operator." **To bypass this message, you may press the # key at any time.**

3. **System:** "Please enter your Tax ID/NCDORID number."

    Caller: Enter your 11 digit Tax ID/NCDORID number followed by the "#" sign.

    System: "You entered _____."

    Caller: Press # if correct, or * to correct and re-enter.

4. **System:** "Enter your password."

    Caller: Enter your 4 digit PIN/password followed by the "#" sign.

5. **System:** "Enter the Tax Type Code being reported."

    Caller: Enter the Tax Type Code followed by the "#" sign.

    System: "You entered."

    Caller: Press # if correct, or * to correct and re-enter.

    Example: If your tax payment is for Semi-weekly Withholding Taxes, enter the tax type code 01101#. Refer to Appendix A of the ACH Debit Instructions and Guidelines for valid Tax Type Codes.

6. **System:** "To make a payment, press "1". To perform a cancellation or inquiry, press "2". For a password change, press "3"."

    Caller: Press 1, followed by the "#" sign.

7. **System:** "Enter the Tax Period End Date."

    Caller: Enter the Tax Period End Date in a MMDDYY format followed the "#" sign.

    System: "You entered (Month, Day, Century Year)."

    Caller: Press # if correct, or * to correct and re-enter.

    Example: The tax period end date is September 25, 1997, enter the date as 092597#. Refer to Appendix B of the ACH Debit Instructions and Guidelines for the information requested.

8. **System:** "Enter the Tax Payment Amount."

    Caller: Enter your Tax Payment Amount followed by the "#" sign.

    System: "You entered $$$$$$$$cc"

    Caller: Press # if correct, or * to correct and re-enter.

Please provide dollars and cents. For example, if the tax payment amount is $74,820.25, enter the payment as 7482025#. The minimum value is $0.01 and the maximum value is $99,999,999.99.

9. **System:** "Enter the Verification Code."
    Caller: Enter the verification code followed by the "#" sign. (This is the verification code computed in Steps a - e).

    System: "You entered _____."

    Caller: Press # if correct, or * to correct and re-enter.

10. **System:** "Enter the date you would like your bank account debited."

    Caller: Enter the debit date in a MMDDYY format followed the "#" sign.

    System: "You entered (Month, Day, Century Year)."

    Caller: Press # if correct, or * to correct and re-enter.

    This is the date you would like your bank account to be debited and the Department to receive your tax payment. It must be a legal banking day. Payments can be warehoused for up to 60 days. You may press the "#" sign without entering a date if you want your bank account to be debited on the next business day.

11. **System:** "Your payment has been accepted. Your reference number is _____. Repeating, your reference number is _____."

12. **System:** "To disconnect, press "1". To make additional payments or perform additional functions, press "2"."

    Caller: Enter 1, followed by the "#" sign. - "Thank you for using the North Carolina Department of Revenue's EFT Service."
                                        or
    Enter 2, followed by the "#" sign - return to step 3.

INQUIRING ON A TRANSACTION

You may inquire on any transaction on file for a period of 60 days. If a change is needed to a specific transaction, you should follow the procedures for cancelling transactions. To inquire about a transaction, you must:

1. Follow steps 1-5 on the Touchtone System. When the system prompts you as follows: "To make a payment, press "1". To perform a cancellation or inquiry, press "2". For a password change, press "3". Enter "2".

2. When the operator asks: "Will this be a payment, cancellation, inquiry, or a password change?" **Select the Inquiry option.**

3. Provide the reference number, if you want to inquire on a specific payment. Otherwise, proceed with a general review of the prior reports on file. The information is available for 60 days.

4. Once you have obtained the requested information, you may end the inquiry.

CANCELLING A TRANSACTION

For transactions that have not been transmitted to the Department: Payments that have not been transmitted to the Department can be cancelled provided you cancel the transaction by 3:45 p.m., Eastern Time, on the business day prior to the date you specified for the transaction to be received by the Department. To cancel a transaction, you must:

1. Follow steps 1-5 on the Touchtone System. When the system prompts you as follows: " To make a payment, press "1". To perform a cancellation or inquiry, press "2". For a password change, press "3"". Enter "2".

2. When the operator asks: "Will this be a payment, cancellation, inquiry, or a password change?" **Select the <u>cancellation</u> option.**

3. Provide the reference number of the payment you wish to cancel.

4. Request the operator to confirm all of the data associated with the tax payment. When the operator asks, "Are you sure you wish to cancel this payment ?", either rescind the request to cancel or verify the desire to cancel the transaction.

5. Upon cancellation, the operator will provide you with a new Reference Number as a confirmation of the cancellation.

6. **Operator:** **"**Do you wish to make additional payments or perform additional functions?"
    Caller: "Yes" or "No". If no, your call has been completed.

SUBSEQUENT DAY: Call the Department of Revenue's EFT Helpline at 1-877-308-9103 option 2 then option 1 for assistance.

PASSWORD CHANGES

1. Follow steps 1-5 under Part I, of the Touchtone System. When the system prompts you:

    System: To make a payment, press "1". To perform a cancellation or inquiry, press "2". For a password change, press "3".

    Caller: "3"

2. **System:** "Enter the new password."

    Caller: Enter the new 4 digit password of your choice followed by the "#" sign.

3. **System:** "Please enter the value a second time for verification."

    Caller: Re-enter the password followed by the "#" sign.

4. **System:** "Your password has been accepted. To continue with other functions, press "1". To disconnect, press "2"."

    Caller: Enter 1, followed by the "#" sign - to return to the main menu.
                                    or
                Enter 2, followed by the "#" sign. - "Thank you for using the North Carolina EFT Service."

PROBLEMS ???

Should you experience any difficulties in reaching the ACH System or relaying any of the necessary information, please contact the Electronic Funds Transfer Unit from 8:00 a.m. to 5:00 p.m., Eastern Time, Monday-Friday at 1-877-308-9103 option 2 and then option 1.

APPENDIX F

Batch Payment Instructions for ACH Debit Method
Electronic Funds Transfer
North Carolina Department of Revenue

IMPORTANT: For your tax payments to be considered timely, you must submit online by **3:45 p.m., Eastern Time** at least one banking day prior to the tax due date. The funds will be transferred from the indicated bank account(s) to the Department on the Effective Date you designate.

The online Batch payment system is available for tax service providers or businesses who transmit 10 or more tax payments at a time to the Department.

Part I. Before You Begin

Before you can make payments using this method, you must register in the online Batch payment system and set-up your online User Profile. Make sure that you have the following information:

    A. 11-digit Tax Id Numbers (Tax Account/NCDORID numbers issued by the NC Department of Revenue).
    B. 4-digit PINs associated to the Tax ID/NCDORIDs (issued from the Department after enrolling for ACH Debit).
    C. A valid e-mail address.
    D. Tax Type Codes (in Appendix A)
    E. Tax Period End Date(s).
    F. Tax Payment Amount(s).
    G. The date(s) the assoicated bank account(s) should be debited.

Part II. Accessing the online Batch payment system

Once you have the information from Part I, go to the ACH Debit Batch Payment System web site which can be accessed from the Deparment's web site at http://www.dornc.com/electronic/eft.html. Then select the link for **ACH Debit Batch Payment System**.

    1. At the **Log In** screen of the online ACH Debit Batch Payment System, you will be prompted to enter your Username and Password. If you are a new user, click the **New User Register your Tax ID Number** link.

Part III. New User Tax ID/NCDORID Registration

The **Register Your Account** screen will prompt you to enter a Tax ID/NCDORID Number and PIN. You must enter a North Carolina Department of Revenue Tax Account/NCDORID number and the corresponding PIN to setup your online User Profile. *If you have more than one Tax ID/NCDORID you are responsible for, it doesn't matter which Tax ID/NCDORID and associated PIN is entered to gain access to the User Profile.*

    1. Enter the Tax ID/NCDORID Number and PIN (issued after enrollment for ACH Debit) and Click "Next".

Please Note: Only 1 registration is required for **each Tax ID/NCDORID number. If your Tax ID/NCDORID is used for multiple tax types, Register/add it to your profile only once.

Part IV. User Profile

The **Create Your Profile** screen will prompt you to create a Username, Password, Contact Information, and set/answer Security Questions. You will need the Username and Password you create each time you log in to use the Batch payment system.

1. Follow the online instructions for completing the required fields and click "Submit".
2. If your profile is successful, a confirmation page will display. Print your User Profile confirmation for your record.

PART V. Adding or Deleting Tax ID/NCDORID Numbers for User Profile

After completing the User Profile setup, you may Register/Add additional Tax ID/NCDORID numbers that will be uploaded in your batch payment file. You must be authorized to work with these accounts and the Tax ID/NCDORID's must already be enrolled for ACH Debit Batch payments.

1. From the **Registration Confirmation** screen or the **Registration Maintenance** link, select "**Add Tax ID Number**".
2. Enter the Tax ID/NCDORID and associated PIN for the account.
3. You may also enter a Description for the account that may help you to more easily identify the account.
4. Continue this until all Tax Id/NCDORIDs you will submit batch payments for have been registered/added to your User Profile.

"Registration Maintenance" also permits you to view, edit, or delete Tax ID/NCDORID numbers associated with your user profile. To Delete a Tax ID/NCDORID number from your profile, locate the Tax ID/NCDORID number in the grid and select **Delete** next to that item. When the **Delete Registration Verification** displays, review the Tax ID/NCDORID information and click **Confirm**. Please Note: You will not be able to make payments for the deleted Tax ID/NCDORID number using the online Batch payment system.

Part VI. Submitting a Batch of Payments

When ready to set-up your batch payment file for upload, select "**Upload Batch Payments"** from the "Payments" drop down menu and follow the on screen instructions:

Submitting a Batch of Payments is a four-step process:

Step 1: Create or modify your batch payment file according to the file format specifications (sample file provided online).

Step 2: Upload a batch payment file.

Step 3: If upload is successful, go to **Pending Payments** to submit payments for processing. Pending and Failed payments are displayed in a grid for the Tax ID/NCDORID numbers you designate. Follow the onscreen instructions to Edit, Delete, or Submit payments for processing.

Important: Be aware that a "pending" payment must be "submitted" before the payment gets sent to the Department for processing. For your tax payments to be considered timely, you must submit online by **3:45 p.m., Eastern Time** at least one banking day prior to the tax due date. The funds will be transferred from the indicated bank account(s) to the Department on the Effective Date you designate.

<u>**Step 4**</u>: If payment submission is successful, go to **<u>Payment History</u>** to view payments and acknowledgement numbers. Select **Payments History** from the **Payments** drop-down. Select a payment Tax ID/NCDORID number from the drop down field and click "Search." You can view <u>scheduled</u> and <u>settled</u> payments in the Payments History grid.

Part VII. <u>Canceling Payments</u>

Certain payments can be canceled online or by contacting Customer Service at 1-888-217-0799. **Cancellations must be performed by 3:45 p.m. Eastern Time at least one business day prior to the Effective Date**. A payment that has already settled cannot be canceled.

a. To cancel payments, select **Cancel Payments** from the **Payments Menu**.
b. To view/locate payments, select a payment Tax ID/NCDORID number from the drop-down field and click "Search."
c. To cancel a payment, click the <u>Cancel</u> icon on the line next to the payment(s) you wish to cancel and click "Submit."
d. Print your Cancellation Confirmation for your record.

Part VIII. <u>Altering/Changing a Payment</u>

A batch payment that has already been submitted and accepted **cannot be** altered. Only Pending Payments may be altered.

a. To correct a payment **before** it is accepted, go to **<u>Pending Payments</u>**. Follow the online instructions to edit the payment and then submit it for processing.
b. If a payment has already been accepted and it is at least one business day prior to the Effective Date, you may be able to cancel the payment and resubmit correctly (see Part VII).

Part X. <u>Help and Inquiry</u>

Additional help and Frequently Asked Questions (FAQ) are available online at
http://www.dornc.com/electronic/eft.html

If you need assistance with the items below, please contact **Customer Service** at: 1-888-217-0799.

- Log In to the online Batch payment system
- User Profile
- User Name and Password
- Adding Tax ID/NCDORID Numbers to User Profile
- Security Questions
- PIN
- Submitting batch payments
- File Format Specifications
- Pending Payments
- Cancelling or Altering a Batch Payment
- Failed Payments
- Obtaining a payment reference number
- Browser problems

If you need assistance with the items below, please contact the **EFT Helpline** at 1-877-308-9103
(options 2, 1, and then 1 again) from 8:00 a.m. to 5:00 p.m., Eastern Time, Monday-Friday

- Enrollment for ACH Debit Batch Payments (EFT-100D Authorization Agreement)
- Changes to banking information or other enrollment information
- Debit Blocks
- Tax Type Codes (see Appendix A)
- Period Ending dates (see Appendix B)
- Legal Banking days or NC State Holidays (see Appendix C)
- You submitted a payment and discover an error after the cut-off time