



State of Rhode Island
 Department of Revenue
 Division of Taxation
 One Capitol Hill
 Providence, RI 02908-5800

AUTHORIZATION AGREEMENT FOR ELECTRONIC FUNDS TRANSFERS

FEDERAL IDENTIFICATION NUMBER: _____

TYPE OF TAX:

- | | |
|---|---|
| <input type="checkbox"/> WITHHOLDING | <input type="checkbox"/> SALES/USE |
| <input type="checkbox"/> CORPORATION | <input type="checkbox"/> INSURANCE PREMIUMS |
| <input type="checkbox"/> GASOLINE/MOTOR FUEL | <input type="checkbox"/> TANGIBLE PERSONAL PROPERTY |
| <input type="checkbox"/> BANK DEPOSITS | <input type="checkbox"/> PUBLIC SERVICE GROSS EARNINGS |
| <input type="checkbox"/> BANK EXCISE | <input type="checkbox"/> CIGARETTE STAMP |
| <input type="checkbox"/> CONSUMER USE TAX | <input type="checkbox"/> LITTER-BEVERAGE CONTAINER |
| <input type="checkbox"/> HOTEL TAX | <input type="checkbox"/> HEALTHCARE TAX |
| <input type="checkbox"/> LOCAL MEALS & BEV TAX | <input type="checkbox"/> ALCOHOLIC BEV IMPORT SERVICE FEE |
| <input type="checkbox"/> UNIFORM OIL RESPONSE & PREV | <input type="checkbox"/> WARWICK PARKING TAX |
| <input type="checkbox"/> PASS-THROUGH | <input type="checkbox"/> COMPOSITE INCOME TAX |
| <input type="checkbox"/> TOBACCO PRODUCTS | <input type="checkbox"/> E-911 \$0.26 WIRELESS SURCHARGE |
| <input type="checkbox"/> E-911 \$1.00 WIRELESS SURCHARGE | <input type="checkbox"/> E-911 \$1.00 WIRELINE SURCHARGE |
| <input type="checkbox"/> TEL-COM EDUCATION ACCESS FUND | <input type="checkbox"/> OUTPATIENT HEALTHCARE FACILITY SURCHARGE |
| <input type="checkbox"/> HEALTHCARE IMAGING SERVICES SURCHARGE | <input type="checkbox"/> HARD-TO-DISPOSE MATERIAL TAX |
| <input type="checkbox"/> PREPAID WIRELESS TELECOMMUNICATIONS CHARGE | |

Sections A & B below must be completed by all taxpayers

A. COMPANY DATA

COMPANY NAME: _____
 D/B/A: _____
 ADDRESS: _____
 CITY: _____ STATE: _____ ZIP CODE: _____
 TELEPHONE NUMBER: (_____) _____ FAX NUMBER: (_____) _____

B. CONTACT PERSON(S):

Primary EFT contact person:

NAME: _____ TITLE: _____
 ADDRESS: _____
 CITY: _____ STATE: _____ ZIP CODE: _____
 TELEPHONE NUMBER: (_____) _____ Extension _____
 FAX NUMBER: (_____) _____
 E-MAIL ADDRESS: _____

Secondary EFT contact person:

NAME: _____ TITLE: _____
 TELEPHONE NUMBER: (_____) _____ Extension _____
 FAX NUMBER: (_____) _____
 E-MAIL ADDRESS: _____

CHOOSE ONLY ONE OF THE TWO PAYMENT OPTIONS BELOW

C. ACH DEBIT OPTION

This section is to be completed only if you choose the ACH DEBIT OPTION.

TWO DEBIT OPTIONS AVAILABLE:

1. INTERNET FILING:

Simply log onto <https://www.ri.gov/taxation/business/index.php> and click on the first time user link. This is the only EFT registration process that you need to do.

Do not complete or remit this form to the RI Division of Taxation EFT Section.

2. TELEPHONE:

Complete Section C and remit authorization agreement to the RI Division of Taxation EFT Section.

If ACH Debit is chosen, you authorize the Rhode Island Division of Taxation to present debit entries to your bank for the tax identified on the front. Only you can initiate a debit by calling the state's service bureau and indicating the amount of tax to be paid by electronic funds transfer.

Enclose a copy of a voided check or have an AUTHORIZED REPRESENTATIVE of your bank complete and sign this section of the form.

BANK NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

BANK ACCOUNT #: _____ BANK ROUTING/TRANSIT NUMBER: _____

[] CHECKING [] SAVINGS

Printed Name of Bank Representative

Telephone Number

Signature of Bank Representative

Date

D. ACH CREDIT OPTION

This section is to be completed **only** if you choose the **ACH CREDIT OPTION**.

All ACH CREDIT must be initiated in the required CCD+ and TXP format. Any payments not received in that format may be considered late.

Example:

Generic TXP addendum record CCD format

<u>FIELD #:</u>	<u>FIELD NAME:</u>	<u>DATA ELEMENT TYPE:</u>	<u>FIELD LENGTH:</u>	<u>COMMENTS:</u>
	Segment Id			TXP
	Field Separator			*
TXP01	Taxpayer Id	AN	11	12345678900
	Field Separator			*
TXP02	Tax Type Code	ID	5	55555
	Field Separator			*
TXP03	Tax period End Date	DT	6	YYMMDD
	Field Separator			*
TXP04	Amount Type	ID	1	T(Tax)
	Field Separator			*
TXP05	Amount Paid	N2	1/10	\$\$\$\$\$\$\$cc
	Record Terminator			/

This form must be completed and mailed to: Electronic Funds Transfer Program
Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 02908-5800
Phone: (401) 574-8484
Fax: (401) 574-8913

State of Rhode Island - Division of Taxation

Payment of Taxes by Electronic Funds Transfer

Regulation

EFT 09-01

TABLE OF CONTENTS

RULE 1.	PURPOSE
RULE 2.	AUTHORITY
RULE 3.	APPLICATION
RULE 4.	SEVERABILITY
RULE 5.	DEFINITIONS
RULE 6.	ELECTRONIC FUNDS TRANSFER MANDATE
RULE 7.	FORMS REQUIREMENT
RULE 8.	PENALTY FOR NON-COMPLIANCE
RULE 9.	AUTHORITY TO WAIVE THE ELECTRONIC FUNDS TRANSFER MANDATE
RULE 10.	EFFECTIVE DATE

RULE 1. PURPOSE

This regulation implements 44-19-10.3 and 44-30-71 of the Rhode Island General Laws. These Chapters require certain taxpayer to make payments by Electronic Funds Transfer with the Division of Taxation.

RULE 2. AUTHORITY

This regulation is promulgated pursuant to RIGL 44-1 as amended. These rules have been prepared in accordance with the requirements of RIGL 44-1 and 44-1-31.1.

RULE 3. APPLICATION

The terms and provisions of these rules and regulations shall be liberally construed to permit the Division of Taxation to effectuate the purposes of RIGL 44-1-31.1 and other applicable state laws and regulations.

RULE 4. SEVERABILITY

If any provision of this regulation or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the validity of the remainder of this regulation shall not be affected thereby.

RULE 5. DEFINITIONS

As used in this rule, the following terms have the following meanings:

- A. “ACH” or “Automated Clearing House”** means a central distribution and settlement point for the electronic clearing of debits and credits between financial institutions. An automated clearing house may be a Federal Reserve Bank or any organization with an operating agreement with NACHA that operates as a processing agent for ACH transactions between financial institutions.
- B. “ACH Credit”** means an electronic transfer of funds using the ACH network that is originated by a taxpayer through its financial institution to credit (deposit) funds to a designated State of Rhode Island bank account and debit (withdraw) funds from the taxpayer’s bank account for a specified payment amount.
- C. “ACH Debit”** means an electronic transfer of funds initiated by Rhode Island Division of Taxation, upon taxpayer instruction, to debit a taxpayer’s designated bank account and credit funds to a designated State of Rhode Island bank account.
- D. “Addenda Record”** means an ACH record type that carries the supplemental data needed to completely identify a taxpayer’s tax payment.
- E. “CCD+,”** means the standard ACH transaction format that is accompanied by one addenda record when submitted to Rhode Island Division of Taxation.
- F. “Effective Date” or “Effective Entry Date”** means the date specified by the originator on which it intends a payment to be settled. The “Effective Date” specified by a taxpayer or service provider is the date it intends the payment to be deposited into a State of Rhode Island bank account.

Note: NACHA Rules state that for credit entries, “... the effective entry date shall be either one or two banking days following the banking day of process as established by the Originating ACH Operator (the processing date).”

- G. “EFT” or “Electronic Funds Transfer”** means a standard ACH funds transfer to credit or debit a bank account or wire transfer. Electronic funds transfer does not include payments by check, draft or similar paper instrument.
- H. “Look back Period”** means the previous calendar year used by the Rhode Island Division of Taxation in order to determine whether EFT thresholds, based on reported tax liability, are met or exceeded.
- I. “NACHA” or “North American Clearing House Association”** means the national regulatory body that establishes the standards, rules and procedures governing the ACH Network.
- J. “Pre-notification” or “pre-note”** means a zero dollar entry that may be sent through the ACH at least seven (7) business days prior to live entries affecting an account at a financial institution.

- K. **“RTN/ABA number”** means the routing transit and American Banking Association numbers assigned to financial institutions. This is a nine-digit number with position nine computed according to a check-digit formula.
- L. **“Settlement Date,” “Deposit Date” or “Payment Date”** means the date an electronic payment is deposited in a bank account designated by the State of Rhode Island for deposit of electronic tax payments. The dates also include the date a pre-notification transaction occurs. Generally, the “settlement date” is the same as the effective entry date.
- M. **“Standard EFT Payment Methods”** means the ACH credit method or the ACH debit method of electronic funds transfer.
- N. **“Tax Payment Convention” or “TXP”** means the standard format developed by the Federation of Tax Administrators and the Banker's EDI Council of NACHA and approved by the Banker's EDI Council of NACHA that identifies tax payments in the addenda record portion of a CCD+ ACH transaction.
- O. **“Wire Transfer” or “Bank wire”** means the same day transfer of funds from a depositor's account to a State of Rhode Island bank account. Fed-wires do not contain a standard addenda record and may be used only in an emergency situation.
- P. **“Zero dollar payment”** means a pre-notification-type transaction that is formatted as a payment and contains an addenda record.

RULE 6. ELECTRONIC FUNDS TRANSFER MANDATE

A. Generally.

(1) Effective January 1, 2010, any person with an average monthly sales and use tax liability of two hundred dollars (\$200) or more per month for the look back period, shall remit said payments by electronic funds transfer. Any person required to withhold and remit tax under section 44-30-71 with ten (10) or more employees, over the course of the look back period, must make the withholding tax payments by electronic funds transfer.

(2) However, any person who has a liability of \$10,000 or more in connection with the filing of any return, report or other document with the Division of Taxation is required to remit tax payments for the relevant tax type electronically using either the ACH credit or ACH debit method. Provided, however, payment of personal income taxes by individuals shall not be subject to the requirement for Electronic Funds Transfer except that employer's withholding of taxes shall be subject to Electronic Funds Transfer.

B. Notification by Rhode Island Division of Taxation.

The Rhode Island Division of Taxation will periodically review the payment histories of taxpayers, employing the look back period on a tax-specific basis, in order to determine which persons are required to make payments via EFT. When the Division of Taxation determines that a person is liable for making payments electronically, the person will be notified and provided with the necessary registration forms or in the case of internet filing the internet address to establish an EFT account with the Division of Taxation. The taxpayer has 30 days after such notification to complete and return registration materials.

RULE 7. FORMS REQUIREMENT

Refer to "Electronic Tax Filing Guide", Publication 1345, found at www.tax.ri.gov/documents/elf/handbook.pdf for information on filing tax reports/forms when tax payments are remitted via EFT

RULE 8. PENALTY FOR NON-COMPLIANCE

A. Generally; insufficient funds.

Payments made by electronic funds transfer are subject to the interest and penalty provisions if the payment is deemed late. EFT deposits to a designated State of Rhode Island bank account that are reversed by the State's depository bank due to insufficient funds in the originator's account are subject to the late filing and late payment penalties.

B. Failure to file electronically.

Chapter 44-19-10.3 and 44-30-71 provides that if any person fails to remit said taxes by electronic funds transfer or other electronic means defined by the tax administrator as required hereunder, the amount of tax required to have been electronically transferred shall be increased by the lesser of five percent (5%) of the amount that was not so transferred or five hundred dollars (\$500), whichever is less, unless there was reasonable cause for the failure and such failure was not due to negligence or willful neglect.

RULE 9. AUTHORITY TO WAIVE THE ELECTRONIC FUNDS TRANSFER MANDATE

A taxpayer may make a written request to the EFT Section for waiver from mandatory EFT participation for good cause. Good cause determinations will be made on a case-by-case basis. The following will generally be considered by the Tax Administrator to constitute good cause:

A. The taxpayer's bank does not participate in ACH in any form. The taxpayer must provide a letter from its financial institution.

B. The taxpayer's current tax liability and reporting trend shows a decline in the amount of reported tax liability. If projected into the future, the tax liability will not meet or exceed the applicable mandatory threshold amount.

C. The taxpayer's tax liability during the look back period no longer meets or exceeds the applicable mandatory threshold amount.

D. The taxpayer's tax liability meets or exceeds the applicable mandatory threshold amount only because of uncharacteristically high tax amounts reported in 3 or fewer months of the look back period. However, good cause does not exist under this paragraph in the case of a person reporting withholding tax on a quarterly basis.

E. The taxpayer is under the payroll administration of the federal government.

F. The taxpayer is required to file three or fewer times per year.

Waiver requests should be sent to the following address:

Rhode Island Division of Taxation
EFT Section
One Capitol Hill
Providence, RI 02908

The waiver request must include a detailed explanation as to why the mandate should not apply.

RULE 10. EFFECTIVE DATE:

This Regulation shall take effect as of January 1, 2010 and shall amend and supercedes regulation EFT 00-01 promulgated January 1, 2000.

DAVID SULLIVAN
TAX ADMINISTRATOR