

1 17 NCAC 01C .0503 is readopted with changes pursuant to G.S. 150B-21.3A (c)(2)g without notice pursuant to G.S. 150B-  
2 1(d)(4) as follows:

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4 **17 NCAC 01C .0503 EFT DEFINITIONS**

5 The terms and phrases used in this Section shall have the meanings prescribed in this Rule, unless a different meaning is  
6 indicated by the context in which the term or phrase is used.

7 (1) "ACH" or "Automated Clearing House" means a central distribution and settlement ~~point~~ network for the electronic  
8 clearing of debits and credits between financial institutions rather than the physical movement of paper items.

9 (2) "ACH Credit" means an electronic payment where the electronic transfer of funds is initiated by a ~~taxpayer, taxpayer~~  
10 and is cleared through the ACH for credit to the ~~State Treasurer, North Carolina Department of Revenue.~~

11 (3) "ACH Debit" means an electronic payment where the electronic transfer of funds from the taxpayer's account at a  
12 financial institution ~~which~~ is initiated ~~to either through~~ the Data Collection Center or online (bank draft) upon the  
13 taxpayer's instruction and is cleared through the ACH for deposit to the ~~State Treasurer, North Carolina Department of~~  
14 Revenue.

15 (4) "ACH Trace Number" means a unique number assigned to an electronic payment transaction by the financial  
16 institution originating the transaction.

17 (5) "Addenda Record" means the tax information and electronic format required by the Department in accordance with  
18 the rules in this Section in an ACH Credit transfer.

19 (6) "Call-in Day" means the day on which a taxpayer communicates information to the Data Collection Center to initiate  
20 an ACH Debit transaction.

21 (7) "CCD+" or "Cash Concentration or Disbursement Plus Addenda" means ~~a standard~~ an ACH transaction format  
22 ~~which that~~ includes one ~~80-character~~ 80-character addenda record.

23 (8) "CBS" or "Core Banking System" means the Department of State Treasurer's ~~agency~~ online banking system for state  
24 agencies and institutions within the University of North Carolina system for transferring funds electronically.

25 (9) "Data Collection Center" or "DCC" means the third party vendor, who, under contract with the Department,  
26 ~~Department's financial institution,~~ collects and processes EFT payment information from taxpayers and initiates ~~an~~ ACH  
27 Debit ~~transaction.~~ transactions.

28 (10) "Department" means the North Carolina Department of Revenue.

29 (11) "Due Date" means the date on which a payment is required to be made by a taxpayer under a General Statute of the  
30 State of North Carolina.

31 (12) "Electronic Funds Transfer" or "EFT" means any transfer of funds initiated through an electronic terminal,  
32 telephonic instrument, or computer (online) ~~or magnetic tape~~ so as to order, instruct, or authorize a financial institution to  
33 debit or credit an account using the methods specified in the rules in this Section.

34 (13) "Fiscal Year" means July 1 through June 30.

35 (14) "Holiday" means a State Holiday or a Holiday recognized by the Federal Reserve, Reserve District.

36 (15) "NACHA" means the National Automated Clearing House ~~Association~~ Association, ~~which is~~ the regulatory body  
37 for the ACH Network.

1 (16) "~~OBI Fields~~" or "~~Originator to Beneficiary Information~~" means a field in a wire transfer that contains information  
2 required by the Department from the taxpayer. "Payment by Merchant Card" means an electronic funds transfer initiated  
3 by a card-holder using a credit card or debit card accepted by the Department.

4 (17) "Payment Information" means the data ~~which~~ that the Department requires of a taxpayer making an EFT payment  
5 and ~~which~~ that must be communicated to the Data Collection Center or be provided in the TXP Banking Convention  
6 addenda record of an ACH Credit Transaction.

7 (18) "~~Payor~~" means the taxpayer.

8 (19) "~~Payor Identification Number~~" means a confidential code assigned to each taxpayer which uniquely identifies the  
9 payor and allows the payor to communicate payment information to the Data Collection Center.

10 (20) "~~Selection Period~~" means any 12 consecutive month period on which a determination is made regarding a taxpayer's  
11 EFT status.

12 (25) (18) "Trace Reference Number" means the verification number provided by the Data Collection Center upon  
13 receipt of all payment information from the ~~payor~~ taxpayer ~~which~~ that uniquely identifies the completed communication  
14 of payment information.

15 (21) (19) "Settle" means a deposit of good funds into the State's bank account. Good funds are funds collected in the  
16 State's bank account that are usable immediately by the State.

17 (22) (20) "Settlement Day or Date" means the day an EFT transaction settles.

18 (23) (21) "Taxpayer" means any taxpayer required to remit an amount by electronic funds transfer. For the purpose of  
19 the rules in this Section, "taxpayer" includes any individual, firm, partnership, joint venture, association, corporation,  
20 estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit and includes any political  
21 subdivision, municipality, bureau, state agency, ~~and~~ or institution within the University of North Carolina system. The  
22 term "taxpayer" does not ~~include~~, include local school boards ~~and~~ or community colleges.

23 (24) (22) "Tax Type" means a tax that ~~which~~ is subject to EFT, each of which shall be considered a separate category of  
24 payment.

25 (26) (23) "Treasurer" or "State Treasurer" means the Treasurer of the State of North Carolina.

26 (27) (24) "TXP Format" means the ~~standard~~ CCD+ Addenda record format to be used in ACH Credit transactions  
27 approved by Banker's EDI Council of the National Automated Clearing House Association and the Federation of Tax  
28 Administrators. This format is required by the Department when a taxpayer ~~is afforded~~ selects the ACH Credit payment  
29 method.

30 (28) "~~Wire Transfer~~" means an instantaneous electronic funds transfer generated by the taxpayer to the State Treasurer.  
31 (i.e. Fedwire or Bankwire).

32  
33 *History Note: Authority G.S. 105-241; 105-262;*  
34 *Eff. October 1, 1993;*  
35 *Amended Eff. June 1, 2007; November 1, ~~1994-1994~~;*  
36 *Readopted with changes Eff. July 1, 2017.*

1 17 NCAC 01C .0505 is readopted with changes pursuant to G.S. 150B-21.3A (c)(2)g without notice pursuant to G.S. 150B-  
2 1(d)(4) as follows:

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4 **17 NCAC 01C .0505 EFT IDENTIFICATION AND NOTIFICATION PROCEDURES**

5 (a) The Department shall review ~~at least~~ annually the payment histories of taxpayers ~~for a during a selection period, 12~~  
6 ~~consecutive month period,~~ on a tax type by tax type basis, to determine if the taxpayer shall be required to make EFT  
7 ~~payments. payments through EFT. A taxpayer shall be required to make EFT payments if the taxpayer's annual required~~  
8 ~~payments of a tax for a 12 consecutive month period were at least two hundred and forty thousand dollars (\$240,000). If~~  
9 ~~the taxpayer was previously required to make payments for the tax type using EFT, a determination shall be made to~~  
10 ~~determine if the taxpayer shall be required to make payments for the tax type using EFT. If the taxpayer was previously~~  
11 ~~required to make payments using EFT, a determination shall be made to determine if the taxpayer shall continue to be~~  
12 ~~required to make payments for the tax type using EFT.~~

13 (b) ~~The Department shall determine which taxpayers are liable for making remittances by EFT and notify said taxpayers~~  
14 ~~at least 60 days prior to the first day of the month in which the first payment becomes due. Taxpayers required to make~~  
15 ~~EFT payments in accordance with Paragraph (a) of this Rule, shall be notified by the Department 60 calendar days prior~~  
16 ~~to the first day of the month in which the first EFT payment is due.~~

17 (c) ~~The Department shall provide the taxpayer directly or through its financial institution or Data Collection Center the~~  
18 ~~following information:~~

19 (1) ~~Guidelines as to when and how payments must be transferred.~~

20 (2) ~~Registration forms to provide information necessary to establish an EFT account with the Department~~  
21 ~~and Data Collection Center.~~

22 (3) ~~Information regarding the State's depository for ACH Credit transfers if the taxpayer is approved for~~  
23 ~~credit transfers.~~

24 (d) The Department shall notify ~~any a~~ taxpayer no longer required to make EFT payments ~~remit by electronic means~~ 30  
25 ~~calendar~~ days prior to the due date of the first non-EFT payment. A taxpayer shall no longer be required to make EFT  
26 payments if the taxpayer's annual required payments of a tax for a 12 consecutive month period were less than two  
27 hundred and forty thousand dollars (\$240,000). ~~To withdraw from the EFT Program, a taxpayer shall notify the~~  
28 ~~Department. in writing he or she no longer wishes to continue remitting payments electronically within 30 days of the~~  
29 ~~Department's notification. A taxpayer who fails to furnish a letter of withdrawal shall be presumed as participating on a~~  
30 ~~voluntary basis and shall be subject to the same rules and guidelines as taxpayers subject to the remittance provisions of~~  
31 ~~17 NCAC 1C .0504.~~

32 (e) The Department shall not notify a taxpayer whose requirement to make EFT payments status has not changed.

33 (f) ~~A taxpayer shall remit for a minimum of one year following the determination of the requirement unless the taxpayer~~  
34 ~~can demonstrate that the payment level during the 12 month selection period was atypical and that future payments will~~  
35 ~~be less than the threshold for that tax type.~~

36  
37 *History Note: Authority G.S. 105-241; 105-262;*

- 1 *Eff. October 1, 1993;*
- 2 *Amended Eff. May 1, ~~1995~~ 1995;*
- 3 *Readopted with changes Eff. July 1, 2017.*

1 17 NCAC 01C .0507 is readopted with changes pursuant to G.S. 150B-21.3A (c)(2)g without notice pursuant to G.S. 150B-  
2 1(d)(4) as follows:

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4 **17 NCAC 01C .0507      ~~REGISTRATION OF EFT TAXPAYERS~~ ENROLLMENT FOR ACH CREDIT AND  
5 ACH DEBIT**

6 (a) ~~The taxpayer shall complete and return the registration form by the specified date to the Department. Taxpayer~~  
7 ~~information provided with the registration form shall be recorded by the Department and provided to the Data Collection~~  
8 ~~Center for taxpayers using the Debit method of payment. The information required to be provided with the registration~~  
9 ~~form includes the following:~~ To enroll in ACH Credit or ACH Debit through the Data Collection Center taxpayers shall  
10 first enroll with the Department. Taxpayers shall complete and return Payment Method Authorization Agreement Form  
11 EFT-100D to enroll with the Department for ACH Debit. Taxpayers shall complete and return Payment Method  
12 Authorization Form EFT-100C to enroll with the Department for ACH Credit. The information required to be provided  
13 with the Payment Method Authorization Agreement Forms EFT-100D and EFT-100C includes the following:

- 14           (1) Taxpayer name;  
15           (2) Taxpayer address;  
16           (3) Federal employer identification ~~number;~~ number (FEIN);  
17           (4) Tax type;  
18           (5) Account number;  
19           (6) Contact person (title, address, telephone number, and fax number);  
20           (7) Bank name;  
21           (8) Bank address;  
22           (9) Bank transit/routing number;  
23           (10) Bank account number;  
24           (11) Input method; and  
25           (12) Signature of person authorized to sign checks.

26 The Payment Method Authorization Agreement Forms EFT-100D and EFT-100C are located on the Department's website  
27 at [www.dornc.gov](http://www.dornc.gov).

28 (b) ~~Upon receipt of taxpayer information from the Department for taxpayers using the ACH Debit method, the Data~~  
29 ~~Collection Center shall assign a payor identification number to the taxpayer which will be used by the taxpayer to~~  
30 ~~communicate payment information to the Data Collection Center. The identification number shall be provided to the~~  
31 ~~taxpayer at least seven days prior to the date the first required payment is due under the EFT program. For taxpayers~~  
32 enrolled in the ACH Debit method of payment, the Department shall provide the enrollment information from the  
33 Payment Method Authorization Agreement Form EFT-100D to the Data Collection Center.

34 (c) The Data Collection Center and its employees shall be bound by the same confidentiality requirements as the  
35 Department ~~under~~ pursuant to G.S. 105-259.

36 (d) The Department shall provide information regarding the State's depository financial institution to a taxpayer who is  
37 approved for enrolled in the ACH Credit method of payment. ~~payment information regarding State's depository institution.~~

1 (e) A taxpayer ~~shall~~ must provide at least a 30 day written notice to notify the Department of any change of information  
2 required ~~by~~ on the ~~registration form~~. Payment Method Authorization Agreement Forms EFT-100C and EFT-100D within  
3 30 calendar days of the change.  
4

5 *History Note: Authority G.S. 105-241; 105-259; 105-262;*  
6 *Eff. October 1, 1993;*  
7 *Amended Eff. November 1, ~~1994~~. 1994;*  
8 *Readopted with changes Eff. July 1, 2017.*

1 17 NCAC 01C .0510 is readopted with changes pursuant to G.S. 150B-21.3A (c)(2)g without notice pursuant to G.S. 150B-  
2 1(d)(4) as follows:

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4 **17 NCAC 01C .0510 EFT PAYMENT PROCEDURES - ACH DEBIT METHOD**

5 (a) The taxpayer shall initiate an ACH Debit ~~transfer of funds~~ payment by contacting the Data Collection Center and  
6 communicating the payment information contained in (c)(1) through (c)(5) of this Rule. ~~information, including zero~~  
7 ~~payments.~~ Communication of payment information with the Data Collection Center may be accomplished by the following  
8 methods:

- 9 (1) ~~Terminal communication of payment information via a computer terminal or personal computer via~~  
10 ~~modem; or~~ Online batch payments accessible via the Department's ACH Debit Batch Payment System  
11 webpage at [www.govone.com/tpp/northcarolina/Account/Logon](http://www.govone.com/tpp/northcarolina/Account/Logon);  
12 (2) Touch-tone communication of payment information made by entering data via ~~the dial pad of a touch~~  
13 ~~tone~~ touch-tone phone; or  
14 (3) Voice communication via telephone to a Data Collection Center phone agent at 1-888-729-6282.

15 (b) The taxpayer ~~shall~~ must report payment information to the Data Collection Center no later than 3:45 p.m., Eastern  
16 Standard Time, on the call-in day. The Department shall bear the cost of processing EFT payments by the ACH Debit  
17 method through the Data Collection Center.

18 ~~(c) After establishing contact with the Data Collection Center, the taxpayer may communicate payment information for~~  
19 ~~more than one tax type or tax period. However, the taxpayer must initiate payment information for each tax type and for~~  
20 ~~each tax period for which a payment is due.~~ The following payment information is required:

- 21 (1) ~~Payor~~ Taxpayer identification number;  
22 (2) Tax type;  
23 (3) Tax period end date;  
24 (4) Payment type (Tax, Penalty, and Interest); and  
25 (5) Payment amount.

26 (d) Upon receipt of the information from the taxpayer, The the Data Collection center Center shall receive the information  
27 ~~provided by the taxpayer and furnish~~ provide the taxpayer with a ~~trace~~ reference number. The ~~trace~~ reference number  
28 provides a means of verifying the accuracy of the recorded tax payment and serves as a receipt and audit trail for the  
29 transaction.

30 ~~(e) Successful completion of the call to the Data Collection Center shall fulfill the taxpayer's obligation for initiating an~~  
31 ~~ACH Debit transaction.~~

32 (f) In the event a taxpayer using the ACH Debit method communicates payment information to the Data Collection Center  
33 after 3:45 p.m., Eastern Standard Time, on the business day before the due date, the payment shall be posted to the  
34 taxpayer's account on the next business day following the due date and shall constitute a late payment.

35  
36 *History Note:* Authority G.S. 105-241; 105-262;  
37 *Eff. October 1, 1993. 1993;*





1 17 NCAC 01C .0511 is readopted with changes pursuant to G.S. 150B-21.3A (c)(2)g without notice pursuant to G.S. 150B-  
2 1(d)(4) as follows:

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4 **17 NCAC 01C .0511 EFT PAYMENT PROCEDURES - ACH CREDIT METHOD**

5 (a) To enroll in the ACH Credit method taxpayers shall ~~taxpayers granted permission to use the ACH Credit method must~~  
6 contact their financial institution to determine if the service is offered and make the necessary arrangements to transfer  
7 payments to the State Treasurer Department on or before the due date. ~~date for a tax.~~ The taxpayer shall bear the cost of  
8 an ACH Credit transaction.

9 (b) An ACH Credit payment shall be credited to the Department's account in its financial institution on or before the  
10 applicable due date for a tax. An ACH Credit payment credited to the Department's account in its financial institution  
11 after the applicable due date for a tax shall constitute a late payment. ~~To assure timely receipt of payment of tax, a~~  
12 ~~taxpayer must initiate the transaction with its financial institution in time for the payment to be deposited on the~~  
13 ~~settlement date to the State Treasurer on or before the appropriate due date.~~

14 (c) All ACH Credit transactions shall utilize the NACHA CCD+ entry with a TXP Banking Convention addenda record.  
15 The TXP Banking Convention addenda record must include the following:

- 16 (1) Taxpayer's identification number;  
17 (2) Tax type code;  
18 (3) Tax period end date;  
19 (4) Payment type (Tax, Penalty and Interest); and  
20 (5) Amount of payment.

21 (d) The taxpayer shall provide the financial institution originating the ACH Credit transaction with the information  
22 contained in (c)(1) through (c)(5) of this Rule in order for the financial institution to complete the NACHA CCD+ entry  
23 with the TXP Banking Convention addenda record. ~~The Department assumes no responsibility for payments until and~~  
24 ~~unless the payment has been credited to the Department's designated account in its financial institution.~~

25 (e) The Department shall revoke the right of a taxpayer to use the ACH Credit method of payment if the taxpayer:

- 26 (1) Fails to transmit payments in the TPX Format as required by this Rule three or more times in a 12  
27 consecutive month period;  
28 (2) Fails to make ACH Credit payments on or before the due date for a tax three or more times in a 12  
29 consecutive month period; or  
30 (3) Fails to provide the correct addenda record data required by this Rule three or more times in a 12  
31 consecutive month period.

32  
33 *History Note: Authority G.S. 105-241; 105-262;*  
34 *Eff. October 1, 1993. 1993;*  
35 *Readopted with changes Eff. July 1, 2017.*

1 17 NCAC 01C .0601 is readopted with changes pursuant to G.S. 150B-21.3A (c)(2)g without notice pursuant to G.S. 150B-  
2 1(d)(4) as follows:

3  
4 **17 NCAC 01C .0601 APPROVAL REQUIRED FOR SUBSTITUTE FORMS**

5 ~~Process—The Department prepares forms for taxpayers to use in reporting and paying taxes. The forms are designed to~~  
6 ~~be able to be processed accurately and efficiently on the Department's processing equipment. A company that wants to~~  
7 ~~reproduce a form of the Department for use by a taxpayer must meet the requirements of the Department before it does so.~~  
8 ~~These requirements include obtaining from the Department a vendor number and the technical specifications for the form,~~  
9 ~~submitting to the Department a draft of the substitute form for approval, and receiving a letter from the Department stating~~  
10 ~~that the draft substitute form submitted complies with the Department's requirements. The person at the Department to~~  
11 ~~contact to obtain approval of a substitute form is the Department's Forms Coordinator.~~

12 (a) Any person who reproduces a form of the Department for use by a taxpayer shall complete and return the Tax  
13 Software Provider Registration Form to enroll with the Department. The information required to be provided with the  
14 Software Provider Registration Form includes the following:

- 15 (1) Company name;
- 16 (2) Product name;
- 17 (3) National Association of Computerized Tax Processors (NACTP) member number;
- 18 (4) Company mailing address;
- 19 (5) Company website address/URL;
- 20 (6) Company federal employer identification number (FEIN);
- 21 (8) Primary individual tax forms contact phone;
- 22 (9) Primary individual tax forms contact email;
- 23 (10) Primary business tax forms contact phone;
- 24 (11) Primary business tax forms contact email;
- 25 (12) Type of software product;
- 26 (13) Tax types supported; and
- 27 (14) Tax forms and schedules supported.

28 The Software Provider Registration Form is located on the Department's website at [www.dornc.com](http://www.dornc.com).

29 (b) Upon receipt of a completed Software Provider Registration Form, the Department's Forms Coordinator will provide  
30 a person with a state substitute form vendor number and credentials to access the Software Developers Information site  
31 on the Department's website at [www.dornc.com](http://www.dornc.com). The required grid layout and technical specifications for each form are  
32 available on the Software Developers Information site on the Department's website.

33 (c) Any person who reproduces a form of the Department for use by a taxpayer shall submit a draft of the substitute  
34 form to the Department each year for approval. The draft substitute form shall be submitted in portable document format  
35 (PDF) to [SDFormsUpdate@dornc.gov](mailto:SDFormsUpdate@dornc.gov).

36 (d) Upon receipt of the draft substitute form, the Department's Forms Coordinator will review the draft substitute form  
37 to verify the draft substitute form complies with the grid layout and technical specifications for that form. If the draft

1 substitute form complies with the grid layout and technical specifications for that form, the Department's Forms  
2 Coordinator shall send a letter approving the substitute form for use by taxpayers. If the draft substitute form fails to  
3 comply with the required grid layout or technical specification for that form, the Department's Form Coordinator will  
4 return the draft substitute form for correction and resubmission to the Department's Forms Coordinator.  
5 (e) A substitute form shall not be made available to the taxpayer until the substitute form is approved in accordance with  
6 paragraph (d) of this Rule.

7

8 *History Note: Authority G.S. 105-241; 105-236(1); 105-262;*

9 *Eff. October 1, 1993;*

10 *Amended Eff. July 1, ~~2000~~. 2000;*

11 *Readopted with changes Eff. July 1, 2017.*