

EFT

Quick
Reference
Guide



ELECTRONIC
FUNDS
TRANSFER
FOR SPECIAL
TAXES AND
FEES

www.cdtfa.ca.gov

EFT OVERVIEW

The California Department of Tax and Fee Administration (CDTFA) Electronic Funds Transfer (EFT) Program allows you to electronically pay amounts due for your special taxes and fees accounts. You are required to make payments by EFT if your average monthly tax or fee payments equal or exceed \$20,000. As a mandatory participant, payments made by any other method (check, cash, or credit card) will be subject to penalties. However, if you have a sales and use tax (SUT) account that requires an EFT payment **and** have a Prepaid Mobile Telephony Services (MTS) surcharge account, you must make payment(s) for your prepaid MTS account via EFT.

When you register as an EFT participant, you must choose one of the two Automated Clearing House (ACH) payment methods available:

- **ACH Debit**—This option authorizes the CDTFA to transfer funds from your bank account to the CDTFA's bank account using the state's data collection service.
- **ACH Credit**—This option allows you to initiate a payment through your financial institution. For this type of transaction, you must ensure that your financial institution has the ability to send ACH credit transactions in the required file format. For file format information, please visit www.cdtfa.ca.gov/services/ach-credit-specifications.htm. Allow your financial institution at least 30 days to set up your account.



ONLINE FILING INFORMATION

Accounts eligible to file returns online can do so and make ACH debit payments in one transaction. This is the easiest and fastest way to file your return and make your EFT payment in a paperless transaction.

Currently, the only special taxes and fees programs eligible to file online are Cannabis, Cigarette Manufacturers, Cigarette Distributors, Emergency Telephone Users Surcharge, International Fuel Tax Agreement (IFTA), Lead-Acid Battery, Motor Vehicle Fuels, Diesel Fuel, Jet Fuel, Electronic Waste Recycling, Tire Recycling, Cigarette Retailer, and Cigarette Internet Sales Programs. Accounts that file online will not receive returns in the mail.

Information Needed to Make an EFT Payment

- **CDTFA Account Number** (*9 digit account number—no alpha characters or hyphens*). *If your account number is less than 9 digits long, add leading zeros to form a 9 digit number.*
- **Security Code/Password**
- **Payment Type (Tax Type Code)**
 - Special Taxes Return Payment (09000)
 - Special Taxes Prepayment #1 (09001)
 - Special Taxes Prepayment #2 (09002)
 - Special Taxes Accounts Receivable Payment (09003)
 - Special Taxes Audit Payment (09004)
- **Tax Amount** (*include the cents*)
- **Penalty Amount** (*if applicable*)
- **Interest Amount** (*if applicable*)
- **Debit Date**

ACH DEBIT METHOD

How to Pay by ACH Debit

You may pay via EFT ACH debit after completing [CDTFA-555-ST](#) and receiving written approval from CDTFA. This includes providing your bank account number and the routing number (ABA number) for your financial institution, which is located on your check. You initiate an ACH debit payment through the state's data collection service* to authorize the transfer of funds. You are responsible for any fees charged by your financial institution. Accounts eligible to file online may be able to make an ACH payment with a return filed online. See our website at www.cdtfa.ca.gov for more information on online filing.

*The state's data collection service is not under the control of the CDTFA and the CDTFA is not responsible for the contents of their website or any links contained in their website. The CDTFA recommends that you review the security and confidentiality statements of the data collection service.

Contacting the Data Collection Service

Contact the data collection service via the Internet or telephone to initiate your payment, inquire about your payment, or set up or change your security code.

- **Internet:** www.govone.com/PAYCAL/CDTFAP/Account/SubAgencies
- **Telephone:** 1-800-554-7500

Security Code/Password

Security Code

The security code gives you access to perform telephone and online transactions using the state's data collection service. If you are newly registered to pay by ACH debit, you will be issued a security code of "0000." Before you can initiate any transactions, you must personalize the code with any four digits of your choice. Please retain this code in a secure place for future reference and to prevent unauthorized access to your account.

Password

For added protection, in addition to the 4-digit security code, you will also need to create an 8-12 character password to access the state's data collection service using the Internet. Select the "Register" button in the "First Time User" box.

Timely Payment

You must initiate your payment on or before the tax or fee due date. Payments initiated on the due date must be completed by 3:00 p.m. (Pacific time); otherwise, they are subject to interest and penalties. For more information on requesting relief, see the FAQs at the end of this publication or visit the CDTFA's website at www.cdtfa.ca.gov.

Warehousing a Payment

Payments may be held for any banking day you select up to 90 days in advance of the tax due date. However, you cannot select the current date as your debit date. The debit date is the date your payment transfers from your bank account to the state's bank account. Please note the current date ends daily at 3:00 p.m. (Pacific time), Monday through Friday, except bank holidays.

Payment Inquiry/Cancellation

After you complete your payment, you will receive a reference number. Retain this number for your records. You may make an inquiry regarding your payment by conducting a search on the data collection site. You may also cancel a payment until 3:00 p.m. (Pacific time), one banking day prior to the debit date. A cancellation reference number will be provided. Retain this number for your records.

ACH CREDIT METHOD

How to Set Up Your ACH Credit Payment

You may pay via EFT ACH credit after completing [CDTFA-555-ST](#), and receiving written approval from CDTFA. Contact your financial institution directly to verify that they can send the transaction in the required format (see the CDTFA website for the [ACH credit specifications](#)). By using this payment method, you are responsible for any fees charged by your financial institution. A confirmation letter will be mailed to you along with the CDTFA's bank account and routing numbers.

Timely Payment

You must contact your financial institution to determine when to initiate your payment so it will settle into the CDTFA's bank account on time. You will need to give them the tax or fee due date to help them determine when you will need to contact them. If the payment settles late, a day or more, you may be eligible to request relief of penalty. For more information on requesting relief, see the FAQs at the end of this publication or visit the CDTFA's website at www.cdtfa.ca.gov.

Payment Inquiry/Cancellation

Contact your financial institution directly.

Q. Is EFT different from filing and paying online?

A. EFT is an electronic payment method. When you file and pay online, it satisfies the requirement to file your return and pay via EFT.

Q. Could the CDTFA withdraw funds from my account without my knowledge or permission?

A. Payments can only be initiated by you or your authorized personnel.

Q. What happens if I miss the deadline for making my EFT payment?

A. Payments completed after 3:00 p.m., (Pacific time), on the due date are subject to interest and penalties. However, if your payment on a return or prepayment is only one business day late, you may be eligible to have the interest associated with the late payment reduced from the standard one full month's interest to daily interest.

Interest is generally imposed on a monthly basis when a tax or fee payment is late; therefore, if payment is made one day late, interest is imposed for an entire month. Effective January 1, 2017, if the CDTFA Business Tax and Fee Division Deputy Director finds that it is inequitable to compute the interest on a monthly basis, then it can instead assess interest on a daily basis from the date on which the tax or prepayment was due until the date of payment. To qualify, all of the following conditions must be met:

- The payment of the tax or prepayment was made electronically;
- The payment of the tax or prepayment was made no more than one business day after the due date;
- The taxpayer was granted relief from all penalties that applied to that payment of tax or prepayment; and,
- The taxpayer files a request for an oral hearing before the CDTFA Business Tax and Fee Division Deputy Director.

Taxpayers must submit a [CDTFA 734, Request for Interest Adjustment Electronic Payments – One Day Late](#). There is no online function for these requests. The form allows taxpayers to request an oral hearing, request a refund of interest paid in excess of daily interest due, and provides an opportunity for a taxpayer to waive their right to appear before the CDTFA Business Tax and Fee Division Deputy Director at the oral hearing. The form also advises taxpayers where to send the form based on the tax or fee program. Additional information can be found

in the [EFT Frequently Asked Questions](#) page on the website. The page also contains information explaining how to request an alternative interest calculation.

Q. Will I need special equipment or software to make my payments by EFT?

A. ACH Debit—To make online payments, you must have Internet access. To make payments by telephone, no special equipment is needed.

ACH Credit—There may be special hardware and software requirements. Contact your financial institution for any requirements.

Q. What is the most common payment method?

A. ACH debit is the most common payment method. The ACH debit method is simple, there is no additional cost, it requires no additional programming or special equipment except for Internet access, has a very low error rate, and offers the warehousing payment option. The CDTFA is able to assist you if an error has occurred and if it is necessary to trace a payment.

Q. Is there a cutoff time for which I can transmit a timely payment?

- A. As an EFT participant, all electronic payments made by any of the following payment methods must settle (be deposited) into the state's bank account one banking day following the due date to be considered timely. Depending on what method you use, there is a cutoff in which to make a timely payment.
- ACH Debit Payment—file online or electronically pay directly to the CDTFA: Using either method, you must complete your transaction by the due date. If you file online or **electronically pay** on the due date, it must be completed by 3:00 p.m., (Pacific time), so that your funds settle into the state's bank account by the next banking day.
 - Data Collection Service (EFT)—If you report your EFT payment through them and it is the due date, you must complete your transaction by 3:00 p.m., (Pacific time), and select the next banking day as your debit date.
 - ACH Credit Payment—You must contact your financial institution to determine when to initiate your payment so that your payment settles into the state's bank account no later than the first banking day following the due date.

GENERAL EFT INFORMATION

Participation

To register as an EFT participant, you must complete and return a [CDTFA-555-ST, Authorization Agreement for Electronic Funds Transfer \(EFT\)](#). This form is available online at www.cdtfa.ca.gov.

Although EFT filing is mandatory for some accounts, any special tax and fee account holder may participate; each account requires a separate registration.

Changing EFT Registration Information

You must submit a new [CDTFA-555-ST](#) to change:

- Payment method
- Financial institution (ACH debit only)
- Routing number
- Savings or checking account number (ACH debit only)
- EFT contact person or telephone number

Please allow ten days for the CDTFA to process your change(s).

Fax or mail the completed form to:

Return Processing Branch
California Department of Tax and Fee Administration
PO Box 942879
Sacramento, CA 94279-0088
Fax: 1-916-323-9352

Filing Returns

You must continue to file your tax or fee returns and prepayments on time.

For More EFT Information

Visit the CDTFA's website at www.cdtfa.ca.gov and select [Make a Payment](#).

If you need more information regarding your specific special tax or fee program, contact the CDTFA's Customer Service Center at 1-800-400-7115 (TTY:711) for assistance, Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.