18 DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

125 BUREAU OF REVENUE SERVICES

Chapter 102: ELECTRONIC FUNDS TRANSFER (EFT)

SUMMARY: This rule describes the requirements for tax and other payments by electronic funds transfer. The provisions of this rule apply to payments of taxes imposed by ~~Title~~ 36 Maine Revised Statutes ("M.R.S.")~~M.R.S.A.~~ as well as to payments processed by Maine Revenue Services for other agencies of Maine State Government pursuant to agreements with those agencies. Authority to collect taxes electronically is provided in 36 M.R.S.~~M.R.S.A.~~ § 193. An electronic funds transfer allowed by Maine Revenue Services is considered a "return" for purposes of state tax law.

This rule does not prohibit the collection of taxes or other payments processed by Maine Revenue Services ("MRS") by credit card or other payment mechanism, with the exception of mandatory EFT participation required by section .02 below.

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.01 DEFINITIONS

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

A. **"ACH"** (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 that operates as a processing agent for ACH transactions between financial institutions pursuant to an operating agreement with NACHA.

B. **"ACH credit method"** means an electronic funds transfer using the ACH network that is initiated by a taxpayer through its financial institution to credit (deposit) a payment amount to a designated State of Maine bank account and debit (withdraw) that amount from the taxpayer's bank account for a payment amount.

C. **"ACH debit method"** means an electronic funds transfer using the ACH network that is initiated by Maine Revenue Services, upon taxpayer instruction, to debit a taxpayer's designated bank account for a payment amount and credit that amount to a designated State of Maine bank account.

D. **"ACH teledebit method"** means ACH debit method transfer that is initiated by Maine Revenue Services upon taxpayer instruction received via a telephone call made to the MRS ACH debit payment system.

E. **"ACH network"** means the electronic funds transfer system governed by the rule of NACHA.

F. **"Addendum record"** means an ACH record type that carries the supplemental data needed to completely identify an electronic payment to the receiving financial institution and the payee.

G. **"CCD+"** (Cash Concentration or Disbursement Plus Addendum) means a standard ACH transaction format that is accompanied by one addendum record.

H. **"CIE+"** (Customer Initiated Entry) means a standard ACH transaction format. A CIE entry is a credit entry that is initiated by or on behalf of the holder of a consumer account to affect a transfer of funds to the deposit account of a receiver. It is accompanied by one addenda record in the CCD+. CIE+ entries were created for electronic funds transfer for consumer bill payments.

H-1. **“Combined tax liability during the lookback period”** means a taxpayer’s tax liability for all tax types during the lookback period. The tax liability is measured as tax reported by the taxpayer, or as adjusted by MRS, and includes estimated tax liabilities required to be paid. For example, the combined tax liability for an individual income tax return equals the tax liability on Form 1040ME after application of non-refundable tax credits, either as reported by the taxpayer or as subsequently adjusted by MRS, less Maine income tax withheld and any applicable refundable tax credits.

Taxes that are not considered part of the combined tax liability include property taxes imposed by 36 M.R.S., Part 2, Commercial Forestry excise taxes imposed by 36 M.R.S., Part 4, and any assessment derived from a criminal investigation.

In addition, the tax liability with respect to a reconsideration request for which an active case number exists on the Maine automated tax system during the lookback period will not be considered part of the "combined tax liability during the lookback period".

I. **"CTX"** (Corporate Trade Exchange) means a standard ACH transaction format that accommodates multiple addenda records.

J. **"EFT"** (Electronic Funds Transfer) means a standard ACH funds transfer to credit or debit a bank account or wire transfer. EFT does not include payments by check, draft or similar paper instrument.

K. **"Intra-bank transfer"** means the transfer of funds from a depositor's account to a State of Maine bank account within the same financial institution.

L. **"Lookback period"** means the 12-month period ending June 30th of the calendar year prior to the year in which a review is completed by MRS~~of 12 or fewer months reviewed by MRS to determine whether a taxpayer's reported tax liability has met or exceeded the threshold for mandatory EFT payment established for that tax. The lookback period ends on June 30 of the year before the year in which mandatory EFT payment becomes due~~.

M. **"MRS"** (Maine Revenue Services) means the Maine Bureau of Revenue Services.

N. **"NACHA"** (North American Clearing House Association) means the national regulatory body that establishes the standards, rules and procedures governing the ACH Network.

O. **"Prenotification"** means a zero dollar entry that may be sent through the ACH at least six (6) business days prior to live entries affecting an account at a financial institution.

P. **"RTN "** (Routing Transit Number) means the 9-digit identification number assigned to a financial institution by the American Banking Association.

Q. **"Service provider"** means a person that performs accounting tax preparation, or other similar services, and remits tax payments on behalf of its clients. Examples of service providers are payroll processors as that term is defined in Title 10 chapter 222; accountants; third-party withholders such as banks; and bill-paying services.

R. **"Settlement date"** means the date an electronic payment is deposited in a bank account designated by the State of Maine for deposit of electronic tax payments or the date a prenotification transaction occurs.

S. **"Standard EFT payment methods"** means the ACH credit method or the ACH debit method of electronic funds transfer.

T. **"Taxpayer identification number"** means the account number assigned by MRS to a person's tax account.

U. **"TXP"** (Tax Payment convention) means the standard format approved by the Banker's EDI Council of NACHA that identifies tax payments in the addendum record portion of a CCD+ transaction.

V. **"Wire transfer"** means the same-day transfer of funds from a depositor's account to a State of Maine bank account using a wire transfer payment system such as Fedwire. Wire transfers do not contain a standard addendum record and may be used only in an emergency situation.

.02 MANDATORY EFT PARTICIPATION

~~**A.** **GENERALLY.** The term "tax types" as used in this subsection does not include taxes excluded from mandatory participation in the EFT program under subsection C below.~~

~~1. Effective January 1, 2008, any person with a combined tax liability to the State of $100,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or debit method.~~

~~2. Effective January 1, 2009, any person with a combined tax liability to the State of $50,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

~~3. Effective January 1, 2010, any person with a combined tax liability to the State of $25,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

~~4. Effective January 1, 2011, any person with a combined tax liability to the State of $18,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

~~5. Effective January 1, 2012, any person with a combined tax liability to the State of $16,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

~~6. Effective January 1, 2013, any person with a combined tax liability to the State of $14,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

~~7. Effective January 1, 2014, any person with a combined tax liability to the State of $12,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

~~8. Effective January 1, 2015, any person with a combined tax liability to the State of $10,000 or more for all tax types during the most recent lookback periods ending during the prior calendar year is required to remit all Maine tax payments electronically using either the ACH credit method or ACH debit method.~~

A. **EFT MANDATE**. Effective January 1, 2015, any person with a combined tax liability during the lookback period of $10,000 or more is required to remit all Maine tax payments electronically, using either the ACH credit method or ACH debit method, for any payment for which an electronic processing method is provided by the Assessor. This mandate does not apply to Property taxes imposed by 36 M.R.S., Part 2, Commercial Forestry excise taxes imposed by 36 M.R.S., Part 4, and any assessment derived from a criminal investigation.

B. **NOTIFICATION BY MRS.** MRS will periodically review the payment histories of taxpayers, employing the lookback period in order to determine which taxpayers are required or will become required to make payments via EFT. When MRS determines that a taxpayer is or will become liable for making payments electronically, the taxpayer 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 MRS. The taxpayer has until the date their first payment is due, or 30 days after such notification, whichever is later, ~~to complete and return registration materials~~ to begin remitting payments electronically. After EFT registration, the taxpayer will be provided with the information listed in section ~~.04~~.03, paragraph ~~F~~E of this rule. The mandated taxpayer has 60 days or the first applicable due date, whichever is later, after receipt of the information listed in section ~~.04~~.03, paragraph ~~F~~E of this rule to begin remittance of taxes by EFT.

~~C. **EXCLUDED TAXES.** The EFT program is intended for all taxes collected by MRS except the following tax types:~~

~~1. Property taxes imposed by Title 36, Part 2~~

~~2. Commercial Forestry excise taxes imposed by Title 36, Part 4~~

~~D.~~**C.** **SERVICE PROVIDERS.** Service providers (other than payroll processing companies) that remit taxes on behalf of a client must remit electronically for that client using a standard EFT payment method if the client is mandated to pay the tax electronically. Payroll processing companies must remit electronically for all clients regardless of whether those individual clients are mandated. A payroll processing company may request a waiver from this requirement from the State Tax Assessor for good cause. Service providers must use the ACH credit method under most circumstances.

~~E.~~**D.** **TAXPAYERS ALREADY REMITTING BY EFT.**

1. When a taxpayer is notified of mandatory EFT status and is already remitting tax electronically on a voluntary basis, no further action is required.

2. When a taxpayer is notified of mandatory EFT status and is not currently remitting all taxes electronically, but is remitting one or more tax types electronically, ACH credit method taxpayers must request general and tax-specific information and addenda layout(s) for the mandated tax(es). An additional EFT application is not required. ACH Teledebit method taxpayers must send an additional EFT application for all other tax types not already set up.

3. A taxpayer who was required to remit tax electronically must continue to remit taxes electronically even if the taxpayer falls below the ~~thresholds~~ threshold contained in section .02(A), unless that taxpayer requests a waiver from participation.

~~**.03 VOLUNTARY EFT PARTICIPATION**~~

~~Taxpayers who are remitting electronically on a voluntary basis may continue to do so. Discontinuation of voluntary EFT status is at the discretion of the State Tax Assessor.~~

~~**.04**~~**.03** **REGISTRATION**

A. GENERALLY; ~~ONLY ONE~~ EFT PAYMENT ~~METHOD~~ METHODS ALLOWED ~~PER TAXPAYER~~. ~~All participants~~ Participants in the ACH credit and ACH Teledebit electronic funds transfer ~~program~~ programs are required to register as specified by the State Tax Assessor. Registration is not required if an ACH debit payment is initiated on an electronically filed return. A taxpayer ~~must~~ may choose one, or all, of the EFT payment ~~method~~ methods;~~, either~~ the ACH credit method, ~~or~~ the ACH debit method, or the ACH Teledebit method~~; no taxpayer may use both methods unless the criteria in paragraph E below are met.~~ EFT applicants must have an existing tax account with MRS prior to EFT registration for any tax account requiring registration. Tax registration is accomplished by completing the Application for Tax Registration and submitting it to the Central Registration Unit. The application may also be filed online at http://www.maine.gov/revenue.

B. ACH CREDIT METHOD PROGRAM. For taxpayers, including service providers, choosing the ACH credit method, one EFT application may be used even if payments will be made by one person for multiple business entities. All applicants must be able to transmit funds using CCD+ and TXP format. The State Tax Assessor will consider the feasibility of accepting ACH transactions in the CIE+ and other ACH formats if requested by a taxpayer. Any service provider remitting for 25 or more separate taxpayer accounts may request to make payments using the ACH credit method and CTX format.

When there is a change in ownership of a taxpayer, a new registration application must be submitted. Taxpayers are not required to complete additional EFT applications to add new tax accounts to the ACH credit method program. Accounts may be added by notifying MRS of the taxpayer name, account name, type of tax, account number and original applicant name.

The ACH credit method requires the taxpayer to have a relationship with a financial institution that supports credit method transactions for its customers. Payments to the State through the financial institution are usually initiated by:

1. Sending a computer file in a specified format to the bank. MRS will provide ACH file specifications upon request; or

2. Using a service of the bank or another vendor by telephone or computer/modem input.

C. ACH DEBIT METHOD PROGRAM. Registration is not required if an ACH debit payment is initiated on an electronically filed return sent via I-File or E-File. Taxpayers choosing to use MRS's EZ Pay online payment system will be required to register through EZ Pay prior to initiating payments. For taxpayers choosing the ACH teledebit method, a separate EFT application is required for each taxpayer. The applicant must provide either a voided check or a letter from the

bank certifying the RTN and account number are valid. Taxpayers must notify MRS when changes occur in banks or bank account numbers.

D. **SERVICE PROVIDERS.** All service providers must use the ACH credit method unless funds will be withdrawn directly from client bank accounts and the funds are not held in trust by the service provider prior to remittance to the State. Those service providers that qualify for the ACH debit method and wish to use it must register each client separately.

Service providers may use the ACH credit method for all client payments and the ACH debit method for those payments that are directly debited to clients' bank accounts.

~~**E.** **USE OF BOTH PAYMENT METHODS BY ONE TAXPAYER.** Remittances by one taxpayer or service provider using both the ACH credit method and the ACH debit method may be allowed at the discretion of the State Tax Assessor.~~

~~**F**~~**E.** **INFORMATION PROVIDED TO APPLICANTS.** After approval by MRS, registrants will be provided with the following:

1. General EFT program information and instructions;

2. Tax-specific information; and

3. ACH credit method addendum record layouts for each type of tax payment and depository bank information, or ACH debit method data input instructions.

~~**G**~~**F.** **TAXPAYERS TO NOTIFY BUREAU OF CHANGES.** Taxpayers using the ACH credit method are required to notify the EFT Unit of any changes to the taxpayer's registration information. This includes, but is not limited to, changes in contact person, mailing address, telephone number, tax remittance frequency, tax account number, and establishment of a new tax account. Taxpayers using the ACH debit method should consult debit program instructions regarding changes in EFT registration information.

~~**H**~~**G.** **CHANGING EFT PAYMENT METHODS.** A change from ACH debit method to ACH credit method may require the taxpayer or service provider to complete a new registration application. The taxpayer must request credit program information from MRS. Taxpayers transferring from the ACH debit method to the ACH credit method may be removed from debit program databases at the discretion of the State Tax Assessor.

A taxpayer request to change EFT payment methods will not be honored by the State Tax Assessor if the taxpayer has changed methods within the previous 12 months, absent compelling circumstances.

~~.05~~.04 PAYMENTS

A. GENERALLY; DUE DATES. Tax payments made by electronic funds transfer are due by the same date as otherwise provided by law or regulation, except 36 ~~MRSA~~M.R.S. § 153(1). If a due date falls on a weekend or legal holiday the electronic funds transfer must occur~~s~~ on the next succeeding day which is not a Saturday, Sunday or legal holiday in this State.

B. ACH CREDIT METHOD. ACH credit method transactions must be initiated and accepted by a taxpayer's financial institution at least one business day prior to the payment due date for the payment to be credited to the depository bank account on the payment due date. It is the taxpayer's responsibility to determine the transfer deadline required by their financial institution for acceptance of ACH credit method transactions.

A service provider using the ACH credit method and CTX must use its own name in field 3, positions 5 through 20 of the '5', "Company/Batch Header Record" of the ACH file. A service provider must also use its own Employer's Identification Number in field 7, positions 40 through 54 of the '6', CTX Corporate Entry Detail Record" of the ACH file when using the ACH credit method and CTX format to make tax payments.

Service providers using the CTX format must transmit separate and unique ACH files for each designated State of Maine depository bank and bank account number.

C. ACH DEBIT METHOD PROGRAM. Debit transactions must be initiated at least one business day prior to the payment due date.

D. VALUE OF PAYMENT. Electronic funds transfers, intra-bank transfers and wire transfers must be in U. S. funds. Any bank or third party fees are the responsibility of the taxpayer.

~~.06~~.05 TAX RETURNS

Payment of taxes by electronic funds transfer eliminates the necessity of filing forms 900ME (withholding coupon/voucher form), 1120ES (Corporate estimate form) and other estimate, coupon or voucher forms normally required by the State Tax Assessor. Taxpayers will be notified on a tax-specific basis, after EFT registration, of the specific tax forms that are eliminated when electronic payments are made. Any tax returns not identified in such notification must continue to be filed by the normal statutory due dates.

~~.07~~.06 REQUEST FOR WAIVER FROM MANDATORY EFT PARTICIPATION

A taxpayer may make a written request to MRS directed to the EFT ~~unit~~ Unit 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 State Tax Assessor 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 meets or exceeds the applicable mandatory threshold amount only because of uncharacteristically high tax amounts reported in 3 or fewer months of the lookback period. However, good cause does not exist under this paragraph in the case of a person reporting withholding tax on a quarterly basis.

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

~~.08~~.07 PRENOTIFICATIONS AND TESTS

A. **ACH CREDIT METHOD.** It is recommended that taxpayers make an error-free prenotification transaction before commencing the electronic transmission of funds to Maine Revenue Services. Only one prenotification test per depository bank account is necessary if payments will be made for more than one account. Prenotification type transactions will be for a $.01 payment in CCD+ with addendum record information. Taxpayers are discouraged from sending test transactions for one dollar. CCD+ depositors will be notified if addenda errors are found in prenote transaction(s) or upon request.

B. **ACH TELEDEBIT METHOD.** The Bureau recommends a successful ACH Teledebit method prenotification transaction before taxpayers may begin using the ACH Teledebit method.

NACHA rules state that an originating depository financial institution must wait a minimum of six banking days following the settlement date of a prenotification entry before transmitting the first live dollar entry. Therefore, a taxpayer's first ACH payment may be delayed due to the waiting period. Taxpayers are advised to take this into consideration when initiating their first ACH payment after sending a prenotification transaction. Remittances received from taxpayers and service providers during prenotification testing will be posted to taxpayer

accounts as tax payments. Taxpayers should account for the payments accordingly.

~~.09~~.08 CTX FILES

A. **GENERALLY.** Any person remitting for 25 or more separate taxpayer accounts may request to make payments using the ACH credit method and CTX format. CTX formatted files will be accepted only if formatted correctly. The submitting taxpayer will be notified of the error and may discuss remedies with the EFT Unit.

B. **TESTING.** A minimum of two (2) and a maximum of eight (8) payment transactions must be sent for $.01 each. Payments must include addendum information for valid and active taxpayer accounts and must be correctly formatted. Transactions should include at least one payment for each separate tax type code and State of Maine designated depository bank account.

C. **FILE PROCESSING.** MRS will perform a validation check to confirm that the dollar amount deposited equals the sum of dollar amounts contained in the addendum records for each tax payment. Files that do not balance will not be processed.

~~.10~~.09 EMERGENCIES

If a normal ACH debit method or credit method transaction cannot be made due to an unusual event, taxpayers must remit by other means, including wire transfer, intra-bank transfer, or payment by check. Taxpayers paying by wire transfer or intra-bank transfer in an emergency situation are responsible for notifying MRS of the following information:

A. Payment amount;

B. Settlement date;

C. Taxpayer name;

D. Taxpayer identification number;

E. Tax payment type code or payment description;

F. Reporting period in which to post the payment; and

G. Depository bank account number.

Credit for wire or intra-bank transfers in emergency situations will not be given unless all of the above information is provided. Payment by check should be accompanied by the appropriate tax return or other document that would normally accompany the payment if paid by check, or taxpayer name, identification number, payment description, reporting period in which to post the payment, contact person, and telephone number.

~~.11~~.10 PROBLEM RESOLUTION

A. RESEARCH SERVICES. MRS will not verify receipt of routine EFT payments, but will assist taxpayers in resolving payment discrepancies. MRS will also research, upon taxpayer request, whether or not a particular payment has or has not been received. Taxpayers requesting research must provide the following information:

1. Requester's name if not the taxpayer;
2. Taxpayer name and phone number;
3. Settlement date;
4. Depository bank account number;
5. Payment amount; and
6. Taxpayer identification number;
7. Tax payment type code or payment description; and
8. If ACH debit method, the payment confirmation number.

B. DEBIT OR ADJUSTING ENTRIES. Generally, debit or adjusting entries to State of Maine depository bank accounts are prohibited. MRS reserves the right to return a payment reversal if the original remittance has already been processed.

C. DUPLICATE AND OTHER ERRONEOUS PAYMENTS. Duplicate payments will be posted to the taxpayer's account, as will overpayments made to a valid tax account. Payments made in error will also be posted to that account. Other erroneous payments will be handled on a case-by-case basis.

D. REFUND OR CREDIT PROCEDURES. For instructions on refund or credit procedures, remitters should contact the Tax Division within MRS responsible for administering the particular tax in question (i.e., Income/Estate Tax Division, Sales/Excise Tax Division, etc.).

~~.12~~.11 INTEREST AND PENALTIES

A. GENERALLY; INSUFFICIENT FUNDS. Payments made by electronic funds transfer are subject to the interest and penalty provisions of ~~Title~~ 36 M.R.S.~~M.R.S.A.~~, including §§ 186, 187-A and187-B. EFT deposits to a designated State of Maine bank account that are reversed by the State's depository bank due to insufficient funds in the originator's account are subject to the insufficient funds penalty provided by 36 M.R.S.~~M.R.S.A section~~ § 187-B(5). When a payment is returned for insufficient funds due to a change in financial institution or bank account number by the taxpayer, the insufficient funds penalty will be imposed where the taxpayer has not followed the provisions of section ~~.04~~.03(C) above. In circumstances where the State has changed financial institutions or depository bank account numbers, payments returned for insufficient funds will incur the insufficient funds penalty when the Bureau has notified the taxpayer in writing of the change.

B. FAILURE TO ~~FILE~~REMIT ELECTRONICALLY. ~~Title~~ 36 M.R.S.~~M.R.S.A.~~ provides that any taxpayer required by this rule to remit taxes by electronic funds transfer that fails to do so is liable for a penalty of the lesser of 5% of the tax due or $5,000. The law states that a failure to remit electronically has occurred when:

1. Two or more required payments in any consecutive 6-month period are either not made or are made by the taxpayer by means other than electronic funds transfer, and the taxpayer has been notified in writing by MRS of the noncompliance and of the fact that the penalty may be imposed; or

2. The taxpayer makes 2 or more required electronic payments in any consecutive 6-month period that do not comply with the specifications set forth in this rule.

C. WAIVER OR ABATEMENT OF PENALTIES. A taxpayer may request waiver or abatement of penalty for reasonable cause. The request must be ~~in~~ made in writing within ~~30~~60 days of receipt of a notice from MRS in accordance with 36 M.R.S.~~M.R.S.A.~~ § 151 and directed to the EFT Unit~~Tax Division responsible for administering the tax in question~~. "Reasonable Cause" is defined in 36 M.R.S.~~M.R.S.A.~~ §187-B(7). In addition, for purposes of the EFT program, the State Tax Assessor will generally make a finding of reasonable cause when it appears that the taxpayer has made a good faith effort to resolve an underpayment or late payment made electronically. In determining whether a good faith effort had been made, the State Tax Assessor will consider:

1. In the case of a taxpayer or service provider using the ACH credit method, whether written documentation is provided from company or bank records substantiating the taxpayer's belief that a timely payment was initiated;

2. In the case of a taxpayer or service provider using the ACH debit method, whether the person provides documentation of a payment confirmation number provided by MRS or its service provider when a payment was initiated;

3. In a case where the taxpayer or service provider contends that its bank has made an error, whether written documentation substantiating a bank error is provided to ~~the~~ MRS;

4. In the case where the taxpayer or service provider contends that an ACH or other system failure beyond the taxpayer's control occurred; and

5. Whether remittance to satisfy the underpayment is made in a timely manner.

D. ABATEMENT OF INTEREST. Interest abatement will be considered on a case-by-case basis. Written request for abatement of interest must be made within ~~30~~60 days of receipt of notice by MRS in accordance with 36 M.R.S.~~M.R.S.A.~~ § 151. The request should be directed to the division that issued the underpayment notice.

~~.13~~.12 TAXPAYER AND SERVICE PROVIDER RESPONSIBILITIES

A. GENERALLY. Persons remitting electronically should maintain adequate documentation to substantiate the initiation of an electronic funds transfer for payment of tax for all electronic funds transfer payment methods.

B. ACH CREDIT METHOD PROGRAM. Taxpayers and service providers who apply to remit using the ACH credit method are responsible for ensuring that their financial institution can support that method for payments to the State of Maine. MRS is not responsible for instruction on the usage and reliability of the products and services of financial institutions or other companies, nor for fees charged by financial institutions, service providers and others. Taxpayers and service providers remitting by ACH credit method are also responsible for understanding the correct usage of the software or the service they use to remit electronically and to submit payment information contained in the "Addenda" and other sections of an ACH file in the correct format. The Bureau will provide ACH file layouts upon request.

C. ACH DEBIT METHOD PROGRAM. Taxpayers are responsible for understanding and following debit program instructions issued by MRS. Taxpayers must maintain a record of the confirmation number or sequence provided when an ACH debit method payment is initiated, the payment amount, the payment initiation date, the tax reporting period, and the taxpayer identification number related to the payment.

D. RECORDKEEPING REQUIREMENTS. Persons remitting electronically should maintain documentation to substantiate the initiation of an electronic funds transfer for payment of tax for all EFT payment methods. Mandatory recordkeeping requirements for EFT remitters are the same as stated in 36 M.R.S.~~M.R.S.A.~~ § 135, subsection 1, which states that records pertaining to income and estate taxes must be retained as long as required by applicable federal law and regulation, while records pertaining to all other taxes must be retained for a period of at least 6 years. The statute also states that the records must be kept in such a manner as to ensure their security and accessibility for inspection by the State Tax Assessor.

STATUTORY AUTHORITY: 36 M.R.S.~~M.R.S.A.~~ § 193.

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