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**STATE OF CONNECTICUT**  
**Department of Revenue Services**



**Application: Payment Processor for Sales Tax  
Pilot Program**

**Kevin B. Sullivan**  
**Commissioner**

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## **Introduction**

Recently enacted state legislation provides that the Connecticut Department of Revenue Services (“DRS”) may require certain delinquent taxpayers to participate in a pilot program for remittance of sales taxes on an expedited basis. Specifically, sales tax collected on sales paid for by consumer credit card, debit card or electronic transfer must be remitted through a payment processor. According to the legislation, a copy of which follows this Introduction, applicant payment processors will be reviewed. Then eligible processors will be listed by the Commissioner of Revenue Services as available to delinquent taxpayers for purposes of compliance with the new state law. This document sets forth the various requirements, information and certifications necessary in order to be listed as an eligible payment processor for purposes of the pilot program.

### **Section 1 – File Requirements**

Section 1 specifies the technical requirements with which an eligible payment processor must comply:

File Transfer Requirements (Files 1 & 2): Eligible payment processors must be able to produce two files to send to the DRS with each electronic remittance of sales tax paid into the State of Connecticut’s bank account by Automated Clearing House (ACH) Electronic Funds Transfer (EFT).

- File Format (File 1) describes the format of the first file that must be submitted to the DRS -- a retailer tax reporting file. This file must include, among other things, the total amount of sales tax collected by each retailer, the retailer’s Connecticut Tax Registration Number under which the sales tax is to be reported and the tax period end date(s) associated with each remittance of tax.
- File Format (File 2) describes the format of the second file that must be submitted to the DRS -- a deposit reconciliation report.

Any questions about section 1 should be directed to Gary Galushko at Gary.Galushko@po.state.ct.us or (860) 297-4955.

### **Section 2 – Required Information & Certifications**

Section 2 sets forth the information, documentation and certifications that must be submitted by a payment processor in order to be determined eligible by the Commissioner. As fully explained in section 2, applications must be received by the Commissioner not later than 4:30 p.m. on September 3, 2013.

Any questions about section 2 should be directed to Marilee Clark at Marilee.Clark@po.state.ct.us or (860) 297-5634.

**Additional Information:**

The Commissioner will review all properly completed applications and will notify each applicant by September 9, 2013. The Commissioner's determination is final.

## **Legislation – Conn. Public Act No. 13-184**

**Sec. 80.** (*Effective July 1, 2013*) (a) For all taxable periods that commence on or after October 1, 2013, and prior to April 1, 2014, the Commissioner of Revenue Services may require any taxpayer with sales tax liability that is delinquent, as described in section 12-7a of the general statutes, to remit electronically the sales tax due on each sale made by such taxpayer by consumer credit or debit card or electronic transfer during each such period. The commissioner shall notify in writing any taxpayer he requires to comply with the provisions of this section, and shall do so in accordance with subsection (b) of this section. Any taxpayer so notified shall remit such taxes to the commissioner through a processor of consumer credit or debit card payments or electronic transfers approved by said commissioner in accordance with subsection (c) of this section. Each taxpayer notified by the commissioner shall remit such taxes not later than the end of the second business day after each such sale.

(b) Each taxpayer required by the commissioner to comply with the provisions of subsection (a) of this section shall receive written notice from the commissioner on or before October 1, 2013. Such notice, which shall be delivered in accordance with section 12-2f of the general statutes, shall contain a complete listing of all processors of consumer credit or debit card payments or electronic transfers approved by the commissioner.

(c) In order to be approved by the commissioner, a processor of consumer credit or debit card payments or electronic transfers must utilize the specific file format prescribed by the commissioner. The commissioner shall make available the specific file format by August 15, 2013. In addition, and in order to receive approval from the commissioner, each processor of consumer credit or debit card payments or electronic transfers shall make available to the commissioner any and all other information as the commissioner may require, including, but not limited to, identification of the specific software, including any third party software, being utilized by said processor of consumer credit or debit card payments or electronic transfers, the specifications of such software and such processing, and assurance that such software and such processing shall provide record transactions sufficient for purposes of collections and audit of sales subject to tax.

(d) Any taxpayer who fails to comply with the provisions of this section shall be subject to any and all penalties imposed under chapter 219 of the general statutes, including the revocation of its permit.

**Section 1**  
**File Requirements**

## File Transfer Requirements (FILES 1& 2)

1. DRS will host all file transfers.
2. All payment processors must use the Connecticut Bureau of Enterprise Systems and Technology (BEST) secure file transfer system via Secure File Transfer Protocol (SFTP) for all file transmissions. A separate file transfer account will be created for each processor.
3. All files must be encrypted according to DRS encryption standards. PGP is the required encryption software.
4. The payment processor must push encrypted files to their BEST file transfer account. DRS will move the files at timed intervals for processing. This will prevent files from remaining in the transfer location for extended periods.
5. Files must be created and transferred daily, including weekends and holidays. Exact scheduling will be determined by DRS.
6. File naming standards are determined by DRS. The exact file name will be provided to payment processors once approved by the Commissioner. The file will be consistent with the following guidelines and parameters:

File Name Format:

*nnntoDRS\_SalesTaxPointOfSaleTransactions\_RINTJ###\_yyyymmddhhmmss*

*nnn = Payment Processor identifier will be provided by DRS*

*### = job number will be provided by DRS*

*yyyymmddhhmmss = file creation date and time*

Sample File Name:

*XYZtoDRS\_SalesTaxPointOfSaleTransactions\_RINTJ123\_20130717082503*

7. For data recovery purposes, the payment processor must retain a backup copy of all transmitted transaction files for 60 days and must have the ability to retransmit such files within 24 hours. These files must be encrypted and stored securely.

## File Format (FILE 1)

File 1 must contain fixed length records in a text file format. Payment processors must use the file layout below:

DEPARTMENT OF REVENUE SERVICES						
FILE LAYOUT DESCRIPTOR						
<b>Description:</b> Sales Tax · Point of Sale Payments				<b>Record Length</b>	<b>Media</b>	<b>Doc. Location:</b>
<b>Module:</b>				150		
<b>Job Script:</b>						
<b>Revised By:</b>						
<b>Revision Date:</b>						
<b>Filename(s):</b> nnntoDRS_SalesTaxPointOfSaleTransactions_RINTJ###_yyyymmddhhmmss nnn = Payment Processor Vendor identifier will be provided by DRS ### = job number will be provided by DRS yyyymmddhhmmss = file creation date and time					<b>Comments:</b>	
<b>ITEM NAME</b>	<b>PICTURE</b>	<b>USAGE</b>	<b>1ST POS. OF FIELD</b>	<b>LAST POSITION</b>	<b>NO. OF BYTES</b>	<b>COMMENTS</b>
<b>SUT-POS-PAYMENT-RECORD</b>						
<b>SUT-POS-PAYMENT-FILE-HEADER REDEFINES SUT-POS-PAYMENT-RECORD</b>						
SUT-POS-FILE-HDR-REC-TYPE	X(01)	DISP	1	1	1	VALUE = 0
SUT-POS-FILE-HDR-FILLER	X(06)	DISP	2	7	6	SPACES
SUT-POS-FILE-HDR-DT	9(08)	DISP	8	15	8	DATE THE FILE IS TRANSMITTED OR MADE AVAILABLE TO CT DRS FORMAT YYYYMMDD
SUT-POS-FILE-HDR-TOT-PAY-AMT	S9(11)V99	DISP	16	28	13	TOTAL AMOUNT OF ALL PAYMENTS IN THE FILE
SUT-POS-FILE-HDR-TOT-CNT	9(09)	DISP	29	37	9	TOTAL NUMBER OF ALL PAYMENT RECORDS IN THE FILE
FILLER	X(113)	DISP	38	150	113	SPACES

<b>SUT-POS-PAYMENT-BATCH-HEADER REDEFINES SUT-POS-PAYMENT-FILE-HEADER</b>						
SUT-POS-BATCH-HDR-REC-TYPE	X(01)	DISP	1	1	1	VALUE = 1
SUT-POS-BATCH-HDR-TAX-TYPE	X(03)	DISP	2	4	3	TAX TYPE (one tax type per batch) VALUE = SUT
SUT-POS-BATCH-HDR-SEQ-NBR	X(06)	DISP	5	10	6	ALL ZEROS FOR BATCH HEADER
SUT-POS-BATCH-HDR-TOT-PAY-AMT	S9(09)V99	DISP	11	21	11	TOTAL AMOUNT OF ALL PAYMENTS IN THE BATCH FOR TAX TYPE
SUT-POS-BATCH-HDR-TOT-CNT	9(05)	DISP	22	26	5	TOTAL NUMBER OF ALL PAYMENT RECORDS IN THE BATCH FOR TAX TYPE
FILLER	X(124)	DISP	27	150	124	SPACES
<b>SUT-POS-PAY-TRANS-INFO REDEFINES SUT-POS-PAYMENT-BATCH-HEADER</b>						
SUT-POS-PAY-REC-TYPE	X(01)	DISP	1	1	1	VALUE = 2
SUT-POS-PAY-TAX-TYPE	X(03)	DISP	2	4	3	TAX TYPE (one tax type per batch) VALUE = SUT
SUT-POS-PAY-SEQ-NBR	X(06)	DISP	5	10	6	SEQUENCE NUMBER STARTING AT 1 AND INCREMENTING BY 1
SUT-POS-PAY-ID-TAXPAYER	X(10)	DISP	11	20	10	THE CT TAX REGISTRATION NUMBER OF THE TAXPAYER THAT WILL BE FILING THE TAX RETURN ASSOCIATED WITH THIS PAYMENT - left justified

SUT-POS-LOCATION-NBR	9(3)	DISP	21	23	3	ENTER THE LOCATION NUMBER OF THE TAXPAYER THAT WILL BE FILING THE TAX RETURN ASSOCIATED WITH THIS PAYMENT
SUT-POS-PAY-DUE-DT	9(08)	DISP	24	31	8	TAX PERIOD END DATE THAT THIS PAYMENT IS ASSOCIATED WITH - YYYYMMDD
SUT-POS-PAY-DT-EFFECT						
SUT-POS-PAY-DT-MM	9(02)	DISP	32	33	2	TWO DIGIT MONTH OF THE PAYMENT EFFECTIVE DATE
SUT-POS-PAY-DT-DD	9(02)	DISP	34	35	2	TWO DIGIT DAY OF THE PAYMENT EFFECTIVE DATE
SUT-POS-PAY-DT-YYYY	9(04)	DISP	36	39	4	FOUR DIGIT YEAR OF THE PAYMENT EFFECTIVE DATE
SUT-POS-PAY-AMT	S9(08)V99	DISP	40	49	10	AMOUNT OF THE PAYMENT
SUT-POS-PAY-CD-REASON	9(03)	DISP	50	52	3	THREE DIGIT REASON CODE TO BE SUPPLIED BY DRS
FILLER	X(97)	DISP	53	150	98	ALWAYS SPACES

**File Field Descriptions:**

<b>FILE HEADER RECORD</b>		
<b>FIELD</b>	<b>FIELD NAME</b>	<b>DESCRIPTION</b>
1.	SUT-POS-FILE-HDR-REC-TYPE	This field must contain the value "0" which indicates that the record type is a file header record.
2.	SUT-POS-FILE-HDR-FILLER	This field must contain spaces.
3.	SUT-POS-FILE-HDR-DT	This field must contain the date the file is transmitted or made available to DRS. The format of this field must be YYYYMMDD.
4.	SUT-POS-FILE-HDR-TOT-PAY-AMT	This field must contain the total amount of all payments in the file. The amount must contain 2 decimal positions and must be right justified and zero filled.
5.	SUT-POS-FILE-HDR-TOT-CNT	This field must contain the total number of all payment transaction records in the file. The field must be right justified and zero filled.
6.	FILLER	This field must contain spaces.

<b>BATCH HEADER RECORD</b>		
<b>FIELD</b>	<b>FIELD NAME</b>	<b>DESCRIPTION</b>
1.	SUT-POS-BATCH-HDR-REC-TYPE	This field must contain the value "1" which indicates that the record type is a batch header record.
2.	SUT-POS-BATCH-HDR-TAX-TYPE	This field must contain the value "SUT" which indicates that this is a batch of sales tax payments.
3.	SUT-POS-BATCH-HDR-SEQ-NBR	This field must contain all zeros.
4.	SUT-POS-BATCH-HDR-TOT-PAY-AMT	This field must contain the total amount of all payments in the batch. The amount must contain 2 decimal positions and must be right justified and zero filled.
5.	SUT-POS-BATCH-HDR-TOT-CNT	This field must contain the total number of all payment transaction records in the batch. The field must be right justified and zero filled.
6.	FILLER	This field must contain spaces.

<b>PAYMENT TRANSACTION RECORD</b>		
<b>FIELD</b>	<b>FIELD NAME</b>	<b>DESCRIPTION</b>
1.	SUT-POS-PAY-REC-TYPE	This field must contain the value "2" which indicates that the record type is a payment transaction record.
2.	SUT-POS-PAY-TAX-TYPE	This field must contain the value "SUT" which indicates that this is a Sales Tax payment.
3.	SUT-POS-PAY-SEQ-NBR	This field represents the payment sequence number within the batch. The first payment transaction record in each batch must contain a value of 000001 and must increment by one for each additional payment transaction record in the same batch.
4.	SUT-POS-PAY-ID-TAXPAYER	This field must contain the CT tax registration number of the taxpayer that will be filing the tax return associated with this payment transaction record. The CT tax registration number must be left justified and space filled.
5.	SUT-POS-LOCATION-NBR	This field must contain the 3 digit location number of the taxpayer that will be filing the tax return associated with this payment transaction record.
6.	SUT-POS-PAY-DUE-DT	This field must contain the tax period end date that this payment is associated with and must be in the following format – YYYYMMDD.
7.	SUT-POS-PAY-DT-MM	This field must contain the two digit month of the payment effective date.
8.	SUT-POS-PAY-DT-DD	This field must contain the two digit day of the payment effective date.
9.	SUT-POS-PAY-DT-YYYY	This field must contain the four digit year of the payment effective date.
10.	SUT-POS-PAY-AMT	This field must contain the amount of the payment associated with this payment transaction record. The amount must contain 2 decimal positions and must be right justified and zero filled.
11.	SUT-POS-PAY-CD-REASON	This field must contain a 3 digit reason code which will be supplied by DRS.
12.	FILLER	This field must contain spaces.

## File Format

### (FILE 2)

In addition to File 1, each payment processor is required to submit a deposit reconciliation report in Microsoft Excel format. This report must be transmitted with the retailer tax reporting file (File 1) to the secure DRS FTP location.

This report must contain the following fields:

- **Connecticut Tax Registration Number** – The Connecticut Tax Registration Number of the retailer
- **Tax Type** – Input SUT, which is the DRS acronym for Sales & Use Tax
- **Tax Period Ending Date** – The end date of the taxable period to which the payment will be applied
- **Business Name** – Business name of the retailer that is required to file the Sales & Use Tax return
- **Payment Amount** – Amount of sales tax remitted on behalf of the retailer to the State of Connecticut

The report must also include a total for all payments. **This total must be identical to the payment total shown in File 1 and to the payment made to the State of Connecticut.** The following is a sample of such a report:

<b>Connecticut Tax Registration Number</b>	<b>Tax Type</b>	<b>Tax Period Ending Date</b>	<b>Business Name</b>	<b>Payment Amount</b>
123456001	SUT	06/30/2013	ABC INC	1,541.00
123457000	SUT	06/30/2013	DEF LLC	4,630.00
123458001	SUT	06/30/2013	GHI CORP	1,218.00
123459000	SUT	06/30/2013	JKL	483.00
<b>Total:</b>				<b>7,872.00</b>

The payment processor is responsible for building an inquiry tool that would give authorized DRS personnel the ability to research payment transactions by Connecticut Tax Registration Number or Payment Amount.

## **Section 2**

### **Required Information and Certifications**

## **Required Information and Certifications**

In order to apply for approval by DRS for inclusion in the Sales Tax Pilot Program established by Conn. Public Act No. 13-184, Section 80, a payment processor must submit the following application with all required documentation on or before September 3, 2013 at 4:30 p.m. to:

Louis P. Bucari  
First Assistant Commissioner & General Counsel  
Department of Revenue Services  
25 Sigourney Street, 19<sup>th</sup> Floor  
Hartford, Connecticut 06106

DRS will NOT accept a postmark date as the basis for meeting the application due date and time.

A signed, original application must be submitted with the following additional documentation:

1. Evidence of compliance with the most current version of the Payment Card Industry (PCI) Data Security Standard (DSS);
2. Completed Payment Processor Contact Information Forms; and
3. All applicable entity documentation set forth below.

If the payment processor is a corporation, the following documents must be submitted with the application:

1. Certificate of Legal Existence (or Certificate of Good Standing, as applicable);
2. Certificate of Incorporation;
3. Bylaws;
4. List of Board of Directors, including names and titles of officers; and
5. Certified resolution, duly adopted by the Board of Directors, approving and authorizing submission of the application that includes authorization of the person signing the application to act on behalf of the Board of Directors.

If the payment processor is a limited liability company, the following documents must be submitted with the application:

1. Certificate of Legal Existence (or Certificate of Good Standing, as applicable);
2. Articles of Organization;

3. Operating Agreement;
4. List of manager(s) and member(s), including names and titles of officers; and
5. Certified resolution, duly adopted, approving and authorizing submission of the application that includes authorization of the person signing the application to act on behalf of the company.

Please be advised that all applications will be the sole property of DRS. Applicants are encouraged not to include any proprietary information in their applications because all documents received by DRS are subject to disclosure under the Connecticut Freedom of Information Act (FOIA). FOIA generally requires the disclosure of documents in the possession of DRS upon request of any citizen, unless the content of the document falls within certain categories of exemption. An example of an exemption is a "trade secret," as defined by Connecticut General Statutes Section 1-210(b)(5)(A). Confidential information must be separated and isolated from other material in the application and labeled CONFIDENTIAL and enclosed in a separate envelope. If so marked, DRS will endeavor to keep said information confidential to the extent permitted by law. DRS, however, has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information pursuant to a FOIA request. In no event shall DRS or any of its staff have any liability for disclosure of documents or information in the possession of DRS which DRS or such staff believes to be required pursuant to the FOIA or other requirements of law.

**DEPARTMENT OF REVENUE SERVICES  
PAYMENT PROCESSOR APPLICATION FORM**

Legal Business Name:	Taxpayer ID# <input type="checkbox"/> SSN <input type="checkbox"/> FEIN			
Business Name, Trade Name, Doing Business As (If Different From Above):				
Business Entity: <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Individual/Sole Proprietor				
Address:	Street	City	State	Zip Code
Website:				
Contact Information Name of Contact:				
Business Phone:		Cellular:		
Fax Number:		E-Mail Address:		
<b>Certifications</b> By signing below the Authorized Person certifies as follows: <ol style="list-style-type: none"><li>1. The undersigned has the legal authority to submit this application.</li><li>2. This application is executed with full knowledge and acceptance of the requirements and conditions set forth in the Application to be a Payment Processor for Sales Tax Pilot Program.</li><li>3. The undersigned certifies that the applying payment processor meets all requirements set forth in the Application for Approval as Payment Processor for Sales Tax Pilot Program.</li><li>4. The undersigned certifies that the payment processor will present any additional proof of experience, ability, technical capacity or financial standing that may be required by DRS to establish that the applying payment processor satisfies all requirements set forth or implied in the Application to be a Payment Processor for Sales Tax Pilot Program.</li></ol>				

<p>5. The undersigned certifies that the applying payment processor is capable of acting as an approved payment processor for the entire period of the Sales Tax Pilot Program.</p> <p>6. The undersigned understands that application determinations are in the sole discretion of the Commissioner of Revenue Services and all decisions will be final.</p> <p>7. The undersigned understands that if determined to be eligible, the applicant payment processor will be required to provide services to retailers under an agreement to be negotiated between the retailer and the applying payment processor.</p> <p>8. The undersigned understands that the determination of eligibility as a payment processor will only be effective for the period of the Sales Tax Pilot Program and may not be assigned or transferred without the express written consent of the Commissioner of Revenue Services.</p> <p>9. The undersigned certifies that the applicant payment processor is not currently past due for any local, state or federal tax obligations.</p> <p>10. The undersigned understands that the applicant payment processor will not receive any monetary consideration from the State of Connecticut, its departments, agencies, or entities, or any of their officers, employees, designees, or agents for any activities undertaken in connection with the Sales Tax Pilot Program.</p> <p>11. The undersigned understands that determination of eligibility as a payment processor by the Commissioner in no way constitutes any endorsement, promotion or warranty of performance as between the payment processor and any taxpayer.</p> <p>12. The undersigned understands that nothing in this document or in any correspondence or notification will create any legally binding obligations on the State of Connecticut, its departments, agencies, or entities, or any of their officers, employees, designees, or agents.</p> <p>13. The undersigned understands that nothing in this document or in any correspondence or notification will confer any rights enforceable by the applicant or any third parties against the State of Connecticut, its departments, agencies, or entities, or any of their officers, employees, designees, or agents.</p> <p>14. The undersigned understands that nothing in this document or in any correspondence or notification may be construed to obligate the State of Connecticut, its departments, agencies, or entities, or any of their officers, employees, designees, or agents to any current or future expenditure of resources.</p> <p>15. The undersigned certifies that the statements contained in this application and any accompanying forms and documents are true to the best of his or her knowledge and belief.</p>	
Signature of Person Authorized to Sign on Behalf of the Processor	Date Executed
Name of Authorized Person	Title of Authorized Person

## **Payment Processor Contact Information Forms**

Applying payment processors must complete the following Contact Information Forms:



## Sales Tax Pilot Program Payment Processor Contact Information Form *Implementation*

<b>PRIMARY</b>	<b>Description: Please provide the information for the individual who will interact with the DRS Project Manager</b>			
	Name:	Telephone:	Fax:	E-Mail:

<b>SECONDARY</b>	<b>Description: Please provide the information for the individual who will act as the backup to the primary contact</b>			
	Name:	Telephone:	Fax:	E-Mail:

<b>IMPLEMENTATION TEAM</b>	<b>Description: Please provide the technical contact names of those who will work with DRS Technical contacts to develop, test and implement the file creation and file transfer processes</b>			
	Name:	Telephone:	Fax:	E-Mail:
File Layouts:				
File Transfer & Encryption:				
Developer:				
Security Compliance:				
Other:				
	Business Specific Information:			

<b>BANKING CONTACT</b>	<b>Description: Please provide the contact names of individuals responsible for banking relationships</b>			
	Name:	Telephone:	Fax:	E-Mail:
Primary Contact:				



## Sales Tax Pilot Program Payment Processor Contact Information Form *Production*

<b>HELP DESK/ FIRST POINT OF CONTACT:</b>	<b>Description: Please provide this information if you have a Help Desk area that will act as the first point of contact whenever DRS needs to contact your company. Please include any business- specific information that may be required, e.g. job names, file names, etc. When necessary, also include after-hours contact information, pager or cellular telephone numbers.</b>			
	Name:	Telephone:	Fax:	E-Mail:
	Business Specific Information:			

<b>TECHNICAL SUPPORT</b>	<b>Description: Please provide contact information of individuals who support file content, file transfer and recovery issues</b>			
	Name:	Telephone:	Fax:	E-Mail:
File Layouts:				
File Transfer & Encryption:				
Developer:				
Security Compliance:				
Other:				
	Business Specific Information:			



## Sales Tax Pilot Program Payment Processor Contact Information Form *Banking*

BANKING CONTACT	Description: Please provide the contact names for individuals responsible for banking relationships			
	Name:	Telephone:	Fax:	E-Mail:
Primary Contact:				
Reversals Reclaim:				
ACH Contact:				

BANKING INFORMATION	Description: Please provide the following bank information	
	Bank Name:	Phone Number: