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## Paying Connecticut Taxes by Electronic Funds Transfer

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### 1. What is an electronic funds transfer?

Electronic Funds Transfer (EFT) is an electronic method of making a payment. An EFT is handled through the Automated Clearing House (ACH) System, a nationwide network that electronically transfers funds.

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### 2. Who must pay by EFT?

Taxpayers who meet one of the following requirements must pay by EFT:

A. For tax periods that begin on or after January 1, 2014, all taxpayers registered for any of the following tax types must file and pay those taxes electronically:

- Sales and Use Tax;
- Business Use Tax;
- Room Occupancy Tax;
- Admissions and Dues Tax;
- Income Tax Withholding;
- Corporation Business Tax;
- Composite Income Tax

B. Taxpayers whose prior year liability for a particular tax (other than the taxes listed above) is \$4,000 or more during the 12-month period ending on June 30th for monthly and quarterly tax liabilities, or the last day of the preceding taxable year for annual tax liabilities.

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### 3. Will I always be required to pay that tax by EFT?

Each year DRS will review the prior year liability for each tax type **not** listed above as automatically required to file and pay electronically. DRS will notify you if you are no longer required to pay that tax by EFT. You **must** continue to pay and file electronically until DRS notifies you that you are no longer required to do so.

### 4. How do I pay my taxes by EFT?

Use one of the following methods to pay your taxes by EFT:

- ACH debit method through the DRS **Taxpayer Service Center (TSC)**. You can access the **TSC** online at [www.ct.gov/TSC](http://www.ct.gov/TSC) or by telephone at **860-289-4829**;
- ACH credit method through your financial institution; **or**
- Credit card payment method.

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### 5. Am I required to register for EFT?

No pre-registration is required to use the ACH debit method or to file returns electronically. Using your assigned Connecticut Tax Registration Number, and pre-assigned Personal Identification Number (PIN) or certain information from a previously filed return, log on to the **TSC** at [www.ct.gov/TSC](http://www.ct.gov/TSC) to initiate ACH debit payments or to electronically file and pay your eligible returns.

If you choose the ACH credit payment method through your financial institution, you must submit a completed form EFT-1 to DRS to pre-register. See *Forms and Publications* on Page 6.

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### 6. How do I make an ACH debit payment?

ACH debit payments can be made online or over the telephone. To make an ACH debit payment using the **TSC**, you must provide your banking information and authorize DRS to process the EFT by entering the payment amount and the date of transfer.

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### 7. If I authorize DRS to debit my account to pay my taxes, will DRS have access to my bank account for any other purpose?

No. Authorizing an ACH debit does not give DRS unrestricted access to your bank account. Any withdrawal transactions with your bank must be initiated by you. The use of a secure password to access your **TSC** account ensures that only **you** can

authorize DRS to process the transfer of funds from your bank account and that the funds are applied to the proper tax account.

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### **8. Where should I call if I have a problem initiating an ACH debit transaction?**

If you have a problem initiating an ACH debit transaction, call the DRS eCommerce Unit at 860-297-4973.

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### **9. How do I make an ACH credit payment?**

To make an ACH credit payment, you (not DRS) initiate the EFT through your bank. In coordination with your bank, you format the payment, your Connecticut Tax Registration Number, the tax type, and the tax return filing period. You must ensure your bank can perform its part of the transaction using the ACH standard CCD+TXP format; otherwise, you must use the ACH debit method.

You must submit a completed Form EFT-1 to DRS to register for ACH credit payments. See *Question 5*.

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### **10. How do I make a tax payment using a credit card or debit card?**

There are three ways to pay by credit card (American Express, Discover, Master Card or Visa) or comparable debit card:

- Log in to your account in the *TSC* and select *Make Payment by Credit Card*;
- Visit [www.officialpayments.com](http://www.officialpayments.com) and select *State Payments*; or
- Call Official Payments Corporation toll-free at **800-2PAY-TAX** (1-800-272-9829) and follow the instructions. You will be asked to enter the Connecticut Jurisdiction Code: 1777.

Your payment will be effective on the date you make the charge.

If you elect to pay your tax liability using a credit card or comparable debit card, a convenience fee will be charged by the service provider. You will be informed of the amount of the fee and may elect to cancel the transaction. At the end of the transaction, you will be given a confirmation number for your records.

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### **11. Does DRS recommend a payment method?**

DRS recommends the ACH debit method. Whether you are filing a return with payment or using the *TSC*

*Make Payment-Only* option, ACH debit transactions are virtually error free and generally less costly.

When using the ACH debit method through the *TSC*, a requested payment date indicates that a payment has been successfully initiated. ACH debit transactions can be error free because extensive editing and data correction are performed before you are given the confirmation number. Additionally, if you file your return as part of the same transaction, you will receive a confirmation number as verification that your return has been filed. A requested payment date on your confirmation page indicates that the payment has been successfully initiated. You can print a copy of your return for your records.

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### **12. What if the funds for a payment come from an account outside the United States?**

In order to comply with federal electronic banking rules, payments initiated from an account outside the United States **must** be sent as an International ACH Transaction (IAT).

- If you are using the *TSC*, you will be asked if your tax payment is being funded from a bank account outside of the United States.
  - If you are initiating an ACH credit, this transaction **must** be formatted as an IAT. Contact your financial institution for additional information.
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### **13. May I make payments using EFT even though I am not required to do so?**

Yes. DRS encourages taxpayers to make tax payments by EFT. You may voluntarily use any of the EFT methods to make a tax payment. See *Question 4*.

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### **14. May I change my EFT method at any time?**

Yes. To change from the ACH debit method to the ACH credit method, you must submit a completed Form EFT-1 to DRS. No form is necessary to change from the ACH credit to ACH debit.

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### **15. How do I ensure my EFT payment is received on time?**

You must initiate your electronic payment on or before the due date for it to be considered timely.

**16. When are the funds actually withdrawn from my bank account?**

For ACH debit transactions, you determine the date of withdrawal by the payment date you enter when you initiate your transfer. Your payment will not be withdrawn from your account until the date you specify as a payment date. For ACH credit transactions, you must contact your financial institution for withdrawal dates.

**17. When is the payment due if the due date falls on a weekend or legal holiday?**

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date. The current year’s holiday schedule is available on the DRS website.

**18. When I file my return using the TSC, when is my tax return due?**

Tax payment and due dates are the same for electronic and paper filing.

**19. Is there a penalty for a late EFT payment?**

Yes. The penalty for a late EFT is:

- 2% of an EFT payment that is not more than five days late;
- 5% of an EFT payment that is more than five days but not more than 15 days late; **and**
- 10% of an EFT payment that is more than 15 days late.

Interest is charged at the rate of 1% per month or fraction of a month from the due date of the tax until the date of the payment.

If payment is delayed for reasons beyond your control, you may request a waiver of the penalty by submitting a completed **Form DRS-PW**, *Request for Waiver of Civil Penalty*. See **Policy Statement 2013(5)**, *Requests for Waiver of Civil Penalties*.

**20. May I pay by check if I am required to pay by EFT?**

No. Payment by check does not relieve you of the requirement to pay by EFT and subjects you to a noncompliance penalty of up to 10%, regardless of when DRS receives the payment.

The following graduated penalty amounts are for failure to remit payments electronically:

- First offense – 10% penalty on the amount of the payment, but not more than \$2,500;
- Second offense – 10% penalty, but not more than \$10,000; **and**
- Third and subsequent offenses – 10% penalty.

**21. Can I request a waiver of the requirement to file electronically or to pay electronically?**

If you can establish that filing electronically or paying electronically would create an undue hardship, the Commissioner may grant a one year waiver of the electronic payment requirement. To request a waiver of the electronic payment requirement you must submit a completed **Form DRS-EWVR**, *Electronic Filing and Payment Waiver Request*, no later than 30 days prior to the due date of the electronic payment. For additional information see **Policy Statement 2011(3)**, *Request for Waiver of Electronic Filing and Payment Requirements*.

**22. What returns can be filed using the TSC?**

The following returns can be filed using the TSC online at [www.ct.gov/TSC](http://www.ct.gov/TSC) or by telephone at **860-289-4829**:

- **Form OS-114**, *Sales and Use Tax Return*;
- **OP-210**, *Room Occupancy Tax Return*;
- **Form CT-WH**, *Connecticut Withholding Tax Payment Form*; **and**
- **Form CT-941**, *Connecticut Quarterly Reconciliation of Withholding*.

The following returns can not be filed by phone but can be filed using the TSC:

- **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*;
- **Form CT-8109**, *Connecticut Withholding Tax Payment Form for Nonpayroll Amounts*;
- **Form CT-W3**, *Connecticut Annual Reconciliation of Withholding*, along with corresponding W-2 forms;
- **Form CT-1096**, *Connecticut Annual Summary and Transmittal of Information Return*, along with corresponding 1099 forms;
- **Form OS-114**, *Business Use Tax Return*
- **Form OP-424**, *Business Entity Tax Return*;
- **Form 472**, *Attorney Occupational Tax Return*;
- **OP-336**, *Nursing Home User Fee Return*;

- **O-372**, *Admissions and Dues Tax Return*;
- **Form CT-1120ES**, *Estimated Corporation Business Tax*;
- **Form CT-1120 EXT**, *Application for Extension of Time to File Corporation Business Tax Return*;
- **Form CT-1120**, *Corporation Business Tax Return*;
- **Form CT-1065/CT-1120SI**, *Connecticut Composite Income Tax Return*;
- **Form CT-1065/CT-1120SI EXT**, *Application for Extension of Time to File Connecticut Composite Income Tax Return*;
- **Form CT-1041**, *Connecticut Income Tax Return for Trusts and Estates*;
- **Form CT-1041 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Trusts and Estates*;
- **Form CT-1041ES**, *Estimated Connecticut Income Tax Payment Coupon for Trusts and Estates*;
- **Form OP-515**, *Beverage Container Deposit Report*;
- **Form EGT-104**, *Electronic Generation Tax Return*;
- **Form HNR-145**, *Hospital Net Revenue Tax Return*
- **Form ICF-151**, *Resident Day User Fee Tax Return*; and
- **Form OP-153**, *Prepaid Wireless E 9-1-1 Fee Return*.

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**23. If I am required to electronically file my tax return, will I receive paper returns in the mail?**

No. DRS no longer mails pre-printed copies of returns to taxpayers required to electronically file. Failure to receive a paper return does not relieve you of your obligation to file.

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**24. May I make multiple payments by EFT?**

Yes. If you make an ACH debit payment through the *TSC*, you may initiate another tax payment for the same Connecticut Tax Registration Number. After you receive a confirmation number for the transaction you completed, return to the main menu and initiate another payment. If you use the ACH credit method, you initiate multiple payments by EFT through your originating bank.

**25. What if an emergency prevents me from making a timely EFT payment?**

You should contact the DRS eCommerce Unit at **860-297-4973** immediately for instructions. You may be permitted to make your payment using the Fedwire method.

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**26. Is it possible to cancel or correct an EFT?**

Yes. For ACH debit payments, the *TSC* gives you the ability to cancel payments up to one banking day prior to the effective date. For an ACH credit transaction, follow your bank's instructions.

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**27. How do I report no tax due?**

If you do not owe any tax, an EFT is not required. However, a return **must be filed timely** even if no payment is due.

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**28. May I pay a tax bill by EFT?**

Yes. You may pay tax bills using the *TSC*. After logging into the *TSC*, select the *Make Payment Only* option and choose the tax type from the drop down box.

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**29. Is a penalty imposed for the late filing of a tax return if payment of the tax is made timely?**

The Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

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**30. If I make an EFT payment for income tax withholding, estimated corporation business tax, or estimated insurance premiums tax, am I required to mail the paper coupon to DRS?**

No. An EFT payment for income tax withholding, corporation business tax estimates, or insurance premium tax estimates is considered filing a return. You do not need to send the paper coupon.

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**31. What should I do if I over reported or under reported a tax I paid by EFT?**

You must amend your tax return in the same manner you would if you did not pay that tax by EFT.

The following returns may be amended electronically using the *TSC*:

- **Form OS-114**, *Sales and Use Tax Return*;
- **Form OS-114**, *Business Use Tax Return*;
- **Form OP-210**, *Room Occupancy Tax Return*;
- **Form CT-941**, *Connecticut Quarterly Reconciliation of Withholding*;
- **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Non-payroll Amounts*;
- **Form CT-W3**, *Connecticut Annual Reconciliation of Withholding*, along with corresponding W-2 forms;
- **Form OP-515**, *Beverage Container Deposit Report*;
- **Form O-372**, *Admissions and Dues Tax Return*;
- **Form OP-336**, *Nursing Home User Fee Amended Return*;
- **Form EGT-104**, *Electronic Generation Tax Return*;
- **Form HNR-145**, *Hospital Net Revenue Tax Return*;
- **Form ICF-151**, *Resident Day User Fee Tax Return*; and
- **Form OP-153**, *Prepaid Wireless E 9-1-1 Fee Return*.

All other returns must be amended by filing a paper return.

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### **32. May my paid preparer or accountant serve as my primary EFT contact person?**

Yes. However, **you** are responsible for the timely payment of your taxes even if you designate someone else as your contact person.

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### **33. How do I report changes to my bank information or to my contact information that is contained in the *TSC*?**

Changes to your banking information can be made from the main menu or on the direct payment *TSC* page when you initiate a payment. Changes to your contact information can be made from the *TSC* main menu.

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**Effect on Other Documents:** This **Informational Publication 2013(15)**, *Paying Connecticut Taxes by Electronic Funds Transfer*, modifies and supersedes **Informational Publication 2011(22)**, *Paying Connecticut Taxes by Electronic Funds Transfer*, which may no longer be relied upon on or after the issuance date of this publication.

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**Effect of This Document:** An Informational Publication issued by the Department of Revenue Services (DRS) addresses frequently-asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

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**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

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**Forms and Publications:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms and publications.

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