

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: All Rules

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

NOTE WELL: This request when viewed on computer extends several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

On the Submission for Permanent Rule Form, please provide the date that the agency adopted the Rules in Box 6. Please note that this is not the proposed effective date, but is the date that the agency adopted the Rules.

On the Submission for Permanent Rule Form, please complete 9B in Box 9.

Pursuant to 26 NCAC 02C .0103, please provide the original and 2 hard copies of all rules and forms.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 2017

1 17 NCAC 01C .0308 is repealed without notice pursuant to G.S. 150B-1(d)(4) as follows:

2

3 **17 NCAC 01C .0308 WARRANT FOR TAX COLLECTION**

4

5 *History Note: Authority G.S. 105-242; 105-262;*

6 *Eff. February 1, 1976;*

7 *Amended Eff. January 1, ~~1994~~ 1994;*

8 *Repealed Eff. July 1, 2017.*

1 17 NCAC 01C .0502 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 .0502 METHOD OF PAYMENT**

5 (a) Methods. -- Tax payments, including penalty and interest, ~~must~~ shall be made by cash, warrant, uncertified check,
6 certified check, money order, or another instrument freely negotiable at par through the Federal Reserve ~~System~~. ~~System~~
7 ~~unless otherwise specified~~. The Department ~~must~~ shall notify the taxpayer at least 30 calendar days in advance if a specific
8 method is to be required.

9 ~~(b) Collection. -- All payments other than by U.S. cash are subject to collection.~~

10 (c) U.S. Institutions and Currency. -- Checks, money orders, or other instruments ~~must~~ shall be drawn on U.S. financial
11 institutions in U.S. dollars and cents. ~~If the Department accepts an instrument drawn on a foreign financial institution or~~
12 ~~in foreign currency and enters it for collection through the State's financial institution, any transfer fees, service charges,~~
13 ~~discrepancies in exchange rate, or other fees are the responsibility of the remitter and will be deducted from the proceeds.~~
14 ~~When collected, the net proceeds are credited against the tax liability for which the remittance was made.~~

15 (d) Certified Funds. -- Checks that have been returned to the Department due to insufficient funds in a taxpayer's account
16 at a financial institution or the nonexistence of an a taxpayer's account at a financial institution ~~must~~ shall be repaid to the
17 Department with certified funds when the penalty ~~under~~ required by G.S. 105-236(1) applies. A certified funds payment
18 is a form of payment that is guaranteed by the financial institution certifying the funds.

19

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

21 *Eff. October 1, 1993;*

22 *Amended Eff. July 1, 2000-2000;*

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

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: 17 NCAC 01C .0503

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

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The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

In (9), what is meant by "certain ACH Debit transactions"? Please delete or define "certain."

In (18), what is meant "good funds"? Is this a term of art that your regulated public understands?

Please move (22) Reference Number before "(18) Settle" so that it is in alphabetical order.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 2017

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:

3

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~~
27 certain ACH 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 (21) (18) "Settle" means a deposit of good funds into the State's bank account.

13 (22) (19) "Settlement Day or Date" means the day an EFT transaction settles.

14 (23) (20) "Taxpayer" means any taxpayer required to remit an amount by electronic funds transfer. For the purpose of
15 the rules in this Section, "taxpayer" includes any individual, firm, partnership, joint venture, association, corporation,
16 estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit and includes any political
17 subdivision, municipality, bureau, state agency, ~~and~~ or institution within the University of North Carolina system. The
18 term "taxpayer" does not ~~include~~, include local school boards ~~and~~ or community colleges.

19 (24) (21) "Tax Type" means a tax that ~~which~~ is subject to EFT, each of which shall be considered a separate category of
20 payment.

21 (25) (22) "~~Trace~~ Reference Number" means the verification number provided by the Data Collection Center upon
22 receipt of all payment information from the ~~payor~~ taxpayer ~~which~~ that uniquely identifies the completed communication
23 of payment information.

24 (26) (23) "Treasurer" or "State Treasurer" means the Treasurer of the State of North Carolina.

25 (27) (24) "TXP Format" means the ~~standard~~ CCD+ Addenda record format to be used in ACH Credit transactions
26 approved by Banker's EDI Council of the National Automated Clearing House Association and the Federation of Tax
27 Administrators. This format is required by the Department when a taxpayer is ~~afforded~~ selects the ACH Credit payment
28 method.

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

31
32 *History Note: Authority G.S. 105-241; 105-262;*
33 *Eff. October 1, 1993;*
34 *Amended Eff. June 1, 2007; November 1, ~~1994~~-1994;*
35 *Readopted with changes Eff. July 1, 2017.*

1 17 NCAC 01C .0504 is repealed without notice pursuant to G.S. 150B-1(d)(4) as follows:

2

3 **17 NCAC 01C .0504 WHEN PAYMENT BY EFT IS REQUIRED**

4

5 *History Note: Authority G.S. 105-163.40; 105-242; 105-262;*

6 *Eff. October 1, 1993;*

7 *Amended Eff. May 1, 1995; March 1, 1995; November 1, 1994;*

8 *Temporary Amendment Eff. December 20, 1995;*

9 *Amended Eff. July 1, 2000; April 1, 1997; October 1, ~~1996~~ 1996;*

10 *Repealed Eff. July 1, 2017.*

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: 17 NCAC 01C .0505

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

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The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

Is (b) necessary? It appears to me that if a taxpayers' payments were \$240,000 then they will have to use EFT regardless of what they previously had to do. This Paragraph is a bit confusing in light of (a).

Please consider rewriting (c) to say "Taxpayers required to make EFT payments in accordance with Paragraph (a) of this Rule, shall be notified by the Department 60 calendar days prior to the first day of the month in which the first EFT payment is due" for purposes of clarity. This is only a suggestion and you are in no way required to use this language. If you choose not to use this language, please provide a cross-reference to Paragraph (a) to indicate how the Department will determine which taxpayers are required to make EFT payments.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 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:

3
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).~~

9 (b) If the taxpayer was not previously required to make EFT payments ~~for the a tax type, type using EFT, a determination~~
10 ~~shall be made to determine if the Department shall determine whether~~ the taxpayer shall be required to make EFT payments
11 ~~for the that tax type, type using EFT.~~ If the taxpayer was previously required to make EFT payments ~~using EFT, for a tax~~
12 ~~type, a determination shall be made to determine if the Department shall determine whether~~ the taxpayer shall continue to
13 be required to make EFT payments ~~for the that tax type, type using EFT.~~

14 (b) (c) The Department shall determine which taxpayers are required to make EFT payments ~~liable for making remittances~~
15 ~~by EFT~~ and notify said taxpayers at least 60 calendar days prior to the first day of the month in which the first EFT payment
16 becomes due.

17 (e) ~~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.*

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: 17 NCAC 01C .0507

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

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In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

Paragraph (a) indicates that any taxpayer wishing to enroll in ACH Credit or ACH Debit, that the taxpayer shall first enroll with the Department with the forms being sent to the Department, but (b) says that if you are enrolling in ACH Debit, you send the form to the Data Collection Center. Please clarify.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 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:

3
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.

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 enrolling in ACH Debit through the Data Collection Center, the Department shall provide the enrollment information from
33 the 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 .0508 is repealed without notice pursuant to G.S. 150B-1(d)(4) as follows:

2

3 **17 NCAC 01C .0508 METHODS OF ELECTRONIC FUNDS TRANSFER**

4

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

6 *Eff. October 1, 1993;*

7 *Amended Eff. July 1, ~~2007~~. 2007;*

8 *Repealed Eff. July 1, 2017.*

1 17 NCAC 01C .0509 is repealed without notice pursuant to G.S. 150B-1(d)(4) as follows:

2

3 **17 NCAC 01C .0509 EFT PAYMENT PROCEDURES**

4

5 *History Note: Authority G.S. 105-236; 105-241; 105-262;*

6 *Eff. October 1, 1993;*

7 *Amended Eff. July 1, 2000; November 1, ~~1994~~, 1994;*

8 *Repealed Eff. July 1, 2017.*

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: 17 NCAC 01C .0510

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

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In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

What is the intent of (c)? Is it simply saying to make a payment, provide the information contained in (c)(1) through (c)(5) to the Data Collection center? If so, please say that for purposes of clarity.

In (d), please consider changing "The Data Collection center shall receive the information..." to "Upon receipt of the information from the taxpayer, the Data Collection center shall provide the taxpayer.."

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 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:

3
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 payment information. ~~information, including zero payments.~~ Communication of payment information with
7 the Data Collection Center may be accomplished by the following methods:

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

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

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

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

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

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

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

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

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: 17 NCAC 01C .0511

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

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In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

In (a), rather than saying "before the North Carolina General Statutes due date for the tax", please provide a cross-reference to the pertinent statute and say something like "on or before the due date pursuant to G.S. XXX"

In (b), what is a "designated" account? How is your regulated public to know what account has been "designated"?

In (b), please see the above comment regarding the due date. I do believe that if you provide the pertinent information in (a), that it is sufficient to simply say "due date" elsewhere.

In (d), is the necessary information that which is contained in Sub-Paragraphs (c)(1) through (c)(5)? Please clarify.

In (e), do you mean "may" or "shall"?

In (e)(2), please see the above comment regarding the due date.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 2017

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:

3
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 North Carolina General Statutes due date. date for a tax. The
8 taxpayer shall bear the cost of an ACH Credit transaction.

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

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

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

22 (d) The taxpayer shall provide the financial institution originating the ACH Credit transaction with the information
23 necessary for the financial institution to complete the NACHA CCD+ entry with the TXP Banking Convention addenda
24 record. The Department assumes no responsibility for payments until and unless the payment has been credited to the
25 Department's designated account in its financial institution.

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

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

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

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Department of Revenue

RULE CITATION: 17 NCAC 01C .0601

DEADLINE FOR RECEIPT: Thursday, May 11, 2017

NOTE WELL: This request when viewed on computer extends several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made. Approval of any rule is contingent upon making technical changes as set forth in G.S. 150B-21.10.

In (b)(4), what is the approval process to obtain an "approval letter"? Is there set forth elsewhere in rule or statute? I see some information contained in page 2.

In (b)(4), what are the "technical requirements"? Is there a cross-reference available?

On line 37, are the "technical specifications" the same as "technical requirements" in (b)(4)?

On line 37, is there an underlying requirement that a person enroll with the Department set forth elsewhere in rule or statute? How is a person to know when and how it is to enroll with the Department?

Please consider making page 1, line 36 through page 2, line 3 into a separate Paragraph. You may want to consider making this (a) since it appears to provide some initial steps

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609

Amber May
Commission Counsel
Date submitted to agency: Wednesday, April 26, 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.gov.

29 (b) Any person who reproduces a form of the Department for use by a taxpayer shall meet the requirements of the
30 Department before making a form available to a taxpayer. These requirements include:

- 31 (1) Obtaining from the Department a state substitute form vendor number;
- 32 (2) Obtaining from the Department the required technical specifications for a form;
- 33 (3) Submitting a draft of the substitute form to the Department for approval each year; and
- 34 (4) Receiving an approval letter from the Department that states the draft substitute form submitted to the
35 Department complies with the Department's technical requirements.

36 The Department's Forms Coordinator will provide a person with a state substitute form vendor number and the required
37 technical specifications for a form after a person enrolls with the Department. The Department's Forms Specialists

1 review draft substitute forms for compliance with the Department's technical specifications. If a draft substitute form
2 complies with the Department's technical specifications for that form, the Department's Forms Coordinator shall send an
3 approval letter.

4

5 *History Note: Authority G.S. 105-241; 105-236(1); 105-262;*
6 *Eff. October 1, 1993;*
7 *Amended Eff. July 1, ~~2000~~. 2000;*
8 *Readopted with changes Eff. July 1, 2017.*