

**Illinois Department of Revenue
Regulations**

Title 86 Part 750 Section 750.600 Methods of Electronic Funds Transfer Payment

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 750
PAYMENT OF TAXES BY ELECTRONIC FUNDS TRANSFER**

Section 750.600 Methods of Electronic Funds Transfer Payment

- a) There are two primary methods for payment by electronic funds transfer under the program, along with one emergency backup method. These methods are ACH Debit, ACH Credit and Fedwire. Taxpayers may use either the ACH Debit or Credit methods for payment. Taxpayers who are required to pay or voluntarily pay Cigarette Tax or Cigarette Use Tax using EFT must pay their tax liability using an ACH debit payment. Fedwire is only offered as an emergency backup method of payment.
- b) Taxpayers who choose or are required to use the ACH Debit option must use one of the following methods:
 - 1) Place a toll-free call to the Department's data collection service and provide the appropriate account number and required tax payment information. The data collection service will then provide the taxpayer with a unique "confirmation number" to acknowledge the call. The data collection service will initiate the ACH Debit to the taxpayer's account the same day the taxpayer calls the Department, except in the case of ACH warehousing by the data collection service, which will be initiated the working day prior to the due date, and a credit to the Department's account will be made the following day. When a taxpayer chooses this payment option, the Department will provide the taxpayer with a detailed set of technical instructions related to the payment mechanism.
 - 2) Taxpayers that are purchasing cigarette tax revenue stamps will not need to place a call to the Department's data collection service. However, a debit authorization form provided by the Department must accompany the purchase order invoice. The Department will then initiate all ACH debits for taxpayers who are required to use EFT when purchasing cigarette tax stamps and who provide the Department with their debit authorization.
 - 3) Taxpayers who electronically file their tax return may include an ACH Debit record with the transmission.
- c) To use the ACH Credit option, the taxpayer initiates a credit by instructing its bank to transfer the tax due from the taxpayer's account to the Department's account. The taxpayer's bank will then insert a "trace number" into the payment transaction to be used as a payment verification. In addition to the payment amount, taxpayer account posting information is sent with the funds transfer using the TXP convention. This is a standard

format developed for use by all states accepting tax payments by means of ACH Credit. A copy of the TXP convention is provided as a portion of the technical instructions provided to taxpayers making payment in this form.

- 1) Before choosing this option on the registration form, a taxpayer should contact its bank to determine what ACH services are offered by the bank.
 - 2) This option is not authorized for taxpayers that purchase cigarette tax stamps.
- d) The Fedwire option for payment is offered by the Department only as a backup method. If this backup method is used, the taxpayer's bank must initiate the Fedwire by noon Central Standard Time on the tax due date.
- 1) Fedwires have costs associated with them for both the initiator and the receiver. A taxpayer using this option will be required to pay the initiator's fee, and the receiver fee will be charged to the Department.
 - 2) To effectively credit the payment information to the taxpayer's account, the Department's standard Fedwire format (the Department requires the same data as the TXP convention) information should be entered by taxpayer's bank as part of the Fedwire transaction. The taxpayer's bank should provide taxpayer with a paper copy of the transmission for taxpayer's records. A copy of the Department's standard Fedwire format is included in the technical instructions provided all program participants.
 - 3) Fedwire is not a routine electronic funds transfer option. If a taxpayer uses this emergency backup option, taxpayer must contact the Department by telephone in advance to provide notification of the emergency situation.

(Source: Amended at 30 Ill. Reg. 11583, effective June 26, 2006)