

## Questions and Answers About Paying Your Sales, Use, Withholding and Michigan Business Taxes by Electronic Funds Transfer (EFT)

### 1. What is the difference between EFT credit and EFT debit?

In an EFT credit transaction, the taxpayer contacts its bank to initiate a transaction debiting its bank account and transferring the funds to the State's account for the amount due. An EFT debit transaction is similar to the EFT credit transaction, except the taxpayer notifies the State (or the State's contractor). The State, through its bank, then initiates the transaction through the ACH network to debit (withdraw funds from) the taxpayer's account.

### 2. If I currently pay taxes by EFT Debit using the IVR process, can I also pay my taxes on the Web?

Yes. Registered EFT Debit filers may visit [www.michigan.gov/biztaxpayments](http://www.michigan.gov/biztaxpayments) for additional information. Your existing IVR user code and password will be needed to enter payment detail using the Web.

### 3. Which taxes may be paid by EFT and how often should I file?

Michigan sales, use and withholding taxes, Michigan business tax, and Single business tax annual payments can be paid electronically. Once you voluntarily register to pay any of your sales, use, or withholding tax by EFT, you must remit all of your sales, use and withholding taxes by EFT.

EFT payments for Sales, Use and Withholding taxes are required monthly. Once registered for EFT, accounts currently required to file quarterly or annually will automatically be switched to monthly filing after receipt of your first EFT transmission.

**NOTE:** The exception is Accelerated Sales, Use and Withholding tax accounts. These accounts pay more frequently than monthly.

### 4. What notification is needed if I change banks?

EFT Credit filers supply their new bank with *Instructions for Payments of Michigan Sales, Use or Withholding Taxes Using EFT Credits* (Form 2329). Treasury recommends your new bank do a test transmission.

EFT Debit filers may add, change, or delete bank account and routing number information by selecting Manage my EFT Account from the Web payment system or the appropriate option when calling the automated payment system number (1-877-865-2860).

### 5. How do we add an additional tax to be paid by EFT?

EFT debit filers should complete and return Form 4515 as instructed. EFT Credit filers should refer to Form 2329 for a listing of the tax type codes to use in the transmission of the new tax type.

### 6. What is the due date for EFT tax payment?

The due date for monthly payment of tax is the 20th of the month following the tax period (the January payment is due February 20th). For timely receipt of payment, EFT Debit filers must complete their transaction by 9 p.m. ET, one business day prior to the due date. EFT Credit filers will need to contact their financial institution for their requirements.

### 7. What if the due date falls on a weekend or holiday?

If the due date falls on a weekend, state holiday, or banking holiday, the due date is the next business day.

**NOTE:** For a listing of specific state holidays, refer to *Sales, Use and Withholding Tax Due Dates for Holidays and Weekends* (Form 3149).

### 8. How far in advance may I complete my payment data?

EFT Debit filers may schedule payments up to 90 days in advance of the settlement date. EFT Credit filers should consult their financial institution for further instruction.

### 9. When can I begin paying by EFT?

For EFT Debit, you must first complete an *Electronic Funds Transfer (EFT) Debit Application* (Form 2248). You will receive transmission instructions along with your usercode and password from our contractor.

For EFT Credit, you must first complete an *Electronic Funds Transfer (EFT) Credit Application* (Form 2328). You will then be notified to send a test transaction (a zero dollar transmission, correctly formatted). After a successful test you will receive written approval and you may begin paying by EFT.

**NOTE:** The certification section on Form 2248 or 2328 must be completed before the application is processed. This section must also be signed by the officer, member or partner responsible for filing and paying Michigan Sales, Use and Withholding Taxes. Fax the completed EFT Debit or Credit Application to (517) 636-4356.

## 10. What if I pay more than one type of tax?

A separate transmission must be made for each tax type. You may not combine sales and use tax payments into one lump sum transmission. A five-character tax code is used to identify the tax type. Following are the tax types and codes that may be used to complete your transmission:

01100	Withholding
02155	Michigan Business Tax Estimate
02355	Michigan Business Tax Extension
02655	Michigan Business Tax Annual
02671	Single Business Tax Annual
04200	Sales Tax
04400	Use Tax on Sales & Rentals
04500	Use Tax on Purchases

## 11. What if no tax is due?

A zero transmission must be sent for each type of tax that you registered for (this does not apply to Michigan Business Taxes). EFT credit filers may not be able to transmit a zero. Check with your bank. If you cannot transmit zero, transmit \$0.01 and subtract the credit from your next transmission.

**NOTE:** Accelerated Sales and Use tax accounts should refer *Questions and Answers about Paying your Sales & Use Tax on an Accelerated Basis* (Form 2316).

## 12. Am I still required to file a monthly paper return when I am transmitting my payment by EFT?

No. Once you begin to transmit electronically you no longer file monthly returns nor submit your monthly figures. The **only** return required is the *Annual Return for Sales, Use and Withholding Taxes* (Form 165) due February 28th each year.

## 13. Can I send a check and return?

No. Once you have started filing by EFT a check and return should not be sent. If a check and return is received your account filing status could be changed. If you decide to no longer file by EFT please notify us.

## 14. How is the discount on sales and use tax taken?

When making transmissions of sales tax and use tax on sales and rentals, reduce your payment by the amount of discount you are claiming. Total discounts taken for the year will be reported on Form 165. Any portion of Sales Tax or Use Tax on Sales and Rentals paid on or before the 12th of the month are discounted 3/4 of 1 percent. Taxes paid on or before the 20th are discounted 1/2 of 1 percent. The discount applies only to the first 4% collected, not on the entire 6%.

To take your discount on sales tax paid to the Secretary of State, file *Vehicle Dealer Supplemental Report* (Form 92) as usual.

**NOTE:** Taxpayers required to file sales and use tax on an accelerated schedule are limited to a discount of 1/2 of 1 percent on sales and/or use tax collected at the 4% rate.

## 15. How are gas credits filed?

Continue to file the *Gasoline Retailer Supplemental Report* (Form 2189) and *Gasoline Supplier and Wholesale Distributor Prepaid Sales Tax Report* (Form 429) as instructed on those forms.

## 16. What are the due dates for Michigan Business Tax payments?

Quarterly payments for calendar year filers are due April 15, July 15, October 15, and January 15. Quarterly payments for fiscal year filers are due the 15th day of the first month after each quarter.

Annual payments are due the last day of the 4th month after your tax year ends.

For additional information visit [www.michigan.gov/businesstaxes](http://www.michigan.gov/businesstaxes) or call (517) 636-4657

## 17. What if I hire or change a payroll service?

To register or change a payroll service provider for your account, submit a completed *Payroll Service Provider Combined Power of Attorney Authorization and Corporate Officer Liability (COL) Certificate for Business* (Form 3683) found on Treasury's Web site. For questions regarding Form 3683, contact the Registration Customer Contact Section at (517) 636-4660.

**If you have questions concerning your account, completion of the application, or transmission of EFT payments, call the EFT Unit at (517) 636-4730. You may send a fax to (517) 636-4356 or send correspondence to:**

**Return Processing – EFT Unit  
Michigan Department of Treasury  
P.O. Box 30427  
Lansing, MI 48909**