

B. Payment of Taxes by Electronic Funds Transfer (EFT) (G.S. 105-241)

1. EFT Payments Required

The Department of Revenue requires taxpayers making tax payments in excess of certain dollar amounts to make payment by Electronic Funds Transfer (EFT). If the average amount of the taxpayer's required payments of tax is at least \$20,000 a month, the taxpayer is required to remit the tax by EFT. The \$20,000 threshold applies separately to each taxing schedule. The applicable period for a tax is a 12-month period, designated by the Secretary, preceding the imposition or review of the payment requirement.

There is an additional EFT requirement for corporations subject to State estimated payments. If the corporation is required under the Internal Revenue Code to pay its federal estimated corporate income tax by EFT it must also pay its State estimated tax by EFT.

2. Notification & Assistance

In each situation, corporations will be notified if they are required to make EFT payments. Once selected, corporations will make EFT payments for a minimum of one year or until released from that obligation by the Department. If the tax liability falls below the threshold, the corporations will be notified that they are no longer required to pay by EFT. If there are questions or you need assistance, you may reach the Department's EFT Help Line at 1-877-308-9103 or (919) 733-7307.

3. Penalties, G.S. 105-236

If a taxpayer is required to make payments by EFT, but remits payment in another form, a penalty of 5% of the amount of tax (maximum of \$1,000) will be assessed.

If a taxpayer cannot complete a transfer as a result of insufficient funds or the nonexistence of an account, a penalty for bad electronic funds transfer of 10% of the amount of tax (maximum of \$1,000) will be assessed.