

## **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 twenty thousand dollars (\$20,000) a month, the taxpayer is required to remit the tax by EFT. The twenty thousand dollars (\$20,000) threshold applies separately to each taxing schedule. The applicable period for a tax is a twelve-month period, designated by the Secretary, preceding the imposition or review of the payment requirement.

A corporation that is required under the Internal Revenue Code to pay its federal estimated corporate income tax by EFT must also pay its State estimated tax by EFT. A taxpayer that is required to prepay its utility franchise tax or piped natural gas excise tax must pay 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 five percent (5%) of the amount of tax (maximum of one thousand dollars (\$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 ten percent (10%) of the amount of tax (maximum of one thousand dollars (\$1,000)) will be assessed.