

## **ACH CREDIT OPTION**

To use the ACH Credit option, you must first contact your bank to determine if your bank offers ACH origination. Please have your bank complete the specific portion of the Authorization Agreement (Form EFT-1) as verification that your bank can conform to these standards. Also, please complete the contact person information before returning the form to the Franchise Tax Unit of the Department.

Supplemental filing information must be sent with your payment using the ACH standard CCD+ format and the TXP addenda record. The Cash Concentration or Disbursement (CCD) is the most basic form of ACH payment. The CCD format can be processed by all ACH-member banks. The TXP addenda record allows the format to carry additional characters of payment-related data. The TXP will be used for Department identification number, tax type code, tax period end date.

You will initiate the credit transaction through your bank to the state's bank account for the amount of your tax payment.

An ACH origination charge from your bank will be incurred by you if you select the ACH Credit option.

Important characteristics of the ACH Credit transactions are:

- \* Credit transactions require you to enter all payments related data in the standard CCD+TXP.
- \* The costs of the ACH Credit transactions are incurred by you.
- \* You are responsible for your own proof of payment.

## **ACH DEBIT OPTION**

To use the ACH Debit option, please have your bank complete the specific portion of the Authorization Agreement Form (EFT-1) as verification that your bank can conform to these standards. Also, please complete the contact person information before returning the form to the Franchise Tax Unit of the Department.

After we receive the Authorization Agreement, the State's service bureau will mail you specific instructions on the initiation of Electronic Funds Transfer. Using a telephone, you authorize each payment amount to be transferred from your bank account to the State's bank.

After completing the call, the Department of Assessments and Taxation is responsible for the successful completion of the transaction. The State's service bureau will provide you with a verification code indicating that you have completed the necessary steps for the initiation of the Electronic Funds Transfer.

Important characteristics of the ACH Debit transactions are:

It's easy - Just place a toll free call to make your tax payment.

It's predictable - Only the amount you specify will be transferred to the State's bank account and on the date specified.

It's accurate - The service bureau will provide a verification code as your proof of payment.

It's secure - Only you will have the password required to initiate a payment.

It's flexible - Extensive editing and correction data can be performed before the transaction is completed. This means that transactions are virtually error free.

It's inexpensive - Cost for an ACH Debit are primarily borne by the state. Your bank may have a nominal fee for processing the debit, but it is generally the same cost as a check or less.

# INSTRUCTIONS FOR SDAT EFT-1

**Section A - This section must be completed by ALL taxpayers.**

- **EFT contact person:** The primary contact person should be someone within your company who will be directly involved in all phases of the EFT registration process, systems implementation and the payment of the tax. You should also designate a secondary contact person.
- **Address:** Indicate the mailing address to be used for correspondence regarding electronic funds transfer.
- **Telephone number:** Indicate the telephone number(s) for the EFT contact persons.
- **Signature of officer:** Authorized signature of officer of the company.

**Section B - Complete this section only if you are choosing the ACH Debit option.**

- **Bank name:** Name of the bank you will be using for electronic funds transfer.
- **Bank address:** Indicate the address of the bank branch you will be using.
- **Bank account number:** The account number from which the State will draw debit entries.
- **Bank routing transit number:** Your bank's nine digit routing/transit number.
- **Printed name and signature of bank representative:** Include your bank representative's telephone number. You must have a bank representative confirm your bank account number and routing/transit number.
- **Signature of officer:** Authorized signature of officer of the company. This signature will authorize the Maryland Department of Assessments and Taxation Office to present debit entries.

**Section C - Complete this section only if you are choosing the ACH Credit option.**

- **Name and address of bank:** Provide the name and address of the bank you will be using for electronic fund transfers.
- **Printed name and signature of bank representative (include bank representative's telephone number).** You must have a bank representative sign this form to confirm that you and your bank are capable of initiating ACH Credit transactions in the CCD+TXP format. You cannot use the ACH Credit option unless your bank can initiate transactions in this form.

**Mail this completed form to:**

Department of Assessments and Taxation  
Franchise Tax Unit  
301 W. Preston Street  
Baltimore, Maryland 21201-2395

Tax Type: Public Service Company Franchise Tax

Name of Corporation:
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Department I.D. Number:
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THIS SECTION MUST BE COMPLETED BY ALL TAXPAYERS

<b>A</b> C O N T A C T  P E R S O N (S)	Primary EFT contact person _____
	Address _____
	City _____ State _____ Zip _____ Telephone Number _____
	Secondary EFT contact Person _____
	Address _____
	City _____ State _____ Zip _____ Telephone Number _____
Signature of officer _____ Title _____ Date _____	

**CHOOSE ONLY ONE OF THE TWO PAYMENT OPTIONS BELOW**

<b>B</b> A C H  D E B I T	<u>This section to be completed only if you choose the ACH DEBIT OPTION</u>
	If ACH Debit is chosen you authorize the Department of Assessments and Taxation to present debit entries to your bank for the tax identified above. Only you can initiate a debit by calling the state's service bureau and indicating the amount of tax to be paid by electronic funds transfer. An AUTHORIZED REPRESENTATIVE of your bank must complete this section of the form.
	Bank Name _____
	Bank Address _____
	City _____ State _____ Zip _____
	Bank account number _____ Bank routing/transfer number _____
	Printed name of bank representative _____ Telephone Number _____
	Signature of bank representative (optional) _____ Date _____
Signature of Officer _____	

<b>C</b> A C H  C R E D I T	<u>This section to be completed only if you choose the ACH CREDIT OPTION</u>
	An AUTHORIZED REPRESENTATIVE of your bank must complete and sign this section confirming that you and your bank are capable of initiating ACH CREDITS in the required CCD+ TXP format.
	Bank Name _____
	Bank Address _____
	City _____ State _____ Zip _____
	Printed name of bank representative (optional) _____ Telephone Number _____
Signature of bank representative _____ Date _____	