

Updated 12/04/2012

## Initiating NCDOR Withholding Tax or Sales & Use Tax Transactions

### **What are the mandatory elements to be keyed when initiating an electronic warrant for NCDOR withholding tax or sales & use tax?**

The following elements are mandatory:

- Template ID (Please see the section titled Template Number)
- Effective date (mm/dd/yyyy)
- Transfer amount
- Agency Contact
- Remitting Agency Tax ID No (NCDOR assigned tax account number for withholding tax or sales & use tax)
- Payment Tax Type Code (Use code specific to the type of tax and the agencies filing frequency)
- Payment Period End Date (mm/dd/yyyy) (The ending date for the withholding tax or sales & use tax period end)

*Reminder: A tax return may also be due. Please see "Should a tax return be filed?"*

### **What are the rules for effective date?**

The effective date for an NCDOR tax payment must be at least one day greater than the current date. Only future-dated transactions can be initiated and authorized. The effective date cannot be more than 60 days in the future.

### **Can a weekend or holiday date be entered as an effective date?**

Since this NCDOR tax transaction is an automatic authorization in the core banking system if the effective date is entered as a weekend or holiday date, then the item may be accepted and post on the first business day after the weekend or holiday.

### **What is the deadline for submitting an NCDOR Tax Payment?**

The deadline is 4:00 p.m. the day before the tax payment is due.

### **Why is contact information required?**

In the event there is a question about the payment the NCDOR EFT staff will know whom to contact. Timing is very important in correcting any errors that may occur on these transactions. Correct posting is very important to both NCDOR and the agency making the payment, so the contact information should include the name(s) and phone number(s) of persons that can assist in answering questions about the payment. Please restrict characters entered to alphabetic characters (A through Z), numeric characters (0 through 9), and these special characters: dash, parentheses, comma, and the period.

### **What is the Payment Tax Type Code?**

The payment tax type code is how NCDOR determines the type of tax (withholding tax or sales & use tax) to apply the payment. The type of tax and the filing frequency your agency is assigned determines this code.

The Payment Tax Type Codes are-

- 01101 – Semi-weekly Withholding Tax
- 01102 – Monthly Withholding Tax
- 01103 – Quarterly Withholding Tax
- 04109 – Quarterly Sales & Use Tax
- 04111 – Monthly Sales & Use Tax
- 04120 – Semi-monthly Sales & Use Tax

**What is the Remitting Agency Tax ID No?**

This is the Agency's withholding tax or sales & use tax account number. It is a nine-digit number assigned to your Agency by the NCDOR.

**What is the Payment Period End Date?**

The payment period end date is used to identify the period the payment covers. The format is MM/DD/YYYY (MM-Month, DD-Day, YYYY-Year). This date cannot be greater than the effective date.

Listed below are explanations of the valid tax period end dates.

- Semi-weekly Withholding Tax - The date the wages are paid to the employees.
- Monthly Withholding tax or Sales & Use Tax – The date must be the last day of the month for which the tax accrues.
- Quarterly Withholding tax or Sales & Use Tax – The date must be the last day of the calendar quarter for which the tax accrues.
- Semi-monthly Sales & Use Tax – The date must be the last day of the month for which the tax accrues. This would be true for both payments whether the due date is the 15<sup>th</sup> or the last day of the month.

**Should a tax return still be filed?**

That depends on the type of tax.

For withholding tax the forms NC-5P or NC-5 will not be required once the payment is made through this method. You will continue to file Forms NC-3, NC-3M, or NC-3A, Employer's Annual Reconciliation of North Carolina Income Tax Withheld. Semi-weekly filers must also file Form NC-5Q, Quarterly Income Tax Withholding Return.

For sales & use tax the E-500 – Sales & Use Tax Return must be filed by the due date. For semimonthly and monthly filing frequency the due date is 20<sup>th</sup> day of the following month. For quarterly filing frequency the due date is the on the last day of January, April, July, and October for the preceding three month period.

**Can the E-500 – Sales and Use Tax Return be filed online?**

**\*\*New\*\*** Yes, continue to pay through Core Banking and electronically file your E-500 – Sales & Use Tax Return and accompanying schedules by visiting NCDOR's website at <http://www.dornc.com/electronic/salesanduse.html> . You can select the "File E-500 online and pay by Electronic Funds Transfer (EFT) or by Core Banking System (CB\$)" filing option.