

To: Lennie Collins, Chair, Nexus Committee

From: Richard Cram, National Nexus Program Director

Date: March 9, 2017

Re: Responses to Survey of States on Electronic Payment Policies

Participating states were asked to respond to the question, shown below. A summary of the responses are provided below the question.

Does a taxpayer with a voluntary disclosure agreement (VDA) need to be registered with the state prior to making an electronic payment to pay the back tax liability?

Response: 18 states responded “yes.” One state responded “no,” but it does require an “EFT payment application” to be completed and accepted by the Department before an electronic payment can be made. Another state responded that check payment is preferred with the VDA, but the state would work with the taxpayer to process an electronic payment when there are unique circumstances.

The primary reason states provided for requiring registration prior to receiving an electronic payment is so that the payment can be properly tracked and credited to the correct account.