

Severance Tax - EFT Filing

How do I set up an account to pay wage withholding tax for my business through Electronic Funds Transfer (EFT?)

Whether you are a new business setting up an account or an existing business wanting to pay your withholding tax electronically, you may set up the account for electronic funds transfer (EFT).

Any business choosing to pay through EFT must file form DR 5785 "Authorization For Electronic Funds Transfer (EFT) for Tax Payment" with the department. This form will give you instructions on setting up your EFT account and give authorization for the Department of Revenue to set up the account. Form DR 5785 applies to sales tax and various other taxes, as you will see on the form.

To set up an EFT account for **wage withholding** for employers you must file form DR 5782 "Electronic Funds Transfer (EFT) for Wage Withholding. Note: The Department of Revenue requires employers with annual wage withholding liabilities greater than \$50,000, and businesses with annual state sales tax liabilities in excess of \$75,000 to pay through EFT. However, other businesses whose tax liabilities are less may do so as well.

There are several advantages to filing through EFT. The cost and time to write checks is eliminated, you will know exactly when your account will be debited, you are assured that the funds are received on time.

Any tax that is permitted to be filed through EFT must be registered to do so.

Visit the Department's Web site Tax Forms For Businesses to obtain the EFT authorization forms.