



Program Overview

Electronic Filing and Payment Program (PrompTax)

Description of the program

This overview explains the participation and filing requirements of the PrompTax payment program, and describes payment options. Chapter 55 of the Laws of 1992, as amended, mandates implementation of an Electronic Funds Transfer (EFT) Program, for the collection of sales and compensating use taxes, prepaid sales tax on motor fuel and diesel motor fuel, and petroleum business taxes.

Required participation

We require your participation in the PrompTax program if your tax liability for the June 1 through May 31 period immediately preceding the previous June 1 through May 31 period meets one or more of the following threshold criteria:

- Sales and compensating use tax liability of more than \$500,000
- Combined prepayments of sales tax on motor fuel and diesel motor fuel of more than \$5 million
- Combined total of motor fuel excise tax and petroleum business tax liability (exclusive of section 301-h carrier tax liability) of more than \$5 million

PrompTax benefits

- You can schedule (warehouse) Automated Clearing House (ACH) debit payments in advance.
- The Subscription Service provides automated tax information directly to your email address.
- For assistance, see *Need help?*.

PrompTax filing requirements

Important: See *PrompTax payment due dates* on page 2 for more specific information regarding required transaction initiation dates.

Sales and compensating use tax participants:

Your electronic payment transaction replaces the requirement to file Form ST-809, *New York State and Local Sales and Use Tax Return for Part-Quarterly (Monthly) Filers*.

Your PrompTax transaction will include two parts: a field to report the amount of payment attributable to the previous month for days 23 through the end of the month, and a field to report the current month, days 1 through 22. Your payment amount should be the total of the two components and we must receive it no later than three business days following day 22 of the month.

In addition, you must file Form ST-810, *New York State and Local Quarterly Sales and Use Tax Return for Part-Quarterly (Monthly) Filers*, and all applicable schedules using Online Services (OLS).

Prepaid sales tax on motor fuel and diesel motor fuel participants:

Base your PrompTax transaction on your prepaid sales tax on motor fuel and diesel motor fuel liability for days 1 through 22 of each month. We must receive your payment no later than three business days following day 22 of the month.

In addition, you must file Form FT-945/1045, *Sales Tax Prepayment on Motor Fuel/Diesel Motor Fuel Return*, using OLS.

Motor fuel and petroleum business tax participants:

Your PrompTax transaction will include two parts: a field to report the amount of payment attributable to Article 12-A (combined motor fuel and diesel motor fuel excise tax) and another field to report Article 13-A (petroleum business tax only) for days 1 through 22 of the current month. Your payment amount should be the total of these two parts and we must receive it no later than three business days following day 22 of the month.

In addition, you must file Form PT-100, *Petroleum Business Tax Return*, and include your check or money order payable in U.S. funds for the balance.

How to calculate your liability

For all three tax types, base your PrompTax transaction on either actual or estimated liabilities.

Sales tax participants:

- If you use the **actual** method, your payment must be equal to at least 90% of your actual sales and use tax liability for days 1 through 22 of the current month.
- If you use the **estimated** method, your payment must be at least 75% of one-third of your liability for the comparable quarter of the preceding year.

Estimated method example: *Company B uses the estimated method to calculate the PrompTax payment due January 2014. The tax liability for the comparable quarter of the previous year (December 2012 through February 2013) was \$3 million. The calculation would be as follows: $(\$3,000,000 \div 3) \times .75 = \$750,000$.*

Sales tax participants must also electronically pay the balance of their monthly tax liability for day 23 through the end of the month by the PrompTax due date in the succeeding month. For example, the payment submitted for February 1 through February 22 would also include the tax liability for January 23 through January 31. For a payment due in the month of March, June, September, or December, sales tax participants must pay the balance of any remaining quarterly tax liabilities by the applicable PrompTax due date.

Prepaid sales tax on motor fuel and diesel motor fuel participants:

- If you use the **actual** method, your payment must be equal to at least 90% of your actual prepaid sales tax on motor fuel and diesel motor fuel liability for days 1 through 22 of the current month.
- If you use the **estimated** method, your payment must be at least 75% of your tax liability for the comparable month of the preceding year.

Motor fuel tax and petroleum business tax participants:

- If you use the **actual** method, your payment must be equal to at least 90% of your total Articles 12-A and 13-A tax liabilities for days 1 through 22 of the current month.

- If you use the **estimated** method, your payment must be at least 75% of your total Articles 12-A and 13-A tax liabilities for the comparable month of the preceding year.

Participants enrolled for prepaid sales tax on motor fuel and diesel motor fuel, or motor fuel tax and petroleum business tax must remit their tax liability for day 23 through the end of the month with the applicable return.

Payment options

You are responsible for initiating the process for any payment option you choose. Detailed instructions for completing any of the payment options are on our website. Check with your bank for the reporting deadline that would ensure that the Tax Department receives payment on or before the tax due date for the type of payment you choose.

ACH debit – This is the option most commonly selected by taxpayers as it allows the greatest convenience and flexibility. With this option, you register your bank account information with the Tax Department. Then, on a monthly basis, you report your tax obligation and associated payment using OLS. OLS has benefits not offered with other payment options. For example:

- You can view your payment history 24 hours a day, 7 days a week, and schedule (or warehouse) transactions.
- The Tax Department completes the ACH debit transaction, if you initiate your payment on time.
- Your account information is confidential and protected by law.

ACH credit – Through your own bank, initiate an ACH credit to New York State's sales tax or motor fuel or petroleum business tax account and a debit to your own bank account for the amount of the payment. You must include the required filing and payment information you are reporting using the National Automated Clearing House Association (NACHA) Cash Concentration and Disbursement Plus One Addenda Record (CCD+). Detailed specifications for completion of the CCD+, including the special addenda record, are available on our website.

Fedwire – Through your own bank, initiate a Federal Reserve Banking System credit to New York State's sales tax or motor fuel or petroleum business tax account and a debit to your own bank account for the amount of the payment. You must include the required filing and payment information you are reporting using the *Originator to Beneficiary Information* (OBI) field of the *Third Party Information area*. Detailed specifications for completing the OBI field are included on our website.

Certified check – If you choose this option, you must complete the appropriate form for the applicable tax. The following forms are available on our website:

- Form TR-694, *PromptTax – Sales and Compensating Use Tax Certified Check Transmittal Form*
- Form TR-693, *PromptTax – Prepaid Sales Tax on Motor Fuel and Diesel Motor Fuel Certified Check Transmittal Form*
- Form TR-692, *PromptTax – Motor Fuel and Petroleum Business Taxes Certified Check Transmittal Form*

PromptTax payment due dates

Important: The tax due date is always three business days following the period end date for which you are reporting. The period end date is always day 22 of the current month.

In order to file on time, you must initiate your transaction according to the following guidelines:

- **ACH debit** – no later than 5:59 P.M. (eastern time) of the second business day following the period end date for which you are reporting.
- **ACH credit** – no later than two business days following the period end date for which you are reporting. Check with your bank for the reporting deadline that would ensure that the Tax Department receives the payment on or before the tax due date.
- **Fedwire** – no later than three business days after the period end date for which you are reporting. Check with your bank for the reporting deadline that would ensure that the Tax Department receives the payment on or before the tax due date.
- **Certified check** – postmarked no later than one business day following the period end date for which you are reporting.

Visit our website for more specific information regarding required transaction initiation dates.

Due date accommodation for weekends and holidays

New York State Tax Law permits you to file on the next business day when the actual due date falls on a Saturday, Sunday, or legal holiday.

Enrollment

If you receive Form TR-680.1, *Notification of Required Participation – Electronic Filing and Payment Program (PromptTax) for Prepaid Sales Tax on Motor Fuel and Diesel Motor Fuel*, or TR-681.1, *Notification of Required Participation – Electronic Filing and Payment Program (PromptTax) for Petroleum Business Tax*, or TR-682.1, *Notification of Required Participation – Electronic Filing and Payment Program (PromptTax) for Sales and Compensating Use Tax*, you must enroll online within 40 days of the postmark date.

Once enrolled, you will receive a notification containing the following:

- confirmation of enrollment, including details of your payment option and start date, and
- a six-digit access code.

Verify that the information is correct. Pay particular attention to the account and routing transit numbers if you select ACH debit as your payment option. If you have questions, contact the PromptTax Customer Service Center.

Special circumstances

Release due to hardship – We base the selection of mandatory participants on historical tax liability. If you had a significant decrease in your tax liability from a historical period to a more current period, you may qualify for the hardship exemption.

If you feel you should not be required to participate in the program for one or more taxes due to meeting the hardship criteria, you must submit the appropriate exemption form

for the applicable tax. The following exemption forms are available on our website:

- Form TR-685, *PromptTax – Sales and Compensating Use Tax Request for Hardship Exemption*
- Form TR-683, *PromptTax – Prepaid Sales Tax on Motor Fuel and Diesel Motor Fuel Request for Hardship Exemption*
- Form TR-684, *PromptTax – Motor Fuel and Petroleum Business Taxes (Articles 12-A and 13-A) Request for Hardship Exemption*

Mail the exemption form to the Tax Department within 40 days of the postmark date of the *Notification of Required Participation*.

Selected in error – If you do not think you meet the tax threshold for mandatory participation, you may protest the Tax Department’s determination. You must submit the written protest within 40 days of the postmark date on the *Notification of Required Participation*.

Mail protests to:

**NYS TAX DEPARTMENT
PROMPTAX – SALES TAX
W A HARRIMAN CAMPUS
ALBANY NY 12227-0865**

See Publication 55, *Designated Private Delivery Services*, if not using U.S. Mail.

You may also request a conference with the Bureau of Conciliation and Mediation Services by completing Form CMS-1, *Request for Conciliation Conference*, or you may file a petition to protest your selection for mandatory participation directly with the Division of Tax Appeals by filing Form TA-10, *Petition*. To obtain this form, access the Division of Tax Appeals website at www.dta.ny.gov.

If the Tax Department notifies you that you are not eligible for exemption based on your tax liability, or if your protest of selection for mandatory participation is not sustained, you must enroll within ten days of the postmark date on that notice.

Request for materialman relief – Materialmen may apply for this relief by completing Form PR-676, *PromptTax – Sales and Compensating Use Tax Request for Materialman Relief*. Materialmen submitting a request for materialman relief will receive notification of the Tax Department’s determination within 14 days of receipt of their request. See TSB-M-99(2)S, *Materialmen – Pay When Paid*, for more information regarding materialmen. You can obtain these forms from our website or request more information by contacting the PromptTax Customer Service Center.

Mail completed requests to:

**NYS TAX DEPARTMENT
PROMPTAX – SALES TAX
W A HARRIMAN CAMPUS
ALBANY NY 12227-0865**

Penalty for failure to enroll

If mandatory participants fail to enroll within 40 days of the postmark date on the *Notification of Required Participation* or if they protest the selection for mandatory participation, we deny their protest, and they fail to enroll, the Tax Department will assess a \$5,000 penalty, plus \$500 for each additional month or part thereof that the participant fails to enroll.

Need help?



Visit our website at www.tax.ny.gov
(for information, forms, and online services)



Telephone assistance

PromptTax Customer Service Center:

(518) 457-2332