

Quick Guide for Promptax Sales Tax

What is Sales Tax Promptax?

Sales Tax Promptax is a statutory program that requires large sales tax vendors (generally with an annual sales and use tax liabilities greater than \$500,000) to:

- Pay tax electronically following a special accelerated payment schedule; and
- File a quarterly sales and use tax return that reconciles all payments for the previous fiscal quarter.

How Will I Know If I Am Subject to the Promptax Requirements?

The Tax Department sends sales tax vendors who are subject to the Promptax requirements an official notice and related enrollment forms. Vendors must complete and return all required enrollment forms, including the selection of a payment option, within 40 days.

How Does the Promptax Work?

In general, Mandatory Promptax vendors must:

- Choose one of four payment options: ACH debit, ACH credit, Federal Reserve Wire (Fedwire), or certified check. ACH Debit is the most commonly selected option.
- Make one tax payment each calendar month, due on the third business day after the 22nd day of the month. This one payment covers liabilities accrued for two distinct periods: first, the period beginning on the 23rd day of the previous month through the last day of the previous month and, second, the period beginning on the first day of the current month and ending on the 22nd day of the current month. (See graphic below.)
NOTE: The liability period for tax payments is not a traditional calendar month. It is a period that covers portions of 2 calendar months.
- File a quarterly return that is due on the 20th of the day of March, June, September, and December. **NOTE: Unlike the payment schedule above, this reporting requirement covers traditional calendar month periods.**
- The chart below summarizes return and payment periods as well as due dates and taxpayer action dates.

Calendar	Day 23	Last day	Day 1	Day 20	Day 22	Payment due date (Day 22 + 3 Business days)	Day 23	Last day	Day 1	Day 22	Payment due date (Day 22 + 3 Business days)	Day 23	Last day	Day 1	Day 22	Payment due date (Day 22 + 3 Business days)	Day 23	Last day	Day 1	Day 20	Day 22	Payment due date (Day 22 + 3 Business days)		
Return Periods	Previous quarterly return period		Period covered by Quarterly Sales Tax Return (ST-810) and Schedule P																		Following quarterly return period			
			1st month of current quarter						2nd month of current quarter						3rd month of current quarter									
Liability Periods for Payment	Reported as 23-EOM Payment A		Reported as 1-22 Payment A			Reported as 23-EOM Payment B			Reported as 1-22 Payment B			Reported as 23-EOM Payment C			Reported as 1-22 Payment C			Reported as 23-EOM Payment D			Reported as 1-22 Payment D			
Due Dates			ST-810 Due Date		Payment A Due Date			Payment B Due Date			Payment C Due Date			ST-810 Due Date		Payment D Due Date								
Required Taxpayer Action			File your ST-810		Initiate your ACH Payment A			Initiate your ACH Payment B			Initiate your ACH Payment C			File your ST-810		Initiate your ACH Payment D								

Note: Promptax payments are scheduled such that the taxpayer must claim only part of the first payment (Payment A, yellow) and report part of a future payment (Payment D, yellow) for each quarterly return.