

E-Withhold FAQs

What is E-Withhold?

A statutory process under RCW 82.32.235 (3) (DRAFT WAC 458-20-21701) authorizing the Washington State Department of Revenue (DOR) to levy (or withhold) any Financial Institution electronically. Financial institution (FI) "...means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law."

Why is E-Withhold being implemented?

Legislation (SSB 6169) was passed to enhance collection on tax liens where there are no agreed payment terms.

Is participation by my financial institution optional?

No. E-Withhold is a tool granted to DOR in addition to the existing manual levy. When a financial institution is served it places obligations on the institution to deliver property in the institution's possession or control. The institution can become liable for the tax debt if it does **not** comply. DOR has discretion to provide temporary mitigation for specific issues upon written request.

When does my institution need to begin E-Withhold processing?

DOR is taking a phased-in implementation approach. An e-mail notification will be sent two week prior to service when an institution has been selected.

How does my institution learn about E-Withhold and resolve questions or issues?

1. Go to <http://dor.wa.gov/e-withhold> to view files on: Data File Formats; SFT Login and Use; Excel Instructions; E-Withhold Process and E-Withhold Excel file Option.
2. If you would like to attend a WebEx meeting, please send a meeting request to dorewithholds@dor.wa.gov . We will contact you to set a date and time.

What is a WebEx meeting?

The WebEx meeting was designed to discuss the overall process, answer IT questions and mitigation procedures. Specific mitigation requests will not be discussed during the meeting. This will be a internet and telephone based meeting.

What is mitigation?

When a financial institution faces significant issues in meeting any of the procedural requirements outlined in this procedure or WAC 458-20-21701, they must submit a written request to DOR for special handling. The request should identify the condition(s) creating the challenge(s). DOR will work with financial institutions on a case by case basis to develop a mitigation plan that will still achieve the desired outcome of locating and recovering assets of debtors with filed tax liens.

Possible ways to mitigate the impact would be to limit the service frequency for small institutions, limiting tax liens to specific criteria, or have DOR match to the institution's accounts.

Requests for mitigation assistance should be directed to DOR
via e-mail to: dorewithholds@dor.wa.gov
or via U.S. Mail to: Department of Revenue
Attn: Compliance Division – CRRT
PO Box 14699
Tumwater WA 98511-4699

Our Financial Institution has Individual account holders only. Can DOR serve an E-Withhold file with only Individual liens?

Yes, this is a Mitigation request. Send the request to dorewithholds@dor.wa.gov and clearly state your Financial Institution has only individual account holders and does not accept corporation or LLC accounts.

How often will the Department serve the E-Withhold file?

The Department is authorized to serve an electronic list no more than once a month. DOR can limit the frequency of service based on a mitigation request.

Will this replace the manual withhold?

No, it is in addition to.

How many records can we receive on a list?

The statewide file could range from about 8000 to 10,000 records. DOR can reduce the size of the list based on mitigation request from Financial Institution.

When is official service?

Official service occurs when the e-withhold inquiry list is first placed into the designated “FromDOR” SFT folder.

How long does my institution have to respond to E-Withhold service when the list is placed in the SFT folder?

DOR will place a list in the SFT folder and send an e-mail notification to the FI stating the list is in the folder. The institution will have 10 days to respond to the inquiry file and upload a response file to the “ToDOR” folder. *It is important for the institution to provide DOR with current designees to respond to these emails.*

When does the Financial Institution freeze the assets/accounts?

The FI will be notified a revised list was placed in the SFT folder. The notification will instruct the FI to freeze the assets/accounts at this time.

What if our institution has no account/assets for liens listed in the file?

The file is received by the institution with “no accounts/assets” as the default setting. No file change is needed to show a “no accounts/assets” outcome, but the file must be returned to the SFT service. Returning the file to the SFT service with no changes will tell DOR the file was reviewed.

How is an e-withhold released when no assets are found?

Your response indicating no exemptions apply or by not changing the indicator because no assets/account were found will automatically release the e-withhold for those taxpayers upon placement of your initial response in the designated SFT folder.

How is an e-withhold released when assets are located?

When payment due to DOR has been remitted and the reconciliation has been placed in the designated SFT folder, the e-withhold has been released.

When will the Financial Institution transfer the money to DOR?

Money can be transferred anytime after receiving the revised list. The transfer must take place within 31 days from initial service.

We do not have an IT department - how do we respond to this process?

1. Go to <http://dor.wa.gov/e-withhold> to view files on: Data File Formats; SFT Login and Use; Excel Instructions; E-Withhold Process and E-Withhold Excel file Option.
2. Email dorewithholds@dor.wa.gov with your issues and limitations, along with any proposed solutions for your institution. Do due diligence by checking the E-Withhold program out before initiating contact with the Department.
3. Email the dorewithholds@dor.wa.gov to request a WebEx meeting to discuss process and IT questions.

We currently use the FIDM method for matching accounts/assets for the Child Support program for DSHS. Will the Department of Revenue provide this method?

The Department of Revenue held stakeholder's meetings on May 5, 2010 and June 3, 2010 to discuss this method with the Financial Institutions. DOR was looking for user input prior to programming. There are currently two areas of concern.

1. The FIDM method locates assets/accounts for individuals using social security numbers only. DOR's levy files include liens for businesses and individuals. This requires identifying assets/accounts by Social Security and FEIN numbers.
2. DSHS completes the service by creating and serving manual levies. DOR completes the process electronically. The Financial Institutions will need to program this step or use the Excel spreadsheet provided by DOR.

DOR is presently programming a format that mirrors the FIDM Method 2 format for first two steps of the E-Withhold process. Volunteers are needed to participate in testing; please notify us if you are interested by sending an email to dorewithholds@dor.wa.gov before July 2, 2010.

Can our institution use a 3rd party IT vendor to comply with E-Withhold?

Yes, it's up to the institution to decide how to meet their requirements. However, the Department of Revenue will not send levy lists to the 3rd party vendor.

Can our Financial Institution obtain a larger E-Withhold file with lien information including names to stress test our E-Withhold systems?

Yes, email dorewithholds@dor.wa.gov with your request and the contact information for the requesting party. DOR IT staff will place the file on your folder on the SFT server. You need the SFT Login and Password to retrieve this file. Please state whether you want the 950 lien file, or the full file with 8000 liens. (The test files are statewide and both contain individual and corporate liens)

What if a problem arises, a deadline is missed, or something unexpected happens with the E-Withhold process?

Contact the E-Withhold team promptly. Email DOR at dorewithholds@dor.wa.gov to explain the issue and any proposed solution. Please provide a contact person and telephone number for immediate contact.

How do the Excel Macros and steps work to import and read the data file, make changes and export the excel sheet back to the flat file?

Go to www.dor.wa.gov/e-withhold for instructions. Please see Excel Instructions.

The account holder wants to contact DOR after receiving notification their account has been subject to an E-Withhold. What phone number and name should our institution provide for them?

Remind the account holder the copy of the Notice and Order to Withhold and Deliver mailed to their attention has a name and phone number for the Revenue Agent (RA) working the account. If the account holder has not received their notice, please have them call 800-647-7706 and ask for the agent assigned to their account.

Will DOR provide a paper levy to document the E-Withhold for the financial institutions records? What document does our Financial Institution retain to show receipt of an E-Withhold against one or more of our account holders?

All legal information required for service is included in the file placed in the folder. The financial institution retains a copy of the file for a record of the levy.