

E-Withhold Frequently Asked Questions

What is the E-Withhold levy process?

E-Withhold is a statutory process under RCW 82.32.235 (3) and WAC 458-20-21701 authorizing the Washington State Department of Revenue (DOR) to serve a levy (or withhold) on any financial institution electronically, in the form of a list. 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 did DOR implement E-Withhold?

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

Is participation by my financial institution optional?

No. Service of an electronic list of levies (E-Withhold) is a tool granted to DOR in addition to the existing manual paper levy process. When an FI is served, it places obligations on the institution to deliver property in the institution's possession or control. The FI 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. Please see mitigation information below.

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

Financial Institutions new to Washington's garnishment authority must begin implementation immediately.

How do I learn about E-Withhold or receive training?

Go to the E-Withhold website at <https://dor.wa.gov/forms-publications/publications-subject/tax-topics/e-withhold-process-and-procedures> to view information on: Data File Formats, MFT Login and Use, Excel Instructions, the E-Withhold Process, and other helpful references. Please email dorewithholds@dor.wa.gov to set up training, or with any questions or issues.

Can we set up a video conference?

Yes. DOR can initiate or join a Teams meeting. A meeting on another platform must be initiated by the financial institution.

How often will DOR serve an E-Withhold file?

DOR 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 DOR stop using the traditional notice and order to withhold and deliver (paper levy)?

No, DOR will continue to use individual service of the paper levy in addition to service of the electronic list. Service of an electronic list of levies is not in lieu of the DOR's authority to serve a paper levy.

Will financial institutions receive a paper levy and an E-Withhold for the same tax warrant?

No. A paper levy and an E-Withhold request are the same levy action. DOR revenue agents are instructed to choose one method for the duration of the active levy.

What documentation will DOR mail regarding E-Withhold?

E-Withhold is intended to be a paperless service. The automated emails corresponding to the MFT service placement of the Inquiry and Withhold files provides service instructions. DOR mails a copy of an NOWD to each taxpayer in the Withhold file. The financial institution will create any correspondence mailed to their member regarding the garnishment. Members can be directed to the Washington State Department of Revenue Tax Assistance line at 360-705-6705.

What are the four parts of E-Withhold service?

E-Withhold service is comprised of four parts, to include four files. Two files sent from DOR and two response files are returned by the FI. E-Withhold service has 30 days to progress through all four files.

Inquiry file: DOR transmits this list of tax warrants to the MFT service.
The service due date is 30 days from this date.

Accounts file: The FI processes the Inquiry file and returns a list of located assets within 10 calendar days to the MFT service.

Withhold file: DOR transmits the Withhold file to the MFT service.
This is the official request for garnishment.

Payments file: The FI has until the 30th day from the transmission of the Inquiry file to withhold accounts and return the Payments file to the MFT service/send payment.

What is the holding timeframe for E-Withhold garnishments?

There is no holding timeframe for E-Withhold garnishments. Unlike the 20-day timeline of paper levies starting from service of the NOWD, the E-Withhold service has a 30-day due date from the start of service. The current service begins with the Inquiry file (first file). The official Withhold file garnishment request (third file) transmits at a variable date within the 30 days of E-Withhold service and should not be the basis for the FI's expected date for payout.

What payment methods are accepted?

DOR accepts one bulk ACH payment for an E-Withhold service, a bulk check remittance for an E-Withhold service, or individual checks in one mailing for an E-Withhold service. Additional Payment information can be found on the E-Withhold website.

The unique code to include in an ACH information is found in the automated email notifying you of the placement of the Withhold file on the MFT service.

Check remittance should state "E-Withhold" or "EWH" on the face of the check for proper processing. Taxpayer information or additional detail is not required. The Payments file is the detail log used systematically to route payments.

How do I process a Withhold file with replicating records?

The Withhold file carries information over from the Accounts file. In the Accounts file, the FI is instructed to replicate a warrant for each financial account found. Since a taxpayer can have multiple tax warrants with DOR and multiple financial accounts with the FI, it is common to see replicated records in the Withhold file. The FI should withhold up to each warrant amount only once. It is up to the FI on how the withheld funds are reported for the taxpayer (one lump sum vs. itemized) in column P, Amount Withdrawn, for each warrant.

How do I reset my MFT service password, update contact information, or change file formats?

Email the dorewithholds@dor.wa.gov email address for all E-Withhold issues or requested changes.

What is mitigation?

When a financial institution faces significant issues in meeting the procedural requirements outlined in this process or WAC 458-20-21701, a written request must be submitted to DOR for special handling. The request should identify the condition(s) creating the challenge(s). DOR will work with 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.

Some of the criteria DOR will consider when analyzing ways to mitigate impact include limited staff, technical inability to respond to electronic service, geographic remoteness, or exclusion of business accounts.

Requests for mitigation assistance should be directed to DOR via email to:

dorewithholds@dor.wa.gov

or via U.S. Mail to:

Department of Revenue
Attn: Compliance Division/E-Withhold
PO Box 47473
Tumwater WA
98504-7473