E-Withhold Program

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E-Withhold

➤An enhanced collection tool

➤Authority to levy property held by financial institutions (FI's) via electronic service

➤Delivery of a list of unpaid tax liens through a secure server

E-Withhold

Implementation Preparation

➢ Effective July 26, 2009, ESSB 6169 amended RCW 82.32.235

➢ Developing WAC (Washington Administrative Code) 458-20-21701

➢ Stakeholder outreach

➢ Internal coordination

➢ Training

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Implementation Challenges For DOR

- Lack of technical knowledge and resources for the financial institutions

- E-Withhold is a legal service of a levy – DOR is unable to serve a third party/core processor

- Differences between the national data match process (FIDM) and E-Withhold

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Staggered Implementation

➢ Four financial institutions volunteered for a pilot in February and March 2010

➢ Official service began April 10, 2010 with the completion of WAC 458-20-21701

➢ All financial institutions received service by January 2012

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Financial Institution Challenges

> Small Institution with limited resources

> Limited staff with no IT department

> Limited number of members/account holders

> No business accounts

> Geographical footprint

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Minimizing Impacts For The Financial Institutions

➢ Created three file format options

➢ Tailored the size of the list based on
- Geographic footprint
- Size of the financial institution
- Number of members/account holders

➢ Temporarily altered the frequency of service

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Tools Created to Assist the Financial Institutions

- E-Withhold Internet page: **dor.wa.gov/e-withhold**

- Dedicated Email address: **dorewithholds@dor.wa.gov**

- Dedicated DOR Staff assistance

- Video conference training sessions

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Streamlined DOR's Levy Process

E-Withhold is a fully automated process to include:

- Assets are reported electronically
- No certified mailing
- Electronic copies are auto-imaged
- ACH Payment option
- Automated posting of payments
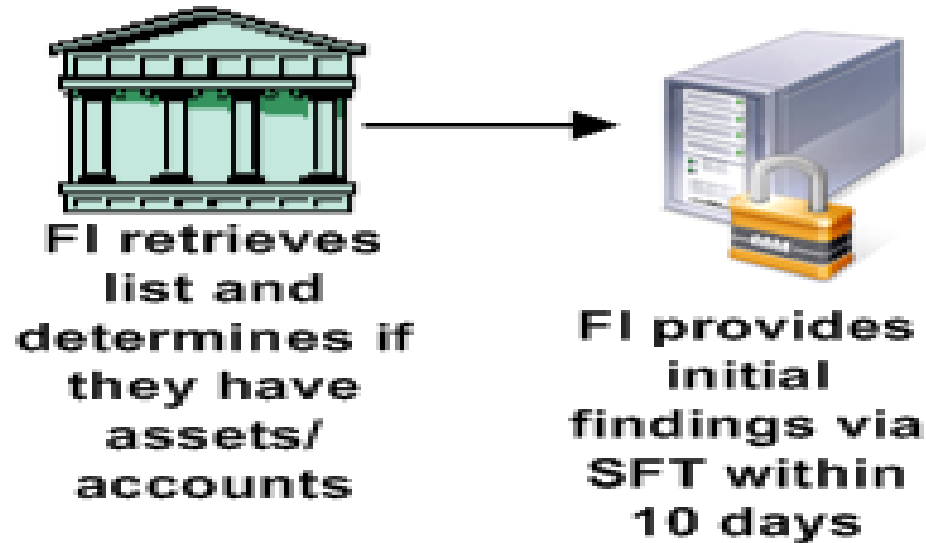- Time-savings for the agents

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Step 1 – Generating Service Lists and Initial Service

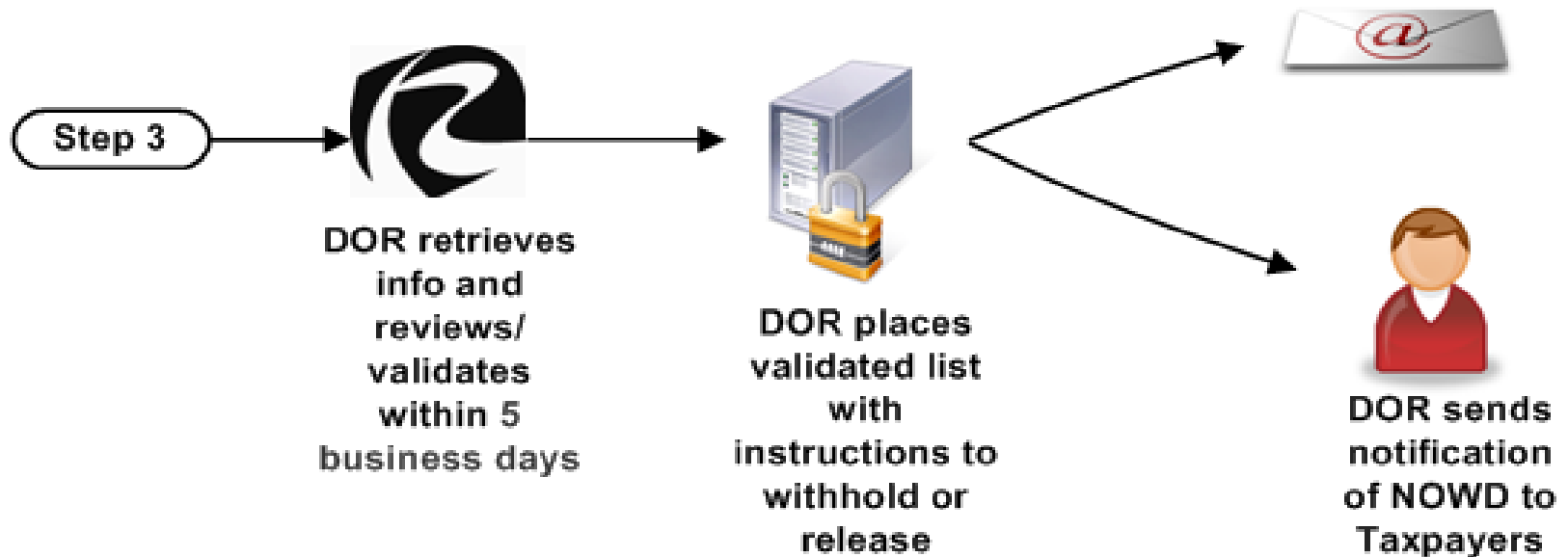Step 1 → DOR generates list → DOR officially serves list via SFT → Email notice to FI

➢DOR creates a list of filed tax liens

➢The list is placed in the financial institution's folder on a secure server

➢The financial institution is notified by email
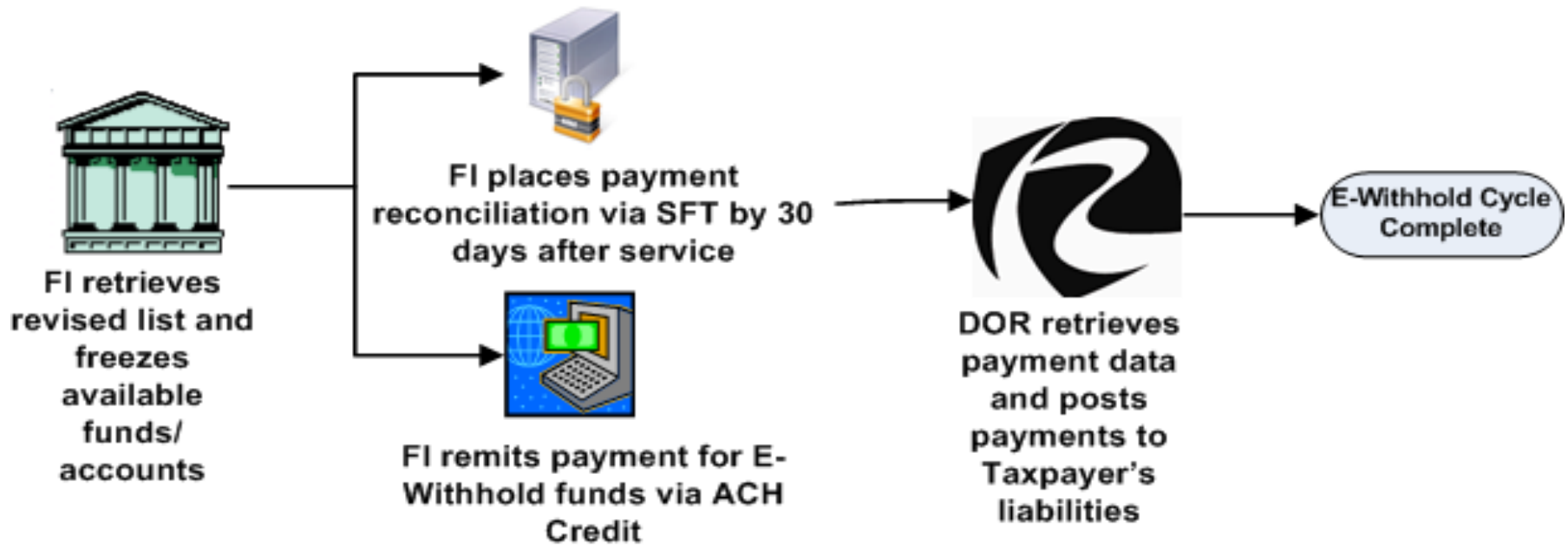
Step 2 – Response Provided

FI retrieves list and determines if they have assets/ accounts

FI provides initial findings via SFT within 10 days

➢The financial institution retrieves the list

➢SSNs and FEINs are used to locate accounts/assets

➢Financial institutions have 10 calendar days to respond

Step 3 – Agent Review Selection

Step 3 → DOR retrieves info and reviews/ validates within 5 business days → DOR places validated list with instructions to withhold or release → DOR sends notification of NOWD to Taxpayers

➢Agents have 5 business days to review/validate findings

➢The revised list, based on the revenue agents' selections, is sent to the financial institutions

Step 4 – Withholding and Remittance

FI retrieves revised list and freezes available funds/accounts

FI places payment reconciliation via SFT by 30 days after service

FI remits payment for E-Withhold funds via ACH Credit

DOR retrieves payment data and posts payments to Taxpayer's liabilities

E-Withhold Cycle Complete

➤Financial institution responds and remits payment.

Opt–In Screen

Assigned Account Detail

Agent's Name
E-Withhold Instructions *updated Sept 2011*

RDS 3-4-11
User ID 80

Financial Institution: Umpqua Bank
Opt In Deadline: 9/25/2013

DOR Account Information
Invoice #13 View Detail

Reviewed	Account Type	Financial Institution Name 1	Financial Institution Name 2	Opt In
☑	Checking, Savings, or Share Account	Primary Accountholder	Secondary Accountholder	☐
☑	Checking, Savings, or Share Account	Primary Accountholder	Secondary Accountholder	☐

DOR Account Information
Invoice #14 View Detail

Reviewed	Account Type	Financial Institution Name 1	Financial Institution Name 2	Opt In
☑	Checking, Savings, or Share Account	Primary Accountholder	Secondary Accountholder	☐
☑	Checking, Savings, or Share Account	Primary Accountholder	Secondary Accountholder	☐

Save   Cancel

Supported File Formats

The following file formats are supported within the E-Withhold process:

- DOR Preferred Data Format

- Format mirroring FIDM Method 2

- Excel Spreadsheet

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FIDM METHOD 2 FORMAT

	D RECORD	SIZE	DESCRIPTION	COMMENTS/FORMAT
001	Alpha	1	Record Type	Constant "D"
002-007	Numeric	6	Year Month and Day	CCYYMM
008	Alpha	1	Match Indicator	Constant "M"
009-099		91	Blanks	
	I RECORD	SIZE	DESCRIPTION	COMMENTS/FORMAT
001	Alpha	1	Record Type	Constant "I"
002-010	Numeric	9	Inquiry SSN or FEIN	SSN or FEIN
011-020	Numeric	10	State Pass-Back Information	DOR Data
021-040	Alpha	20	Inquiry Last Name	Last Name or Business Name
041-056	Alpha	16	Inquiry First Name	First Name or continuation of Business Name
057-071	Numeric	15	State Pass-Back Information	DOR Data
072-076	Alpha	5	FIPS Code Pass-Back Information	
007-009	Numeric	23	State Pass-Back Information	DOR Data
	T RECORD	SIZE	DESCRIPTION	COMMENTS/FORMAT
001	Alpha	1	Record Type	Constant "T"
002-011	Numeric	10	Count	"I" record count, sign trailing
012-099		88	Blanks	

E–Withhold

Program Costs

Costs of Implementation
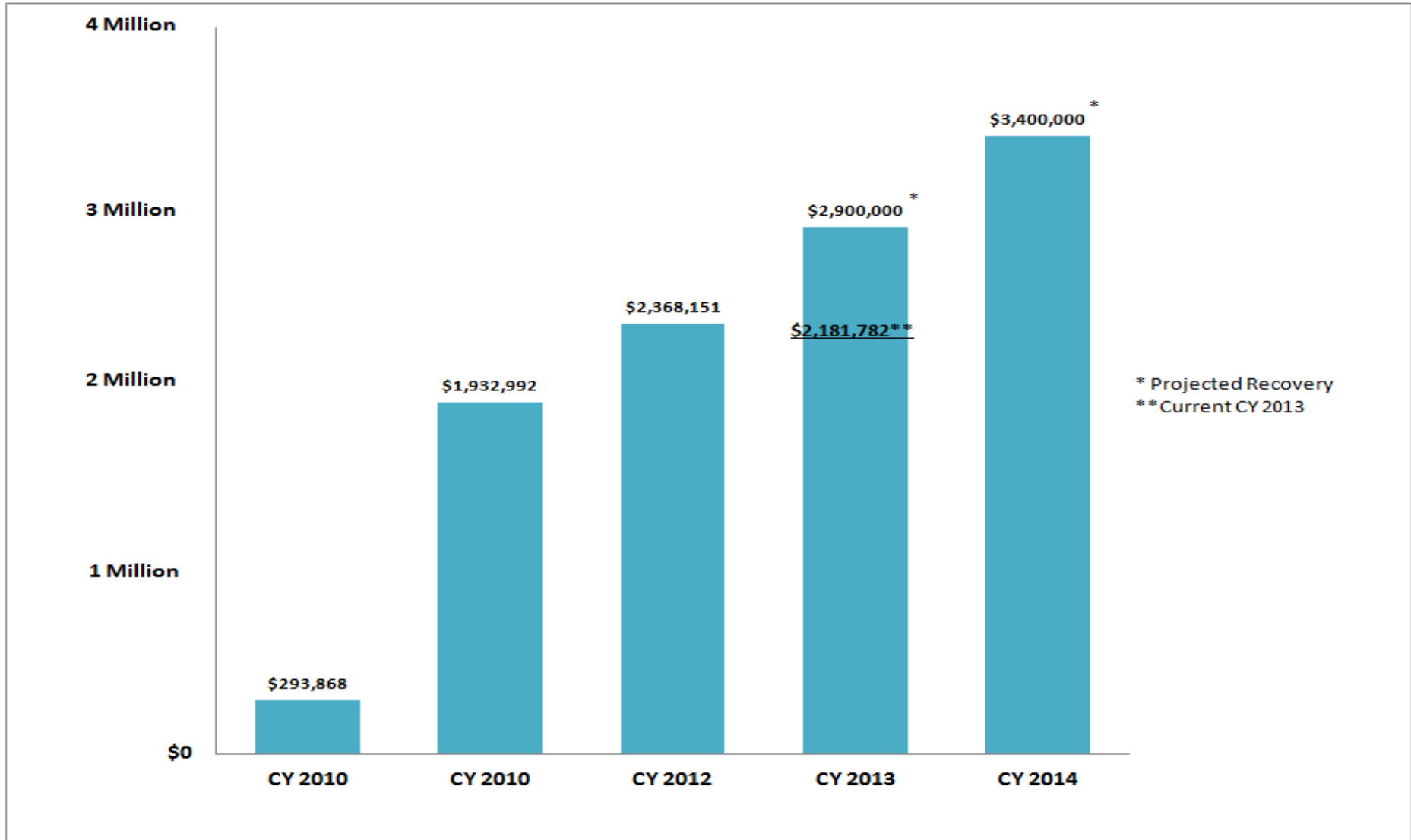
$247,460.00

Includes application development, enhancements, implementation, and staffing

Ongoing Annual Operational Costs

$108,564.00

Includes all agency staffing and ongoing maintenance

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Recovery To Date: $6,776,793

DOR Conclusions

➢ Efficient

➢ Found money we wouldn't have found

➢ E-Withhold is a useful tool to enforce collection of unpaid tax liens

➢ DOR continues to work with the financial institutions to improve/enhance the E-Withhold program

QUESTIONS