

STATE OF HAWAII – DEPARTMENT OF TAXATION
Hawaii Bulk Electronic Filing System
General Information and Technical Specifications

INTRODUCTION

The State of Hawaii Department of Taxation (DOTAX) Bulk Electronic Filing System (HiBEFS) is a system of hardware, software and procedures which enables transmitters and reporting agents to electronically transmit a file containing multiple tax return files by tax return type.

Bulk filing eliminates hardcopy documents and reduces administrative cost.

Key features:

- Convenient ability to submit multiple filings for Forms HW-14, *Withholding Period Tax Return*, and HW-3, *Withholding Annual Return and Reconciliation*
- Faster processing with less errors
- ACH Debit bulk withholding payments capability
- 24/7 Secured access
- Confirmation/Rejections via ACKs

GENERAL INFORMATION

1. Participant Eligibility

Any transmitter or reporting agent who currently submits Withholding returns to DOTAX may use HiBEFS on behalf of their clients. Participants who are reporting agents and/or transmitters that will transmit directly to the HiBEFS site must first register for a Hawaii Bulk Filer Identification Number.

Reporting Agents are tax preparers, property management companies, payroll companies and others who prepare returns for multiple clients or multiple locations for the same client. Transmitters are those companies who may "transmit" the bulk file to DOTAX for the Reporting Agents. A Reporting Agent may also be its own transmitter.

2. HiBEFS Registration and Certification

Prior to getting approval to participate in HiBEFS, the participant will be required to submit a bulk file sample that will be run through a certification test. To initiate the process, the participant must submit Form EF-2, *Hawaii Bulk Electronic Filing System (HiBEFS) Registration*. Login credentials for test will be provided upon processing of the application. Once testing is successfully completed, production credentials will be provided. Production files will not be accepted until testing is completed and approved. More information regarding testing and file formats are provided at our website at tax.hawaii.gov.

Participants must submit a revised Form EF-2 to DOTAX to update the information contained on their most current enrollment form when there are changes involving:

- the participant's name, the firm name, or doing business as (DBA) name(s);
- the participant's address or telephone number
- primary contact's information
- technical contact's information
- authorized individual's information
- any identification numbers provided (FEIN, IRS-assigned EFIN or ETIN; or
- The participant's electronic filing functions performed.

3. Taxpayer Authorization

The Reporting Agent must obtain a fully executed Form EF-3, *Hawaii Reporting Agent Authorization*, from the taxpayer before filing, paying and representing the taxpayer through the HiBEFS. The Reporting Agent should not submit this form unless requested by the DOTAX. The Reporting Agent is responsible for notifying the taxpayer of the Reporting Agent's eligibility to participate in the HiBEFS. Federal Form 8655 or an IRS approved substitute Form 8655 may be used in place of a Form EF-3, provided the taxpayer's Hawaii Withholding Identification number is provided on the substituted form.

DOTAX will NOT notify an individual taxpayer of their participation in the HiBEFS, it is the responsibility of the Reporting Agent to inform their clients.

TECHNICAL SPECIFICATIONS

4. Type of Filings Accepted

Each individual return will be its own file that is included as part of one PGP zipped submission file. Each zipped file contains multiple return files of ONE form type. (e.g., all HW-14s). Zipped files with mixed types of forms will NOT be accepted.

- Form HW-14
 - Originals
 - Late original filings for periods beginning 01/01/2011 to current
 - Amended

- Form HW-3
 - Originals
 - Late original filings for tax years ending 12/31/2011 to current
 - Amended
- Withholding Tax Payments
- W-2s (See Publication EF-10, Hawaii W-2 Electronic Submissions Specifications)

5. File Naming Standards

5.1 Zip files

MUST be submitted via FTP and named utilizing the following standard:

- [CompanyName]_[FormType]_[YYYYMMDDhhmmss].pgp
Example: AcmePayroll_HW14_20170731020345.pgp
- FormType should be either HW3, HW14 or BLKPAY.
- In an effort to prevent and quickly identify any wrong environment issues, test zip files MUST be submitted with a “_T” added after the timestamp and before the .pgp as follows:
Example: AcmePayroll_HW14_20170731020345_T.pgp

5.2 XML files

Within each zip file, all XML files MUST be named utilizing the following standard:

- [CompanyName]_[FormType]_[Sequence]_[YYYYMMDD].xml
Example: AcmePayroll_HW14_000001_20170731.xml
AcmePayroll_HW14_000002_20170731.xml
- FormType should be either HW3, HW14 or BLKPAY.

6. Type of File Formats Accepted

Utilizes the Federal-State Employment Tax (FSET) Ver. 5.3 format.

- Forms HW-14 and HW-3 – FSET StateWH schema
- Payments – FSET FinancialTransaction schema

For more information and a copy of the Hawaii schemas, please visit our website at tax.hawaii.gov/eservices/bulk

7. Timeliness and Date Received of Return and Payment

7.1 Returns

NOTE: If a field is NOT required and IS intended to be blank, do NOT include the element in the xml file. This will result in a schema error.

To be considered timely filed, a return must be acknowledged as accepted, or accepted with errors, no later than 11:59 p.m. (Hawaii Standard Time) on the due date. This also applies to the retransmission of returns that were previously acknowledged as rejected. The HiBEFS records the date and time a transmission is complete. If a return is acknowledged as accepted or accepted with errors, this date and time is used as the date and time the return is received by Hawaii. If a return is acknowledged as rejected, the return is considered not filed. If the rejected return included payment information as part of the file, the payment is also rejected and must be retransmitted. Both the return and payment must be transmitted and payment settled by the due date in order to avoid any penalty or interest.

Participants should ensure that the return transmission is started early enough to be completed and acknowledged prior to the end of the day (11:59 p.m. Hawaii Standard Time) on the return due date. To avoid late filing, it is

recommended that participants schedule transmissions to allow for timely correction and retransmission in the case of a rejected transaction.

7.2 Payments

NOTE: Please do NOT submit a zero dollar ACH payment element. Form HW-14 and HW-3, Line 10 is a required element and must be included and populated with a zero dollar amount when there is NO payment being made within the xml file.

An electronic payment transmitted and accepted with a settlement date before 11:59 pm HST of the due date, will be considered timely paid. We recommend payments be transmitted two days before the due date in order to provide ample time to correct any business validation failures that may occur.

Participants should ensure that the debit authorization data contains a settlement date no later than the due date. To avoid late payment, DOTAX recommends that participants schedule debit authorization transmissions to allow for timely correction and retransmission in the case of a rejected debit transaction.

Reporting Agents may use the bulk withholding payment option to make electronic payments through ACH Debit. For the HiBEFS ACH Debit, it is an FSET XML format where the taxpayer authorizes DOTAX's financial institution to debit the taxpayer's bank account and credit DOTAX's bank account for the purpose of making a tax payment. International ACH transactions are not supported by HiBEFS. Make sure that the taxpayer's financial institution allows ACH transactions from:

**State of Hawaii
Department of Taxation
ID# 6990303111**

The Department continues to accept all methods of EFT payments including the ACH Credit method where the taxpayer authorizes their bank to credit DOTAX's bank account by debiting their own account for the purpose of making a tax payment. There is no requirement to report these transactions in the XML transmission. However, ensure that the **settlement date** for the transaction is **before 11:59 pm HST of the due date**. For more information on the Hawaii ACH Credit requirements, please visit our website at:

tax.hawaii.gov/eservices

8. Submission/Transmission Protocol

The Secure File Transfer Protocol (SFTP) will be used for all Returns, Payments, and acknowledgment files. A separate location will be used for the test and production environments. Each environment will utilize a separate user name and PGP encryption keys that will be provided once the bulk filing transmitter completes the required actions. There may be times during the month when DoTax may need to perform maintenance on the site. The maintenance period will be announced to the transmitters and reporting agents in advance.

9. File Transmission Receipts and Acknowledgements (ACKs)

An ACK will be sent to acknowledge the receipt of the zip file that contained the multiple return files. Individual ACKs

will be returned back in a single zip file that will contain one ACK file per return file contained in the submitted zip file. ACKs in production will be sent within 24 hours of the submission with ACKs in the test environment being sent more frequently. ACKs will be encrypted with a public PGP key provided to DoTax by the transmitter to ensure that only the transmitter will be able to decrypt the ACK file.

10. Testing

A test site will be made available 24/7, will require a PGP encryption key that has no expiration date, and will mimic the business validation rules in the production environment. A separate SFTP login and PGP key will be provided for testing. There is no need to contact the agency when submitting tests.

Support for the test site is available only during normal DOTAX business hours (7:45 am to 4:30 pm HST). If the test site ACKs are not returned within a 2 hour timeframe, contact the Electronic Processing Section.

11. Production Server

The production site will be made available 24/7 and will require a PGP encryption key that has no expiration date. Downtime (system backup, maintenance, etc) will usually be scheduled on Sundays for a few hours. ACKs will be delivered within a 24 hour time frame and if the ACKs are

not returned within the specified timeframe, contact the Electronic Processing Section.

12. Hawaii Identification Number Conversion

On or about August 14, 2017, the Hawaii Withholding Identification Numbers will be converted to a new format. Your clients will receive a letter notifying them of the new Identification numbers. The new numbers are also available from the publicly accessible license search at:

<https://hitax.hawaii.gov/?Link=LicenseSearch>

- New number: WH-XXX-XXX-XXXX-XX
- Old number: WXXXXXXXX-XX

Hawaii will still accept filings with the old number WXXXXXXXX-XX format; however, this number should be updated to the new number format as soon as possible.

CONTACT INFORMATION

For information relating to Bulk Filing testing and certification contact:

Electronic Processing Section

P.O. Box 259

Honolulu, Hawaii 96809-0259

Telephone: 808-543-6814

E-mail address: tax.efile.test.bulk@hawaii.gov