# State of Hawaii
# Bulk Filing System
# Reporting Agents
# And
# Transmitters
# Handbook

Hawaii

Release Date 10/2021 (V1.0)

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SECTION 1: INTRODUCTION

The State of Hawaii Department of Taxation (DOTAX) Hawaii Bulk Filing System (HBFS) is a system of hardware, software, and procedures which enables transmitters and reporting agents to file electronically by transmitting a ZIP file containing multiple tax returns via Secure File Transfer Protocol (SFTP).

Bulk filing eliminates the requirement to submit hardcopy documents, reduces administrative cost, and is FREE!!

KEY FEATURES

1. Convenient ability to submit multiple filings for:
    a. HW-14, Periodic Withholding Tax Return
    b. All W-2 formats (EFW2, W-2, HW-2, EFW2C, W-2C)
        i. For specifications refer to Publication EF-10
    c. Bulk Withholding Payment (Bulk Payment)
2. Faster processing with less errors
3. Bulk withholding payments capability via ACH Debit
4. 24/7 Secured access
5. Confirmation/Rejection via Acknowledgements (ACKs) for HW-14, Bulk Payment and W-2/W-2C submissions (Now Available)

SECTION 2: CONTACT INFORMATION

FOR INFORMATION RELATING TO BULK FILING TESTING AND CERTIFICATION CONTACT:

ELECTRONIC PROCESSING SECTION

P.O. BOX 259

HONOLULU, HAWAII 96809-0259

E-MAIL ADDRESS: TAX.EFILE.TEST.BULK@HAWAII.GOV


PHYSICAL ADDRESS

830 Punchbowl Street, Room #126

Honolulu, Hawaii 96813


SECTION 3: CONTACT HOURS AND HOLIDAYS

Our contact hours are Monday through Friday, 8:00 a.m. to 4:00 p.m. Hawaii Standard Time (HST).

Our office will be closed on weekends and on all State of Hawaii holidays. Holidays which fall on Saturdays are observed on the preceding Friday; holidays which fall on Sundays are observed on the following Monday.

| Hawaii State Holidays | |
|---|---|
| New Year's Day | The first day in January |
| Dr. Martin Luther King, Jr. Day | The third Monday in January |
| Presidents' Day | The third Monday in February |
| Prince Jonah Kuhio Kalanianaole Day | The twenty-sixth day in March |
| Good Friday | The Friday preceding Easter Sunday |
| Memorial Day | The last Monday in May |
| King Kamehameha Day | The eleventh day in June |
| Independence Day | The fourth day in July |
| Statehood Day | The third Friday in August |
| Labor Day | The first Monday in September |
| General Election Day | The first Tuesday in Nov. following the first Monday of even numbered years |
| Veterans' Day | The eleventh day in November |
| Thanksgiving | The fourth Thursday in November |
| Christmas | The twenty-fifth day in December |

Hawaii
Department of Taxation

## SECTION 4: PARTICIPANT ELIGILIBILITY

In order to participate in the Hawaii Bulk Filing System (HBFS) you must meet at least one of the criteria listed below.

1. Reporting Agent – Tax preparer, property management company, payroll company and others who prepare returns for multiple clients or multiple locations for the same client. A Reporting Agent may also be its own transmitter.
2. Transmitter – Enables reporting agents to file via the HBFS by "transmitting" bulk files to DOTAX on their behalf.
3. Software Developer – Creates and maintains software applications.

## SECTION 5:  TAXPAYER AUTHORIZATION

1. Taxpayer must execute the Form EF-3 (Hawaii Reporting Agent Authorization) and provide the completed form to the Reporting Agent before the Reporting Agent is able to file, pay, and represent the taxpayer through the HBFS.
2. 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 on the substituted form.
3. The Reporting Agent must retain this form for its records and will not need to submit this form unless requested by DOTAX.
4. The Reporting Agent is responsible for notifying the taxpayer of the Reporting Agent's eligibility to participate in the HBFS.

## SECTION 6: REGISTRATION

NEW

1. Submit Form EF-2, Hawaii Bulk Filing System (HBFS) Registration Form.
2. Our Technical Team will contact you to request the following information:
   a. Public-facing IP address(es) that your servers will use to connect to DOTAX
   b. Public PGP key that DOTAX will use to encrypt any acknowledgment files
   c. SSH2 public key to use for SFTP authentication
3. Login credentials for the test server will be provided upon approval of the Form EF-2.

AMENDED

1. If there are any changes to the information submitted with your Form EF-2, please submit an amended registration Form EF-2.

SECTION 7: TESTING

1. The test environment will mimic the business validation rules in the production environment. The test environment is available 24/7 however, DOTAX recommends sending test files Monday through Wednesday to allow ample time for file verification.

2. SFTP login and PGP key will be provided for testing upon approval of the Form EF-2 and will have no expiration date.

3. Email the Electronic Processing Section at tax.efile.test.bulk@hawaii.gov when submitting a test file.

4. An Acknowledgement (ACK) will be returned within 2-hours of receiving the test submission. If the test ACK is not returned within 2-hours, please email the Electronic Processing Section, tax.efile.test.bulk@hawaii.gov.

5. Once testing is successfully completed, production credentials will be provided. Production files will not be accepted until testing is complete and approved.

SECTION 8: PRODUCTION

1. The production site will be made available 24/7 and will require a PGP encryption key.
   a. PGP key will be provided once testing is successfully complete and will have no expiration.

2. Site maintenance is usually scheduled on Sundays and will be announced in advance.

SECTION 9: TYPE OF FILINGS ACCEPTED

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

RETURN SUBMISSION

1. Periodic Form HW-14 is supported for filing periods beginning January 1, 2011 to current.

2. Original and Amended returns are supported.

W-2 SUBMISSION

1. See Publication EF-10, Electronic Filing Specifications Handbook for EFW2 and EFW2C Format and Forms W-2 and W-2C.

PAYMENT SUBMISSION

1. Bulk Payments are supported for filing periods beginning January 1, 2011 to current.

SECTION 10: TYPE OF FILE FORMATS ACCEPTED

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

1.  Form HW-14 – FSET State WH schema
2.  Payments – FSET Financial Transaction schema

Download the following documents:

1.  Hawaii FSET Layouts (XLSX), January 17, 2020
2.  Hawaii FSET Business Rules (XLSX), January 17, 2020
3.  Hawaii FSET Schemas (ZIP), June 23, 2017
4.  Hawaii FSET Sample transmissions and acknowledgements (ZIP), February 12, 2020
5.  Hawaii Sample IDs (XLSX), July 18, 2017

SECTION 11: FILE STRUCTURE

The file structure for HW14 and Payment files should be formatted as below for a zip file. A zip file contains multiple XML files. Each XML file contains Transmission Header and Return Data.

For W2 and W2C file specification refer to Publication EF-10.

**Example One: Zip HW14 file**

1.  XML File 1:  HW 14
    1)  Transmission Header
    2)  Return Data

2.  XML File 2: HW 14
    1)  Transmission Header
    2)  Return Data

3.  XML File 3: HW14
    1)  Transmission Header
    2)  Return Data

4.  XML File 4: HW14
    1)  Transmission Header
    2)  Return Data

**Example Two: Zip Payment file**

1.  XML File 1:  Payment
    1)  Transmission Header
    2)  Payment Data

2. XML File 2: Payment
   1) Transmission Header
   2) Payment Data

3. XML File 3: Payment
   1) Transmission Header
   2) Payment Data

4. XML File 4: Payment
   1) Transmission Header
   2) Payment Data


## SECTION 12: FILE NAMING STANDARD

Zip Files

1. MUST be submitted via FTP and named utilizing the following standard:
   a. [CompanyName]_[FormType]_[YYYYMMDDhhmmss].zip.pgp
   b. Form Type should be either HW14, BLKPAY or W-2/W-2C
      i. Example: AcmePayroll_HW14_20170731020345.zip.pgp
2. **In an effort to prevent and quickly identify any wrong environment issues**, *test* **files**

   **MUST** be submitted with a "**_T**" added after the timestamp and before the .zip.pgp as follows:
      i. Example: AcmePayroll_HW14_20170731020345_**T**.zip.pgp
3. **For production files replace "_T" with a "_P"**
      i. Example: AcmePayroll_HW14_20170731020345_**P**.zip.pgp


XML Files

1. Within each zip file, all XML files MUST be named utilizing the following standard:
   a. [CompanyName]_[FormType]_[Sequence]_[YYYYMMDD].xml
2. Form Type should be either HW14 or BLKPAY
      i. Examples: AcmePayroll_HW14_000001_20170731.xml

         AcmePayroll_HW14_000002_20170731.xml

SECTION 13: TIMELINESS OF RETURN & PAYMENT FILING

RETURNS

To be considered timely filed, a return must be acknowledged as accepted, or accepted with errors no later than 11:59 p.m. (HST) on the due date. This also applies to the retransmission of returns that were previously acknowledged as rejected. If a return is acknowledged as rejected, the return is considered not filed.

PAYMENTS

An electronic payment transmitted and accepted with a settlement no later than 11:59 p.m. (HST) on the due date will be considered timely paid. To avoid late filing of payments, it is recommended that participants schedule transmissions to allow for timely correction and retransmission in the case of a rejected transaction.

Payments must be submitted within the timeframe of HST Monday through Friday 10:30am – 6:00pm, Saturday and Sunday 10:30am – 4:00pm. to avoid payment request date error.

❖ **IMPORTANT**: The Timestamp and the Requested Payment Date in the XML file for a bulk payment must match the file submission date.

DOTAX does not accept International ACH transactions. HBFS withholding payment option allows electronic payments through ACH Debit using 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.

ORIGINATION/AUTHORIZATION CODE

Make sure that the taxpayer's financial institution allows ACH transactions with:

State of Hawaii
Department of Taxation
ID# 6990303111

SECTION 14: SUBMISSION/TRANSMISSION PROTOCOL

1.  SFTP will be used for all returns, payments, and acknowledgment files.

2.  Separate locations will be used for the test and production environments.

3.  Each environment will utilize a separate login once the bulk filing transmitter completes the required actions.

    a.  SFTP login and PGP encryption keys will be provided.

4.  Site maintenance is usually scheduled on Sundays and will be announced in advance.


SECTION 15: FILE TRANSMISSION ACKNOWLEDGEMENTS (ACKS)

1.  An ACK for each file contained in the zip file will be returned in a single zip file.

2.  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.

3.  ACKs Receipt

    a.  Production ACKs will be sent within 24-hours of receiving the submission.

    b.  Test ACKs will be sent within 2-hours of receiving the submission.

        i.  If the ACK is not received within the specified timeframe, please email the Electronic Processing Section, tax.efile.test.bulk@hawaii.gov.


❖ **IMPORTANT**: To avoid acknowledgment transfer failure ensure destination HW-14, Bulk Payment, W-2/W-2C FTP folder is empty of existing acknowledgement.


❖ **NOTE:** W-2/W-2C Acknowledgements (ACKS) will be provided upon successful testing and approval. See Publication EF-10 for requirements.