

# State of Hawaii Department of Taxation

## Bulk Filing System Reporting Agents and Transmitters Handbook



October 2022 (V.1)

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## 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 and PGP encrypted 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!!

This handbook provides the required information to be approved as a DOTAX bulk filer.

### 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 EFW2 and EFW2C Format, Forms W-2 and W-2C Electronic Filing Specifications Handbook (10/2022 (V.1)) at <https://tax.hawaii.gov/eservices/bulk/>
  - 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

## Contact Information

For information relating to bulk filing testing and certification contact:

E-mail

[tax.efile.test.bulk@hawaii.gov](mailto:tax.efile.test.bulk@hawaii.gov)

Mailing Address

Electronic Processing

P. O. Box 259

Honolulu, HI 96809-0259

Our contact hours are Monday through Friday, 8:00 a.m. to 4:00 p.m. Hawaii Standard Time (HST). Our office is closed on weekends and all Hawaii State 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 Kalaniana'ole 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

## Participation Eligibility

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) Direct Transmitter / Transmitter – Enables reporting agents to file via the HBFS by “transmitting” bulk files to DOTAX on their behalf.
- 3) Software Developer – Company that designs, research, programs, and tests software applications.

## 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.
  - a) 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.
  - b) The Reporting Agent must retain this form for its records and will not need to submit this form unless requested by DOTAX.
- 2) The Reporting Agent is responsible for notifying the taxpayer of the Reporting Agent’s eligibility to participate in the HBFS.

## Registration

### Initial

- 1) Complete Form EF-2, Hawaii Bulk Filing System (HBFS) Registration Form.
- 2) The following information is required to participate in the DOTAX Bulk Filing program:
  - 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

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

## Submission/Transmission Protocol

- 1) SFTP will be used for all returns, payments, W-2/W-2C and acknowledgment files.
- 2) Separate locations will be used for the test and production environments.
- 3) Each environment will utilize a separate login.
- 4) SFTP login and PGP encryption keys will be provided for testing upon approval of the Form EF-2 and will have no expiration date.
- 5) Upon completion of testing and approval, the production SFTP login information will be provided by DOTAX.
- 6) Site maintenance is usually scheduled on Sundays and will be announced in advance.

## Type of Filings Accepted

### Return and Payment Submission

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

- Periodic Form HW-14 is supported for filing periods beginning January 1, 2011, to current. Original and Amended returns are supported.
- Bulk Payments are supported for filing periods beginning January 1, 2011, to current

### W-2/ W-2C Submission

For information on creation of the W-2 file, see Publication EF-10, Electronic Filing Specifications Handbook for EFW2 and EFW2C Format.

- W-2/W-2C submissions are supported for tax years 2017 and forward.

## 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 IDs (XLSX), July 18, 2017
- 5) Hawaii FSET Sample Transmission and Acknowledgements (ZIP), February 2020 -Sample HW-14 and Bulk Pay

## File Structure for HW-14, Payment and W-2/W-2C

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.

### Example One: Zip HW14 file

- 1) XML File 1: HW 14
  - a) Transmission Header
  - b) Return Data
- 2) XML File 2: HW 14
  - a) Transmission Header
  - b) Return Data
- 3) XML File 3: HW14
  - a) Transmission Header
  - b) Return Data
- 4) XML File 4: HW14
  - a) Transmission Header
  - b) Return Data

### Example Two: Zip Payment file

- 1) XML File 1: Payment
  - a) Transmission Header
  - b) Payment Data
- 2) XML File 2: Payment
  - a) Transmission Header
  - b) Payment Data
- 3) XML File 3: Payment
  - a) Transmission Header
  - b) Payment Data
- 4) XML File 4: Payment
  - a) Transmission Header
  - b) Payment Data

### Example Three: Zip W-2 and W-2C

The file structure for W-2 and W-2C must follow the Social Security Administration guide and the additional Hawaii required specifications.

## File Naming Standard

**Note:** YY equals the current year 22

### 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\_20YY0731020345.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\_20YY0731020345\_T.zip.pgp
- 3) For production files replace "\_T" with a "\_P"
    - i) Example: AcmePayroll\_HW14\_20YY0731020345\_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
  - a) Examples:
    - i) AcmePayroll\_HW14\_000001\_20YY0731.xml
    - ii) AcmePayroll\_HW14\_000002\_20YY0731.xml

## 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) An Acknowledgement (ACK) will be returned within 2-hours of receiving the test submission.
- 4) Email Electronic Processing at [tax.efile.test.bulk@hawaii.gov](mailto:tax.efile.test.bulk@hawaii.gov) when submitting a test file or if the test ACK is not returned within 2-hours of your submission.
- 5) Once testing is successfully completed, production credentials will be provided. Production files will not be accepted until testing is complete and approval status is communicated by DOTAX.
- 6) Site maintenance is usually scheduled on Sundays and will be announced in advance.

## 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) Production ACKs will be sent within 24-hours of receiving the submission.
- 3) Site maintenance is usually scheduled on Sundays and will be announced in advance.

## Timeliness of Returns and Payments

### 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 a 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, verify that your financial institution allows ACH transactions with:

State of Hawaii  
Department of Taxation  
ID# 6990303111

## 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 Electronic Processing at [tax.efile.test.bulk@hawaii.gov](mailto: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 emptied of any acknowledgements.