



STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

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IP 2022(6)
INFORMATIONAL PUBLICATION

Filing and Paying Connecticut Taxes Electronically

This Informational Publication has been updated with answers to frequently asked questions to inform taxpayers of the additional tax types that are required to be filed and paid electronically.

Purpose: This Informational Publication provides answers to frequently asked questions to remind taxpayers that **myconneCT**, the Department's state-of-the-art online filing and paying system is available to file returns, make payments, and update account information. Certain tax types remain available to file and pay using the **Taxpayer Service Center (TSC)**.

Effective Date: Upon issuance.

Statutory Authority: Conn. Gen. Stat. §§ 12-685 through 12-689; Conn. Agencies Regs. §§ 12-689-1 through 12-689-3, inclusive.

Effect on Other Documents: Informational Publication 2022(6), *Filing and Paying Connecticut Taxes Electronically*, modifies and supersedes **Informational Publication 2021(5), *Filing and Paying Connecticut Taxes Electronically***, which may no longer be relied upon after the date of issuance of this Informational Publication.

1. Who must file and pay electronically?

Generally, if you are required to file a tax return electronically, you are required to pay the associated tax by Electronic Funds Transfer (EFT). DRS will notify you of your requirement to file and pay electronically.

All taxpayers registered for any of the following tax types must file the returns electronically and must pay the related taxes by EFT:

- Admissions and Dues Tax;
- Attorney Occupational Tax;
- Beverage Container Deposit Report;
- Cannabis Tax;
- Corporation Business Tax;
- Dry Cleaning Establishment Surcharge (For periods beginning on or after January 1, 2023);
- Electronic Cigarette Products Tax;

- Health Care Center Tax;
- Highway Use Fee;
- Hospital Provider User Fee;
- Insurance Premiums Tax, Domestic Companies;
- Insurance Premiums Tax, Nonresident and Foreign Companies;
- Insurance Premiums Tax, Risk Retention Groups;
- Intermediate Care Facility Provider User Fee;
- Nursing Home Provider User Fee;
- Pass-Through Entity Tax;
- Prepaid Wireless E 9-1-1 Fee;
- Rental Surcharge;
- Room Occupancy Tax;
- Sales and Use Taxes/Business Use Tax;
- Tourism Surcharge on the Rental/Leasing of Passenger Motor Vehicles (For periods beginning on or after January 1, 2023);
- Transportation Network Company Fee;
- Unrelated Business Income Tax; **and**
- Withholding Tax.

You may voluntarily use any of the EFT methods to file and make a tax payment even if you are not required to do so.

2. Who must pay electronically?

Taxpayers registered for the following taxes whose prior year liability is \$4,000 or more during the 12-month period ending on:

- June 30 for monthly and quarterly tax liabilities; **or**
- The last day of the preceding taxable year for annual tax liabilities;

are required to pay electronically. DRS will notify you of your requirement to pay these taxes electronically:

- Cable, Satellite, and Video Gross Earnings Tax;
- Certified Competitive Video Service Companies Gross Earnings Tax;
- Community Antenna Television System Companies Gross Earnings Tax;
- Electric Distribution Companies Gross Earnings Tax;
- Gross Earnings Tax on Railroad Companies;

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- Insurance Premiums Tax, Captive Insurance Companies;
- Monthly Tax Stamp and Cigarette Report Resident Distributor;
- Monthly Tax Stamp and Cigarette Report Nonresident Distributor;
- Motor Vehicle Fuels Distributor Tax;
- Municipal Gas Utilities, Gas Suppliers and Local Gas Distribution Companies Gross Earnings Tax;
- Nonadmitted Insurance Premium Tax;
- Petroleum Products Gross Earnings Tax;
- Satellite Companies Gross Earnings Tax;
- Solid Waste Assessment;
- Special Fuels Distributor Tax;
- Tobacco Products Tax; **and**
- Wholesale Alcoholic Beverages Tax

3. How can I file and pay electronically?

A. DRS myconneCT

The following tax types are available to file and pay using **myconneCT**:

- Admissions and Dues Tax;
- Alcoholic Beverages;
- Attorney Occupational Tax;
- Cannabis Tax;
- Captive Insurance Tax;
- Cigarette Dealer/Retailer;
- Cigarette Dealer/Vendor;
- Cigarette Distributor;
- Cigarette Manufacturer;
- Corporation Business Tax;
- Domestic Insurance;
- Dry Cleaning Surcharge;
- Electronic Cigarette Products Tax;
- Foreign Insurance;
- Guaranty Association Credit;
- Health Care Center;
- Highway Use Fee;
- Income Tax Trust and Estate;
- Individual Income Tax;
- International Fuel Tax Agreement Account;
- International Fuel Tax Agreement License Account;
- Motor Carrier Decals;

- Motor Vehicle Fuel Distributor;
- Nonadmitted Insurance Tax;
- Pass-Through Entity Tax;
- Petroleum Gross Earnings;
- Prepaid Wireless E 9-1-1 Fee;
- Rental Surcharge;
- Risk Retention Group;
- Room Occupancy Tax;
- Sales and Use Taxes/Business Use Tax;
- Special Fuel Tax;
- Tax Paid Motor Vehicle Fuel;
- Tobacco Products;
- Tourism Surcharge;
- Unrelated Business Income;
- Utility Companies Tax (Electric Distributor);
- Utility Companies Tax (Gas); **and**
- Withholding.

Visit portal.ct.gov/DRS-myconneCT for more information.

B. Taxpayer Service Center (TSC)

The following tax types are available to file and/or pay using the **TSC** at portal.ct.gov/TSC:

- Beverage Container Deposit Report;
- Cable, Satellite, and Video Gross Earnings Tax;
- Certified Competitive Video Service Companies Gross Earnings Tax;
- Community Antenna Television System Companies Gross Earnings Tax;
- Gross Earnings Tax on Railroad Companies;
- Hospital Provider User Fee;
- Intermediate Care Facility Provider User Fee;
- Nursing Home Provider User Fee;
- Satellite Companies Gross Earnings Tax; **and**
- Transportation Network Company

C. Modernized e-File Program (MeF)

DRS currently accepts Individual Income Tax, Pass-Through Entity Tax, Corporation Business Tax, and Trust and Estate Income Tax returns through the MeF Program.

D. Fed/State Employment Taxes Program (FSET)

DRS participates in the FSET program through which you can initiate federal taxes, Connecticut withholding and unemployment compensation payments and file multiple government returns through the same portal.

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4. What is the Modernized e-File Program?

MeF is a web-based system using third-party software that allows electronic filing of corporate, individual, pass-through entity, and exempt organization returns through the Internet. MeF uses the widely accepted Extensible Markup Language (XML) format. This is an industry standard that is used when identifying, storing and transmitting data.

5. What is the Fed/State Employment Taxes Program (FSET)?

The FSET program is used by software developers, transmitters, and payroll service providers. It enables businesses to file payroll tax returns and make payments.

Transmission using the FSET system may be made by an individual employer or a third party, using the required XML format.

If your company is interested in using the FSET system for the quarterly filing of state and federal tax and wage reports and making employment tax payments ask your payroll company to contact DRS to get more information, or contact an Approved FSET Vendor.

6. How can I make payments by EFT?

A. Automated Clearing House (ACH) Debit

To make an ACH debit payment using **myconneCT** or the *TSC* you must provide your banking information and authorize DRS to process the EFT by entering the payment amount and the date of transfer. Authorizing an ACH debit does not give DRS unrestricted access to your bank account. You must initiate any withdrawal transactions with your bank. The use of a secure password to access your **myconneCT** or *TSC* account ensures that only you can authorize DRS to process the transfer of funds from your bank account and that the funds are applied to the proper tax account.

You can also initiate ACH debit payments through FSET and MeF.

B. ACH Credit

Initiate an ACH credit payment through your bank. In coordination with your bank, you format the payment, your Connecticut Tax Registration Number, the tax type, and the tax return filing period. You must ensure your bank can perform its part of the transaction using the ACH standard CCD+TXP format; otherwise, you must use the ACH debit method.

To receive detailed specifications for ACH credit payments, submit a completed **EFT-1, Authorization Agreement for Electronic Funds Transfer**.

C. Credit Card

Credit card transactions for the following taxes may be processed through **myconneCT**:

- Admissions and Dues Tax;
- Attorney Occupational Tax;
- Captive Insurance Tax;
- Cigarette Dealer/Retailer;
- Cigarette Dealer/Vendor;
- Cigarette Distributor;
- Cigarette Manufacturer;
- Corporation Business Tax;
- Domestic Insurance;
- Dry Cleaning Surcharge;
- Electronic Cigarette Products Tax;
- Foreign Insurance;
- Guaranty Association Credit;
- Health Care Center;
- Highway Use Fee;
- Income Tax Trust and Estate;
- Individual Income Tax.
- International Fuel Tax Agreement Account;
- International Fuel Tax Agreement License Account;
- Motor Carrier Decals;
- Motor Vehicle Fuel Distributor;
- Nonadmitted Insurance Tax;
- Pass-Through Entity Tax;
- Petroleum Gross Earnings;
- Prepaid Wireless E 9-1-1 Fee;
- Rental Surcharge;
- Risk Retention Group;
- Room Occupancy Tax;
- Sales and Use Taxes/Business Use Tax;
- Special Fuel Tax;
- Tax Paid Motor Vehicle Fuel;
- Tobacco Products;
- Tourism Surcharge;
- Unrelated Business Income;
- Utility Companies Tax (Electric Distributor);
- Utility Companies Tax (Gas); **and**
- Withholding.

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You may elect to pay your tax liability using a credit card (American Express®, Discover®, Master Card®, Visa®). To pay by credit card, log into your account in **myconneCT** and select *Make a Payment*.

A convenience fee will be charged by the credit card service provider. You will be informed of the amount of the fee and may elect to cancel the transaction. Your payment will be effective on the date that you make the charge. At the end of the transaction, you will receive a confirmation number for your records.

7. What if the funds for a payment come from an account outside the United States?

In order to comply with federal electronic banking rules, payments initiated from an account outside the United States **must** be sent as an International ACH Transaction (IAT).

Whether you are using **myconneCT** or the *TSC*, you will be asked if your tax payment is being funded from a bank account outside of the United States. If so, you will need to provide information on your financial institution.

If you are initiating an ACH credit, this transaction must be formatted as an IAT. Contact your financial institution for additional information.

8. What if I don't have a U.S. bank account?

To initiate an ACH debit payment through either **myconneCT** or the *TSC* you will need to use a 9 digit numeric routing number that is acceptable through the Automated Clearing House (ACH). If you are unable to obtain a routing number through your financial institution, contact your financial institution to see if they are able to initiate an ACH credit to DRS.

9. How do I know that I successfully filed and paid electronically?

Both **myconneCT** and the *TSC* will provide a confirmation number. Once you receive this number, your tax return is filed. Your printable copy of the return will specify the payment amount.

10. How do I ensure my electronic payment is received on time?

You must initiate your electronic payment on or before the due date for it to be considered timely. For ACH debit transactions, you determine the date of withdrawal by the payment date you enter when you initiate your transfer. Your payment will not be withdrawn from your account until the date you specify as a payment date.

For ACH credit transactions, you must coordinate with your financial institution to ensure a timely payment.

For credit card transactions, your payment will be effective on the date you make the charge.

If the due date falls on a Saturday, Sunday, or legal holiday, the payment will be considered timely if filed by the next business day. The current year's holiday schedule is available on the DRS website.

If an emergency prevents you from making a timely EFT payment, you should contact the DRS E-Commerce Unit at 860-297-4973 **immediately** for instructions. You may be permitted to make your payment using the Fedwire method.

11. Is there a penalty for a late EFT payment?

Yes. The late payment penalty is 10% for all tax types other than Sales and Use Taxes, which is 15%.

Interest is charged at the rate of 1% per month or fraction of a month from the due date of the tax until the tax is paid in full.

If payment is delayed for reasons beyond your control, you may request a waiver of the penalty by submitting a completed **Form DRS-PW, Request for Waiver of Civil Penalty**. See **Policy Statement 2019(3), Requests for Waiver of Civil Penalties**.

This penalty does not apply to estimated corporation business tax payments that are required to be made by EFT. If an estimated payment is late, you may be subject to interest for the underpayment of tax when you file your return for the taxable year.

12. May I pay by check if I am required to pay by EFT?

No. Payment by check does not relieve you of the requirement to pay by EFT and subjects you to a noncompliance penalty of up to 10%, regardless of when DRS receives the payment.

The following graduated penalty amounts will apply if you fail to remit payments electronically:

- First offense – 10% penalty on the amount of the required tax payment, but not more than \$2,500;
- Second offense – 10% penalty, but not more than \$10,000; **and**
- Third and subsequent offenses – 10% penalty.

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When initiating a payment through your financial institution's online banking system you **must** verify that your financial institution is sending an EFT, not a check.

13. Can I schedule a future payment with my filing?

Yes. Both **myconneCT** and the *TSC* default the payment date to the date of filing. You have the option to change the payment date to any date up to the due date.

14. Is a penalty imposed for the late filing of a tax return if payment of the tax is made timely?

The Commissioner of Revenue Services may impose a \$50 penalty for the late filing of any return or report required by law to be filed.

15. Is it possible to cancel or correct an EFT?

Yes. Both **myconneCT** and the *TSC* gives you the ability to cancel payments up to one banking day prior to the effective date. For an ACH credit transaction, follow your bank's instructions.

16. May I pay a tax bill electronically?

Yes. You may pay tax bills using **myconneCT** or the *TSC* by logging into either system and selecting the *Make Payment Only* option. You may also pay bills by remitting an ACH credit EFT or by making a credit card payment.

17. Can I make electronic bill payments and estimated payments for Individual Income Tax if I do not have a login for myconneCT?

Yes. Visit portal.ct.gov/DRS-myconneCT, and under the *Individuals* panel, select *Make a Bill Payment*, *Estimated Payment*, or *Return Payment*.

18. Are there tax returns that I can file without creating a myconneCT account?

Yes. You can file the Annual Summary and Transmittal of Information Returns (for Form 1099-MISC, Form 1099-NEC, and the associated Form CT-1096), Alcoholic Beverages Tax, Attorney Occupational Tax, Controlling Interest Transfer Tax, and Estate and Gift Taxes without a **myconneCT** login.

Visit portal.ct.gov/DRS-myconneCT.

19. How do I electronically file an Individual Income Tax return?

You may file your Individual Income Tax return using **myconneCT** at portal.ct.gov/DRS-myconneCT. Certain restrictions may apply. DRS also accepts Individual Income Tax returns filed through third-party software.

20. Can I amend tax returns electronically?

Yes, the following business tax returns may be amended electronically using **myconneCT**:

- Admissions and Dues Tax;
- Cannabis Tax;
- Captive Insurance Tax;
- Cigarette Dealer/Retailer;
- Cigarette Dealer/Vendor;
- Cigarette Distributor;
- Cigarette Manufacturer;
- Corporation Business;
- Domestic Insurance Tax;
- Dry Cleaning Surcharge;
- Electronic Cigarette Products Tax;
- Foreign Insurance;
- Guaranty Association Credit;
- Health Care Center;
- Highway Use Fee;
- Income Tax Trust and Estate;
- International Fuel Tax Agreement Account;
- International Fuel Tax Agreement License Account;
- Motor Carrier Decals;
- Motor Vehicle Fuel Distributor;
- Nonadmitted Insurance Tax;
- Pass-Through Entity Tax;
- Petroleum Gross Earnings;
- Prepaid Wireless E 9-1-1 Fee;
- Rental Surcharge;
- Risk Retention Group;
- Room Occupancy Tax;
- Sales and Use Taxes/Business Use Tax;
- Special Fuel Tax;
- Tax Paid Motor Vehicle Fuel;
- Tobacco Products;
- Tourism Surcharge;
- Unrelated Business Income;

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- Utility Companies Tax (Electric Distributor);
- Utility Companies Tax (Gas); **and**
- Withholding.

The following business tax returns may be amended electronically using the *TSC*:

- Beverage Container Deposit Report;
- Hospital Provider User Fee;
- Intermediate Care Facility Provider User Fee; **and**
- Nursing Home Provider User Fee.

21. How do I report no tax due?

If you do not owe any tax, an EFT is not required. However, you **must** file a timely return **even if no payment is due**.

22. If I am required to electronically file my tax return, will I receive paper returns in the mail?

No. DRS will not mail pre-printed copies of returns to taxpayers required to file electronically. Failure to receive a paper return does not relieve you of your obligation to file.

23. Can I request a waiver of the requirement to file electronically or to pay by EFT?

Yes. If you can show that filing and paying electronically creates an undue hardship, the Commissioner of Revenue Services may grant a one-year waiver of the electronic filing and payment requirement. Request a waiver by

submitting a properly completed **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**, no fewer than 30 days before the due date of your first electronic filing and payment. See **Policy Statement 2020(2), Requests for Waiver of Electronic Filing and Electronic Payment Requirements**.

Effect of This Document: An Informational Publication issued by DRS addresses frequently asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

For the Latest News: Visit the DRS website at portal.ct.gov/DRS.

E-Services Update

Use **myconneCT** to file taxes, make payments, view filing history, and communicate with the agency simply and more efficiently on virtually any mobile device, including laptops, tablets, and smartphones, 24 hours a day, 7 days a week. For updated information, please visit the DRS website at portal.ct.gov/DRS-myconneCT.