



Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

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July 15, 2007

File Code:

Oregon Department of Transportation – Fuels Tax Group has the capability to accept electronic funds transfers for payment of fuels tax. It offers licensees a secure way to remit fuels tax payments without having to use paper checks or rely on a mail delivery system. It also has the advantages of being less labor-intensive and providing a tracking mechanism for when payments are made. It can be implemented without significant up-front investment, such as additional computers or remittance processing hardware.

Electronic funds transfer or EFT, as it is commonly called, is the transfer of funds initiated through an electronic terminal, telephonic instrument, computer or magnetic tape, so as to order, instruct or authorize a financial institution to debit or credit a bank account. The Automated Clearing House (ACH) Debit and the ACH Credit are the two acceptable payment methods. The two methods are described below.

The ACH debit method authorizes the Oregon State Treasury to electronically transfer tax payments from the licensee's bank account to the Fuel Tax Group's bank account. Licensees using this method will be furnished the necessary detailed instructions to complete ACH debit transfers. An Authorization Agreement for Direct Deposits will provide the necessary information for the Fuels Tax Group to complete the transactions. The monthly tax obligation is faxed to Fuels Tax Group one day prior to tax due date. If the licensee discovers that an error was made in communicating tax payment information prior to the cutoff time, the transaction can be revised or cancelled.

The ACH credit method allows licensees to transfer funds by instructing their financial institution to debit their account and credit the Fuel Tax Group's bank account. To obtain permission to use this method, licensees must submit an Electronic Funds Transfer Authorization Agreement providing the necessary information. Once authorized, the Fuels Tax Group will provide the necessary banking information. Licensees are urged to contact their financial institutions to confirm they offer ACH credit origination services in the required format. The licensee must ensure that the financial institution originating the transaction does so in sufficient time for the payment to be deposited to Fuels Tax Group's account on or before the appropriate due date of the tax payment.

In either case, licensees are encouraged to make arrangements with their financial institutions to initiate prenotification (prenote) transactions at least six (6) working days before the effective due date of the first payment to detect any format errors before live dollar entries are sent through the ACH network.

If you would like further information about Electronic Funds Transfers, please contact David Nemchik, Operations Manager, 503-378-3077 or Susan Simonsen, Policy Development and Special Projects, 503-378-6435.

