

LMRC Specification Guide for ACH Credit Transactions

Version 2019.1
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Louisville Metro Revenue Commission

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1. Introduction

The Louisville Metro Revenue Commission began accepting payments through Electronic Funds Transfer (EFT) via the Automated Clearing House (ACH) network in September of 2004. LMRC accepts ACH credit transactions.

In 2016 third party payroll reporting agents who aggregate payments of occupational license taxes on behalf of multiple employers that exceeds \$25,000 or who report and pay for more than 100 individual accounts shall remit all payment by electronic transfer.

In 2019, per Louisville Metro Ordinance 110 the ordinance was updated to apply to third party payroll providers payers who report and pay for more than 25 individual accounts.

Failure to submit a timely file will result in penalties.

1.1. Change Log

Section	Description	Change Date
Entire Document	Initial Publication	2019-11-26

1.2. What's New

1.2.1. Tax Year 2019

- 2019 is the initial year for this specification guide.
- On 8/22/2019 Louisville Metro Council passed Ordinance No. 120, series 2019, amending subsection for Ordinance Chapter 110.05 section III requiring third party payroll who aggregate payments on behalf of multiple employers with more than 25 accounts are required to remit all payments by electronic fund transfer. This ordinance is effective for periods beginning on or after 1/1/2019 and governs all filings after 1/1/2020.
- Waivers must be completed and approved if you cannot meet the electronic filing requirement.

2. Acceptable Format

The only format that the Louisville Metro Revenue Commission accepts for ACH-Credit transactions is the NACHA CCD+ with TXP ADDENDA. Your bank must be able to transmit funds using this format. Following is the data required in the ACH Credit Detail and Addenda Record Formats. Within NACHA standards there are other lines that must be included besides the LMRC required line 6 and line 7.

For complete information on NACHA formats, specifications, and definitions, refer to the ACH Rule Book and work with your financial institution.

2.1. Waivers

A waiver must but submitted if you are unable to remit your payments via EFT if you are paying for more than 25 accounts. Waivers are granted for only the tax year requested. A new waiver request will need to be submitted for each tax year you are not able to comply with the EFT deposit requirement. A justification and details of how you will submit documentation must be included with the waiver request for it to be accepted. Allow 45 days from the time of filing the waiver for the notice of approval or notice of denial.

3. Filing Requirements

If you have more than 25 payments, you must submit via the ACH credit transaction. If you are not required to remit payments, there is a free e-check option available on our web portal.

3.1. ACH Authorization Form

For an ACH payment to be submitted for you as a customer within our system, you are required to complete the ACH Authorization form. Visit our website and find under forms and publications page.

3.2. Tips to Remember

- Electronic fund transfer is required when making aggregated payments on behalf of more than 25 accounts.
- The fund transfer must be made on or before the payment due date.

4. Deadline

Remit ACH payments on or before the required payment dates. An up-to-date calendar of due dates can be found on our website.

5. File Format

LMRC uses the NACHA CCD+ with TXP ADDENDA format for filing ACH credit payments. Specific to LMRC are the Line 6 Record and Line 7 Records. Other records are included in the file. For complete information on NACHA formats, specifications, and definitions, refer to the ACH Rule Book and work with your financial institution.

5.1. Record Specifications

- Work with your financial institution on which records to include.
- LMRC has some specifications below for the CCD entry detail record and the CCD TXP Addenda Record

5.2. Record and Field Format Details

Follow the NACHA guidelines and work with your financial institution to submit the ACH credit file.

5.2.1. CCD+ Entry Detail Record (Line 6)

Field/Title	Position	Size	Content	Description
1 - Record Type Code	1	1	6	Required. Must equal "6".
2 - Transaction Code	2-3	2	22	Required. Must equal "22".
3 - LMRC Routing Number	4-11	8	Numeric	Required. Must equal the LMRC routing number given once ACH authorization is granted.
4 - LMRC Routing Number Check Digit	12	1	Numeric	Required. Must equal the LMRC routing number check digit given once ACH authorization is granted.

5 - LMRC Bank Account Number	13–29	17	Alphanumeric	Required. Must equal the LMRC Bank Account number given once ACH authorization is granted. Must use blanks as fillers behind account number.
6 - Total Payment Amount	30–39	10	\$\$\$\$\$\$\$cc	Required. No decimal point. Right justify amount and insert leading '0' before payment amount. The last two digits are cents.
7 – Identification Number	40–54	15	Numeric	Required. LMRC recommends you enter your LMRC customer/account number. Insert leading zeros.
8 - Receiving Company Name	55–76	22	Alphanumeric	Required. LMRC recommends that you enter your company name in this field for research purposes.
9 - Discretionary Data	77–78	2	Not used	Must be left blank.
10 – Addenda Record Indicator	79	1	1	Required. Must equal "1". You must include a corresponding 7 record.
11 - ACH Trace Number	80–94	15	Numeric	Tracing number Assigned by banking institutions

5.2.2. CCD+ Addenda Record TXP Specifications (Line 7)

Field / Title	Position	Size	Content	Description
1 - Record Type Code	1	1	7	Required. Must equal "7"
2 - Addenda Type Code	2-3	2	05	Required. Must equal "05"
Position 4-83 is payment related information that must be provided correctly to LMRC to accurately credit payments made. Fields may vary in length.				
3 – Segment Identifier	4-6	3	TXP	Required. Must equal "TXP" Indicates TXP addenda record type.
Separator	7	1	*	Required. Must equal "**"
4 – LMRC Account ID	8-17	10	Numeric	Required. Must be equal to the 10-digit customer number.
Separator	18	1	*	Required. Must equal "**"
5 – FID/SSN	19-27	9	Numeric	Required. Must equal the FEIN or SSN for the account the payment is to be directed
Separator	28	1	*	Required. Must equal "**"
6 - Tax Type Code	variable	1-4	Alphanumeric	Required. Must equal one of the valid Tax type codes.

				<table border="1"> <thead> <tr> <th>Tax Type Code</th> <th>Tax Type Description</th> </tr> </thead> <tbody> <tr> <td>W1</td> <td>Employer's Withholding Tax</td> </tr> <tr> <td>OL</td> <td>Business Net Profit Tax</td> </tr> <tr> <td>LINS</td> <td>Louisville Insurance Premiums Tax</td> </tr> <tr> <td>TRAN</td> <td>Transient Room Tax</td> </tr> <tr> <td>TRUK</td> <td>Truck Decal</td> </tr> </tbody> </table>	Tax Type Code	Tax Type Description	W1	Employer's Withholding Tax	OL	Business Net Profit Tax	LINS	Louisville Insurance Premiums Tax	TRAN	Transient Room Tax	TRUK	Truck Decal
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W1	Employer's Withholding Tax															
OL	Business Net Profit Tax															
LINS	Louisville Insurance Premiums Tax															
TRAN	Transient Room Tax															
TRUK	Truck Decal															
Separator	variable	1	*	Required. Must equal "**"												
7 - Tax Period End Date	variable	8	YYYYMMDD	<p>Required. Must be formatted for Year Month Day. Indicates the end date for the tax period for which the payment is being made. Must equal the tax return ending date and not the deposit ending date.</p> <p>W1 Quarterly Depositors – make sure you are using the end date for the tax period you are making the deposit for and not the end of the month the deposit is being sent.</p> <p>Ex. A ending date of 20201130 is not valid for a November 2020 deposit for a W1 filing. The correct format would be 20201231 for October, November, and December deposits for December 2020 W1 filings.</p>												
Separator	variable	1	*	Required. Must equal "**"												
8 – Amount Type Code	variable	1	T	Required. Must equal "T". T stands for tax.												
Separator	variable	1	*	Must equal "**"												
9 - Payment Amount	variable	10	Numeric	Required. No decimal point. Right justify amount and insert leading '0' before payment amount. The last two digits are cents.												
Terminator	variable	1	\	Must equal "\"												
Blanks	variable	variable	Blanks	Must enter blanks through position 83												
End of LMRC payment related Information																
Addenda Sequence Number	84-87	4	0001	Required. Must equal "0001"												
Entry Detail Sequence Number	88-94	7	Numeric	Required. Last 7 digits of ACH Trace Number from CCD entry detail record (line 6). Assigned by banking institution.												

5.3. Sample TXP Addenda records (position 4 – 83)

5.3.1. Employer's Withholding Tax

TXP*0000123456*613333333*W1*20200331*T*0000120000\

This represents a payment of \$1200.00 against a W1 tax period ending March 31, 2020, for account 0000-123456, with a federal id of 61-3333333.

5.3.2. Business Net Profit Tax

TXP*0000654321*401111111*OL*20201231*T*0000052038\

This represents a payment of \$520.38 against an OL tax period ending December 31, 2020, for account 0000-654321, with a social security number of 401-111-111.

6. FAQs

Where can I find more information about the waiver?

Visit our website www.metrorevenue.org for more information. A copy of the waiver can be found under Forms and Publications.

I haven't filed a waiver and the due date for the filing is closer than 45 days. What do I do now?

Complete and submit the waiver request immediately. Penalties could be assessed if ACH credit EFT payments are not filed timely and waiver has not yet been reviewed/approved. Assessment of penalties will be reviewed on a case-by-case basis.

What is an ACH Credit?

An Automated Clearing House (ACH) Credit occurs when the taxpayer contacts their bank to initiate a transaction debiting their bank account and transferring the amount due to the Louisville Metro Revenue Commission's account.

How do I make Electronic Funds Transfer (EFT) payment?

Sign up for EFT payments by completing the ACH Credit Authorization Form. The ACH form and ACH Agreement Instructions can be found on our website under the Forms & Publications link.

Should I contact my bank first?

Yes, check with your bank to see what type of ACH origination services they offer for businesses. The ACH Credit must be accomplished utilizing the tax payment (TXP) convention with addendum record of a NACHA CCD+ format. As the originator of the ACH Credit transaction, the cost of each transaction is charged to you.

Who is responsible for errors made?

Any transmission errors are the responsibility of the taxpayer and their bank. A representative of the Louisville Metro Revenue Commission's Finance Division will send an email to your designated EFT Contact Person if an error occurs during the transmission. Therefore, an up-to-date email address for your EFT Contact Person must be on file with us.

When do I initiate the EFT?

The banking industry's ACH system requires a minimum of one (1) business day to operate. Therefore, to meet this deadline, EFT payments must be initiated no later than the day before the due date.

What do I do if I change financial institutions or need to change the payment method I originally selected?

Obtain a new Agreement form and inform us of your change. All information requested on the form must be provided for any change you are making.

What do I do if my business information changes?

You must notify the Louisville Metro Revenue Commission by completing a new ACH Agreement. A new agreement must be filed if any of the following changes: your Louisville Metro Revenue Commission Tax Account Number, Federal Employer Identification Number (FEIN), business name, business address, EFT contact person, telephone number, fax number, or e-mail address of the EFT Contact Person.

Do I have to fill out an ACH agreement if I am a payroll provider and do not have an account with the Louisville Metro Revenue Commission?

If you are sending EFT payments on behalf of your clients, yes, you must fill out an ACH agreement. If you do not have an account with us, you must register with us. On your registration, you should note that you will have no activity except as a provider of services for electronic funds payments.

Does LMRC accept a prenote?

LMRC will accept a prenote but we do not have a formal process with prenotes. We are exploring formalizing our process in the future. To confirm your prenote has been received contact the LMRC Finance Division.

I made an ACH payment by mistake and I want to stop my ACH credit transfer. What do I do?

If the payment has not been transmitted to LMRC work with your financial institution to stop the payment. If LMRC has already received the payment, you must request a refund.

I only know my six-digit LMRC account number, what do I do?

Add four (4) zeros in front of your six-digit number. This should be your customer number.