

e-CHECK



Presented by:

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Indiana Department of Revenue

Kenneth J Miller, Commissioner

Agenda



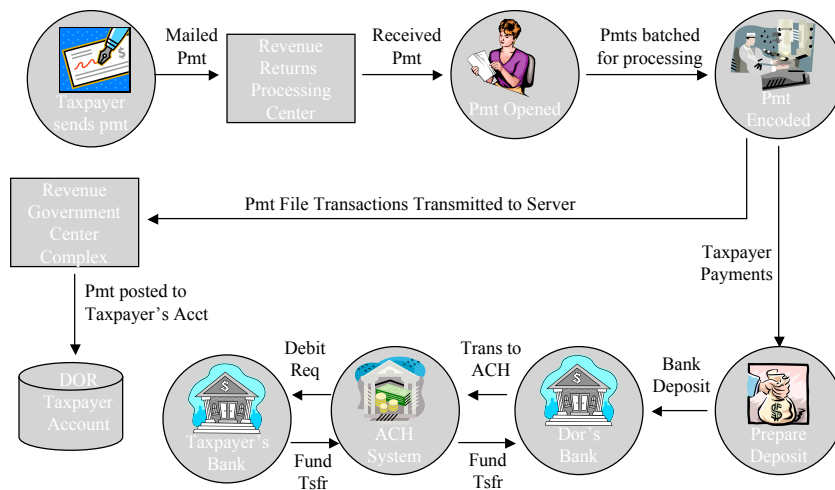
- **What is e-check?**
- **Paper Check Process**
- **Electronic (e-Check) Process**
- **e-Check Process Implementation at Indiana Dept of Revenue**
- **e-Check History at Indiana Dept of Revenue**
- **Pros and Cons of e-Check Processing**

What is e-check?



“e-Check” is an electronic format (paperless check) used to make state tax payments to the Indiana Department of Revenue. The Indiana Department of Revenue provides a web based application that offers taxpayers an opportunity to supply “one time only” tax and bank account information used to initiate a debit transaction from the taxpayer’s account for the amount specified by the taxpayer. The information is processed and ultimately results in ACH (Automated Clearing House) transactions to the Federal Reserve System. The ACH process results in funds debited from the taxpayer’s account and sent to the Indiana Department of Revenue’s financial institution. The Returns Processing System (RPS) uses the information contained in the payment transaction to credit the taxpayer’s account.

Paper Check Process Flow

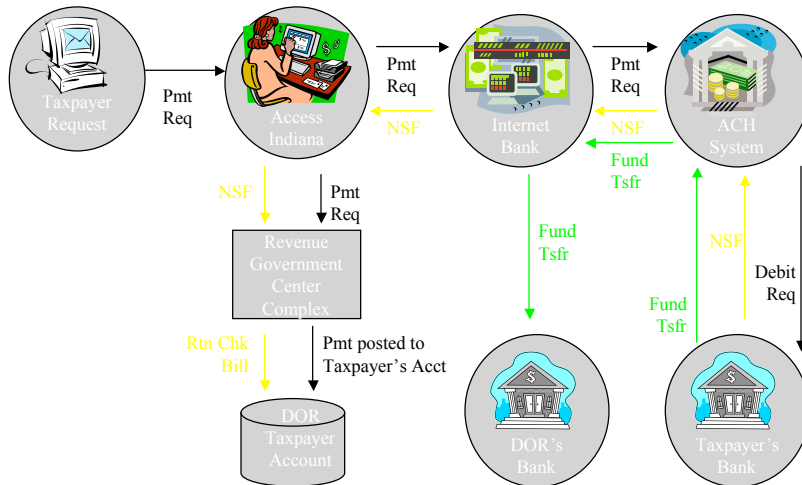


Paper Check Process

- Manual effort to process mail
- Manual steps and time required to process check to credit taxpayer acct
- Manual steps and time required to process checks before submission for bank deposit.
- Delay in receipt of monies by Dept of Revenue



e-Check Process Flow



Electronic (e-Check) Process



- **No mail to process**
- **Immediate verification of ABA routing number**
- **Immediate verification of taxpayer id or AR acct number**
- **Automatic generation of credit transaction to taxpayer's RPS account**

Electronic (e-Check) Process



- **Automatic generation of debit transaction to taxpayer's bank account**
- **Rapid transfer of monies to Revenue's bank acct**
- **Automatic notification of returned checks**
- **Ability to quickly issue returned check bills**

Electronic (e-Check) Process



- **Ability to balance bank deposits to payments posted in RPS**
- **Low access processing fee to taxpayer - \$1.00 flat fee**

E-Check Debit Acceptance Verbiage

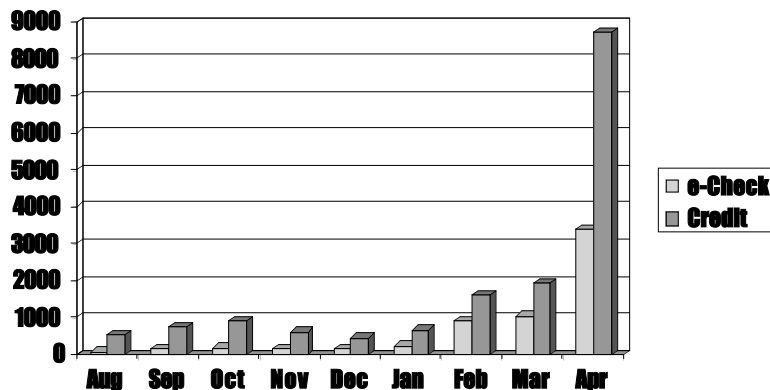
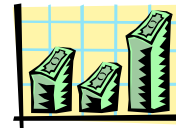
The use of an electronic check or E-Check for payment is agreement to these terms, by clicking the NEXT button is your acknowledgement and acceptance of this policy and it's terms.

e-Check Process Implemented at IDOR



- **Function implemented in August, 2002**
- **Development partnership between**
 - **Indiana Department of Revenue**
 - **Access Indiana**
 - **First Internet Bank of Indiana (FIBI)/Remember Data Services (RDS)**
- **Business Tax Registration Fee payment scheduled for June, 2003 implementation**
- **2003 was the first year the process was available during Individual Income Tax filing season**

e-Check History e-Check vs Credit Card



August 2002 - April 2003

e-Check History

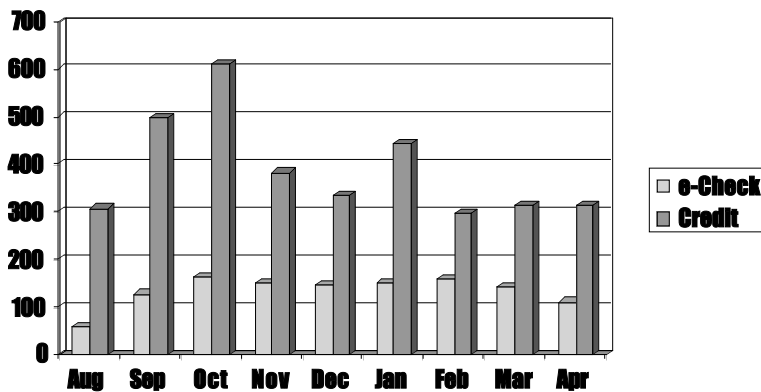
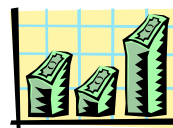
e-Check Vs Credit Card



August 2002 - April 2003

e-Check History

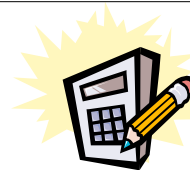
AR e-Check vs Credit Card



August 2002 - April 2003

e-Check History

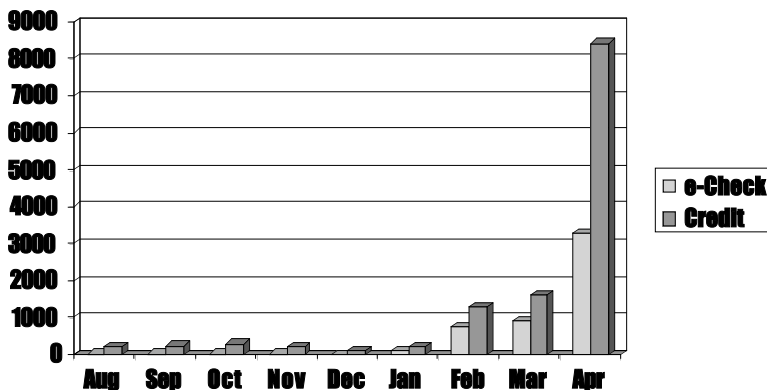
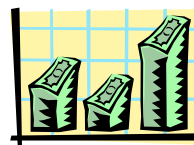
AR e-Check vs Credit Card Stats



August 2002 - April 2003

e-Check History

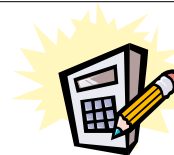
IND e-Check vs Credit Card



August 2002 - April 2003

e-Check History

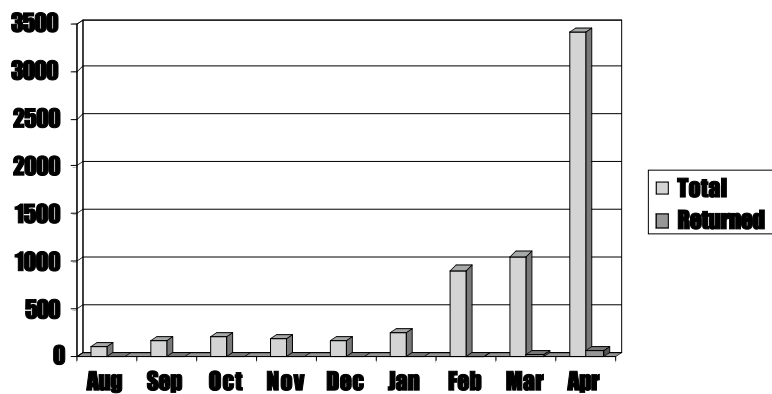
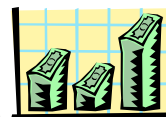
IND e-Check vs Credit Card Stats



August 2002 - April 2003

e-Check History

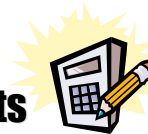
Total e-Check Pmts vs Returned Pmts



August 2002 - April 2003

e-Check History

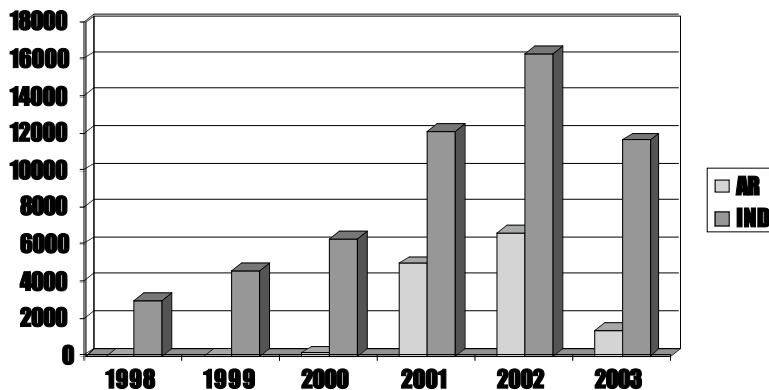
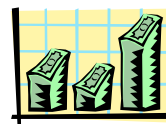
Tot e-Check Pmts vs Returned Pmt Stats



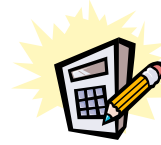
Returned Check Percentage: .02

August 2002 - April 2003

Anticipated e-Check Growth Based on Credit Card Usage History



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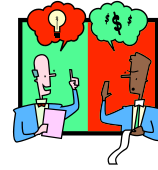
				AR		

Future e-Check Usage and Enhancements



- **Provide ability to define processing date in future**
- **Enhancement of Individual Income Tax to include Estimated quarterly payments**
- **Payment of Trust Taxes including: Retail Sales, Withholding, Food and Beverage, and others**
- **Payment of Corporate taxes including quarterly Estimated payments**

Pros and Cons to e-Check



Pros

- **No paper checks**
- **Timely processing and crediting of taxpayer accts**
- **Revenue saves processing time and cost**
- **Taxpayer assured of timely posting of payment**
- **Low convenience cost to taxpayer**
- **Low suspension rate due to taxpayer id verification**

Cons

- **Returned checks are not totally eliminated**

e-CHECK



Questions?