

## RESULTS OF 2003 FTA CREDIT CARD SURVEY

### [List of Original Survey Questions]

#### I. Authority

	<b>Authority</b>	<b>Program in Place</b>	<b>Who Handles Payments?</b>	<b>Taxes Covered*</b>
<b>AL</b>	Yes	Yes	fee added to t.p; third-party	All
<b>AR</b>	Yes	Yes	third party	All Ind.
<b>AZ</b>	Yes	Yes	state pays	Other (seminars/newsletter)
<b>CA EDD</b>	Yes	No	N/A	N/A
<b>CA FTB</b>	Yes	Yes	third party	All Ind.
<b>CO</b>	Yes	Yes	third party	All delinquent; Fuel - c
<b>CT</b>	Yes	Yes	third party	Ind - c
<b>DC</b>	Yes	Yes	third party	All Ind.
<b>ID</b>	Yes	Yes	state pays	All
<b>IL</b>	Yes	Yes	third party	All Ind.
<b>IN</b>	Yes	Yes	third party	All delinquent; Ind. - c; Motor - c
<b>IA</b>	Yes	Yes	third party	All Ind.; Sales - d; Other (withholding, motor vehicle, court) - d
<b>KS</b>	Yes	Yes	third party	All
<b>KY</b>	Yes	Yes	state pays; fee added to t.p.**	All delinquent; Ind. - c
<b>LA</b>	Yes	No	N/A	N/A
<b>ME</b>	Yes	Yes	state pays	Other (all Property; Bills - d)
<b>MD</b>	Yes	Yes	third party	All Ind.; All Sales; Withholding - c
<b>MN</b>	Yes	Yes	third party	All Ind.; Accts Receivable
<b>MS</b>	Yes	Yes	third party	Ind - d; Sales - d
<b>MO</b>	Yes	Yes	third party	All
<b>MT</b>	Yes	Yes	third party	All Ind.
<b>NE</b>	Yes	Yes	third party	All - c
<b>NJ</b>	Yes	Yes	third party	All Ind.; All Sales
<b>NY</b>	Yes	Yes	third party	Ind. -c; Assessments Receivable
<b>NYC</b>	Yes	Yes	state pays; t.p. pays; third party**	Other (parking tickets/Real Estate)
<b>NC</b>	Yes	Yes	other	Ind. - c; All Bus.; All Sales; All Fuel
<b>ND</b>	Yes	Yes	third party	Ind. - c

	<b>Authority</b>	<b>Program in Place</b>	<b>Who Handles Payments?</b>	<b>Taxes Covered*</b>
<b>OK</b>	Yes	Yes	fee added to t.p.	All
<b>OR</b>	Yes	Yes	state pays	Ind. - d; Bus. - d; Other - d
<b>PA</b>	Yes	Yes	taxpayer pays third party	All
<b>RI</b>	Yes	Yes	third party	All
<b>TN</b>	No	No	N/A	N/A
<b>UT</b>	Yes	Yes	third party	All
<b>VT</b>	Yes	Yes	state pays; (future-third party)	All
<b>VA</b>	Yes	Yes	third party; other***	All Ind.; Other
<b>WA</b>	Yes	Yes	third party	Sales - c; Excise - c

\* "c" = current; "d" = delinquent

\*\* Dependent on the tax/fee involved, the state handles the merchant fee differently.

\*\*\* VA will accept credit card payments "occasionally" from walk-in customers

**Addendum: If the state pays the merchant discount fee, how much was paid by the state in FY 2003?**

	<b>FY 2003</b>
<b>AZ</b>	N/A
<b>ID</b>	\$400,000
<b>KY</b>	N/A
<b>ME</b>	N/A
<b>NYC</b>	1,400,000
<b>OR</b>	100,000
<b>VT</b>	\$69,478

## II. Volume

	2001		2002		2003		2003 Total		2003 Revenue	
	Total	Amount (\$)*	Total	Amount (\$)*	Total	Amount (\$)*	% Ind.	% Bus.	%Ind.	%Bus.
<b>AL</b>	4,409	1,500	7,050	2,500	8930	3,200	N/A	N/A	N/A	N/A
<b>AR</b>	N/A	N/A	355	295	868	627	100	0	100	0
<b>AZ</b>	N/A	N/A	N/A	N/A	N/A	40	N/A	N/A	N/A	N/A
<b>CA FTB</b>	43,000	58,500	46,000	51,700	86,000	70,000	100	0	100	0
<b>CO</b>	220	331	274	284	223	321	39	61	58	42
<b>CT</b>	2859	2,856	3,305	3,627	4,703	3,779	100	0	100	0
<b>DC</b>		672	1,793	2,545	2,515	2,078	99	1	99	1
<b>ID</b>	N/A	N/A	2,980	13,718	10,581	20,285	42	58	38	62
<b>IL</b>	7,172	2,898	11,447	4,266	17,693	5,259	100	0	100	0
<b>IN</b>	20,039	14,401	29,328	23,165	29,359	29,316	63	37	21	79
<b>IA</b>	N/A	N/A	1,013	301.00	4,008	1,198	84	16	87	13
<b>KS</b>	1,541	1,288	4,742	2,019	6,370	2,749	87	13	82	18
<b>KY</b>	N/A	N/A	235	115	2,839	1,600	55	45	33	67
<b>ME</b>	N/A	N/A	2,188	616	1,972	634	95	5	87.5	12.5
<b>MD</b>	6,848	5,230	10,364	8,319	15,751	9,231	95.5	4.5	94.5	5.5
<b>MN</b>	4,703	3,831	5,139	3,867	7,655	5,249	95	5	95	5
<b>MS</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>MO</b>	N/A	N/A	384	123	16,586	2,841	N/A	N/A	N/A	N/A
<b>MT</b>	N/A	N/A	156	143	797	511	100	0	100	0
<b>NE</b>	N/A	N/A	N/A	N/A	846	469	99	1	99	1
<b>NJ</b>	10,870	12,897	22,310*	19,633**	19,055	15,798	73.3	26.7	78.8	21.2
<b>NY</b>	11,667	15,939	16,933	18,678	13,461	14,235	85.7	N/A	90.7	N/A
<b>NYC</b>	372,829	31,748	383,873	41,369	476,992	60,832	N/A	N/A	N/A	N/A
<b>NC</b>	N/A	N/A	N/A	N/A	5,441	1,879	51	49		
<b>ND</b>	N/A	N/A	N/A	N/A	330	72	100	0	100	0
<b>OK</b>	40,023	6,618	37,461	7,658	45,611	8,775	93	7	67	33
<b>OR</b>	11,847	3,610	16,072	4,553	27,134	6,666	95.4	4.6	94.6	5.4
<b>PA</b>	N/A	N/A	6,799	1,025	29,201	3,852	98	2	89	11
<b>RI</b>	N/A	N/A	514	536	723	521	N/A	N/A	N/A	N/A
<b>UT</b>	N/A	N/A	N/A	N/A	2,950	2,100	71	29	58	42
<b>VT</b>	N/A	1,956	N/A	2,673	2,328	3,405	N/A	N/A	N/A	N/A

	<b>2001</b>		<b>2002</b>		<b>2003</b>		<b>2003 Total</b>		<b>2003 Revenue</b>	
	<b>Total</b>	<b>Amount (\$)*</b>	<b>Total</b>	<b>Amount (\$)*</b>	<b>Total</b>	<b>Amount (\$)*</b>	<b>% Ind.</b>	<b>% Bus.</b>	<b>%Ind.</b>	<b>%Bus.</b>
<b>VA</b>	5,281	2,758	7,114	3,625	10,943	4,405	94	6	91.5	8.5
<b>WA</b>	N/A	N/A	1,158	2,305	2,729	4,883	0	100	0	100

\* \$ in thousands

\*\* FY'02 includes an amnesty.

### III. Tax Type

	Percentage of Total Credit Card Transactions									
	Walk-In	Phone	Mail	Internet	3rd Party	Swiped	Phone	Mail	Internet	3rd Party
<b>AL</b>	All	All	All	Sales	Ind.	N/A	N/A	N/A	N/A	N/A
<b>AR</b>					Ind.	0	0	0	0	100
<b>AZ</b>	Other	Other	Other			N/A	N/A	N/A	N/A	N/A
<b>CA FTB</b>					Ind.	0	0	0	0	100
<b>CO</b>	All			Other Excise	Other Excise	78	0	0	0	22
<b>CT</b>		Ind.		Ind.		0	0	0	0	100
<b>DC</b>		Ind.		Ind.	All	0	0	0	0	100
<b>ID</b>	All	All	All	All		N/A	N/A	N/A	N/A	N/A
<b>IL</b>					Ind	0	0	0	0	100
<b>IN</b>	All	All	All	All	All	6	27*	24	43	
<b>IA</b>					Ind., Sales, Other	0	0	0	0	100
<b>KS</b>				Ind., Bus., Other	Sales	0	0	0	0	100
<b>KY</b>	All	All	All	Ind.		0		45	55	0
<b>ME</b>	Other	Other**				N/A	N/A	N/A	N/A	N/A
<b>MD</b>					Ind., Sales, Other	0	0	0	0	100
<b>MN</b>		Ind., Other		Ind., Other		0	0	0	0	100
<b>MS</b>					Ind., Sales	0	0	0	0	100
<b>MO</b>	All	All			All	8	13	0	0	79
<b>MT</b>	Ind.	Ind.		Ind.		0	10	0	0	90
<b>NE</b>					All	0	0	0	0	100
<b>NJ</b>		Ind.		Ind., Sales	Ind., Sales, Other	0	0	0	0	100
<b>NY</b>					Ind., Other	0	0	0	0	100
<b>NYC</b>	Other	Other		Other	Other	23	15	0	62	0***
<b>NC</b>				All		0	0	0	100	0
<b>ND</b>					Ind.	0	0	0	0	100
<b>OK</b>	Ind., Bus., Sales	Ind., Bus., Sales	Ind., Bus., Sales	Ind., Bus., Sales		85	6	1	8	0
<b>OR</b>	Ind., Bus.	Ind., Bus.	Ind., Bus.			N/A	N/A	N/A	N/A	N/A
<b>PA</b>					All	0	0	0	0	100
<b>RI</b>					All	0	0	0	0	100
<b>UT</b>				All		0	0	0	100	0
<b>VT</b>	All	All	All			10	60	30	0	0

**Percentage of Total Credit Card Transactions**

	<b>Walk-In</b>	<b>Phone</b>	<b>Mail</b>	<b>Internet</b>	<b>3rd Party</b>	<b>Swiped</b>	<b>Phone</b>	<b>Mail</b>	<b>Internet</b>	<b>3rd Party</b>
<b>VA</b>	Other	Ind., Other		Ind., Other	Ind., Other	1	0	0	0	99
<b>WA</b>				Sales, O. Excise		0	0	0	100	0

\* Transactions received via phone are from third party.

\*\* Bills only for all tax types.

\*\*\* Less than one percent.

**IV. Debit/E-check**

	Taxes Covered	2001		2002		2003		2003 Total		2003 Revenue	
		Total	Amount (\$)*	Total	Amount (\$)*	Total	Amount (\$)*	% Ind.	% Bus.	%Ind.	%Bus.
<b>AZ</b>	Ind. - c	N/A	N/A	N/A	N/A	17,219	3,644	100	0	100	0
<b>CAFTB</b>	All Ind.	N/A	N/A	N/A	N/A	11,000	11,300	100	0	100	0
<b>ID**</b>	All	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>IL**</b>	All Ind.	N/A	N/A	N/A	N/A	N/A	N/A	100	0	100	0
<b>IN</b>	Ind. - c, All - d	N/A	N/A	N/A	N/A	7,128	2,446	92	8	89	11
<b>KY</b>	Ind. - c, All - d	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>LA</b>	Ind., Bus., Sales	300	15,000	3100	95,000	30,000	170,000	N/A	N/A	N/A	N/A
<b>MO</b>	All	N/A	N/A	N/A	N/A	771	1,610	N/A	N/A	N/A	N/A
<b>MT</b>	All Ind.	N/A	N/A	N/A	N/A	127	43	N/A	N/A	100	0
<b>NE</b>	All Ind.	N/A	N/A	N/A	N/A	50	4.33	100	0	100	0
<b>NJ</b>	All Ind., Sales	4,401	8,232	29,535	59,470	42,030	87,469	38	62	N/A	N/A
<b>NY***</b>	Ind., Sales, Other -c	N/A	N/A	N/A	N/A	N/A	N/A	9.57	90.24	0.11	99.88
<b>NYC</b>	Other	N/A	N/A	N/A	N/A	10,540	90,464	N/A	N/A	N/A	N/A
<b>NC**</b>	All	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>OR</b>	All Bus.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>UT</b>	All	N/A	N/A	N/A	N/A	5,900	9,100	61	39	12	88
<b>VA**</b>	All Ind., Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* \$ in thousands.

\*\* Credit card and debit card transactions tracked together.

\*\*\* NY debit transactions for amnesties and assessments receivable are tied to EFT transactions made through the state's PromptTax program.

## V. Additional Info

	<b>Satisfaction</b>	<b>Future Changes</b>	<b>Explanation of Changes</b>	<b>Comments</b>
<b>AL</b>	Very Satisfied	Yes	Add more payment types via Internet	
<b>AR</b>	Satisfied	Yes	Expansion to other taxes.	I have not included information on vehicle registration fees collected via Internet or IVR. These renewals are paid by credit card or authorized debit and we pay the merchant fees.
<b>AZ</b>	Satisfied	Yes	In calendar year 2004, we plan on making credit cards available for individual and business tax payments. Taxpayer will bear the cost of merchant discount fees/convenience fees.	
<b>CA FTB</b>	Very Satisfied	No		FTB's Taxpayer-initiated electronic debit program (Web Pay) is an FTB Web-based application where taxpayers request FTB to debit their bank account.
<b>CO</b>	Dissatisfied	Yes	Statute changes now allow us to charge a convenience fee. We expect to use more 3rd party in the future.	
<b>CT</b>	Satisfied	Yes	To include business taxes	
<b>DC</b>		Yes	We are going to add direct debit/e-check transaction capability.	
<b>ID</b>	Satisfied	Yes	Modification of files and increasing payment database.	\$400,000 was paid in fees for FY 2003.
<b>IL</b>	Very Satisfied	Yes	Seeking Legislation to allow credit card payments for all tax types. Expand Internet ACH debit payment applications.	We also accept credit cards for individual income tax estimated payments and extension payments.
<b>IN</b>	Very Satisfied	Yes	Will provide services to pay estimated payments via credit card or e-check in next two months; will provide ability to pay retail sales and withholding current tax via credit card or e-check in next nine months; both internet applications.	

	<b>Satisfaction</b>	<b>Future Changes</b>	<b>Explanation of Changes</b>	<b>Comments</b>
<b>IA</b>	Very Satisfied	No		While the negative feedback concerning excessive convenience fees has diminished, the complaint is still the most common. We find that the percentage based convenience fee is much more acceptable than the flat fee that is generally determined from a structured or tier-based pricing schedule.
<b>KS</b>	Satisfied	No		
<b>KY</b>	Very Satisfied	Yes	We plan to implement a new application in the near future to allow taxpayers to file and pay their sales and use and withholding tax via the Internet. Tax payers will be able to make payments via credit card or electronic check. Eventually, we plan to enhance this application to provide taxpayers the ability to pay delinquent taxes via the Internet using credit cards or electronic checks.	
<b>LA</b>		Yes	Use of credit cards beginning Fall 2004.	
<b>ME</b>	Satisfied	Yes	Examining the concept of making payments via Internet	
<b>MD</b>	Very Satisfied	Yes	We may expand credit cards to corporate income tax returns.	
<b>MN</b>	Very Satisfied	Yes	Continue to expand and increase.	
<b>MS</b>	Very Satisfied	No		
<b>MO</b>	Very Satisfied	Yes	It is possible that the MO DOR will switch vendors because the MO State Treasurer's Office is in the process of bidding a statewide credit card contract. Also, the department is in the beginning stages of implementing POP check truncation.	
<b>MT</b>	Satisfied	Yes	Planned changes are implementation of a direct debit option.	

	<b>Satisfaction</b>	<b>Future Changes</b>	<b>Explanation of Changes</b>	<b>Comments</b>
<b>NE</b>	Very Satisfied	No		
<b>NJ</b>	Satisfied	No		
<b>NY</b>	Very Satisfied	Yes	We plan to expand the use of ACH debit payments for personal income tax and business taxes.	We also accept ACH credit and Fedwire payments from high-dollar filers for Sales and Use Tax, WithholdingTax, Petroleum Business Tax and pre-paid Motor Fuel Tax.
<b>NYC</b>	Very Satisfied	Yes	Mandatory electronic payment of real estate taxes over a dollar threshold.	Charge-backs on card-not-present transactions, especially telephone payments through IVR, continue to be a problem.
<b>NC</b>	Satisfied	Yes	Beginning Jan. 1, 2004, taxpayers will be able to make notice payments using our IVR.	
<b>ND</b>	Very Satisfied	Yes	Adding additional tax types	
<b>OK</b>	Satisfied	Yes	Expand EFT payments to new taxpayers.	The detailed accounting and reconciliation is sometimes difficult.
<b>OR</b>	Satisfied	Yes	Business initiatives in place to go to a third-party vendor for all debts except publications, forms and services.	
<b>PA</b>	Very Satisfied	Yes	PA is in the process of negotiating a contract with a vendor to migrate all of the Commonwealth of PA's credit card programs to an Enterprise wide program.	
<b>RI</b>	Very Satisfied	Yes	Expand scope of taxes accepting credit card payments; researching use of e-checks	
<b>TN</b>		Yes	Tennessee plans to seek legislation authorizing acceptance of credit cards for all tax payment types in the 2004 session.	
<b>UT</b>	Satisfied	No		
<b>VT</b>				

	<b>Satisfaction</b>	<b>Future Changes</b>	<b>Explanation of Changes</b>	<b>Comments</b>
<b>VA</b>		No		
<b>WA</b>	Very Satisfied	Yes	The Department plans to implement an "i" check and other methods of electronic payment. However, the timelines for such future programs have not been determined at this time.	

**If you don't accept credit card payments, why not?**

- CA EDD** No business advantage in doing so — not cost-effective.
- LA** Inability or lack of decision to pay merchant discount fee.

**2003 FTA Credit Card Survey (Original Questions)**

Does your agency have the necessary legal *authority* to accept credit cards for payment of taxes or other fees collected by your agency?

- Yes       No

Do you have a program in place to accept credit card payments?       Yes       No

How do you handle the payment of the merchant discount fee normally assessed by credit card issuers for processing payments?

- The state pays the fee directly.
- Fee is added to taxpayer's account for service and paid by the taxpayer.
- The state uses a third party to process credit card payments. The taxpayer pays the fee to the third party.
- Other arrangement? \_\_\_\_\_

For what taxes or fees do you accept the card? (*Please note whether current or delinquent.*)

	<b>Current</b>	<b>Delinquent</b>
Individual Income Tax	<input type="checkbox"/>	<input type="checkbox"/>
Business Income Tax	<input type="checkbox"/>	<input type="checkbox"/>
Sales & Use Tax	<input type="checkbox"/>	<input type="checkbox"/>
Other Excise	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please Specify)	<input type="checkbox"/>	<input type="checkbox"/>

How many credit transactions do you handle per fiscal year?

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
Total Number			
Total Amount (\$)			

What percentage of credit card transactions are:

	<b>%</b>
Individual	
Business ( <i>All Types</i> )	

What percentage of the total revenue (\$) of credit card transactions are:

	<b>%</b>
Individual	
Business ( <i>All Types</i> )	

How do you accept transactions?

	<b>Walk-In</b>	<b>Telephone</b>	<b>Mail</b>	<b>Internet</b>	<b>3<sup>rd</sup> Party</b>
Individual Income Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Income Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales & Use Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Excise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please Specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What percentage of your total credit card transactions (FY 2003) are:

Card Present (swiped) \_\_\_\_\_%

Card Not Present -- via phone to your agency \_\_\_\_\_%

Card Not Present -- via mail to your mailroom \_\_\_\_\_%

Card Not Present -- via Internet (processed by you) \_\_\_\_\_%

Handled completely by third-party vendor \_\_\_\_\_%

Do you accept a debit card or e-check (taxpayer initiated electronic debit) for payment of taxes or fees collected by your agency? Yes No

If **Yes**, please describe:

	<b>Current</b>	<b>Delinquent</b>
Individual Income Tax	<input type="checkbox"/>	<input type="checkbox"/>
Business Income Tax	<input type="checkbox"/>	<input type="checkbox"/>
Sales & Use Tax	<input type="checkbox"/>	<input type="checkbox"/>
Other Excise	<input type="checkbox"/>	<input type="checkbox"/>
Other (Please Specify)	<input type="checkbox"/>	<input type="checkbox"/>

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
Total Number			
Total Amount (\$)			

What percentage of debit card transactions are:

	%
Individual	
Business ( <i>All Types</i> )	

What percentage of the total revenue (\$) of debit card transactions are:

	%
Individual	
Business ( <i>All Types</i> )	

What is the general level of satisfaction of your agency with the existing card processing program?

- Very Satisfied
- Satisfied
- Dissatisfied
- Very Dissatisfied

Are you planning on any changes in your electronic payment processing program in the next one to three years?

- Yes  No

If **Yes**, please describe:

Do you have any additional comments pertaining to your experience with credit and debit cards?

If you do not accept the cards, why not? *Check all that apply.*

- No business advantage in doing so – not cost-effective
- Lack of taxpayer interest
- Incompatible tax base (i.e., most taxes paid by large companies)
- Legislature or governor's office not comfortable with the policy
- Inability or lack of decision to pay merchant discount fee