



CDTFA

Electronic Levy Program

Participation Guide

About the eLevy Program

The California Department of Tax and Fee Administration (CDTFA) Electronic Levy (eLevy) Program reduces the amount of time financial institutions spend processing levies by using electronic file transmissions to automate the levy review process. This guide provides information about CDTFA's eLevy Program and details the enrollment process.

eLevy Program Contact

For questions regarding the eLevy Program, please contact the **Compliance Policy Unit** at:

eLevy@cdtfa.ca.gov

1-916-309-5399

Compliance Policy Unit MIC:40

California Department of Tax and Fee Administration

PO Box 942879

Sacramento, CA 94279-0040

Enrollment Requirements

To participate in CDTFA's eLevy Program, financial institutions must meet the following enrollment requirements:

- Purchase and implement the Accredited National Standards Institute (ANSI) ASC X9 Legal Orders Exchange Standard with the Companion Document (X9).
- Complete [CDTFA-1155, *Electronic Levy Program—Enrollment Form*](#), and send it to eLevy@cdtfa.ca.gov.
- Files will be exchanged through our Secure File Transfer Protocol (SFTP) application and the Pretty Good Privacy (PGP) encryption.

Further details about each requirement are explained below.

ANSI ASC X9 LEGAL ORDERS EXCHANGE STANDARD

We use the ANSI ASC X9 Legal Orders Exchange Standard with the Companion Document to transmit files from our system to financial institutions. The X9 was developed with two different file layouts that can be used for the electronic bilateral exchange of files (request and response files).

1. The request file delivers the levies to the financial institution. This file will contain the data needed to service levies on your customers' accounts.
2. The response file allows you to respond to us to advise if an account has been located and if funds will be returned.

The X9 Committee charges a nominal fee for using the X9 Standard. You must purchase it directly from the American National Standards for Financial Services. More information can be found at www.x9.org.

ENROLLMENT FORM

When you complete and sign CDTFA-1155, you agree to our requirements for exchanging data through SFTP and X9. Enrolling in this program makes the levy process more efficient for both parties. As part of this enrollment, the financial institution will maintain the privacy of its debtors' records and will not provide account numbers or any other private information.

When you sign the enrollment form, you agree to all the participation requirements and terms in this guide. Completed enrollment forms can be sent to eLevy@cdtfa.ca.gov. We will process your enrollment form and inform you if accepted into the eLevy program.

Enrollment remains in effect from the date you sign and accept CDTFA-1155. To end or change your enrollment, you must complete a new enrollment form and select *Change enrollment* in the *Action* box. Then, submit it to eLevy@cdtfa.ca.gov.

SECURE FILE TRANSFER PROTOCOL (SFTP)

We exchange files through our SFTP application. SFTP is a network protocol that enables secure file transfers over a network. We will work with you after we have received your signed enrollment form.

PRETTY GOOD PRIVACY (PGP) ENCRYPTION

PGP is a method of encrypting and decrypting data to provide privacy and authentication for communication. We will work with your financial institution to meet PGP standards after we have received your signed enrollment form.

Enrollment Agreements

By enrolling in the program, your **financial institution agrees** to the following:

1. Consider all levy request files received from CDTFA to be effectively issued and served, pursuant to California Revenue and Taxation Code (RTC) sections [6703](#), [8957](#), [30315](#), [32387](#), [38503](#), [40155](#), [41123.5](#), [43444.2](#), [45605](#), [46406](#), [50136](#), [55205](#), and [60407](#) which authorize CDTFA to serve a notice of levy by electronic transmission or other electronic technology.
2. Match an electronic levy file to the accounts currently maintained by your financial institution.
3. Submit a response file to CDTFA advising if accounts have been located for each record sent, funds have been withheld, and when those funds will be remitted to CDTFA.
4. Hold captured funds in the debtor's account for **ten** calendar days from date of receipt of the electronic levy before submitting payment to CDTFA, in accordance with Code of Civil Procedures (CCP) [701.030](#).

5. Notify the debtor and any other person listed on the accounts that you are holding funds according to a levy received and the date that you will transmit the funds to CDTFA.
6. Process our modification requests daily (electronically or by paper).
7. Waive any levy processing fee if the release file indicates that we issued the levy in error.
8. Submit payment for electronic levies by funds transfer to CDTFA via the Automated Clearing House (ACH) network.
9. Participate in system testing with CDTFA and to provide mockup customer data for testing. Generally, we test all possible ANSI ASC X9 response codes in our system before implementing electronic levies with new financial institutions.

CDTFA agrees to the following:

1. Provide a levy request file of qualified debtors subject to attachment to financial institutions Monday through Friday. If state holidays are on a weekday, the request file will be sent the following business day.
2. Accept and process the response file returned from the financial institution.
3. Provide such information as needed for the financial institution to comply with this enrollment, consistent with applicable statutes.
4. Confirm only debtor data we provide on the electronic levy file as information belonging to clients for whom we issued a valid and proper levy.
5. If the financial institution returns the response file indicating the completed results for all records contained in the electronic levy and remittance for matched records, the financial institution is deemed to have fully complied with its obligations regarding those electronic levies. In addition, we agree to release and hold harmless the financial institution of any liability for failing to match data due to errors including but not limited to misspelled names, titles, legal capacity, and transposed numbers.
6. The data contained in any electronic levy file submitted by the financial institution will be used solely for the purpose intended as it relates to issuing a levy.
7. Use all reasonable efforts to transmit all files electronically. However, CDTFA reserves the right to send levies by U.S. Mail and facsimile as needed. California is a community property state that issues community property (spousal) levies and, at this time, CDTFA may continue to send spousal levies by mail or facsimile.

Developing the Process

New onboarding financial institutions must participate in system **testing** with us before going live. Generally, financial institutions provide mockup customer data so we can test all X9 eLevy response codes in our system. We ensure all participating financial institutions can receive and send all needed files electronically without any errors before sending live debtor data. We will work with your financial institution to fix any issues found during testing.

Every participating financial institution must develop a process to receive and send files electronically with us.

Financial institutions must meet the following requirements when developing the process and testing their process:

- Create bank customer data for testing that includes all possible X9 response codes and provide this test data to us.
- Retrieve the request files from us for new and modified electronic levies.
- Process the request files for new and modified levies using the X9-formatted response codes.
- Create a response file using the X9-formatted response codes, such as *Funds Held* and *No Account Found*.
- Timely send the response file to us electronically with X9-formatted responses.
- When funds are held, promptly send payment electronically through ACH **ten** calendar days after the eLevy hold on funds (in accordance with CCP [701.030](#)).
- Immediately notify your CDTFA eLevy representative if any unauthorized access occurs.
- Replace files:
 - We may ask the financial institution to submit a replacement file if we encounter errors.
 - We will work with the financial institution to fix any errors.

IMPLEMENTATION TIMEFRAME

The implementation timeframe to participate in the eLevy program is based on our current technology projects and the financial institution's scheduling needs. Financial institutions must obtain the X9 format, develop internal processes, and implement internal testing. After the financial institution has completed internal testing, they must plan for additional time for external testing with us.

DEBTOR NOTICE

Upon receiving the financial institution's response, our system will send a letter by first-class mail to the debtor notifying them that a levy was issued.

DAILY FILE TRANSMISSION

We transmit data files to financial institutions daily Monday through Friday, except state holidays. The following are **holidays** observed by the State of California:

New Year's Day	Memorial Day	Thanksgiving Day
Martin Luther King Day	Independence Day	Day After Thanksgiving
Presidents' Day	Labor Day	Christmas Day
Cesar Chavez Day	Veterans Day	

Sending eLevy Payments

For levies sent electronically, our preferred payment method is through the ACH network. To report payments accurately, financial institutions should combine all monies into one ACH payment per eLevy, and funds must be in the CCD+/TXP format. The CCD+/TXP is a standard format adopted for tax payments by the ACH network and the National Automated Clearing House Association. Before sending us a payment, hold the funds in the debtor's account for ten calendar days from date of receipt of the electronic levy.

We will use reasonable efforts to transmit all levies electronically. However, **some situations will require paper levies to be sent via U.S. Mail as needed.** If a paper levy is issued to your financial institution, payments for paper levies should be sent to:

Cashiering Unit MIC:13
California Department of Tax and Fee Administration
PO Box 942879
Sacramento CA 94279-3535

For payments mailed to us, write the account number on the check and include the payment voucher. If you mail one check for multiple levies, you must include a list of allocation information such as debtor names, CDTFA account numbers, CDTFA letter IDs, and payment amounts.

General Provisions

LEGAL AUTHORITY

The law authorizes us to issue levies under RTC sections [6703](#), [8957](#), [30315](#), [32387](#), [38503](#), [40155](#), [41123.5](#), [43444.2](#), [45605](#), [46406](#), [50136](#), [55205](#), and [60407](#) by electronic transmission or other electronic technology.

The law authorizes us to issue community property levies under the CCP sections [700.160](#), [688.020](#), and [688.030](#), and RTC sections 6703 and 55205.

DEFINITION OF FINANCIAL INSTITUTIONS

- A *depository institution*, as defined in Title 12 of the United States Code (USC) [section 1813\(c\)](#).
- An *institution-affiliated party*, as defined in Title 12 USC [section 1813\(u\)](#).
- A *federal credit union* or *state credit union*, as defined in Title 12 USC [section 1752](#), including an institution-affiliated party of a credit union, as defined in Title 12 USC [section 1786\(r\)](#).

STATEMENT OF CONFIDENTIALITY

We have taxpayer income tax, sales and use tax returns, and other confidential data in our custody (RTC sections [64](#), [408](#), [7056.5](#), [9255](#), [30455](#), [32455](#), [38705](#), [43651](#), [45982](#), [45983](#), [45984](#), [46751](#), [50161](#), [55381](#), and [60609](#), and Government Code [Gov. Code] sections [15619](#) and [15570.84](#)).

Unauthorized inspection or disclosure of state returns or other confidential data is a misdemeanor (RTC sections [7056.5](#), [9255](#), [30455](#), [32554](#), [38803](#), [43605](#), [45954](#), [46704](#), and [55364](#), and Gov. Code sections [15619](#) and [15570.84](#)).

Unauthorized inspection or disclosure of federal returns and other confidential federal return data is a misdemeanor or a felony (Title 26, United States Code [Internal Revenue Code sections [7213A\(a\)\(2\)](#) and [\(b\)](#), respectively]).

CDTFA PRIVACY NOTICE

All unauthorized or suspected accesses, use, and disclosure (incidents) of the information obtained under this agreement shall be thoroughly reviewed by us. We comply with the incident reporting requirements in accordance with Gov. Code [section 11019.9](#), Civil Code [1798.29](#), and our privacy notice, which can be found at www.cdtfa.ca.gov/privacy.htm.

In the event of an unauthorized or suspected incident, you should immediately notify our Privacy Officer:

InformationSecurity@cdtfa.ca.gov

1-916-309-1862

ATTN: Privacy Officer

MIC:94

California Department of Tax and Fee Administration

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connecting with us



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