Oil and Gas Severance Tax – Payment Allocation Report Example

SCENARIO #1: Original return submitted with an UNDIRECTED payment

Initial account standing before any TAP activity occurs March 19, 2018:

Filing Period	Original Tax Due - Return	Tax Paid	Tax Liability Remaining	Interest	Penalty
12/31/2017	\$780,000	(\$780,000)	-	-	-
11/30/2017	\$630,000	(\$600,000)	\$30,000	\$55.10	\$325.29

1. New original return submitted before 3/26/2018:

Filing Period	Return	Tax	Penalty	Interest
01/31/2018	\$700,000	\$700,000		
	No prior period amendments			

2. A \$700,000 payment is made, effective dated before 3/26/2018, on the same day the return is submitted:

(See FYI-401 for additional details regarding payment effective date for **ORIGINAL** returns. For Fedwire/ACH Credit: The Department must have access to the funds on the due date, so check with your bank to determine the date to initiate the Fedwire or ACH Credit.)

Since no direction was added to ACH Credit or ACH Debit\eCheck payment, it will follow the standard offsetting rule:

Oldest period first, then within the period:

- a. Tax
- b. Interest
- c. Penalty

So the Payment Allocation Report for \$700,000 payment would be as follows:

Filing Period	Tax	Interest	Penalty	Other
11/30/2017	(\$30,000)	(\$55.10)	(\$325.29)	
1/31/2018	(\$669,619.61)			

The "other" column represents the amount of payment that has been refunded, transferred to another account, or is excess credit.

Account Standing as of 3/27/2018: Penalty and Interest would start to be assessed against the 1/31/2018 period, which was not fully paid off.

SCENARIO #2: Original return and amendment with a DIRECTED payment

1. Initial account standing as of date that return and amendment are submitted:

Filing Period	Original Tax Due - Return	Tax Paid	Tax Liability Remaining	Interest	Penalty
12/31/2017	\$780,000	(\$780,000)			
11/30/2017	\$630,000	(\$630,000)			

2. One original and One amended return are submitted before 3/26/2018:

Filing Period	Return/Amendment	Тах	Interest	Penalty
01/31/2018	\$700,000	\$700,000		
11/30/2017	Increase \$20,000	\$650,000		

Payment is made the SAME DAY as the returns submitted:

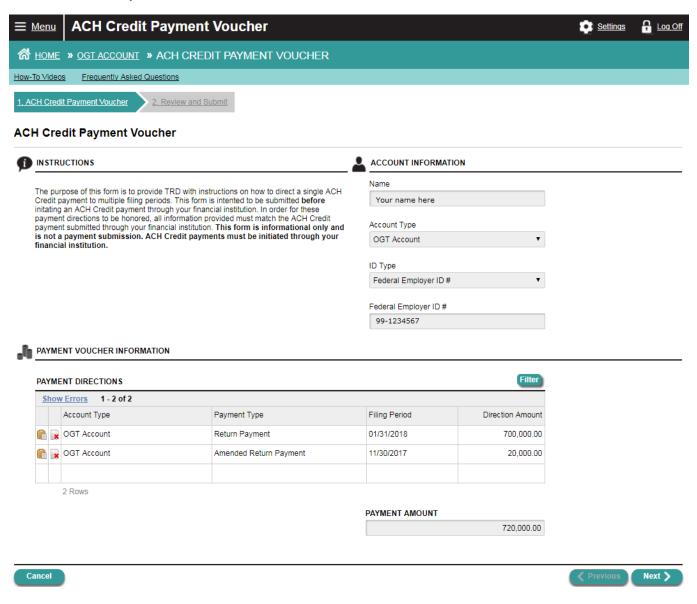
PAYMENT MADE:

Filing Period	Effective Payment Date	Тах	Interest	Penalty
01/31/2018	Up to 3/26/2018	(\$700,000)	0	0
11/30/2017	Previous or the same day the amendment is submitted.	(\$20,000)	Interest will start to accrue from Jan 26, 2018.	If amendment is within 12 months of original submission, and additional tax is due, no penalty will be assessed.

ALTERNATIVE METHODS FOR DIRECTED PAYMENT

1. ACH Credit/Fedwire

Via TAP ACH Credit\Fedwire VOUCHER



The taxpayer is responsible for initiating the ACH Credit with their financial institution. If taxpayer financial institution allows, please specify the SAME Federal ID to taxpayer-initiated ACH Credit payment as above, in this case, Federal Employer ID on the voucher. THIS WILL ENSURE THE TRD SYSTEM CAN ELECTRONICALLY MATCH THE INCOMING PAYMENT *WITHOUT ADDITIONAL DELAY*.

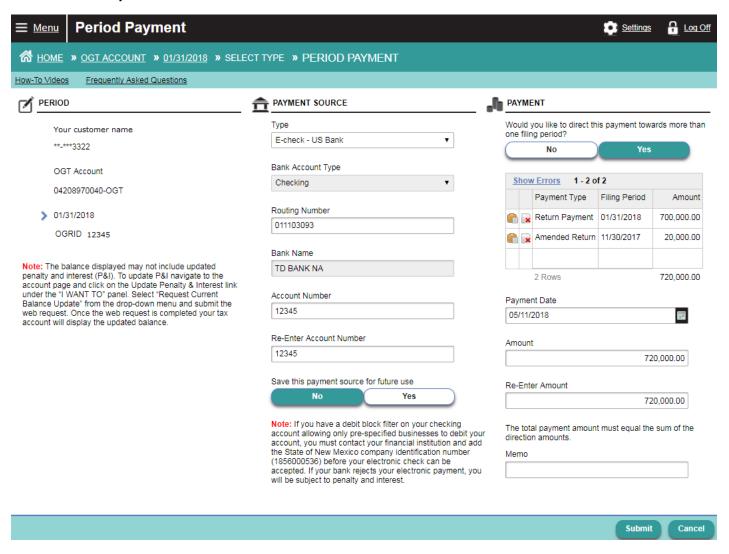
See guidelines in FYI-401 for ensuring, with your financial institution, the correct effective date ACH Credit and FeWire payments.

Upon receipt from TRD Fiscal Agent, TRD GenTax system will 'match' the incoming payment with the ACH TAP voucer and allocate the payment accordingly.

ALTERNATIVE METHODS FOR DIRECTED PAYMENT

2. eCheck\ACH Debit

via TAP Period Payment



NOTE: Using either of the ACH DEBIT\eCheck methods provided by TRD, ensures that the entire payment from that point forward can occur electronically without further delays for processing by multiple financial institutions and manual intervention of the part of the taxpayer or TRD. This is a more streamlined, timely method of payment.

ALTERNATIVE METHODS FOR DIRECTED PAYMENT

3. eCheck\ACH Debit

via XML Bulk File Payment Information Segment

```
<PaymentInformation>
 <PaymentPeriodEndDate>2018-01-31/PaymentPeriodEndDate>
 <PaymentType>Return Payment
 <IsInternational>N</IsInternational>
 <PaymentAmount>720000.00</PaymentAmount>
 <RoutingNumber>011103093/RoutingNumber>
 <AccountNumber>12345</AccountNumber>
 <DebitDate>2018-05-11
 <MemoField> </MemoField>
- <tblDirections>
    <rowDetail>
         <DirectionPeriod>2018-01-31/DirectionPeriod>
         <DirectionVoucherType>RTNPYM
         <DirectionAmount>700000.00/DirectionAmount>
   </rowDetail>
    <rowDetail>
         <DirectionPeriod>2017-11-30/DirectionPeriod>
         <DirectionVoucherType>AMEND/DirectionVoucherType>
         <DirectionAmount>20000.00/DirectionAmount>
   </rowDetail>
  </tbl/>irections>
</PaymentInformation>
```

NOTE: Using either of the ACH DEBIT\eCheck methods provided by TRD, ensures that the entire payment from that point forward can occur electronically without further delays for processing by multiple financial institutions and manual intervention of the part of the taxpayer or TRD. This is a more streamlined, timely method of payment.

YOUR ACCOUNT Payment Allocation Report

Filing Period	Тах	Interest	Penalty	Other
1/31/2018	(\$700,000)	-	-	-
11/30/2017	(\$20,000)	Interest will start to accrue from Jan 26, 2018.		

^{*}The "other" column in the Payment Allocation Report represents the amount of payment that has been refunded, transferred to another account, or is excess credit.

Account Standing as of 3/27/2018:

Filing Period	Tax Due	Tax Paid	Pen. Due	Pen. Paid	Int. Due	Int. Paid	Period Balance
1/31/2018	(\$700,000)	700,000	-	-	-	-	0
11/30/2017	(20,000)	20,000	-	No penalty will be assessed unless not paid within the year.	Interest will start to accrue from Jan 26, 2018.	-	Interest from January 26, 2018