



FTA E-file Symposium  
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# EMS/SRS CHANGES FOR TAX YEAR 2007, PROCESSING YEAR 2008

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## EMS/SRS Changes

- New login banner
- **Transmitters can re-hang/reset their Ack Files themselves!!!!**
- EMS/SRS Integration
- ETIN/EFIN Cleanup
- Securing Taxpayer Data
- New Internet Encryption Options
- Pub. 4557
- EMS Transmission Reminders
- Specific Return Changes
- Processing Schedules

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## New Login Banner

- **New Login Banner (spacing not exact):**  
THIS U.S. GOVERNMENT SYSTEM IS FOR  
AUTHORIZED USE ONLY!  
Use of this system constitutes consent to  
monitoring, interception, recording, reading,  
copying or capturing by authorized personnel  
of all activities. There is no right to privacy in  
this system. Unauthorized use of this system  
is prohibited and subject to criminal and civil  
penalties.

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## Re-hang/Reset ACK Files

- **Transmitters Can Re-hang/Reset all  
Types of ACK Files**
  - .ACK
  - .NAK
  - . Sss
- **By entering:**
  - **GTX Key** OR
  - **ACK File Reference Name**
- **Via New EMS Main Menu Option 8**

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## Reset ACK Menu

### MAIN MENU

- 1) Logoff
- 2) Receive/Send File(s)
- 3) Change File Transfer Protocol [ZMODEM]
- 4) Change Compression Method [NONE]
- 5) Request Transmission Status Report
- 6) Change Password
- 7) Show State Return Menu (available for State use only)

### **8) Reset Acknowledgment File(s)**

Enter your choice: **8**

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## Reset Options

### RESET ACKNOWLEDGMENT FILE(S) MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice: **9**

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## Incorrect Reset Choice

**Invalid menu selection. Try again.**

RESET ACKNOWLEDGMENT FILE(S)  
MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice: **2**

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## Reset by GTX Key

Enter

GTXKEY(SYYYYMMDDhhmmss.nnnn)

or press Enter to return to RESET  
ACK MENU:

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## Reset by ACK File Ref. Name

Enter ACK File Reference  
Name(MMDDnnnn)

or press Enter to return to RESET  
ACK MENU:

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## Reset ACK Error Message

**ACK identification data not in correct format.**

RESET ACKNOWLEDGMENT FILE(S) MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice:

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## ACK Not Found

**Requested ACK not found.**

**Please contact the IRS e-Help Desk  
for assistance.**

RESET ACKNOWLEDGMENT FILE(S) MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice:

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## ACK File Not Available

**Cannot reset Acknowledgment; file has  
not been processed yet.**

RESET ACKNOWLEDGMENT FILE(S)  
MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice:

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## Reset in DR Mode

**Cannot reset Acknowledgment; more than 1 Acknowledgment qualifies; use GTXKEY.**

RESET ACKNOWLEDGMENT FILE(S) MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice:

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## Successful Reset

**Acknowledgment successfully reset.**

RESET ACKNOWLEDGMENT FILE(S)  
MENU

- 1) Return to MAIN MENU
- 2) GTXKEY
- 3) ACK File Reference Name

Enter your choice:

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## Disconnect After 3 Failed Tries

- You will be disconnected **if 3 requests result in failure** to reset ACK File
  - This includes any combination of the following if you:
- Choose "Reset Acknowledgment File(s)" from the Main Menu and then immediately choose "Return to Main Menu".
- Enter incorrect response to the Reset Acknowledgment File(s) Menu, "enter your choice" prompt.
- Enter incorrectly formatted ACK identification data.
- Press Enter instead of supplying ACK identification data when prompted.
- Enter ACK identification data that is not found in database.
- Enter ACK identification data that is found in the database but the Acknowledgment cannot be reset.
- **Try to reset an ACK after resetting 10 ACKS**

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## Reset Maximum of 10 ACK Files

**Only ten Acknowledgments can be reset in one session.**

### MAIN MENU

- 1) Logoff
- 2) Receive/Send File(s)
- 3) Change File Transfer Protocol [ZMODEM]
- 4) Change Compression Method [NONE]
- 5) Request Transmission Status Report
- 6) Change Password
- 7) Show State Return Menu (available for State use only)
- 8) Reset Acknowledgment File(s)  
Enter your choice:

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## EMS/SRS Integration

### MAIN MENU

- 1) Logoff
- 2) Receive/Send File(s)
- 3) Change File Transfer Protocol [ZMODEM]
- 4) Change Compression Method [NONE]
- 5) Request Transmission Status Report
- 6) Change Password
- 7) **Show State Return Menu (available for State use only)**
- 8) Reset Acknowledgment File(s)

Enter your choice:

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## Two Messages Abolished

- Because of the integration of the SRS in the EMS, 2 messages will never occur anymore:
  - “State Return Menu is currently unavailable. Additional information may be available on IRS quick alerts.”
  - “State Return Menu is busy. Wait at least 10 minutes, then retry”.
- States can remove them from their code

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## Non-State Error Message

**Invalid Option. For State use only.**

### MAIN MENU

- 1) Logoff
- 2) Receive/Send File(s)
- 3) Change File Transfer Protocol [ZMODEM]
- 4) Change Compression Method [NONE]
- 5) Request Transmission Status Report
- 6) Change Password
- 7) Show State Return Menu (available for State use only)
- 8) Reset Acknowledgment File(s)

Enter your choice:

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## Non-State Disconnect

- A non-State TP will be disconnected if the State Return Menu option is requested three consecutive times from the Main Menu.

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## ETIN Cleanup in Fall

- On each e-file application/location, all **ETINS are retained if:**
  - Any single form has been in Production status since 10/2005 OR
  - Software Developer is a provider option
- Otherwise they are dropped
- No letter will be sent to you
- Occurs prior to November testing startup

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## EFIN Cleanup in Fall

- **Affects e-file applications where only form 1040 was selected**
  - If no accepted 1040 returns filed since 1/2006 for an EFIN:
    - EFIN will be inactivated
    - Letter sent to First Responsible Official
    - 60 days to request reactivation, otherwise EFIN is dropped
- **NOTE: If ETIN was retained in the ETIN cleanup or you selected any form other than 1040 on your e-file application or you are only an ISP, your EFIN is retained**

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## Secure Taxpayer Data

- It is everyone's responsibility to secure taxpayer data
- Tax return information includes notes, telephone conversations, not only the return
- Software can assist in keeping that data encrypted while stored
- Take care in how you index taxpayer data in your software
- Authenticate the users of your software when searching for returns

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## Encryption Options - Internet

- You requested that EMS offer stronger encryption algorithms for the Internet solution
- For 2008, there will be 3 options for SSL 3.0/TLS 1.0
  - **1) AES 128-bit (Treasury recommends #1)**
  - **2) TDES 168-bit (may affect performance)**
  - **3) SSL 128-bit (RC4) – current, but will phase out in 2009/2010**
- IRS device will auto-negotiate the options between IRS and your client software
- Telnet/S will remain the same
- Research and testing with current terminal emulation packages will occur
- Documentation will be updated in file specs & TP Manual
- Stay tuned

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## Encryption Acronyms

- AES = Advanced Encryption Standard
- DES = Data Encryption Standard
- SHA = Secure Hash Algorithm
- SSL = Secure Sockets Layer
- TDES = Triple DES
- TLS = Transport Layer Security

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## Encryption Options - Dedicated

- Current transmitters with dedicated/leased line and routers at IRS computing centers:
  - Should already be AES or TDES compliant
- Will receive request from IRS to update application for dedicated/leased line
  - Must submit the NIST certificate annually

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## Publication 4557 on IRS.GOV

- **ETA has prepared Publication 4557, Safeguarding Taxpayer Data, A Guide for Your Business**
  - guidelines for tax professionals includes software developers, transmitters, preparers (paid and unpaid)
  - Based on best practices
  - Based on Federal Trade Commission information and guidelines about the Gramm Leach Bliley Act
  - Based on IRS requirements (*IRS e-file* Revenue Procedure, IRS code, and other laws)
- **Encourage your customers to follow the guidelines**
- **Handy tri-fold brochure available – Pub. 4600**
- **Available on IRS.GOV – search by title or pub. No.**

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## Reminders About ACK Files

- **Be sure your software looks for these types of acknowledgment files**
  - .ACK files are acknowledgment files from the return processing system
  - .NAK files are for data communication errors, transmission rejects – be sure you look for them
  - .Sss files are your acknowledgment files from states
- **Some transmitters are ignoring them.**

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## Prevent Lockouts

- **Incorrect Logins**
  - 3 consecutive unsuccessful tries disconnects
  - 6 consecutive unsuccessful tries disables the account
- **Read your error messages** - Make sure scripts don't keep logging in and lock you out
- Be careful with automated password changes for all sites – **some of you locked yourselves or your clients out again this year**
- **Inform your customers about changes, your installation instructions, and special features**

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## Keep Customers Informed

- **Inform authorized e-file providers**
  - that dial-up was discontinued (**Yes, some folks are still trying to dial in**)
  - **about whether your software supports direct filing**
    - whether you have the interface built in
    - whether they need to acquire their own terminal emulation software and look in **File Specifications for transmission information**
  - or whether they have to use a third party
- **Be sure to give them your customer support number and IRS e-help number (866-255-0654) for authorized e-file providers only**

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## Read App. C in File Specs.

- **Acquire Correct Terminal Emulation Software that:**
  - Supports both Telnet/S (RFC854) **and** SSL 3.0/TLS 1.0 (using AES, TDES, or RC4)
  - Works with your Operating System
  - Accepts IRS Entrust Certificate
- **Remember to Notify your Network/Firewall staff or configure your system to:**
  - Open Port 992
  - Allow both outbound/inbound traffic

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## 1040 Changes

- Summary Record Errors for 1040 family
  - **“RECORD *n* <record-id> NOT IMMEDIATELY PRECEDED BY SUM RECORD”**

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## 1040EZ-T

- EMS will **reject 1040EZ-T** “Claim for Refund of Federal Telephone Excise Tax Paid” for 2008

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## ETD Changes

- Summary Record Errors for ETD
  - “**RECORD *n* <record-id> NOT IMMEDIATELY PRECEDED BY SUMETD RECORD**”

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## 1040 SS

- New Return
  - **1040 SS** - “U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Resident of Puerto Rico)”
    - Will use this ID also for 1040 PR returns - “Planilla para la Declaración de la Contribución Federal sobre el Trabajo por Cuenta Propia (Incluyendo el Crédito Tributario Adicional por Hijos para Residentes Bona Fide de Puerto Rico)”
    - One record layout to cover both
- See File Specs.

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## 1041 Changes

- Summary Record Errors for 1041
  - “**RECORD *n* <record-id> NOT IMMEDIATELY PRECEDED BY SUM RECORD**”

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## No More 1065 Proprietary

- 1065/1065B **Proprietary production ends 10/20/07**
- **NO MORE 1065 PROPRIETARY AT ALL**
- 1065/1065B in **XML in MeF only** for 2008
  - No longer an option in EMS
- EMS will reject with a communications error acknowledgment (.nak)

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## No MEF Returns via EMS in 2008

- **Last MeF Production in EMS - 12/27/07**
- **All MeF returns/forms for 2008 e-file to MeF only**
  - 990 family
  - 1065/1065B
  - 1120 family
  - 7004 and any other MeF forms
  - effective 11/5/2007 for PY2008 Test software
  - effective 1/7/2008 for PY2008 Production software
- **MeF transmissions will be rejected by EMS**
  - “MeF files cannot be transmitted through EMS”

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## State Mandate

- New State Mandates for e-file - January 2008
  - Louisiana
  - South Carolina
- Preparers who file 100 or > returns must e-file
- Contact states for specifics

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## State Return

- State Generic Record Increases to 2754 bytes
- ELF UNISYS will populate Field 0016 with “M” (= mis-match of ITIN/SSN)
  - If **W-2** has **SSN** AND
  - If **Tax Return** has **ITIN**

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## International Returns

- **If you are a State Taxing Authority and don't accept returns that have an International aspect**
  - Foreign & U.S. possessions addresses
  - U.S. possessions forms
  - Forms 2555/8833, 8854, or 8891
- **Inform the software developers**
  - Provide criteria (foreign address, certain Federal forms attached, limitations, etc.)
  - Provide alternative instructions
- **What happens to those returns or taxpayers?**

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## EMS Testing Cut-off Dates for Tax Year 2006/Processing Year **2007**

<u>Returns/Forms</u>	<u>Date</u>
• 94x family	12/15/07
• 94x Txyper. PIN Reg.	12/15/07
• 990 family	11/04/07
• 1040 family	10/20/07
• 1041	09/30/07
• 1065 proprietary family	09/30/07
• 1065 XML family	11/04/07
• 1120 family/F7004	11/04/07
• ETD	10/20/07

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**EMS Production Cut-off  
Dates for Tax Year  
2006/Processing Year 2007**

<u>Returns/Forms</u>	<u>Date</u>
• 940/944	04/30/07
• 941	12/15/07
• 94x Txyper. PIN Reg.	12/15/07
• 990 family	12/27/07
• 1040 family	10/20/07 (Transmitters last returns by 6 p.m. local time; States must pickup returns 4-6 hrs later; submit State ACKS by 4 p.m. on 10/22; Transmitters must pickup State ACKS. By 6 p.m.10/22/07)
• 1041	10/20/07
• 1065 proprietary family	10/20/07
• 1065 XML	12/27/07
• 1120 family/F7004	12/27/07
• ETD	10/20/07

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**EMS Testing Start Dates for  
Tax Year 2007/Processing  
Year 2008**

➤ HANDSHAKES	11/05/07
➤ <u>Returns/Forms</u>	<u>Date</u>
• 94x family	12/16/07
• 94x Txyper. PIN Regis.	12/16/07
• 1040 family	11/13/07
• 1041	12/03/07
• ETD	11/13/07

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**EMS Production Start Dates  
for Tax Year  
2007/Processing Year **2008****

➤ URL and Processing Charts will be updated on irs.gov

<u>Returns/Forms</u>	<u>Date</u>
• 94x family	01/07/08
• 94x Txpyer. PIN Regis.	12/16/07
• 1040 family	01/11/08
• 1041	01/28/08
• ETD	01/11/08