National Association of Computerized Tax Processors

FTA eFile Symposium

May 5th, 2010

3-Way Partnership

- Why are we here?
  - Provide high level briefing of standards
  - Work with states and TIGERS
  - Partnership between all groups will provide most usable MeF Standards Document

History of MeF Standards Document

- Based on Legacy Standards
- Changed any items specifically for Legacy to MeF
- Added some additional MeF only items

New Generation of Standards

- XML
- TIGERS
- Learning Curve
- Re-establish Consistency and Stability

Follow TIGERS Standards!

- Review and Follow the TIGERS Standards and Best Practices Documents
- Use the TIGERS Schema Components
- Do not change the static schema files in the TIGERS deliverable
- REMEMBER – TIGERS requires a schema review for new schemas
- www.statemef.com

I. Communications

- Preliminary XML Schemas by Sept. 1st of current year
- Final XML Schemas by Oct. 31st of current year
- Changes and updates to the original schemas should be available electronically
- Use the TIGERS zip file payload
- Provide a summary of changes…diff file preferred
- Any changes to the schemas after Nov. 1 should be announced via the NACTP listserv (nactp_list@nactp.org)

II. Schema Contents

- Schemas should utilize the standardized schema components developed by TIGERS, see statemef.com
- Element names should strictly contain non-whitespace, alphanumeric characters and must start with a non-numeric character
- In determining the datatype for elements, the state should take advantage of the numerous data types provided by the IRS and TIGERS
- Numerous miscellaneous schema guidelines

III.A. Acknowledgment Standard

- State returns should be processed timely and acks posted within 1 business day of state receipt of the returns from the IRS or transmitters, in the case of Direct States
- Acks should include the Submission ID
- Reject duplicate filings
- EFT code field should be the same codes as IRS uses

III.B. Business Rules

- States should adopt the equivalent of the IRS business rules for error conditions and message content.
- Business rules should be as specific as possible
- Business rules should be separated by Form and should reference the data elements for that form
- Business rules codes should follow the IRS formatting
- States should reject returns if the return does not contain all necessary information or incorrect information
- States should eliminate "C"onditional and "N"otification codes
- Rejects should reflect the Xpath

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IV. Testing Package

- Test packages should be available 3 to 4 weeks prior to the start of Federal testing, around October 1st
- The number of state tests should be limited to 12 returns or less AND should be available in one package
- Test returns should be prepared by a tax specialist to avoid issues during the season regarding application of tax law, if using scenario based testing
- Returns in the test package should only include high volume forms, if using scenario based testing
- During the phase-in of MeF, the same tests should be used for XML and legacy testing
- Include testing start date in the test package
- Include the Date first transmission must be sent by, if applicable
- Include the Date that testing must be completed by, if applicable
- Test package should include state contact information, including phone number and email address
- Test retrieval from IRS should be done at least twice a day and feedback provided promptly (within 24 hours)
- Test Compare should include Form/Schedule name, data element, answer received and answer expected
- Test compare process should be automated by the state. Several states have this in place currently and we encourage states that do not to contact those states for assistance on automation.

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V. Unlinked (State-Only) Filing

- States should be prepared to receive duplicate filings and should reject those filings
- States should allow unlinked filing without limitations
  - All states should allow non-linked returns
  - All returns should be allowed to be filed non-linked. This includes the nonresident/part year returns
- If linked and non-linked are supported by a developer, then at a minimum states should require one PATS test of each and the remainder should be transmitted however the developer chooses.

VI. Direct/Independent States

- The schema structure and naming convention should be consistent with IRS schemas. The state return should be first, followed by the federal copy, if requested
- To further automate the electronic filing acknowledgment process, the state system should support automation by using a scripting language and the login procedure should be detailed
- State acknowledgment system should be available 24/7 and support reposting of "lost" acknowledgments throughout the entire tax year

VII. General Standards

- If the state still has a signature document, it should not be required to be transmitted in via PDF. The ERO and/or taxpayer should be allowed to retain the document for a specified period of time.
- States should use their website and/or the NACTP listserv to update transmitters and vendors on the status of their e-file system throughout the season, including delays in posting acks
- Online packages should only have to test one return for online filing if they have already tested their professional package and the online calc engine is using the same as their professional package

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Conclusion

- Send comments to Rebecca McCaulley at efilegirl@aol.com

QUESTIONS???

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