

<XML Development 2004>

Terry Garber
SC Department of Revenue
garbert@sctax.org
Chair, TIGERS

<Why XML and SOAP?>

- Standards Based
- Abundance of inexpensive tools
- Browser and web services protocol
- Browser readable data
- Human readable “tags”
- Schema validation of data on input

<Three Programs, One Architecture>

- Fed/State Employment Taxes (FSET)
- Fed/State 1120
- Streamlined Sales Tax (SSTP)
- Similar transmission structures
- Similar acknowledgement structures
- Reuse of technique

<FSET: Program in Transition>

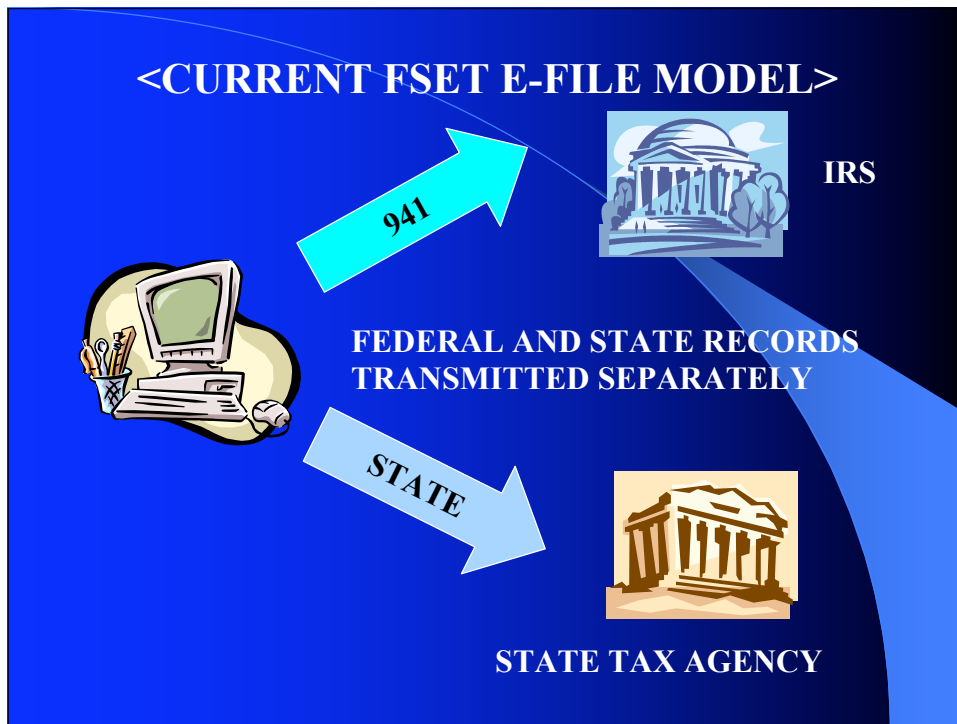
- Based on IRS 94x XML e-file
- Schemas developed by STAWRS contractor
- Schemas refined and maintained by TIGERS
- Version 1.06 now published

<FSET Transmission>

- Transmission header
 - Transmission ID and timestamp
- Transmission manifest
 - Points to Origin headers or directly to returns via MIME content boundaries
- Origin headers
 - Identify Originators and point to returns for each Originator

<FSET Return Data>

- Content Location contains link to headers via Business Tracking Number
- Return Header contains identifying information on return filer
- Return may be State Withholding, UI, Combined, or Annual Reconciliation
- Payment may optionally be included

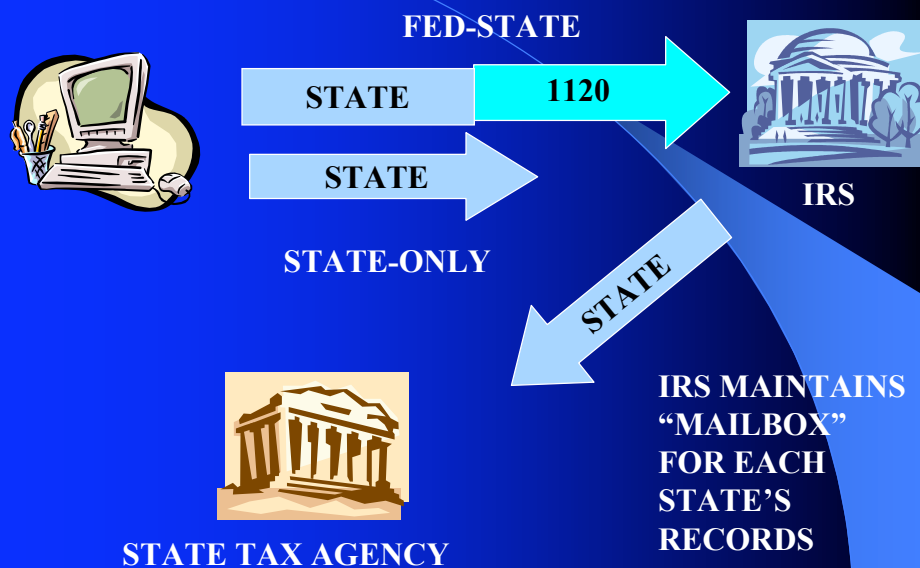


- ### <FSET Status and Future>
- Pilot implementations in Illinois and Connecticut; Maryland planning; California on hold
 - Schemas shaking out minor changes in implementation
 - Future: Full Fed/State functionality when 94x moved to IRS Modernized Platform in 2007(?)

<Fed/State 1120: Under Construction>

- IRS approached states in May 2003
- Business requirements developed by November 2003
- Deployment team formed to refine business requirements
- TIGERS coordinating technical development

<PROPOSED 1120 E-FILE MODEL>



<Fed/State 1120 XML Schema Development>

- Decision to base schema set on “categories” rather than forms
- Each state built a spreadsheet of all Corporate data elements, classified by category
- Ken Jaslow of KPMG merged the state data into one Master spreadsheet with a page for each category

<Fed/State 1120 Schema Development>

- Now volunteer states are “boiling down” each category page to consolidate recurring data elements
- Each consolidated page will be coded as an XML schema
- Plan includes Return Header schema and schema for miscellaneous and “checkbox” elements

<Fed/State 1120 Packaging>

- Challenge: a Fed/State 1120 return may include
 - Federal return with both XML and multiple PDF attachments
 - One or many state returns, EACH with XML and multiple PDF attachments
 - Copy of federal return, with all its parts, packaged with EACH state return

<Fed/State 1120 Packaging>

- Two possible “packaging” techniques
 - MIME Multipart used by 94x and 1120
 - Zip Archive using file structures
- Either will include Transmission Header and Manifest
- Decision must be made this summer

<SSTP: Almost Ready>

- Architecture “borrowed” from FSET and IRS 1120
- Transmission Header
- Transmission Manifest points to all Documents in transmission
- Documents may be of multiple types
 - Simplified Electronic Return (SER)
 - Information Report
 - Registration
 - Each Document has its own Header

<SER: Short and Sweet>

- Basic Sales and Use Tax Return Data
 - Gross Sales
 - Total Exemptions/Deductions
 - Tax Calculations
 - Discounts, Penalty and Interest
- Jurisdiction Sales and Use Tax
- No Location Break-out
- Optional Payment in SER Document

<Information Report>

- Covers no less than six months
- Does not duplicate SER – not intended for reconciliation
- Optionally provides Location detail by month
- Provides Jurisdiction detail by month
- Provides detail on approved exemptions/deductions, discounts, and other taxes paid with Sales and Use

<Streamlined Registration>

- Simplified Registration for remote sellers
- Two separate schemas
 - New Registration (elements mandatory)
 - Changes (only changed data elements)
- No fees or payments
- Online program under development by MTC; will send XML to states

<It's Happening at TIGERS>

- Focal point for all three programs
- Working to develop the best XML architecture across multiple tax types
- Future work will include 1040
- TIGERS brings together IRS, states, and industry – come join us!
- Next meeting June 7-10 Chicago