

## STATE UPDATES

### *Alabama (as of 4/23/2003)*

TOTAL E-FILE RETURNS TO DATE: 639,066

TOTAL BARCODE RETURNS TO DATE: 183,951

% OF E-FILED RETURNS TO DATE: 55%

% OF BARCODE RETURNS TO DATE: 36%

TOTAL FED/STATE (PIGGYBACK RETURNS): 615,328

TOTAL STATE-ONLY RETURNS: 23,738

TOTAL FREE-FILE ALLIANCE RETURNS: NONE (THEY DID NOT SUPPORT ALABAMA).

PROBLEMS RESOLVED: NO MAJOR PROBLEMS

CURRENT ISSUES: FREE-FILE ALLIANCE DOES NOT SUPPORT FREE ALABAMA E-FILE. I WOULD LIKE THE VENDORS TO ALLOW FREE E-FILE FOR ALABAMA USING SAME FED CRITERIA FOR FREE FED E-FILE.

EXTEND DATE FOR FILING: N/A (DID NOT PASS)

NEW FORMS: NO NEW FORMS – TOO EARLY TO REALLY SAY WHAT FORMS MIGHT BE ADDED FOR NEXT YEAR.

NEW PAYMENT ALTERNATIVES: NO – SAME

ENHANCEMENTS TO DIRECT WEB: N/A

SIGNATURE REQUIREMENTS FOR STATE-ONLY: AL8453 (SAME AS PIGGYBACK)

TOTAL NON-RESIDENT RETURNS TO DATE: 23,700

TOTAL PRIOR YEAR RETURNS: 62,253

TOTAL CREDITS TO OTHER STATES: STAT NOT AVAILABLE AT THIS TIME

STATE-ONLY/MULTIPLE STATE FILING: NO ISSUES

DEVELOPER TOP 5: OFFER FREE STATE E-FILE VIA THE ALLIANCE

ARIZONA 2003

	<b>VOLUMES</b>	
<b>Electronic Returns</b>		
Total Efile Returns (piggyback & state only)	723,671	
Total State Only Returns	29,572	
2-D BarCode Returns	99,934	
Direct Deposits	311,960	
Direct Debit	21,000	
Total Free File Alliance	N/A	
Credit To Other States Returns	N/A	at this time
<b>Paper Returns</b>		
Total Paper Returns	1,482,197	
Non-Resident & Part-Year Resident Returns	95,592	
Prior Year Returns (excludes amended)	40,626	
Direct Deposits	110,056	
Credit To Other States Returns	N/A	at this time

**State Only Filings (SO)**

AZ e-signature is only valid for Fed/State transmissions.

A large number of our rejects were due to SO returns having an AZ e-signature.

A considerable number of EROs had difficulty removing e-sig from state return in order to re-tra

**Developer Top 5**

Support all forms available for e-file.

Support State Only filing

Limit multiple, same day SO transmissions to "one" (before state has opportunity to send Ack).

Greater instruction clarity to users regarding state requirements for such things as: e-signature,

Provide state incentives to Federal Free Filers

***Colorado***

Total efile returns for the filing season: 662,530

Percentage of efiled returns: 52.8%

Total Fed/State (piggyback) returns: 571,751

Total State Only/Multiple State returns (if captured): 10,532

Current Issues: duplicate state only returns

Extend date for electronic filing if federal legislation passes: same as federal

New forms: none

New payment alternatives: possible credit card

Total Non-resident returns: 40,353

Total Prior Year returns: none

Total Credit to other state returns: unknown

State Only/Multiple State Filing - List any issues encountered.  
duplicate filings

Developer Top 5: duplicate filings

## *Connecticut*

Total e-filed returns for tax year 2002 is at 575,000 as of this date

The percentage of Connecticut returns e-filed is at 65%

The total of fed/state returns that were piggybacked is 375,000

Will Connecticut extend the date for electronic filing if federal legislation passes? We will make every effort to follow the federal guidelines.

At this time we have no new forms, although we are inquiring about including alternative minimum tax in the electronic filing program. No new payment alternatives or enhancements to our direct web file programs are being considered at this time.

The total number of Non Resident returns is 13,700

State only issues/problem areas: Duplicate returns

Top 5 Areas that Software Developers could help improve state e-filing:

1. Better edit checks for withholding entry. Several instances occurred where the Withholding tax was doubled for state purposes. There seems to be confusion when the summary of the total tax withheld screen is reviewed by the preparer.
2. Better edit checks or descriptions for non-state sourced income. Once again there is confusion as to what actually qualifies.
3. Better edit checks for out of state jurisdiction codes. The return should not go through without all of the required information completed.
4. Quicker delivery of software updates to ero's during the filing season.
5. Inform taxpayers on what procedures to follow for state filing.

## *Hawaii*

Total efile returns for the filing season: 112,138 of April 16, 2003.

Percentage of efiled returns: 60%

Total Fed/State (piggyback) returns: 106,326 of April 16, 2003.

Total State Only/Multiple State returns (if captured) HI did not accept state-only

Total Free File Alliance--Free State Returns (if applicable) NA

Problems resolved

Developers corrected programs upon notification of rejected return.

Developer corrected program so that 1099Gs were transmitted to Hawaii.

Current Issues

Hawaii reject codes need to be clearer.

Extend date for electronic filing if federal legislation passes Not sure – see note in 5)

New forms None planned.

New payment alternatives Possibly get Direct Deposit and electronic payments in 2004

Enhancements to direct web file programs None planned

Signature requirements for State Only/Multiple State NA

Total Non-resident returns 7825 as of March 31, 2003

Total Prior Year returns 4539 as of March 31, 2003

Total Credit to other state returns Not available

State Only/Multiple State Filing - List any issues encountered. Hawaii didn't accept state-only.

Developer Top 5:

1. Let me know how to write/do our reject codes better.
2. Follow the file specs for the generic record to avoid rejected returns.
3. Follow the file specs for field sizes in the unformatted record.
4. Help your EROs trouble shoot a return when your diagnostic tells them there's an error they need to correct.

## **Idaho**

1. Total E-filed as of April 18th.	205,226
2. Percentage of e-filed returns.	35%
3. Total Fed/State	194,712
4. Total State only	Not Captured
5. Total Free Alliance	N/A
6. Problems Resolved	Acks Problem, Software issues
7. Current Issues	Multiple state only filings
8. Extend date for e-file	No discussion on this has taken place
9. New Forms	No new forms
10. New Payment	No
11. Enhancements to web.	Looking at the free alliance program.
12. Signature	No signature requirement for Idaho
Total Non-resident returns	63,944
Total Prior year returns	10,046
Total Credit to other states	16,444

State only/Multiple state filing. Problems with duplicates from both on-line filing and ERO'S.

Developer top 5.

1. Make it painfully obvious and absolutely painless to Fed/**State** E-File not just Fed.
2. Develop all state forms.
3. Knowing the requirement to file for each state. Idaho really has a problem with this because of our Permanent building fund tax and the grocery credit we give, based on the requirement to file.
4. Earlier testing would be of great help instead of waiting until December/January.
5. Give Idaho a test diskette so that we can do some additional testing, have had a lot of problems especially with the on-line filers.

***Illinois (as of 4/30/2003)***

Total efile returns for the filing season: 1,912,022 total electronic, which includes 118,982 internet. We also have 761,364 barcode returns which is not included in the electronic total.

Percentage of efiled returns: 44% electronic out of all IL returns; 17.3% barcode out of all IL returns; 2.7% Internet out of all IL returns

Total Fed/State returns: 283,192 (270,056 efiled and 13,136 PC-File)

Total state only returns: 1,381,414 (1,150,714 efiled and 230,700 PC-File)

Extended date for electronic filing if federal legislation passes? Yes

Signature requirements for state only: IL uses the IL-8453 with efile which the tax professionals retain for a period of 3 years and the IL-PIN for PC-File, Internet filing, and TeleFile.

Total Non-resident returns: 50,759 as of 4/3/03

Total Prior Year returns: 57,755 as of 4/29/03

Total Credit to other state returns: 56,851 as of 4/3/03

***Kentucky (through 4/20/2003)***

Total efile returns for the filing season:

E-file 700,009

Barcode 170,000

Percentage of efiled returns:

Expected returns 1.7 million

E-file % to total 41.2

Barcode % to total 10

Total Fed/State (piggyback) returns: 693,046

Total State Only/Multiple State returns (if captured): 6963

Current Issues: The biggest issue from this filing season was the state only returns. It seems that some software companies allowed taxpayers to file numerous state returns. The number of duplicate returns submitted this year exceeded all other years combined and all duplicate returns were state only returns.

Extend date for electronic filing if federal legislation passes: Kentucky will follow the IRS.

New forms: At this time there are no new forms planned for next tax year.

New payment alternatives: Kentucky is working on our E-pay site at this time and hope to have Direct Debit and E-checks in place by the next tax year. We currently accept credit cards.

Signature requirements for State Only/Multiple State

The taxpayer must complete the 8453-K and keep it with their records.

Marcus Deaton II

E-Commerce System Analyst

200 Fair Oaks Lane

Station 27

Frankfort, KY 40601

P (502) 564-6033 Ext. 4858

F (502) 564-9571

E [Marcus.Deaton@mail.state.ky.us](mailto:Marcus.Deaton@mail.state.ky.us)

*Louisiana Department of Revenue*

**Current filing season statistics** (NOTE: Louisiana returns are not due til May 15)

--Total efile returns for the filing season (include a figure for barcode or direct internet if applicable)	609,130 (includes 32,112 dir barcode)
--Percentage of efiled returns (also barcode or direct internet if applicable)	Not Available - returns are no
--Total Fed/State (piggyback) returns	577,018 as of 4/30/03
--Total State Only/Multiple State returns (if captured)	14,432 as of 4/30/03
--Total Free File Alliance--Free State Returns (if applicable)	
--Problems resolved	
--Current Issues	
--Extend date for electronic filing if federal legislation passes	Louisiana returns are current
--New forms	
--New payment alternatives	Direct Debit offered this year
--Enhancements to direct web file programs	Direct Debit offered this year
--Signature requirements for State Only/Multiple State	ERO retains signature docum
<b>Additional items requested by NACTP:</b>	
--Total Non-resident returns	Not Available
--Total Prior Year returns	27,940 as of 4/30/2003
--Total Credit to other state returns	Not Available
<b>State Only/Multiple State Filing</b> - List any issues encountered.	
<b>Developer Top 5:</b> Please list top 5 areas where software developers could help improve state e-filing (could be things that are already implemented by some companies). You can list more than 5 if you want.	
Make if CLEAR if state return will be sent with federal, and clearly acknowledge if State was submitted w/federal - several complaints due to mistaken impression that state return was submitted w/federal, but was not.	
Review the Status of State Electronic Filing Programs for Individual Income Tax and provide updates as necessary.	
Need to show that Louisiana accepts ACH Debit	

## *Mississippi*

Total efile returns for the filing season: 464,779

Percentage of efiled returns: about 40%

Total Fed/State (piggyback) returns 464,779 (all of our e-file returns are fed/state

Total State Only/Multiple State returns (if captured) we don't have those stats

Total Free File Alliance--Free State Returns (if applicable) we don't have those numbers.

Problems resolved: Everything went great for us. We only had the everyday mundane problems.

### Current Issues

We will be implementing a new intergrated tax system in October 2003. There will be growing pains for us in 2004. We will also launch a new viewer for e-file returns in July 2004. Right now we are not looking to change anything with e-file until we get through all these changes.

Extend date for electronic filing if federal legislation passes

We would like to extend our due date if the legislation passes, but we will need a law change. We are keeping our eye on this issue.

New forms: I do not know yet. We have not started development of our forms.

New payment alternatives: None as of yet.

Enhancements to direct web file programs: N/A

Signature requirements for State Only/Multiple State: Same as for Fed/State

Following information not available:

--Total Non-resident returns

--Total Prior Year returns

--Total Credit to other state returns

State Only/Multiple State Filing - List any issues encountered.

The biggest problem we had was the receipt of many duplicate returns. Most were caught and cancelled before the return was loaded into our tax system.

Developer Top 5: I think things are going smoothly for us right now.

Niki Meadows

E-file Coordinator

(601) 923-7055

[nmeadows@mstc.state.ms.us](mailto:nmeadows@mstc.state.ms.us)

**Missouri (as of 4/17/2003)**

Total efile returns for the filing season:

Fed/State E-File	1,011,210
Fed/State Telefile	53,852
2D Barcode	147,227
State Webfile	10,987
<u>Total</u>	<u>1,223,276</u>

Percentage of efiled returns: 49%

Total Fed/State (piggyback) returns: 1,011,210

Total State Only/Multiple State returns: 28,307

Problems resolved: No major problems.

Extend date for electronic filing if federal legislation passes: No action taken by the legislature yet.

New payment alternatives: Added E-Check and business transactions to Credit card/E-Check system.

Enhancements to direct web file programs: None

Signature requirements for State Only/Multiple State: Same as Fed/State requirements.

Total Non-resident returns: 57,570

Total Prior Year returns: No statistics available.

Total Credit to other state returns: 3,392

State Only/Multiple State Filing - List any issues encountered. Received a few more duplicate returns but otherwise very smooth.

Developer Top 5:

1. Consistency of software from testing to production.
2. Support all forms and occurrences.
3. Release of accurate information through customer support.

# NEBRASKA DEPARTMENT OF REVENUE

## E-FILE UPDATE REPORT FOR PROCESSING YEAR 2003

*TAX YEAR 2002 E-FILE STATISTICS AS OF 04/23/2003 (numbers are approximate)*

Total e-file returns:	351,850
Percentage of total returns e-filed:	48%
Internet returns:	9,600
Telefile returns:	41,975
Fed/State returns:	300,275
State Only/Multiple State returns:	9,825
Returns with One or More Reject Codes:	3,690
Rejects Resent and Accepted:	1,730
Free File Alliance--Free State Returns:	(not applicable)
Non-resident returns:	13,740
Part Year resident returns:	6,475
Prior Year returns:	(not accepted in NE e-file)
Credit to other state returns:	7,965

### *PROBLEMS RESOLVED*

- In past years, we experienced considerable difficulties with EROs not getting Acknowledgments. Two things that helped to resolve this problem were to switch to StAck as our service, and to issue Reject Codes for returns with construction or basic calculation errors. The change to rejecting returns also helped us to reduce staff time needed to do error correction.
- Our decision to forgo licensing EROs has benefited our program because we eliminated a leading source of errors (ERO not licensed). It also encouraged many out-of-state return originators to e-file Nebraska returns, when before they would not have wanted to bother with registering with us.

### *CURRENT ISSUES*

- We need to develop expertise in our agency in XML and the schemas being developed by TIGERS in order to be in a position where we can readily convert our income tax e-file program, and participate in other new Fed/State e-file programs now being planned.

### **EXTENDED DATE FOR E-FILE (if federal legislation passes)**

- If the federal legislation merely changes the date payment can be made on an electronic return **but does not change the actual due date of the return**, then our statute will not

allow us to do anything other than keep our April 15th payment date. A statutory change would be needed to alter this result. If, however, the federal legislation extends the actual **due date** (not just the payment date) for an electronic return, then we can piggyback off that extended date.

### *NEW FORMS*

- At this time, no additional forms are being added to those supported in our e-file program.

### *NEW PAYMENT ALTERNATIVES*

- Nebraska supports payment by check, money order, electronic funds withdrawal and credit cards. No other new payment alternatives are currently planned.

### *ENHANCEMENTS TO DIRECT WEB FILE PROGRAMS*

- Last year, we planned to add our long form, Form 1040N (resident only), to our Web-based NebFile system, but budget issues and other unplanned delays prevented it. We will continue this development, and it should be available for processing year 2004.

### *SIGNATURE REQUIREMENTS FOR STATE-ONLY/MULTIPLE STATE*

- Our signature policy for state-only/multiple state filings is the same as it is for original Fed/State filings.

### *STATE-ONLY/MULTIPLE STATE FILING ISSUES*

- EROs and individuals who used software that did not support State-Only/Multiple State filings were left with no option but to file paper returns when a state reject was issued.
- We found that some software companies did not provide adequate instructions to users regarding how to initiate a state-only return.

### *TOP 5 AREAS FOR DEVELOPER IMPROVEMENT*

- When preparing schedules and worksheets that are part of the Nebraska mapping of the generic record, we continue to encounter a number of problems with these being incomplete. The schedule or worksheet may contain one or two lines, but other required lines were missing. Errors associated with our schedule for reporting tax due to another state was the leading reject condition for us. Problems included missing lines (RC = 408) and missing State Abbreviation (RC = 407).
- Our top 5 reject conditions (after errors on our schedule for reporting tax due to another state – see above) were: (1) return already filed for that SSN, (2) Schedule II Nebraska tax differed from base form, (3) non-resident or part year resident return with missing Schedule III, (4) ERO name is missing, and (5) Software License Number is not approved. For the most part, we feel these to be problems that should be relatively easy to correct.
- All developers should support State-Only/Multiple State transmissions. Educating our taxpayer assistance staff on who could retransmit and who could not was difficult.
- Some of the more difficult errors to resolve with EROs occur because their software allows them to override the values it calculates. A lot of problems could be averted if the software always recalculated and verified the entire return's contents prior to its final completion.

- In prior years, we used a Mailbox ETIN to post acknowledgments. Our conversion to StAck went very well with the exception that some software companies/transmitters failed to make the switch, and continued to provide us ETINs instead of valid StAck Mailbox IDs. While this was a one-time conversion issue, it points out problems we sometimes experience with communications between our agency and software developers. In this case, our agency was at fault because our specs were unclear about what was expected. However, we did notify developers that we were going with StAck, and anticipated developers would know what the StAck requirements were for Mailbox ID.

### *PLANNED INCOME TAX CHANGES FOR TAX YEAR 2003*

- There will be a one-year income tax rate increase for Tax Year 2003.
- A new line will be added to both our long and short forms. This is a contribution check-off for the State Fair Foundation. The amount of this contribution will reduce the taxpayer's refund.
- Changes in Indexed amounts for 2003 include: Personal exemption credit will be increased to \$99 per federal exemption. Phase-outs of personal exemption credit are: Single-\$70,000, Married Joint-\$116,000, Head of Household-\$97,000. The Federal Standard Deduction will be increased to: (Single-\$4,750, Married -Joint-\$7,950, Head of Household-\$7,000, etc.). Phase-out threshold for itemized deductions, standard deduction, additional tax rate-\$139,500.
- Piggybacked federal changes: Elimination of Self-employed Health Insurance Deduction (federal deduction for 2003 is 100%). Higher values for Nebraska Child Care Credit (25% of federal credit allowed) (federal values increasing in 2003 for amount allowed to be spent per child, in the percentage federal credit granted, and with higher income brackets for each percentage)

### **POTENTIAL CHANGES UNDER CONSIDERATION FOR TAX YEAR 2003**

- The blank line on Form 1040N that we've been saving for the Business Child Care Credit may be needed this year, after having been delayed from 2001 in the 1st special session. However, the Legislature has several pending bills to once more delay implementation of the Business Child Care Credit further into the future.
- 2003 income tax rates may be extended by Legislature for 2004 and beyond.
- The Campaign Finance Fund contribution may go away this year (so theoretically, we might be able to just substitute the State Fair Foundation contribution on this line).

***New Mexico (as of 4/17/2003)***

329,439 --Total efile returns for the filing season

56% --Percentage of efiled returns

258,353 --Total Fed/State (piggyback) returns

## *New York*

Total efile returns for the filing season: e-filed: 2,156,153; 2D: 1,000,000

Percentage of efiled returns: 21% e-filed; 10% 2D

Total Fed/State (piggyback) returns 468,332

Total State Only/Multiple State returns: not captured

Total Free File Alliance--Free State Returns (if applicable) 45,000 approx

Problems resolved: t/p's were using federal PIN instead of NYS PIN. We stopped rejecting returns if the PIN was incorrect due to the high volume of rejects. We changed the process to accept the return and sent an electronic notification notifying t/p that they would need to file signature document, IT-201-E. Next year we will accept the federal PIN on the state return.

Current Issues: complaints from t/p's who filed for free on the federal site and could not find any software package on the state site that would allow them to e-file a state only return.

Extend date for electronic filing if federal legislation passes: will allow extension if legislation is passed

New forms: IT-249 Claim for Long Term Care Insurance Credit

New payment alternatives: none - currently provide payment by electronic funds withdrawal, credit card and check.

Enhancements to direct web file programs N/A

Signature requirements for State Only/Multiple State: will use federal PIN format for all returns e-filed next year.

(as of 4/21/03)

Total Non-resident returns: 256,000 - paper; 78,500 - e-filed

Total Prior Year returns: 230,575 - paper; 0 -e-filed

Total Credit to other state returns: 34,595 - e-filed; no stats for paper

State Only/Multiple State Filing - List any issues encountered. None

Developer Top 5:

1. Do not allow another return to be transmitted unless the first return was rejected.
2. Follow state defined record layouts when processing returns. We continually have problems with overlength fields, improperly formatted statement records and money fields.
3. Do not allow clients to process returns until they have downloaded the most current version of the software.
4. Support all state e-file forms in their entirety.
5. Respond to all email we send regarding identified software problems with resolutions.

*New Jersey*

957,972 --Total efile returns for the filing season

28% --Percentage of efiled returns

805,552 --Total Fed/State (piggyback) returns

NA --Total State Only/Multiple State returns (if captured)

To be brought before the NJ Legislature --Extend date for electronic filing if federal legislation passes

unknown --New forms

direct debit --New payment alternatives

direct debit --Enhancements to direct web file programs

NJ-8453 or PIN --Signature requirements for State Only/Multiple State

211,737 (paper only)--Total Non-resident returns

NA --Total Prior Year returns

250,000 (paper & e-file) --Total Credit to other state returns

State Only/Multiple State Filing - List any issues encountered: None

Developer Top 5:

1. Send us copies of the programs they're using
2. Get all EFIN's and ETIN's registered

***North Dakota (as of 4/23/2003)***

Total efile returns for the filing season: 101,365; 2D = 43,181

Percentage of efiled returns: 45% of total processed to date; 2D is 19%

Total Fed/State (piggyback) returns: 98,668

Total State Only/Multiple State returns (if captured): 2,697

Total Free File Alliance--Free State Returns (if applicable) The different software companies didn't use a different ETIN/EFIN, so I am unable to determine this.

Problems resolved: None encountered, other than the Duplicate filing commented on below. Season went the smoothest yet!

Current Issues: Duplicate filings possible - see below.

Extend date for electronic filing if federal legislation passes: We could follow suit, since the Commissioner has the discretion to grant "reasonable extensions". However, I believe if it passed through the Federal legislature, we would want to amend our law also, since it does state the due date as the 15th day of the 4th month.

New forms - potentially ND-2 and supporting schedules to move to E-file

New payment alternatives Will be adding Direct Debit option for Balance Due returns

Enhancements to direct web file programs N/A

Signature requirements for State Only/Multiple State Same as Fed/State e-file - If Federal PIN is used, there is no need for a signature document. Otherwise, ERO maintains the signature document, and an individual mails theirs in.

Total Non-resident returns 14,740; of which, 4,523 were e-filed

Total Prior Year returns 3,456

Total Credit to other state returns 2,424; of which, 1,227 were e-filed

State Only/Multiple State Filing - List any issues encountered.

Duplicate filings were made possible with this feature. We received 191 duplicate returns through the SO filings. It appeared that some of the software companies would not "block" the SO filings if they were waiting for an acknowledgement. I have been in touch with the different companies and they are working on a fix. Otherwise, it is an awesome feature!

Developer Top 5:

1. Price - consider offering a deal if they file both returns at the same time.
2. (This may be North Dakota only) TaxCut needs to support all state E-file, or specifically state it on the box that it doesn't!
3. Make sure that websites are correctly stating the States they support, and clearly lay out their fees.

Other than that, they have done a great job!

## ***Oregon***

### 2D Barcode update:

Received 85,080 (as of 4-21-03)

Oregon will be adding revision number to 2D barcode header for TY2003.

Forms 40 and 40S. Forms 40N and 40P as well as Corporation returns may follow in the coming years.

### E-file update:

Received 469,157 Fed/State returns (as of 4-21-03). Balance due returns increased dramatically this season.

### Totals by return type:

FORM 40: 401810; FORM 40S: 32367; FORM 40N: 23219; FORM 40P: 11761

Oregon does not accept State Only returns.

Oregon does not support prior year returns for electronic filing.

### Electronic Filing update for TY2003:

Will move to the NACTP standard for the acknowledgement file.

Will maintain BBS in addition to the ORAck website.

Will capture Federal schedules A-F and select federal forms.

May move to variable format rather than fixed format.

### Problems resolved

Late January 2003 election for TY2002 Tax Rate.

ELF Acknowledgement website functional

ELF Acknowledgement BBS survived the season

### Current Issues

We are still hand processing returns where software companies failed to populate a critical processing field for both 2D and electronic filing.

We would like to see increased vendor participation in 2D barcode.

### Extended date for electronic filing (federal legislation)

Oregon introduced legislation this spring to tie us to the federal filing and payment date.

That bill passed both Oregon houses in April. Oregon is still pursuing an electronic payment option to enable participation in the extension.

### New forms

2D Barcode may add Form 40N and 40P for next season depending on vendor support and agency resources. Electronic filing will begin to capture the federal schedules and some forms next season.

### New payment alternatives

Not yet. Working on credit card.

#### Developer Top 5

Please update states on the date and nature of all state software releases. This helps us to better field the 'my software is not working right' phone calls.

Please provide customer service numbers for the states to refer callers to (tax professionals and taxpayers). Our staff cannot know all of the details of how your software works and needs to be able to refer taxpayers back to your company.

Please confirm that all mandatory fields are put into production for your ELF product as a part of your quality control process. One error this year in our state led to a sizable acknowledgement backlog for one company. That situation required considerable department staff time to hand build their acknowledgements and field the many angry phone calls about the delay.

Please verify that all data fields are carried forward from the return into the 2D barcode as a part of your quality control process.

Please provide updates to your customers for your professional product line for our state. Our state would be happy to provide an update about our changes and our program for your distribution. We had many tax professional phone calls this season concerning confusion over the presence of the 2D barcodes, the absence of scanbands, state only returns for Oregon and decedent returns. In these cases, the tax professional claimed to have had no information or warning from their software company on the matter.

#### Forms update – Oregon:

This is another Legislative year. The session may bring significant changes to the Oregon return. Addition/deletion of credits from the Oregon return are very likely. The working family credit was set by the 2001 Oregon Legislature to become refundable for tax year 2003. This will involve a line move on the form to place the credit under the payment section of the form. The keypunch lines (carroted lines) will have modifications for next season. Please review Oregon forms carefully, as those changes will make significant changes in return processing. Additional charities may be added to the forms as well.

Stacey Heller Weeks, OPMA  
Oregon Department of Revenue  
Alternative Filing Coordinator  
503-945-8642 or [stacey.h.weeks@state.or.us](mailto:stacey.h.weeks@state.or.us)

## ***Pennsylvania***

Total efile returns for the filing season: 1,882,907

Percentage of efiled returns: [Approximately 36%](#)

Total Fed/State (piggyback) returns: 1,304,848

Total State Only/Multiple State returns: [We did not capture the number of Multiple State returns. 28,340 State Only returns](#)

Current Issues: [We are still consistently receiving returns with invalid ACH payment dates.](#)

Extend date for electronic filing if federal legislation passes  
[We will follow the IRS guidelines for the due date.](#)

New forms

[Not at this point. We will be accepting Deceased filing status. We are looking into developing a PA-8879.](#)

New payment alternatives: [None](#)

Enhancements to direct web file programs: [We will be implementing a PIT web Portal.](#)

Signature requirements for State Only/Multiple State

[We do not accept the Federal Self-Select PIN for State Only returns. They should still have a PA-8453.](#)

Total Non-resident returns---8,640

Total Prior Year returns---None

Total Credit to other state returns---7,886

State Only/Multiple State Filing - List any issues encountered.

[We received a large amount of duplicate returns. We also received returns with Duplicate DCN numbers.](#)

Developer Top 5:

1. [Watermark on the PA-8453 telling taxpayers to keep their PA-8453 for their records.](#)
2. [Support all Pennsylvania Schedules that are available for electronic filing](#)
3. [Support State ACH Debit](#)
4. [Support our Notification system including the code numbers.](#)
5. [Begin testing early](#)

## South Carolina

Total efile returns for the filing season:

913,627 (includes 45,450 SC Telefile returns). You can back out that figure to arrive at combined Fed/State, State Only, and SnetFile (direct web) of 868,177 returns.

Percentage of efiled returns: South Carolina stood at about 66% last time we reported to FTA

Total Fed/State (piggyback) returns:

Estimated that of 852,210 returns received via IRS that all but about 20,000 to 25,000 were piggyback. We plan on running numbers later in the filing season to identify. A report generated earlier in the season showed about 10,000 returns filed by State Only. That was after initial rush.

Total State Only/Multiple State returns (if captured): See above

Current Issues

Biggest problems is with receiving duplicate filings on State Only returns. We would like to see software companies ONLY allow one South Carolina return to be filed for each SSN. Some did and some didn't this past year.

Extend date for electronic filing if federal legislation passes

South Carolina already offers May 1st as incentive extended "deadline" for non-paper SC filings.

New forms

Offered ability to file Tax Credit for Taxes Paid to Another State to be filed electronically in current filing season. As for Fed/State and State Only filing, the Tax Credit addition for the current filing season was the last form/schedule we didn't offer to be electronically filed. We have exhausted ability to add new forms...unless our forms people create a new form/schedule.

New payment alternatives

Second year of bank draft/electronic funds withdrawal for balance due individual income filers that file electronically. Surpassed previous year's transaction total for several hundred transactions already. Over \$1 million in payments.

Enhancements to direct web file programs

Added ability for taxpayers to file Schedule NR (part year or non-resident schedule).

Added ability to pay by EFW for extensions. Opened SCnetFile up to non-SC address taxpayers (targeting military).

Signature requirements for State Only/Multiple State

ERO or Taxpayer must retain SC8453 for three years.

Total Non-resident returns

I am assuming you mean paper and electronic together. We don't break these out that I am aware. We don't keep these anymore as the NR return is now just a schedule attached

to the SC1040.

--Total Prior Year returns

427 returns

--Total Credit to other state returns

Estimate between 80,000 to 100,000 each year.

State Only/Multiple State Filing - List any issues encountered.

Duplicate return filings by taxpayers and EROs. Single SC return for each SSN would be great. Indebted to developers although some already did this in current filing season.

Developer Top 5: Please list top areas where software developers could help improve state e-filing (could be things that are already implemented by some companies).

Duplicate returns

Support all forms/schedules and occurrences offered by states

Force diagnostics check on refund direct deposit information (alert if differs from federal)

Keith J Wicker, Revenue Supervisor

SC Dept of Revenue

803-898-5541 (phone)

803-898-5339 (fax)

Email: [wickerk@sctax.org](mailto:wickerk@sctax.org)

## *Utah*

Total efile returns for the filing season: E-file 352800 Barcode 100700

Percentage of efiled returns: E-filed 37% Barcode 10%

Total Fed/State (piggyback) returns: 210500

Total State Only/Multiple State returns: 7000

Problems resolved: Stopping duplicate returns from abending our system

Extend date for electronic filing if federal legislation passes:  
Yes, UT will follow the Feds

New forms: None

New payment alternatives: Payment Express on the internet

Signature requirements for State Only/Multiple State  
T/P or Practitioner must send in signed TC-8453

Total Non-resident and part Yr Resident returns: 27000

Total Prior Year returns: Not Available

*Total Credit to other state returns: Not Available*

*State Only/Multiple State Filing - List any issues encountered.  
Large increase in duplicate filings*

*Developer Top 5:*

*Vermont*

Total efile returns for the filing season: N/A

Percentage of efiled returns: N/A

Total Fed/State (piggyback) returns

INCOME = 65067

HS-138 = 24649

HS-139 = 6241

Total State Only/Multiple State returns (if captured): 0

Total Free File Alliance--Free State Returns (if applicable): N/A

Problems resolved

We received duplicate filing for same taxpayer in same submission  
Returns being processed without supporting schedules.

Current Issues: Electronically filed extensions

Extend date for electronic filing if federal legislation passes: Yes

New forms

**Currently our legislators are still in session so this is presently unknown.**

New payment alternatives

Credit Card payments will be available for current year tax returns, income estimates and any tax liability that the taxpayer has already received a bill for.

Enhancements to direct web file programs

If streamlined sales tax goes we will be required to accept a single sales tax filing, which may be electronic for state and local tax. Filing choices would be simplified electronic return or current state form.

A new web-based application that allows businesses to file their sales & use, meals & rooms, and withholding tax returns online. They will also be able to pay if a liability is associated with any of the taxes.

Signature requirements for State Only/Multiple State: N/A

Total Non-resident returns

**36512 total nonresident returns of which 6016 were fed/state**

Total Prior Year returns

**Returns are entered manually so a count couldn't be determined**

Total Credit to other state returns

**11070 claims for 6.0 million of which 1931 were fed/state for around 975,000**

State Only/Multiple State Filing - List any issues encountered. N/A

Developer Top 5:

**Start testing earlier.**

**Get fixes out sooner when they are ready.**

**After a product has been certified release that product. This is because it seems the product that is being used by. now fails to pass along needed schedules when it was fine in testing.**

Trilene Roach

Fed/State Filing Coordinator

Vermont Department of Taxes

Email: [troach@tax.state.vt.us](mailto:troach@tax.state.vt.us)

Phone: (802)828-3055

Fax: (802)828-3754

***Wisconsin (as of 4/26/2003)***

Total efile returns for the filing season: 1,262,340

Percentage of efiled returns: 50% of all returns have been e-filed

Total Fed/State (piggyback) returns: 1,123,100

Total State Only/Multiple State returns: 13,502

Total Free File Alliance--Free State Returns: Not available

Problems resolved Several

Current Issues None

Extend date for electronic filing if federal legislation passes Not sure yet, should know sometime in the next few months.

New forms Not sure

New payment alternatives Not sure

Enhancements to direct web file programs Don't think so

Signature requirements for State Only/Multiple State None

Total Non-resident returns Not available for e-filed returns

Total Prior Year returns As of October 2002, 954,812

Total Credit to other state returns Not available for e-filed returns

State Only/Multiple State Filing - List any issues encountered. None

Developer Top 5:

Have Wisconsin ready by January 10.