To: ANSI ASC X12G TG2 and TIGERS Attendees

From: Debbie Johnson
Oklahoma Tax Commission
ASC X12G TG2 Secretary

Date: June 25, 2005

Subject: ANSI ASC X12G TG2/TIGERS Meeting Minutes
March 21-25, 2005, Austin, TX Interim Meeting

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Monday, March 21, 2005 -- Tax Information Group for ECommerce Requirements Standardization (TIGERS)

Terry Garber opened the meeting by welcoming everyone and making introductions and reviewing the planned agenda.

TIGERS AGENDA
March 21-25, 2005, Austin, TX

Mon., 03/21/2005 (8:30am to 5:00pm) – Wed., 03/23/2005 (8:30am to 12:00pm)

FED/STATE 1120

- ConOps Final Draft
- Transmission Packaging
- Web Services
- MOU
- Testing
- Mandates
- State Schemas
    - Final Versions
    - Mapping Exercise
- State Specifications Documents
- Software Developers Conference

FED/STATE 990

Wed., 03/23/2005 (1:00pm to 5:00pm) – Thur., 03/24/2005 (8:30am to 12:00pm)

FSET

- Status Update

FED/STATE 1065

- Finalize Categories
- Complex Type Development
- Spreadsheet Development
- Schedule

FED/STATE 1040

- Planning for June

Thur., 03/24/2005 (1:00pm to 5:00pm) – Fri., 03/25/2005 (8:30am to 5:00pm)

SSTP

- Rates and Boundaries Modifications
- Implementation Guide
- Education Session
- Testing and Certification
- Transmission Options
- Role of 3rd Parties – Model 4 Filers

TRS

- Status
- Change Request

Joan Barr gave a statistics update on what the IRS has received this year. They've received about 450-990 returns. Of the returns received, 250 of them were mandated. May is the peak time for this filing. In January, there were regulations set forth requiring mandates for filers of 50 million and more for year 2006, and 10 million and more for year 2007.

Joan felt there may be some issues with State Extracts of large corporations with assets of 10 million or more that can prepare and transmit their own returns. The large companies wouldn't be on our State Extract of TPDS (Taxpayer Data Store). Will it be a problem if TPDS only provides 4 ETINS? The States only have to validate the EFINS, and the extract doesn't send all of the ETINS to the States, so it is not a problem.

Tom Guinan gave a presentation on the Interface Control Document (ICD) / Web Services Message Definitions. The ICD brings forward the definitions, brings in the schemas and data types, and includes a couple of Concept of Operations changes. The content of "Security Handling" needs to be added. The schema is included in the ICD. The schema includes the efile.types. You can take this schema and place it directly in XMLSPY (for example) to use.

There was discussion on how the files would be named when they are zipped and unzipped. It was said that the names would be given at the time the file is unzipped. Joan Barr stated that IRS Publication 4164 could be used as a guideline for naming files. The group decided that we could follow the IRS naming conventions when building a guide for the States to use. The Originator will assemble the Zip Archives. There will be a Submission Type in the Manifest to contain a value that can be used to link the Federal and State Returns. There will be an additional field called "Submission Category" to help with the trouble shooting of where a potential problem may be occurring.

There was discussion on whether we should restrict "Get Submissions" by Category or just have all returns filed together and break them out within our in-house systems. The requirements for this can be done by ETIN.

How would a SOAP Fault be handled? A programmer would need to debug it on the State side and a programmer would need to fix it on the IRS side.

Receipts transmission matches the submission transmissions, but the ACKS can go back at anytime. Receipts have a Submission ID and Timestamp. The IRS wants to require that States send back a receipt in order to close the loop and make error handling easier.

Web Services were the next point of discussion. Web Services need to be programmed to work with a WSDL (Web Service Developer Language) and have a prototype. A list of services are like, Get New Submissions, Get Submission, Get Submissions, Send Submission Receipts, Send Acknowledgements, Get New Acknowledgement Notification, Get Acknowledgement Notifications, etc… Requests can be made by Submission ID, Message ID, or Date. A request for new submissions, maximum results, and a maximum amount can be made where it will send back an attachment with a count, reference, and if more submissions are available to be picked up. A WSDL can be created to fit a .NET shop or a J2EE shop. Each service has an Input Message, an Output Message, and the Fault Message. The Fault Message is an error message. Create a Production WSDL and an ATS WSDL.
Our discussion then moved on to Security. We would have to logon to the IRS to get a Session Key. We need it to send back in with our Submissions. It was suggested that the Session Key be carried in the SAML and the HTTP Headers to store it. If you put the Session Key in both places, it must be the same key.

It was suggested that a double authentication be used for better security. It was thought that a single authentication was too easy to hack into. Transmitters could have 99 multiple ID's with different functions assigned to them.

Password expiration rules not yet finalized, but the password can be reset every 30, 60, or 90 days. There would be a warning message to let you know when the password is about to expire. For a First Time Login, you'll be given a password. You use it once to logon and then must change it. To change a password, a change request must be submitted. To reset a password, you need to give the User ID, Password, and Shared Secret. The shared secret is sent by email and can take up to a week. This would take that Session ID would not be up during that time, but you're allowed multiple Sessions and can use one of them in the meantime to continue doing business. If you request a login session, please logout to end the session. It will be possible to request a list of ETINS for a particular System ID, Get the ETIN Status, Get State Participation List, and a Faults Response.

Carol McLaughlin gave status update on the MOU. The security part will be added to the MOU and given back to states to review before sending out final version to Department Heads.

Joan Barr wanted to know how many states had mandated the Corporate Filings. There were none at the meeting.

Richard Fowler of Urban League is building the XML Super Schema for State Charity Officers. The form 990 is where this is reported for Exempt Organizations. It was reported that 36 States require Charity Registrations, 32 require Form 990 or 990EZ be filed. The offices are usually under the Attorney General or the Secretary of State. They are small offices, usually about 2 to 40 people, and regulate fund raising.

The repository for all of this processing is currently at:
http://efile.form990.org/state.

Email Rich to get a login id to review this site at:
richrdjfowler@msn.com

Tuesday, March 22, 2005 -- Tax Information Group for ECommerce Requirements Standardization (TIGERS)

Rich Fowler continued the Form 990 Discussion. If a data field has two instances, you'd have to have two schemas. One instance has all the IRS data and State data together with the Total Wages being the same. The creation of State XML documents simply extracts State data. Validate the IRS Schema XML, duplicates XML in Universal Schema, and revalidates with the IRS. A Unified Data Schema (UDS) applies to forms 990 and 990EZ. The States will have a Source Document and then map the form by Category.

Jim Rowland then discussed the State Schemas for Corporate E-filing. A note was made that if using the home version of XMLSPY, the graphic view will not show the Includes.

Jim's going to change the date format to YYYY-MM-DD for all date fields. He's going to add EntityDetailType to State efileTypes that will consist of a Date, Description, and Amount. Any occurrences that were made unbounded could be limited in the State's Business Rules. If a field is numeric and whole dollar, USAmountType was used. If numeric, we created a field of 18 characters with two decimal places and the State Account ID will be changed to 20 alphanumeric characters and States will restrict these fields in their business rules.

A request was made for a PDFLinkType to occur once per each document. There were changes made to the General Information and Header Categories. It was noted that and asterisk in a data field will stop processing in XML, so that we must be very careful if we use it in our data. We decided to make a String255Type because of Sequel. We're going to add a State efileType of StatePhoneType with Extension. We agreed to add something for IRS validation of FEIN and Name Control. We reviewed the Credit Categories and changes made to them.

Wednesday, March 23, 2005 -- Tax Information Group for ECommerce Requirements Standardization (TIGERS)

We began our discussion with review of the Spreadsheets. The Software Developers were asking for a copy of the State's Specific Spreadsheets. It was going to be discussed between the States if we could give them that. They'd also have a copy of the State Master Schema and State Business Rules.

We then went on to review the Allocation and Apportionment Category. It was found that some of the elements were missing there. States were asked to review their data and update the categories with the efileTypes of DateType, YearType, and Decimall99Type.

The Business Rules were reviewed as set up by Stephen Bouchard and Donna Mucilli. The Schemas should be presented in EXCEL format. URL's were added for communications and how to get ALERTS when data changes for the States. There was discussion on what the State Spreadsheet should look like with the named columns and the data description of what would go there. The error codes would be patterned after the IRS Publication 4164 document.

Terry Dill from Illinois gave an FSET Status Update for his state. They have one vendor, they are working from a couple of versions back, and things are running smoothly.

Stephen Bouchard from Maryland reported for Connecticut that they are working out good with PayCycle. Stephen reported that Maryland has regular daily transmissions for their W2's, Unemployment Insurance (UI), Withholding, and Sales.

Scott Mueller from Wisconsin reported they plan to do Bulk and Annual Reconciliation using the Batch Payment Portion.

Carol McLaughlin of the IRS reported that the 1041 and 990T were put on hold to bring the development of the 1040 forward. It's not known when they will resume with the first two forms.

Terry Garber from South Carolina reported that EFTPS, the Fed/State Combined Payment System may be up mid-year for 2006. South Carolina and Illinois have two working sessions planned for enrollment and payment formats. New York and Kansas will be on the advisory group to make sure data and formats decided on will reach a broad base. It will be used like a Multi-State One Stop Shop.

For the FED/STATE 1065 project, we decided that the States would need to let FTA know if they could help support it. Our plan was to start deciding the categories for the FED/STATE 1065, create a spreadsheet for it in San Diego, CA, try to complete final touch-up in Columbus, OH, and be ready to give to Jim Rowland in Atlanta, GA.

Sharon Watson, the IRS 1065 Team Leader, gave a summary of where they are on their development of the Form 1065. She said they have 72 forms to implement, 63 of them will be shared with the Form 1120S, and 9 forms will be from scratch (including 1065B, 1065B1, K1, and 1065M3). They are tentatively hoping to start work at the end of April and have a first draft of the schemas by August or September. They are developing a 1065 Web Page and will publish code and edit rules. They hope to start testing by October 2006. The IRS will start with efileTypes from the 1120 to build their 1065 data.

It was decided that States would coincide with some of the 1120 and share some of the same schemas. There will be a version of "K" and multiple instances of "K1". The categories for Additions and Subtractions will be broken out. John Dobis of New York, created a document to use as a template to create the needed categories for Form 1065. The group reviewed and made modifications as needed. Everyone believed that reuse of elements between the 1120 and 1065 would be beneficial and reduce cost of rebuilding from the bottom up.

There was discussion of beginning work for the FED/STATE 1040 project. The IRS will have 60 or 70 forms to add for this project. They have set their version to come up in the year 2010, but hope to accelerate it to 2008. The States decided that they would begin looking at their forms and trying to decide what their categories will be. Gary Centlivre from Kansas will try to build a document of categories for the 1040 and bring to San Diego for review. There will be a cost to the States for development of this project also.
The hope is that it will fall between the cost of the 1120 and 1065 projects.

Thursday, March 24, 2005 -- Tax Information Group for ECommerce Requirements Standardization (TIGERS)

There was continued discussion on the FED/STATE 1065. It was stated that the State Schema could be driven by the Master Schema with edits and validations added in. One state is testing with Jim Rowland to see if his generator program would build the State Schema also.

Some Spreadsheet Columns that were agreed upon follow:
State Line # (Ref #)
State
Parent Element
Agreed Upon State Field Name
State Field Name
State Field Description
Type (both attributes and complex Structure) (new)
Occurrences
Form #
For Line #
Move To Category
Comments
Also on 1120?
Tabular Field?

THINGS TO DO:
FED/STATE 1120

- Clarify what Submission Type means in the Manifest; add Submission Category
- Need to finalize codes of FEIN States
- Update the table with Submission Type
- Show Request Message and Response Message for a .NET shop and a J2EE shop
- Create Client and Application side WSDL's for State's own testing. Capture SOAP messages and send to Tom to verify and process it. This was decided to be done with 5 pilot states at first.
- Get the spreadsheets and delete all State data except your own State's data
- Make the necessary corrections, deletions, additions, and add the data types
- Get back to Jim by April 8, 2005
- Jim re-aggregates the spreadsheets/get back to boil down states by April 12, 2005
- Boil Down States will send back to Jim on April 22, 2005
- Have Final Schemas be May 1, 2005
- A "glue schema" will be created to tie iterations of a Parent Corporate Return and a Subsidiary Return together

FED/STATE 1065

- Print out IRS Schedule K or K1 for our State
- Decide if other tabs in LLC returns need to be added
- Decide if we need a column for tabular data (50% are tables)
- Asked States to do their own "Hard Boil" first for their own data
- Create Spreadsheet for 1065
- Have a list of Complex Types

An announcement was made that there is an Education Session being planned for SSTP and TRS in Atlanta, GA, on April 19-20, 2005.

We then began review of the TRS Change Requests. In TRSRegistrationNew, it was requested that we change the StateOrProvince element from Mandatory to Optional in all occurrences in order to accommodate foreign addresses that do not include a province. The states can make it mandatory within their business rules. A motion was made and seconded to approve this request.

In TRSAcknowledgement, it was requested that we delete the tag for the include of the "TRSefileTypes.xsd" since it is already included in the TRSefileMessage Schema. We would also need to make this change within the FSET Schemas. A motion was made and seconded to approve this request.

Nancy Dean from Minnesota was asked to review the approved changes and test them out to make sure there were no later problems that would arise for them.

Juli Peterson gave a Status Update on the TRS (Traditional Registration System). They are planning to separate the testing of the New and Change Registrations and only test the New part right now. They hope to have an acceptance test at the end of May or early June. There was a problem with the checkbox where question asked, "Do you live on an Indian Reservation?" and the answer was entered as a "Y" or "N", the process continued on if answer was "Y", but stopped if answer was "N". It was decided that this was a boolean field and would have to be changed to a string field in order to make it work. It was also decided that this change should be made to both the New and Change Schemas.

Discussion then moved on to the Rate and Boundaries Modifications for SSTP. There was discussion of the paper and what changes may be requested to be made from it. A white paper will be written up to send to the SSTP Committee to recommend these changes. It will be up to them to approve those recommendations. It was noted that if changes were made in the document, they'd most likely need to be made in the Agreement as well. There was discussion of how to tell if the jurisdiction is on Tribal Lands. Then we discussed building one data base at first, and only adding changes after that. We need to determine how long to keep data on the database. This would help the vendors in figuring a rate.

Friday, March 25, 2005 -- Tax Information Group for ECommerce Requirements Standardization (TIGERS)

We resumed the discussion on the Rates and Boundaries database. It was suggested that we create an algorithm for the look-up table. They would want the sequel statements in order of address, +4, and then Zip5. If there are boundary changes, we decided we didn't need a change boundary database. There are problems with rounding and how to handle them. The group decided to have it looked into further. It was thought that this happened because of lack of information in the SER. The group will suggest that the Governing Board consider saving 5 years of data on the database, and save the roll-off forever in case you ever need to go back to it.

Debbie Peterson presented an update copy of the Implementation Guide for SSTP. She requested that any changes to it be sent to her by the week of April 4th. There would also be a conference call set up for that week.

Discussion then turned to Transmission Options. It was asked if we could have one Repository where data could be picked up by Vendors and States. This issue is being presented to the Governing Board.

The Governing Board is hoping to count on IT people in States to help with the Testing and Certification processes. There needs to be rules set up on how this will be done.

We ended the meeting with a discussion on what things should be covered in the SSTP Education Session in Atlanta, GA on April 19-20, 2005. This agenda will be compiled and sent out for those wishing to attend.

Our next meeting will be in San Diego, CA, the week of June 6-10, 2005.

THINGS TO DO LIST:
TRS

- Make a change control to remove the TIN from the New.
- Note that when changing an SSN to FEI or vice versa, carry old number too, in order to match to your backend processing

RATES & BOUNDARIES / SSTP

- There is an indicator for odd ‘O’, even ‘E’, and requesting one be added for both ‘B’.
- Add a record type indicator that can equal ‘O’, ‘E’, or ‘B’.
- For Indian Tribes, add a StateID to get a code / Verify Composite Issue
- Decide how database will be built and kept
- Add algorithm for the look-up table
- No change boundary database needed
- Should States provide liability all of the time
- When paper changed, show example of change agreed to

- Clarify Use
- Common Web Service Call
- Indicate layout of a CSV file
- Rounding Errors / How to handle?

SSTP Implementation Guide

- Send Changes to Debbie Peterson the week of April 4th

Transmission Options

- Have Repository hosted by 3rd Party for States and Vendors to go to

Testing and Certification

- Who will set up the Testing and Certification Processes?