

## <XML Development 2004>

Terry Garber  
SC Department of Revenue  
[garbert@sctax.org](mailto: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 XML structures
- Similar acknowledgement structures
- Evolving transmission structures
- Reuse of technique means cost savings for states

## <FSET: Program in Transition>

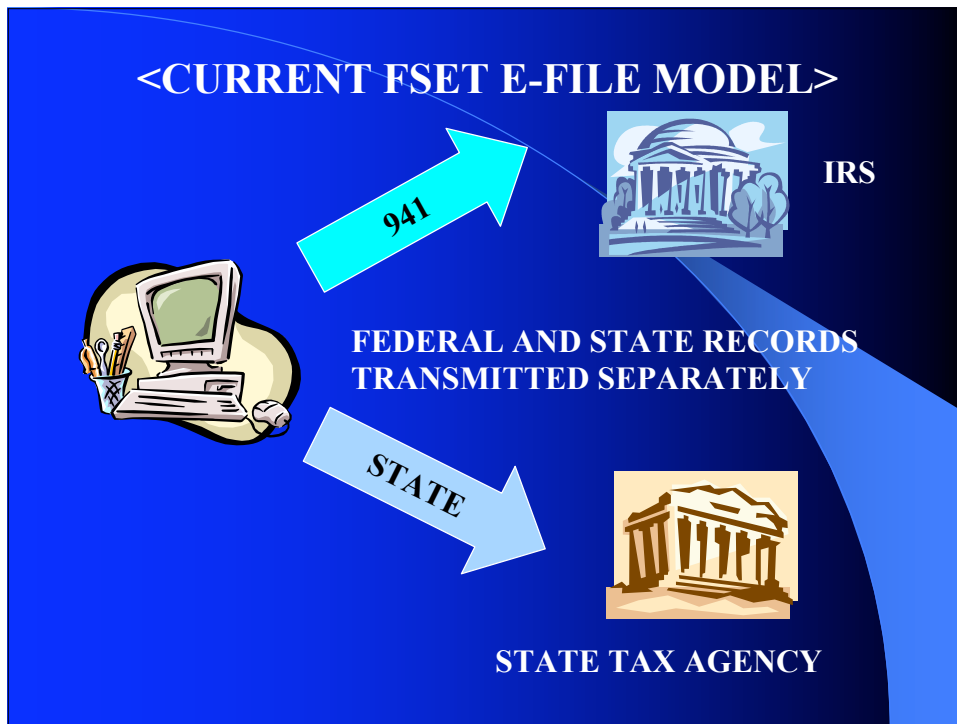
- Based on IRS 94x XML e-file
- MIME Multipart protocol
- Schemas developed by STAWRS contractor
- Schemas refined and maintained by TIGERS
- Version 1.06 now published

## <FSET Transmission>

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

## <FSET Return Data>

- Business Tracking Number uniquely identifies return and matches MIME content location pointers in Manifest
- Return Header contains identifying information on return filer
- Return may be State Withholding, UI, Combined, or Annual Reconciliation
- Payment may optionally be included

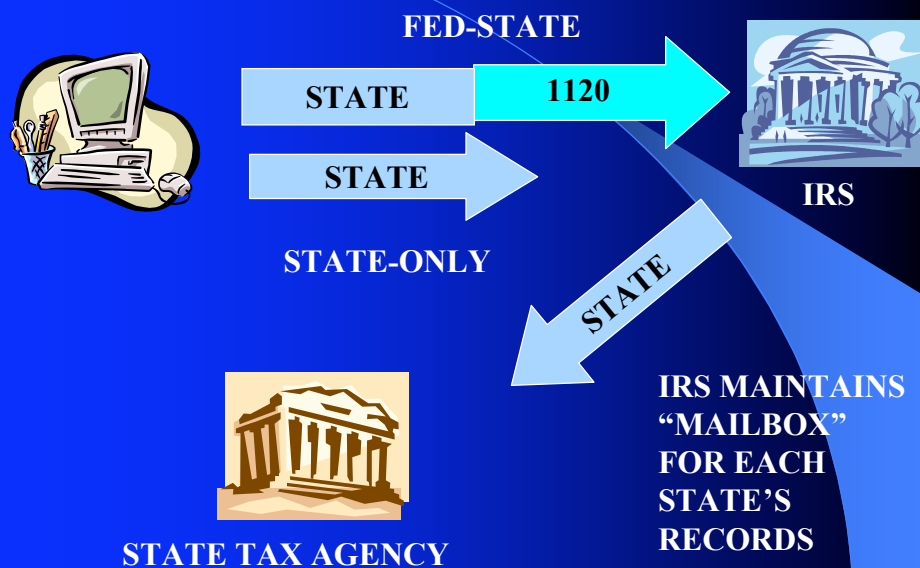


- ### <FSET Status and Future>
- Pilot implementations in Illinois and Connecticut; Maryland planning; California on hold
  - Schemas shaking out minor changes in implementation
  - Future: Full Fed/State functionality when 94x moved to IRS Modernized Platform in 2007(?)

## <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 participating state has built a spreadsheet of all Corporate data elements, classified by category
- Ken Jaslow of KPMG has 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 schemas for co-filed taxes and fees, 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
- Returns may be sent batched or singly as they are created

## <Fed/State 1120 Packaging>

- MIME Multipart used by 94x and 1120 is cumbersome and not standardized
- Instead, Fed/State 1120 will use Zip Archive containing standard file structures
- Transmission Header will be contained in the SOAP envelope body
- Zipped Package will be transmitted as a single MIME part
- Each folder level will contain a Manifest of its contents

## <SSTP: Almost Ready>

- Architecture “borrowed” from FSET/1120
- MIME Multipart eliminated
- Transmission Header in SOAP body
- 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!
- Meeting this week Wednesday - Friday
- Next meeting October 4-7 Miami