

FORM
LOI-B

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL AND CORPORATE TAX DIVISION
**Software Developer Letter of Intent
and Compliance Agreement for Business
Modernized eFile (MeF) Returns Tax Year 2019**

Departmental Use Only

AL Assigned Test FEINS:

AL Assigned Software
Developer Code:

****A separate LOI-B should be filed per development team for each software vendor****

This Letter of Intent (LOI) sets forth the specific questions, requirements, and standards for tax software providers for the Alabama Department of Revenue. By submitting this registration form to the department, you are agreeing to meet our standards for software provider registration, tax preparation software (DIY or professional), and substitute forms.

This LOI also incorporates all of the terms, requirements, and standards set forth in the Tax Software Provider National Standards Letter of Intent maintained by the Federation of Tax Administrators. Agreement and adherence to the national standards are required as a prerequisite to approval.

Failure to meet any of the standards or requirements set forth in the national letter of intent or in this specific LOI may result in the denial of your application or the removal of your organization as an approved software provider, and the rejection of all electronic and paper returns submitted using your products.

The Alabama Department of Revenue must receive this agreement prior to submission of any electronic tax returns (both test and production returns). All primary and secondary software developers that create ADOR MeF returns via their products should complete this agreement. Complete this form to request approval from the Alabama Department of Revenue to provide tax preparation software for electronic submission. The ADOR reserves the right to deny any application.

Please complete a registration form for each unique product your company offers.

This form must be completed and submitted to corporate.efile@revenue.alabama.gov prior to submitting test or production returns and is due no later than October 1, 2019.

COMPANY NAME		NACTP VENDOR ID	
PRODUCT NAME(S)	DBA NAME	EFINS (TEST AND PRODUCTION)	
PRODUCT WEBSITE ADDRESS		ETINS (TEST AND PRODUCTION)	
HELP DESK SUPERVISOR	HELP DESK PHONE NUMBER ()	ESTIMATED TESTING START DATE	
ADDRESS	CITY	STATE	ZIP
PRIMARY CONTACT	PHONE NUMBER ()	FAX NUMBER ()	EMAIL ADDRESS
SECONDARY CONTACT	PHONE NUMBER ()	FAX NUMBER ()	EMAIL ADDRESS
PAPER FORM DEVELOPER CONTACT PERSON	PHONE NUMBER ()	EMAIL ADDRESS	
COMPANY FEIN		STATE ACCOUNT NUMBER (IF APPLICABLE)	
PRIMARY LEADS REPORTING CONTACT	PHONE NUMBER ()	EMAIL ADDRESS	
SECONDARY LEADS REPORTING CONTACT	PHONE NUMBER ()	EMAIL ADDRESS	
REGULATORY/COMPLIANCE CONTACT	PHONE NUMBER ()	EMAIL ADDRESS	

Type of Software Product (Check Only One)

☐ DIY / Consumer (Web-Based)

☐ DIY / Consumer (Desktop)

☐ Professional / Paid Preparer (Web-Based)

☐ Professional / Paid Preparer (Desktop)

Tax Types Supported (Check All That Apply)

☐ Fiduciary Income Tax

☐ Business Privilege Tax

☐ Pass-through Entity

CHECK THE BOX BELOW IF YOU SUPPORT THESE BUSINESS PRIVILEGE TAX FILING TYPES

☐ Corporate Income Tax

☐ Form PPT- Individual Product for Disregarded Entities

☐ Form PPT- Business Product for Disregarded Entities

Authorized access to the State Exchange System

Please provide a list of employees within your organization that you are authorizing to have access to the State Exchange System. The list you provide should include the following information:

- Company name, if different than company name at top of LOI
- First and last name of authorized individual(s)
- Email address
- Phone Number
- Tax types they are authorized to access

NOTE: The individuals are the same as what you've listed on the first page, please include them in this section as well.

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ()
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AUTHORIZED ACCESS

☐ Fiduciary ☐ Pass-Through ☐ Business Privilege ☐ Corporate ☐ All BMF Tax Types

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ()
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AUTHORIZED ACCESS

☐ Fiduciary ☐ Pass-Through ☐ Business Privilege ☐ Corporate ☐ All BMF Tax Types

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ()
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☐ Fiduciary ☐ Pass-Through ☐ Business Privilege ☐ Corporate ☐ All BMF Tax Types

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ()
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COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ()
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AUTHORIZED ACCESS

☐ Fiduciary ☐ Pass-Through ☐ Business Privilege ☐ Corporate ☐ All BMF Tax Types

Please attach additional sheet with authorized users if necessary.

Rebranded Software Products

Software Companies: Use this section only if this product is rebranded with the approval of the Software Publisher, who is the original creator of the software and signer of the LOI. It is the position of the STAR Working Group under the auspices of the IRS Security Summit that:

- Rebranding where the software publisher makes all code changes to generate the rebranded software and ensures that the rebranded software meets the applicable requirements (Trusted Customer, Generation of Authentication Elements, Generate of LEADS reports, STAR Requirements, etc.) does not pose any additional risk to the tax ecosystem.
- Rebranding where the organization who rebrands the software has the capability to make cosmetic changes including but not limited to color or font, but cannot make changes to the applicable requirements (listed above) also does not pose additional risk to the ecosystem.

REBRANDED PRODUCT NAME	CONTACT PERSON	PHONE NUMBER ()	EMAIL ADDRESS	UNIQUE IDENTIFIER**
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REBRANDED PRODUCT NAME	CONTACT PERSON	PHONE NUMBER ()	EMAIL ADDRESS	UNIQUE IDENTIFIER**

*If there are more than 5 software products that have rebranded under a different name, please list them on a separate sheet and attach with your LOI submission.

**If available.

For Rebranded Products, the Alabama Department of Revenue has the following requirements for e-file ATS approval:

- Rebranded Products are required to complete an abbreviated e-file ATS approval process.

Forms and Schedules Supported (Check All That Apply)

Fiduciary Income Tax

- ☐ 41 – Fiduciary Income Tax Return
- Schedule A – Computation of Alabama Income Distribution Deduction
 - Schedule B – Alabama Charitable Deduction
 - Schedule C – Computation of Alabama Adjusted Total Income
 - Schedule K – Summary of K-1 Information
 - K-1 for 41 – Fiduciary Income Tax Beneficiary Information
 - NOL-F85 – Computation of Net Operating Loss
 - NOL-F85A – Application of Net Operating Loss Carryback and Carryforward
 - Schedule G – Grantor Statement of Income, Deductions, Credits
 - Schedule ESBT – Worksheet for Electing Small Business and Qualified Subchapter S Trusts
 - Schedule D – Profit or Loss from Sales of Assets (Form 41)
 - Schedule E – Supplemental Income and Loss (Form 41)
 - Form 4952A – Investment Interest Expense Deduction
 - Schedule FC – Fiduciary Credit Calculation Schedule
 - IRS1099R, IRSW-2 and IRSW-2G (as utilized in the Form 41 Schema)
 - Form KRCC – Project/Distributing Entity Share of Capital Credit
 - Schedule KRCC-B – Recipient's Share of Capital Credit For Business Entities, Including Trusts
 - All worksheets in the Form 41 Schema

Pass-through Entity Tax

- ☐ 65 – Partnership/Limited Liability Company Return of Income
- Schedule A – Nonseparately Stated Reconciliation Adjustments
 - Schedule B – Allocation of Nonbusiness Income, Loss and Expenses
 - Schedule C – Apportionment Factor Schedule
 - Schedule D – Full Ownership (Disregarded Entities)
 - Schedule E – Other Information
 - Schedule K – Partners' Distributive Share Items
 - Schedule P – Income (Loss) from Partnerships, S-Corps, Trusts and Estates
 - Schedule K-1 – Owner's/Shareholder's Share of Income, Deductions, Credits, etc.
 - Schedule PAB – Pass-through Add Back Form
 - Schedule QIP-C – Qualified Investment Partnership Certificate
 - Schedule PC – Pass-through Credit Calculation Schedule
 - Schedule NRC - Exempt – Subchapter K Affidavit of Exemption by Nonresident
 - Form KRCC – Project/Distributing Entity Share of Capital Credit
 - Schedule OZ – Gains Invested in Qualified Opportunity Zone Funds
 - All worksheets in the Form 65 Schemas
- ☐ 20S – S-Corporation Information/Tax Return
- Schedule A – Nonseparately Stated Reconciliation Adjustments
 - Schedule B – Allocation of Nonbusiness Income, Loss and Expenses
 - Schedule C – Apportionment Factor Schedule
 - Schedule D – Apportionment of Federal Income Tax (FIT)
 - Schedule E – Alabama Accumulated Adjustments Account
 - Schedule DE – Q-Sub/Disregarded Entity Schedule
 - Schedule G – Other Information
 - Schedule K – Shareholder's Distributive Share Items
 - Schedule K-1 – Owner's/Shareholder's Share of Income, Deductions, Credits, etc.
 - Schedule PAB – Pass-through Add Back Form
 - Schedule NRA – S-Corporation Nonresident Agreement
 - Schedule PC – Pass-through Credit Calculation Schedule

- Form KRCC – Project/Distributing Entity Share of Capital Credit
- Schedule OZ – Gains Invested in Qualified Opportunity Zone Funds
- All worksheets in the Form 20S Schemas

- ☐ PTE-C – Nonresident Composite Payment Return
- Required Entity Information for Partnerships and LLCs
 - PTE-CK1
 - Schedule NRC - Exempt – Subchapter K Affidavit of Exemption by Nonresident

Business Privilege Tax (Tax Year 2020)

- ☐ CPT – Business Privilege Tax Return and Annual Report (C-Corporation and Other Specified Entities)
- Schedule AL-CAR – Secretary of State Corporation Annual Report
 - Worksheet BPT-NW (Balance Sheet – Net Worth Computation for Forms CPT and PPT)
- ☐ Schedule G – Financial Institution Group Computation Schedule
- WksCPTFinancialConsGrpComp (worksheet CPT Financial Consolidated Group Computation) is required to be supported when consolidated filing for financial institutions is supported.
- ☐ PPT – Business Privilege Tax Return and Annual Report (Pass-Through Entities)
- Schedule AL-CAR (For S Corps) - Secretary of State Corporation Annual Report
 - Worksheet BPT-NW (Balance Sheet – Net Worth Computation for Forms CPT and PPT)
 - Worksheet BPT-NWI (Balance Sheet – Net Worth Computation for Disregarded Entities with Individual Single Member Only)
- ☐ Schedule BPT-E – Family Limited Liability Entity Election Form

Corporate Income Tax

- ☐ 20C – Corporate Income Tax Return
- Schedule A – Reconciliation Adjustments of Federal Taxable Income to Alabama Taxable Income
 - Schedule B – Alabama Net Operating Loss Carryforward Calculations
 - Schedule C – Allocation of Nonbusiness Income, Loss and Expenses
 - Schedule D-1 – Apportionment Factor Schedule
 - Schedule D-2 – Percentage of Sales
 - Schedule E – Federal Income Tax (FIT) Deduction / (Refund)
 - Other Information
 - Schedule BC – Business Credits Computation
 - Schedule AB – Corporate Add Back Form
 - Schedule B-1 – Alabama Net Operating Loss Carryforward Acquisitions
 - Schedule KRCC-B – Recipient's Share of Capital Credit For Business Entities, Including Trusts
 - Schedule OZ – Gains Invested in Qualified Opportunity Zone Funds
- ☐ Consolidated Return Indicator – “This company files as part of a federal consolidated return.”
- ☐ 20C-C – Consolidated Corporate Income Tax Return
- Schedule AS – Affiliation Schedule
 - Schedule B – Alabama Consolidated Net Operating Loss Carry-forward Calculation

Communications and Expectations

Documents and Materials

Alabama Department of Revenue e-file and paper form documentation will be posted/provided at the following locations:

- FTA State Exchange System (SES)

Refund Expectations

To assist Taxpayers and Tax Professionals expecting refunds, Alabama Department of Revenue is providing a URL and/or a statement about refund processing. Industry partners should use this statement and/or URL to communicate and help set the appropriate expectations with external stakeholders. Providing this information will ensure everyone is communicating a consistent refund timing message.

Statement: Alabama Department of Revenue issues only paper checks for business tax returns filed through the Alabama Business MeF Program.

Taxes Due Expectations

The Alabama Department of Revenue is providing a statement about taxes due, with regards to payment methods. Industry partners must use this statement prescribed by the Alabama Department of Revenue in all products. The message must be shown to end-users within the software in a way to maximize the likelihood the message is read.

Statement: The Alabama Department of Revenue requires that all returns which are e-filed must also e-pay regardless of the amount of tax due on the return.

Questions, Requirements, Standards and Recommendations

State Specific Questions

1. On Form CPT do you support the Financial Institution Entity Type?
 - a. If so, do you support separate filing for the Financial Institution Entity Type?
 - b. If so, do you support consolidated filing for the Financial Institution Entity Type?(Please note WksCPTFinancialConsGrpComp must be supported if consolidated filing for financial institutions is supported.)

2. On Form PPT do you support the Disregarded Entity Type?
 - a. If so, do you support individuals filing as a disregarded entity?
 - b. If so, do you support LLEs or S-Corps filing as a disregarded entity?

3. Do you require your users/customers to download and apply product updates to continue to electronically file and/or print tax returns with your software? Please explain the timeline and process for this once an update is available for your product.

4. Do you support unlinked Alabama Department of Revenue returns?
 - a. Yes ☐
 - b. No ☐
5. Do you support the Consolidated Return Indicator (element ConsolidatedReturnIndicator)? If yes, go to question 5a.
 - a. Yes ☐
 - b. No ☐
- 5a. Do you support a filing status other than filing status 5 (stand-alone 20C) when the consolidated return indicator is populated?

If yes, then go to question 5b.

 - a. Yes ☐
 - b. No ☐
- 5b. Can you attach, via XML, the federal consolidated return for the FEIN of the parent company (element ConsolidatedParentFEIN) as filed and accepted by the IRS? If no, then you cannot support a filing status, other than filing status 5 (proforma), when the consolidated return indicator is populated.
 - a. Yes ☐
 - b. No ☐

Data Breach Reporting

You must adhere to the IRS e-File Security, Privacy and Business Standards Mandated as of January 1, 2010. This mandate requires reporting security incidents as soon as possible, but no later than the next business day after the confirmation of the incident.

The Alabama Department of Revenue must be notified within 48 hours if at any time it is discovered that your system (or any third party system holding or with access to your taxpayer data) has been breached or compromised exposing taxpayer personal information and/or user id information – including but not limited to SSNs, user names, and passwords. You are hereby obligated to notify the Alabama Department of Revenue within 48 hours of the discovery of the breach. Notice must be made directly to the e-File Coordinator in addition to submitting the affected accounts through the leads reporting process. Failure to notify the Department could result in your software being blocked from the electronic filing of Alabama returns.

Alabama Department of Revenue Standards and Requirements

Software Vendor Requirements and Responsibilities

1. You must be an approved IRS vendor to participate in the Alabama Business Modernized eFile Program.
2. Serving as Agents of the Alabama Department of Revenue, all vendors must comply with requirements as stated in Publication 4164 (Alabama Business Modernized eFile Program: Software Developers and Transmitters Guidelines)
3. Development should be in compliance with the electronic schemas and business rule documents.
4. The department must be informed prior to a vendor testing of all software limitations. All main schedules on a return must be supported via XML.
5. All schedules needed to file a particular form must be supported in the format required by the ADOR.
6. All software products must provide the taxpayer a method to attach any and all required documentation to the electronic return when filed.
7. The software vendor must support the printing of tax returns and all supporting forms to allow the user to mail their return if the return cannot be e-filed. The printed returns must be approved by the ADOR for form content and barcode approval prior to final MeF forms approval. The paper forms approval process and MeF testing may be completed simultaneously.
8. All confidential taxpayer information should be secure.
9. The software vendor agrees to only transmit linked returns for the forms 41, 65, 20S, 20C and 20C-C (unless an exception is stated in the business rules or AL 4164).
10. If any changes (not requested by ADOR) are made to approved software you must notify the department of the changes. If necessary, testing of the new product release may be required.
11. The vendor is responsible for notifying the ADOR of any errors found during production that affect the correct filing of any Business MeF returns. An update should be provided to the customers as soon as possible and the department notified once the issue has been resolved.
12. Notify/copy ADOR of any/all messages conveyed publically to Alabama taxpayers via your product.
13. It is the taxpayer's responsibility to timely file the appropriate ADOR tax return. A vendor should not turn off the schemas or business rules to allow a return to be filed without being parsed during production. The perfection period is not an extension to file, it is a period to correct a mistake on a previously e-filed tax return.
14. Submit taxpayer submissions in a timely manner. Submissions should not be held unless the client and ADOR has been notified of the delay.
15. For any eFile mandated tax type the software vendor does not have the authority to authorize a taxpayer to paper file a return. The software vendor must contact the ADOR for paper filing approval for any eFile mandated form type.
16. The software vendor must provide an adequate help desk to assist taxpayers or practitioners with software issues or any other problems filing their electronic return.
17. The Alabama Department of Revenue will conduct random review of all software products to verify that the requirements of the Alabama Business eFile Program are being met. The results will be sent to the programmers for further investigation and any necessary corrections made in a timely manner.

Testing & Approval Process

1. Test submissions should be submitted to the department within the specified testing dates provided on a yearly basis to all software vendors. The testing time period might vary depending on the form type.

2. Test returns must be parsed before they are submitted to the ADOR. If test returns come in that are not parsed the ADOR has the right to refuse review until the issues are fixed by the vendor.
3. If any changes are made after the software has been approved, the department should be notified and a test return with the changes made needs to be resubmitted.
4. The software vendor agrees to withhold advertising Alabama's acceptance of software each tax year, and will not accept Alabama returns until approval has been granted by the Alabama Department of Revenue.
5. The software vendor grants the ADOR the right to display the company name and website link on the approved vendor list on the ADOR website each tax year once the vendor has been approved.
6. By 12am CT on February 3rd, the following must be provided to the Alabama Department of Revenue to be considered for approval for the tax year:
 - a. All test returns (required returns included in the test package) for each supported tax type must pass all schema validation specifications and business rules. The returns must be error free.
 - b. A pdf must be sent by email to the ADOR for each submission being submitted for approval. If the pdf information does not match the XML information exactly the department has the right to return the test package and reject consideration for approval.
 - c. The test package must be complete. No partial packages will be accepted.
 - d. The test package must not include any limitations unless listed on the LOI and agreed upon by the ADOR.

Software Vendor NonCompliance of Form LOI-B

Please initial each of the following:

- ____ 1. The Alabama Department of Revenue reserves the right to revoke the acceptance of a software vendor and thereby refuse any additional returns from such software vendor. Should your product's ac-

ceptance become revoked, you agree to remove references from all public materials asserting your product's ability to service Alabama taxes after 48 hours' notice. In addition, the software vendor must provide immediate notice to any clients in the process of filing with Alabama before ceasing Alabama services.

- ____ 2. The Alabama Department of Revenue reserves the right to revoke the acceptance of an electronic originator or transmitter for just cause. Failure to comply with guidelines set forth in Publication AL4164 is just cause.
- ____ 3. Any of the following can result in the revocation of an electronic return originator or transmitter acceptance into the program: (1) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonest or breach of trust. (2) Failure to file timely and accurate tax returns, both personal and business. (3) Failure to pay personal tax liabilities or business liabilities. (4) Failure or refusal to effect corrective action as required by the Alabama Department of Revenue. (5) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Business MeF Program. (6) Unethical practices in return preparation. (7) Suspension by the IRS.
- ____ 4. All software errors which impact the correct filing of an Alabama tax return identified by the IRS, ADOR or clients must be immediately corrected and an update should be distributed to the software clients within 5 business days. Failure to correct any errors or issues within the time prescribed by the ADOR will result in suspension from the program.
- ____ 5. The ADOR reserves the right to revoke the acceptance of any software vendor (industry partner) for errors which prevent the correct filing of paper returns, barcode returns and payment vouchers. This will result in the industry partner not being able to electronically file returns until the ADOR deems the issue has been resolved. If this occurs, the software vendor should not allow their customer (taxpayer or tax preparer) the ability to print their return until the issue has been resolved.

Authorized Signature

- ☐ I acknowledge that all e-file ATS tests submitted during the approval process are created in and originate from the actual software.
- ☐ I acknowledge that all electronic returns received by Alabama Department of Revenue generated from this software will be electronically filed from the initially approved product version, or a subsequent product update.
- ☐ I acknowledge that all paper returns received by Alabama Department of Revenue generated from this software will be printed from the initially approved product version, or a subsequent product update.
- ☐ I acknowledge that Alabama Department of Revenue will be notified of any incorrect and/or missing calculation or e-file data element for any paper or electronic returns submitted to Alabama Department of Revenue.
- ☐ I acknowledge users/customers of this product who attempt to e-file 10 or more business days after a production release will be required to download and apply the product update.

As the representative of the above named organization, I agree, on behalf of the organization, to comply with all requirements listed above. Furthermore, by signing this agreement, my organization is agreeing to all of the requirements listed above. The Alabama Department of Revenue reserves the right to revoke approval acceptance of any company and thereby refuse to accept any additional returns from such software company that does not adhere to above stated requirements.

As an approved Alabama Department of Revenue provider, I agree to provide true, accurate, current, and complete information about my company. I understand that if I provide any information that is untrue, inaccurate, obsolete, or incomplete, the Alabama Department of Revenue has the right to deny, suspend, or terminate my account.

AUTHORIZED REPRESENTATIVE PRINTED NAME	AUTHORIZED REPRESENTATIVE EMAIL ADDRESS	
AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER ()	DATE

Complete this signature line if this is an amended Letter of Intent

AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER ()	AMEND DATE
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Comments and or Software Limitations: (If the limitations are not listed, accommodations will not be considered during ATS testing.)

Contact Information:

Forms 41, 65, 20S and PTE-C

Business MeF Coordinator

Missy A. Gillis

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Forms 20C, 20C-C, CPT and PPT

Business MeF Coordinator

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