



ALABAMA DEPARTMENT OF REVENUE  
 INDIVIDUAL AND CORPORATE TAX DIVISION  
**Software Developer Letter of Intent  
 and Compliance Agreement for Individual  
 Modernized eFile (MeF) Returns Tax Year 2023**

Departmental Use Only

AL Assigned Software  
 Developer Code: \_\_\_\_\_

Welcome to the Income Tax Letter of Intent (LOI). If your software company intends to submit electronic and/or paper returns to the Alabama Department of Revenue you will need to complete this form and submit it to Tavares Mathews at Individual.Efile@revenue.alabama.gov.

By submitting this Letter of Intent (LOI) to the Alabama Department of Revenue, you agree to meet our standards for software provider registration, tax preparation software, and substitute forms. If you do not meet the standards and requirements explained in this LOI, we may deny your application or revoke your approved software provider status and reject all electronic and/or paper returns submitted using your products.

You must complete a separate LOI for each unique product your company offers. We may reject an incomplete Letter of Intent.

**Note:** If you are a new Software Provider who has not filed city/state income tax returns with any city or state agencies, you must have passed assurance testing with the IRS. Attach documentation from the IRS demonstrating you have successfully tested with the IRS.

**Important dates**

The Alabama Department of Revenue has important key dates to ensure we are ready for the filing season and taxpayers can file an accurate and timely tax return. Please note the following key dates:

**Complete and submit this form by October 1, 2023.**  
**Assurance testing (ATS) must begin by January 1, 2024.**  
**Assurance testing (ATS) must be completed by February 28, 2024.**

**Amended Letter of Intent**

Check this box if this is an amended Letter of Intent.

**Reason for amendment:** \_\_\_\_\_  
 \_\_\_\_\_

**Company information**

List your company information.

NAME OF COMPANY	PRODUCT NAME	CITY/STATE ISSUED SOFTWARE ID (IF APPLICABLE)	
DBA NAME	NACTP VENDOR ID	CITY/STATE TAX ACCOUNT NUMBER (IF APPLICABLE)	
ADDRESS	PRODUCT ADDRESS/URL	COMPANY FEIN	
CITY		STATE	ZIP CODE

LIST YOUR OTHER PRODUCT NAMES USING THE SAME CALCULATION ENGINES HERE:

**IRS issued electronic identification numbers**

List your IRS electronic identification numbers.

TEST EFIN(S)	TEST ETIN(S)
PRODUCTION EFIN(S)	PRODUCTION ETIN(S)

**Contact information**

List the contact information for each area identified.

REGULATORY/COMPLIANCE CONTACT	PHONE (    )	EMAIL ADDRESS
PRIMARY INDIVIDUAL MEF CONTACT	PHONE (    )	EMAIL ADDRESS
SECONDARY INDIVIDUAL MEF CONTACT	PHONE (    )	EMAIL ADDRESS
PRIMARY LEADS REPORTING CONTACT	PHONE (    )	EMAIL ADDRESS
SECONDARY LEADS REPORTING CONTACT	PHONE (    )	EMAIL ADDRESS

**Authorized access to the State Exchange System**

On page 7, provide information for each employee you are authorizing for access to the State Exchange System.

**Type of Software Product (check only one)**

- DIY/Consumer (Web-Based)
- Professional/Paid Preparer (Web-Based)
- DIY/Consumer (Desktop)
- Professional/Paid Preparer (Desktop)

**Forms and Schedules Supported (Check All That Apply)**

**Individual Form 40 (Resident/Part-Year Return)**

- Form 40 – Individual Income Tax Return (Required)
  - Schedule A – Itemized Deductions (Required)
  - Schedule AAC – Alabama Adoption Tax Credit (Required)
  - Schedule AATC – Alabama Accountability Tax Credit (Required)
  - Schedule ATP – Additional Taxes & Penalties (Required)
  - Schedule B – Interest and Dividend Income (Required)
  - Schedule CP – Composite Payments (Required)
  - Schedule CR – Credits For Taxes Paid to Other States (Required)
  - Schedule DC – Donation Check-Offs (Required)
  - Schedule D – Net Profit or Loss (Required)
  - Schedule E – Supplemental Income and Loss (Required)
  - Schedule DS – Dependents Schedule (Required)
  - Schedule RS – Retirement Schedule (Required)
  - Schedule HBC – First Time Second Chance Home Buyer Deduction (Required)
  - Schedule HOF – Head of Family Schedule (Required)
  - Schedule KRCC-I Recipient’s Share of Capital Credit for Individual Taxpayers (Required)
  - Schedule OC – Other Available Credits (Required)
  - NOL-85 – Computation of Net Operating Loss (Required)
  - NOL-85A – Application of NOL Carryback or Carryforward (Required)

- Form 4952A – Investment Interest Expense

**Individual Form 40NR (Nonresident Return)**

- Form 40NR – Individual Non-Resident Return
  - Schedule A – Itemized Deduction (Required)
  - Schedule AAC – Alabama Adoption Tax Credit (Required)
  - Schedule AATC – Alabama Accountability Tax Credit (Required)
  - Schedule B – Interest and Dividend Income (Required)
  - Schedule CP – Composite Payments (Required)
  - Schedule D – Profit From Sale of Real Estate, Stocks, Bonds, etc. (Required)
  - Schedule E – Income From Rents, Royalties, Partnerships, Estates, Trust, and S Corporation (Required)
  - Schedule DS – Dependents Schedule (Required)
  - Schedule RS – Retirement Schedule (Required)
  - Schedule HOF – Head of Family Schedule (Required)
  - Schedule KRCC-I Recipient’s Share of Capital Credit for Individual Taxpayers (Required)
  - Schedule OC – Other Available Credits (Required)
  - NOL-85 – Computation Net Operating Loss (Required)
  - NOL-85A – Application of NOL Carryback or Carryforward (Required)
- Form 4952A – Investment Interest Expense Deduction

**Rebranded Software Products**

Complete this section if your product is rebranded.

For software to be considered rebranded, changes cannot be made to the software requirements and output(s). As the Software company selling and/or licensing your product to a third-party, it is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). List each of your rebranded products below.

REBRANDED PRODUCT NAME	ETIN (IF APPLICABLE)	CONTACT PERSON	PHONE (    )	EMAIL ADDRESS
			PHONE (    )	
			PHONE (    )	
			PHONE (    )	
			PHONE (    )	
			PHONE (    )	

Attach additional sheets if needed.

**For Rebranded Products, the Alabama Department of Revenue has the following requirements for paper forms and/or e-file ATS approval:**

- Rebranded Products are not required to complete e-file ATS/substitute form approval.

## E-file Mandates or Requirements

### Individual E-File Mandate

The Requirements for mandatory e-file (rule no. 810-3-27-.09 and 810-3-27-.10) for paid preparers using packaged software: Paper returns with 2-D barcodes are no longer considered as electronically filed. An “opt out” election form (Form EOO) must be attached to any paper return submitted by a preparer subject to the electronic filing requirements of Rule 810-27-.09. 2-D barcode is still required on any such paper return.

If an income tax return preparer prepares 11 or more acceptable, original individual income tax returns using tax preparation software in a calendar year, then for that calendar year and for each subsequent calendar year thereafter, all acceptable individual income tax returns prepared by that income tax preparer must be filed using electronic technology, as defined in the “Electronic Tax Return Filing Act,” as codified in Chapter 30 of Title 40, Code of Alabama 1975.

[https://www.revenue.alabama.gov/ultraviewer/viewer/basic\\_viewer/index.html?form=2021/12/810-3-27-.091.pdf](https://www.revenue.alabama.gov/ultraviewer/viewer/basic_viewer/index.html?form=2021/12/810-3-27-.091.pdf)

[https://www.revenue.alabama.gov/ultraviewer/viewer/basic\\_viewer/index.html?form=2021/12/810-3-27-.10.docx.pdf](https://www.revenue.alabama.gov/ultraviewer/viewer/basic_viewer/index.html?form=2021/12/810-3-27-.10.docx.pdf)

### **Software Limitations**

List any software limitations to forms or schedules you support.

If there are additional limitations after completing the LOI, please provide it before you submit ATS testing.

Are there any differences in the forms you support based on the type of software? If yes, please explain those differences.

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### **Agency Requirements**

This section identifies agency requirements and expectations of new and existing Software Providers and the software product.

Notify the agency if any forms and/or payments you support are not ready after agency approval. Submit this information via email to Individual.Efile@revenue.alabama.gov and include the date the electronic or paper product will be ready to submit.

### Issue Notification And Resolution Requirements

This section represents the Alabama Department of Revenue issue notification and issue resolution standards.

### System Security Requirements

The Alabama Department of Revenue does not prescribe the security requirements for your system. You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. You must apply security measures to protect taxpayer information in your system when it is on-line, off-line, at rest, and in transit.

### System Incident Requirements

Unless otherwise prohibited by law, all data breaches, security incidents, or other improper disclosures of taxpayer data must be promptly reported to the Alabama Department of Revenue and Alabama Attorney General Office.

Data breaches, security incidents, or other improper disclosures of taxpayer data that by law require reporting to the Alabama Attorney General Office must also be reported to the Alabama Department of Revenue.

### Data Breach Reporting

The Alabama Department of Revenue is committed to fighting stolen identity refund fraud. 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.

### Production Return Submission Requirements

All returns generated from this software must be e-filed or printed from the approved software or a subsequent product update.

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### Product Updates

Desktop product users who attempt to file 10 or more business days after a production release must be required to download and apply the product update.

## **Schemas**

Your software must follow the schema requirements. Alabama Department of Revenue schema requirements can be found on SES.

## **Testing and Submission**

All e-file ATS and substitute forms tests submitted during the approval process must be created in, and originate from, the actual software.

## **Validation of Data Elements**

Transferring data year-over-year that is not initially entered accurately causes issues with processing tax returns. The following items should not be transferred year over year:

- State driver s license data elements.
- State withholding account numbers.

## **Customer Notices**

This section identifies information the Alabama Department of Revenue is requiring the software providers to communicate with customers.

### **Disclosure and use of information language expectations**

You must include the following consent language with electronic filing software.

#### **For Do-it-Yourself software:**

By using a computer system and software to prepare and file my tax return(s) electronically, I consent to the transmission of my return(s) and to the disclosure of all information about my use of the system and software to the Alabama Department of Revenue.

#### **For Tax Professional software:**

By using a computer system and software to prepare and file my client's return(s), I consent to the transmission of my client's return(s) and to the disclosure of all information about my use of the system and software to the Alabama Department of Revenue.

#### **For Business software:**

By using a computer system and software to prepare and file this business tax return(s), I consent to the transmission of the return(s) and to the disclosure of all information about the use of the system and software to the Alabama Department of Revenue.

## **Driver's License/ID Card Expectations**

The Alabama Department of Revenue is providing the following expectations and information:

For e-file returns:

- Alabama Department of Revenue requires the DL/ID card and will reject e-file returns if it's not included.

#### **For printed/paper forms requesting the DL/ID Card information:**

Alabama Department of Revenue requests the DL/ID card information on the form(s) be masked.

The Alabama Department of Revenue is providing a URL and/or a statement for the DL/ID Card. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The messages are expected to be displayed within the software in a way to maximize the likelihood the message is read.

#### **Statement:**

The Alabama Department of Revenue is committed to fighting stolen identity refund fraud. To that end, the Department request that taxpayer's driver license number or State Issued ID number, as well as the state that issued it, the issue date and expiration date be submitted with the return. Omitting any of this information will cause your return to be rejected and a paper return must be filed

#### **Refund Expectations**

The Alabama Department of Revenue is providing a URL and a statement for refund processing. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The message is expected to be displayed within the software in a way to maximize the likelihood the message is read.

#### **Statement:**

For the most up-to-date information concerning the status of your current year refund, call 1-855-894-7391 or check our website at [www.revenue.alabama.gov](http://www.revenue.alabama.gov), then click on "Where's My Refund. Return processing times vary depending on many factors, including complexity of the return and our identity verification processes. Please allow 8 to 12 weeks to receive your refund.

The Department is once again converting some tax refunds to a paper check that were requested to be delivered by direct deposit. Making this change is intended to prevent criminals from easily diverting fraudulently filed refunds to their own accounts. Avoiding potential refund fraud by sending paper checks outweighs taking the risk of sending a refund electronically to the wrong party.

#### **Taxes Due Expectations**

Alabama Department of Revenue is providing a URL and/or a statement about taxes due, such as due dates and payment methods. You must include the URL and statement in all your products and show it to users within the software in the most prominent way possible.

**URL:**

[https://myalabamataxes.alabama.gov/\\_/](https://myalabamataxes.alabama.gov/_/)  
<https://revenue.alabama.gov/individual-corporate/due-dates/>  
<https://revenue.alabama.gov/individual-corporate/payment-options/>

**Statement:**

Pursuant to Section 41-1-20, Code of Alabama 1975, payments of \$25,000 or greater for individual taxpayers are required to be made electronically through EFT. If you need assistance with making a payment, or to change from ACH Credit to ACH Debit method payment, please call the Alabama Department of Revenue EFT Section at: 1-877-256-2447 or 334-353-7659.

**Agency Questions**

1. What refund products or payment vehicles do you offer your customers? If you partner with an entity to provide refunds (e.g. Amazon.com or other pre-paid cards), please provide the names and bank routing numbers (RTNs) of each company. Attach a separate sheet if necessary.

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**I agree to the following rules and regulations for participation  
in the Alabama Individual Modernized eFile Program:**

**Software Partner Requirements and Responsibilities**

1. You must be an approved IRS vendor to participate in the Alabama Individual 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 Individual 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. Individual income tax products must provide the ability for their taxpayers to produce all required forms and schedules listed on page two (2).
5. All schedules needed to file a particular form must be supported in the format required by the ADOR.
6. 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.
7. The software vendor agrees to transmit only LINKED returns for Individual FORM 40 returns.
8. 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.
9. Notify/copy ADOR of any/all messages conveyed publically to Alabama taxpayers via your product.
10. 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.
11. All confidential taxpayer information should be secure.
12. Submit taxpayer submissions in a timely manner. Submissions should not be held unless the client and ADOR has been notified of the delay.
13. 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.
14. The vendor is responsible for notifying the ADOR of any errors found during production that affect the correct filing of any Individual MeF returns. An update should be provided to the customers as soon as possible and the department notified once the issue has been resolved.
15. All software products must provide the taxpayer a method to attach any and all required documentation to the electronic return when filed. 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 Alabama Department of Revenue will conduct random review of all software products to verify that the requirements of the Alabama Individual 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 and 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. Software vendor agrees to withhold advertising Alabama's acceptance of software, and will not accept Alabama returns, until Alabama software approval has been granted.

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 once the vendor has been approved

**Noncompliance to Agreement and Revocation of Acceptance**

***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 acceptance become revoked by Alabama, you agree to remove references from all public materials asserting your product's ability to service Alabama taxes after 48 hours' notice from Alabama, and to provide immediate notice to any clients in the process of filing with Alabama before ceasing Alabama services.
- \_\_\_\_\_ 2. The ADOR reserves the right to revoke the acceptance of an electronic originator or transmitter for just cause. Failure to comply with the 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 Individual 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 five 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 current and prior year returns until the ADOR deems the issue has been resolved. If this occurs, the software vendor should not allow their customers (taxpayer or tax preparer) the ability to print their return until the issue has been resolved.

**Acknowledgments and Signature:**

By signing this agreement, I agree to provide true, accurate, current, and complete information and my company agrees to all the requirements listed in this document. **The Alabama Department of Revenue** reserves the right to deny, suspend or terminate my company's ability to submit returns.

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

**Comments:**

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**Contact Information:**    **Forms 40 and 40NR**  
Individual MeF Coordinator  
Tavares Mathews  
(334) 353-9497  
tavares.mathews@revenue.alabama.gov

## Authorized access to the State Exchange System

Access to the State Exchange System should be limited to those with a business need.

Provide information for each employee you are authorizing for access to the State Exchange System.

**NOTE:** Include all authorized individuals, even if listed previously on this form.

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS
PHONE NUMBER (     )	AUTHORIZED ACCESS E-FILE	TAX TYPES INDIVIDUAL

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS
PHONE NUMBER (     )	AUTHORIZED ACCESS E-FILE	TAX TYPES INDIVIDUAL

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS
PHONE NUMBER (     )	AUTHORIZED ACCESS E-FILE	TAX TYPES INDIVIDUAL

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS
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COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS
PHONE NUMBER (     )	AUTHORIZED ACCESS E-FILE	TAX TYPES INDIVIDUAL