

**State of Arkansas
Department of Finance and Administration
Income Tax Administration**



**Letter of Intent
Corporate Income Tax**

Tax Year – 2018

(Filing Season Beginning 01-01-2019)

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**State of Arkansas
Tax Software Provider
Letter of Intent
Corporate Income Tax Returns**

**Tax Year
2018**

This Letter of Intent (LOI) sets forth the specific questions, requirements, and standards for tax software providers for the **Arkansas Department of Finance and Administration, Income Tax Administration**. 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 or paper returns submitted using your products.

The **deadline** to submit your Letter of Intent is **October 31, 2018**. This form must be completed and submitted to: Arefile@dfa.arkansas.gov

Complete a new registration form for each software product your company offers. ATS and Substitute form results will not be sent until a completed registration is received by the Arkansas Electronic Filing Group.

MODERNIZED EFILE (MeF): (ATS **deadline** is **January 1, 2019**.)

Arkansas income tax form: AR1100CT

SUBSTITUTE FORMS: (Substitute forms and voucher approval **deadline** is **December 31, 2018**.)

Arkansas income tax form: AR1100CT

COMPANY INFORMATION:

Company Name: _____ DBA Name: _____
Address: _____
City, State & Zip: _____
Company FEIN: _____
Website Address (URL): _____
NACTP Member ID: _____

PRODUCT INFORMATION: (Only one product per letter of intent)

Product Name: _____

Type of Software Product:

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

Arkansas Issued Software ID: _____
(From previous year or if new product Arkansas will issue the new software id)

Testing ETIN(s): _____
Production ETIN(s): _____
Testing EFIN(s): _____
Production EFIN(s): _____

Support Contacts

MeF Support

ATS results and the software approval letter will be sent to the contact(s) listed below via e-mail.

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Forms Support

Arkansas forms will **not** be posted to the Arkansas draft website.

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Leads Reporting Support

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Customer Support

We receive multiple phone calls every year from taxpayers and tax preparers requesting the contact information for the software product they are using. The information below will not be posted on our website. Our representatives will provide the caller with the information provided to us.

Taxpayer Customer Support:

Phone: _____

E-Mail Address: _____

Tax Preparer Customer Support:

Phone: _____

E-Mail Address: _____

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) does not pose additional risk to the ecosystem.*

Rebranded Product Name:_____ Unique Identifier**:_____
Contact Person:_____
Phone Number (United States Only):_____
E-Mail Address:_____

Rebranded Product Name:_____ Unique Identifier**:_____
Contact Person:_____
Phone Number (United States Only):_____
E-Mail Address:_____

Rebranded Product Name:_____ Unique Identifier**:_____
Contact Person:_____
Phone Number (United States Only):_____
E-Mail Address:_____

Rebranded Product Name:_____ Unique Identifier**:_____
Contact Person:_____
Phone Number (United States Only):_____
E-Mail Address:_____

Rebranded Product Name:_____ Unique Identifier**:_____
Contact Person:_____
Phone Number (United States Only):_____
E-Mail Address:_____

***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 Arkansas Department of Finance and Administration, Income Tax Administration has the following requirement for paper forms and/or e-File ATS approval:

- Rebranded Products are required to complete the full e-File ATS/paper form approval process

Forms and Schedules Supported

Place a checkmark in the box next to each form to indicate that your software product supports the Arkansas return/schedule/feature within your software. Arkansas requires software companies to support print versions of any return or schedule that is supported within e-File.

If the software product only supports a basic version of tax return and does not support the more complex schedules, place an “N/S” in the e-File column to indicate the schedule is “**Not Supported**” within the product.

Note: Arkansas requires the forms listed below to be submitted for review and approval.

 - Required to be supported for paper and e-File.

[illegible]

Communication and Expectations

State Documents and Materials

All **Arkansas** income tax forms, publications and schemas will be posted on the FTA State Exchange System (SES).

State Refund Expectations

To assist Taxpayers and Tax Professionals expecting refunds, **Arkansas** 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:

- Help eliminate phone calls from Taxpayers, Tax Professionals and Industry about refunds
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

Where's My Refund

Arkansas "Where's My Refund" URL: <http://www.dfa.arkansas.gov/offices/incomeTax/individual/Pages/WheresMyRefund.aspx>

Statement:

Identity Theft has been a growing problem nationally and the Department is taking additional measures to ensure tax refunds are issued to the correct individuals. These additional measures may result in tax refunds not being issued as quickly as in past years.

State Driver's License/ID Card Expectations

To help Taxpayers, Tax Professionals, and Industry partners understand the jurisdiction requirements for State Driver's Licenses or ID Cards, Arkansas Department of Finance and Administration, Income Tax Administration is providing the following expectations:

For e-File returns:

- ☐ **Arkansas** does not want to receive the DL/ID Card Information with the tax return
- ☒ **Arkansas** wants to receive the DL/ID Card Information with the tax return
- ☐ **Arkansas** requires the DL/ID Card Information be included with the tax return but will not reject the e-File return
- ☐ **Arkansas** will reject e-File returns if the DL/ID Card Information is not included with the tax return

For printed/paper forms requesting the DL/ID Card Information:

- ☒ **Arkansas** requests the full DL/ID Card Information on the form(s). Do not mask or truncate the information.
- ☐ **Arkansas** requests the DL/ID Card Information on the form(s) be masked

State Driver's License/ID Card Expectations (Cont.)

To assist Taxpayers and Tax Professionals filing returns, **Arkansas** is providing a URL and/or a statement regarding expectations for the DL/ID Card. Industry partners will use this statement or URL to communicate and help set the appropriate expectations with external stakeholders. Providing this information will:

- Help eliminate phone calls from Taxpayers, Tax Professionals and Industry about DL/ID Card Collection and Reporting
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

URL: <https://www.dfa.arkansas.gov/income-tax/individual-income-tax/>

Statement: The State of Arkansas is requesting additional information this filing season in an effort to combat identity tax fraud and ensure that your hard-earned tax refund goes to you. Providing information from your driver's license or state-issued identification card will help protect your identity and could help process your return quicker. However, this is only a request. Information from your driver's license is not required, and your return will be processed without the additional information. The information is being requested solely to help protect your identity and ensure a more-secure refund.

State Questions, Requirements, Standards and Recommendations

This section represents the state-specific requirements and standards for tax software providers.

Standards and Requirements for Confirmation of Specific Data Elements

Software Vendors cannot release Arkansas income tax forms in software products until approval has been received by the State of Arkansas.

Arkansas income tax returns cannot be prepared nor can taxpayers receive an "early look" until all new year changes have been updated to the software product.

All updates must be updated in the tax software before allowing printing of tax returns.

All software products must have a two step verification for routing and account numbers.

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
- Bank account numbers
- State identity PIN's
- Do not mask or truncate taxpayer information

Software Monitoring

Arkansas is committed to providing secure, efficient and accurate returns processing to all who are required to file a tax return in Arkansas. Arkansas places high standards on itself, its filers, and its software providers to deliver on this commitment to our Arkansas taxpayers.

To meet this commitment, Arkansas will be implementing monitoring tools that help us to evaluate how each software provider is performing, is adhering to Arkansas specific requirements and meets the tax preparation needs of Arkansas taxpayers. Software providers who have actively supported Arkansas Tax e-File programs during calendar / filing season 2018 may receive a report detailing the results of the monitoring.

Going forward annually, Arkansas may begin providing guidance as to the minimum standard requirements that a software vendor must meet to be eligible to participate and support Arkansas e-File programs.

Arkansas Special Statement

Arkansas reserves the right to decline, decertify, revoke or limit approval or acceptance of any software provider's product and thereby refuse to accept any additional returns from such software product that does not adhere to the specified requirements.

Should your product be decertified by Arkansas, you agree to remove references asserting your product's ability to service Arkansas taxes from all public materials within 48 hours notice from Arkansas, and to provide immediate notice to any clients in the process of filing with Arkansas before ceasing Arkansas services.

State Specific 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)

2. Does this product offer Direct Debit for return payment? ☐ Partial payments ☐ Full payment ☐ Both

3. Does this product allow Direct Debit for estimated payments? ☐ Yes ☐ No

Data Breach Reporting

All software providers executing this agreement are subject to the data breach security laws and/or regulations of the **State of Arkansas and the Department of Finance and Administration** noted below, including but not limited to provisions regarding who must comply with the law, definitions of “personally identifiable information”, what constitutes a breach, requirements for notice, and any exemptions.

Arkansas Code Title 4 Business and Commercial Law / Subtitle 7 Consumer Protection

- Chapter 110 Personal Information Protection Act / A.C.A. § 4-110-101 – 108
- <https://arkansasag.gov/consumer-protection/identity/column-one/security-or-data-breach/>

Software providers who discover an internal or client data breach must notify the State of Arkansas within twenty-four (24) hours. The notification must include all information available with regard to the clients and/ or users affected. Notifications can be sent to Arkansas Electronic Filing Section using the following contact information:

- **Phone:** (501) 682-7925 or (501) 682-2194
- **Email:** arefile@dfa.arkansas.gov

Software Provider Agrees To:

- Notify Arkansas immediately when errors in their software affect Arkansas taxpayers.
 - o Critical errors will be resolved within 3 to 5 business days.
 - o Non-critical errors will be resolved within 5 to 10 business days.
 - o Notify Arkansas when the problem is resolved.
 - o Provide timely software updates and technical support to their Arkansas customers.
 - o If software provider is unable to resolve a critical error within specified timeframe, Arkansas may temporarily suspend accepting and processing returns until the error is resolved.
- To the extent that a critical error is found that negatively impacts Arkansas taxpayers and is directly and solely caused by the tax preparation software, the software provider will work with Arkansas and affected taxpayers to find appropriate solutions and mitigate the impact of the error.
- Notify customers of minimum computer and print settings needed when submitting forms and payments either electronically or on paper for processing purposes.
- Abide by the following testing standards.
 - o Prior to the opening of IRS' e-File for the 2018 Filing Season, the vendor will provide Arkansas with either a "beta" version (ex. CD) or access to their online tax preparation program that allows Arkansas to review:
 - o all user screens,
 - o all interview questions,
 - o all messaging,
 - o final submission screens, and
 - o printing substitute forms (as applicable to the product).
 - o Work directly with Arkansas staff to satisfy testing requirements in a timely fashion.
 - o Submit test returns within the test timeframes detailed in the Arkansas Publications listed below.
 - o Create tax returns that incorporate all the criteria detailed within each test scenario provided by Arkansas.
 - o The software provider will not be allowed to submit returns before successfully completing all required testing and approval has been issued by Arkansas.
 - o Software vendors with previous history of issues with their products in Arkansas may be required to perform a more rigorous testing methodology to validate the adequacy of their product.
 - o While every effort will be made to be flexible during the testing window, Arkansas reserves the right to decertify the participation of a software provider if testing is inadequate, not completed timely or continues to be a strain on Arkansas testing resources.
- Develop substitute tax forms in accordance with the Arkansas Substitute Forms Guidelines and Standards (AR1167) for Formatting, Content, and Approval issued by Arkansas and agrees to:
 - o Submit all required computer generated Arkansas forms to Arkansas for testing and approval.
 - o Not allow the forms to be printed from their software until fully approved by Arkansas.
- Adhere to all specifications in Arkansas Publications and IRS Publications.
 - o AR1345 Handbook for Authorized Arkansas e-File Providers of Individual Income Tax Returns
 - o AR4163 Handbook for Authorized Arkansas e-File Providers of Partnership, Corporation, S-Corp, Fiduciary & Composite Income Tax Returns
 - o AR4164 Arkansas e-File Guide for Software Developers and Transmitters
 - o AR1167 Arkansas General Rules and Specifications for Substitute of Income Tax Forms, Schedules and Vouchers
 - o Arkansas Income Tax Form Instructions
- Appropriately and timely respond to changes requested by Arkansas throughout the filing season to include providing a projected implementation date for agreed upon changes.
- Not use any branding logo or trademarks of Arkansas without the expressed written consent.
- Retrieve the acknowledgements within 2 business days of Arkansas transmission of those acknowledgements and will send to the taxpayer within one business day.

Agreement

- ☐ 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 the **Arkansas Department of Finance and Administration** 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 the **Arkansas Department of Finance and Administration** generated from this software will be printed from the initially approved product version, or a subsequent product update.
- ☐ I acknowledge that **Arkansas Department of Finance and Administration** will be notified of any incorrect and/or missing calculation or e-File data element for any paper or electronically returns submitted to the **Arkansas Department of Finance and Administration**.
- ☐ I acknowledge users/customers of this product who attempt to e-File ten (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 **State of Arkansas and Department of Finance and Administration** 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 the above stated requirements.

As an approved **State of Arkansas and Department of Finance and Administration** 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 **State of Arkansas and Department of Finance and Administration** has the right to deny, suspend, or terminate my account.

SIGNATURE OF AUTHORIZED REPRESENTATIVE

DATE

PRINT NAME OF AUTHORIZED REPRESENTATIVE

TITLE

E-MAIL ADDRESS

PHONE NUMBER

Electronically:

- E-mail the completed and signed Letter of Intent:
arefile@dfa.arkansas.gov