State of Arkansas
Department of Finance and Administration
Income Tax Administration

Letter of Intent
S-Corporation Income Tax

Tax Year – 2019

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Due Date: October 31st

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Tax Year 2019

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, 2019**. 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 1st**)

Arkansas income tax form: AR1100S ☐ Check if product does not support efile

SUBSTITUTE FORMS: (Substitute forms and voucher approval **deadline** is **January 1st**)

Arkansas income tax form: AR1100S

Filing status **not** supported ☐ Filing Status 4: S Corporation with QSSS Entities

COMPANY INFORMATION:

Company Name:_____ DBA Name:_____
Address:_____
City, State & Zip:_____
Company FEIN:_____ State Tax Account Number:_____
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. We do not send ATS results and approval letters to developers not listed.

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:_____

Regulatory/Compliance Support

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:_____

Authorized access to the State Exchange System

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

- Company name
- First and last name of authorized individual
- Email address
- Phone number

NOTE: If 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:________________________________
Authorized Access: ☐ Forms ☐ E-file

Company Name:________________________________
First and Last Name:____________________________
Email Address:________________________________
Phone Number:________________________________
Authorized Access: ☐ Forms ☐ E-file

Company Name:________________________________
First and Last Name:____________________________
Email Address:________________________________
Phone Number:________________________________
Authorized Access: ☐ Forms ☐ E-file

Company Name:________________________________
First and Last Name:____________________________
Email Address:________________________________
Phone Number:________________________________
Authorized Access: ☐ Forms ☐ E-file

Company Name:________________________________
First and Last Name:____________________________
Email Address:________________________________
Phone Number:________________________________
Authorized Access: ☐ Forms ☐ E-file

Company Name:________________________________
First and Last Name:____________________________
Email Address:________________________________
Phone Number:________________________________
Authorized Access: ☐ Forms ☐ E-file

Company Name:________________________________
First and Last Name:____________________________
Email Address:________________________________
Phone Number:________________________________
Authorized Access: ☐ Forms ☐ E-file

Rebranded Software Products

Complete this section if your product is rebranded. If there are more than five software products that have been under rebranded under a different name, please list them on a separate sheet and attach it to this submission.

Note: In order for the software to be considered rebranded, changes cannot be made to the software requirements and output(s). It is your responsibility to make sure the rebranded product reflects the current software requirements and output(s).

Rebranded Product Name:__________ State Software ID**:__________
Contact Person:__________
Phone Number (United States Only):__________
E-Mail Address:__________

Rebranded Product Name:__________ State Software ID**:__________
Contact Person:__________
Phone Number (United States Only):__________
E-Mail Address:__________

Rebranded Product Name:__________ State Software ID**:__________
Contact Person:__________
Phone Number (United States Only):__________
E-Mail Address:__________

Rebranded Product Name:__________ State Software ID**:__________
Contact Person:__________
Phone Number (United States Only):__________
E-Mail Address:__________

Rebranded Product Name:__________ State Software ID**:__________
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 "**N**ot **S**upported" within the product.

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

Required to be Supported:

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

S CORPORATON INCOME TAX			
AR Forms & Schedules	**Arkansas Description**	**e-File**	**Print**
AR1100S	S Corporation Income Tax Return	■	■
AR K-1	Owner's Share of Income, Deductions, Credits, Etc.	■	■
AR8453-S	Declaration for Electronic Filing	■	
AR-AIS	Additional Information Schedule	■	
AR1100CTV	Corporation Income Tax Payment Voucher	■	■
AR1155 (Voucher)	Request for Arkansas Extension of Time For Filing Income Tax Returns	■	■
AR1100WH	Withholding Summary	■	■

Optional Supported Forms: Check all that apply.

S CORPORATON INCOME TAX			
AR Forms & Schedules	**Arkansas Description**	**e-File**	**Print**
AR1155 (Form)	Request for Extension of Time For Filing Fiduciary Tax Returns		

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 - (Individual Income Tax Only)

Arkansas Department of Finance and Administration, Income Tax Administration is providing a URL and statement about refund processing. Industry partners must use this statement and URL in all products. The messages must be shown to end-users within the software in a way to maximize the likelihood the message is read.

URL:

Arkansas "Where's My Refund": www.atap.arkansas.gov

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.

Tax Due Expectations

To assist Taxpayers and Tax Professionals with balance due returns, **Arkansas Department of Finance and Administration, Income Tax Administration** is providing a URL and statement about tax dues, such as how to schedule or make a tax payment and/or estimated tax payments. Industry partners must use this statement and URL in all products. The messages must be shown to end-users within the software in a way to maximize the likelihood the message is read.

URL: www.atap.arkansas.gov

Statement:

Taxpayers can schedule or request an electronic tax payment for balance due returns and/or estimated tax payments by visiting our website.

State Driver's License/ID Card Expectations

Arkansas Department of Finance and Administration, Income Tax Administration is providing the following expectations and information:

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

Arkansas Department of Finance and Administration, Income Tax Administration 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 shown to end-users within the software in a way to maximize the likelihood the message is read.

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 jurisdiction questions, 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 all 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
- 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

4. Arkansas wants to receive Taxes Paid to Other States (TPOS) data when applicable. Will your company support the TPOS schema for this filing season? ☐ 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.
    - Critical errors will be resolved within 3 to 5 business days.
    - Non-critical errors will be resolved within 5 to 10 business days.
    - Notify Arkansas when the problem is resolved.
    - Provide timely software updates and technical support to their Arkansas customers.
    - 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.
    - 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:
        - all user screens,
        - all interview questions,
        - all messaging,
        - final submission screens, and
        - printing substitute forms (as applicable to the product).
    - Work directly with Arkansas staff to satisfy testing requirements in a timely fashion.
    - Submit test returns within the test timeframes detailed in the Arkansas Publications listed below.
    - Create tax returns that incorporate all the criteria detailed within each test scenario provided by Arkansas.
    - The software provider will not be allowed to submit returns before successfully completing all required testing and approval has been issued by Arkansas.
    - 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.
    - 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:
    - Submit all required computer generated Arkansas forms to Arkansas for testing and approval.
    - 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.
    - AR1345 Handbook for Authorized Arkansas e-File Providers of Individual Income Tax Returns
    - AR4163 Handbook for Authorized Arkansas e-File Providers of Partnership, Corporation, S-Corp, Fiduciary & Composite Income Tax Returns
    - AR4164 Arkansas e-File Guide for Software Developers and Transmitters
    - AR1167 Arkansas General Rules and Specifications for Substitute of Income Tax Forms, Schedules and Vouchers
    - 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, Income Tax 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, Income Tax Administration** generated from this software will be printed from the approved product version, or a subsequent product update.

☐ I acknowledge that **Arkansas Department of Finance and Administration, Income Tax 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, Income Tax Administration.**

☐ I acknowledge users/customers of desktop products 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 **Arkansas Department of Finance and Administration, Income Tax 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 **Arkansas Department of Finance and Administration, Income Tax 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 **Arkansas Department of Finance and Administration, Income Tax 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