



# Withholding/Payroll Service Provider Letter of Intent

## Tax Year 2024

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This form must be completed and submitted to Nico Yingling by September 16, 2024



## 2024 Tax Software Provider of Intent Withholding/Payroll

Welcome to the Letter of Intent (LOI) for Withholding/Payroll. If your software company intends to submit withholding/payroll informational returns electronically you will need to complete this form and submit it to Nico Yingling at [efilecoordinator@tax.idaho.gov](mailto:efilecoordinator@tax.idaho.gov).

By submitting this LOI to the Idaho State Tax Commission (ISTC), 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 or provide an incomplete form, 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 form for each unique product your company offers.

### 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	
DBA Name	NACTP vendor ID	State tax account number
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. The transmission header of the MeF FSET package has a required element transmitter with a required choice of EFIN or ETIN. ISTC doesn't currently support FSET, but providing the following information is appreciated in the event of future development.

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 withholding e-File contact	Phone	Email address
Secondary withholding e-File contact	Phone	Email address
Primary W2/1099 e-File contact	Phone	Email address
Secondary W2/1099 e-File contact	Phone	Email address

## Substitute forms registration

Complete this section only if your product will provide substitute forms.

Agency substitute forms software number		
Primary withholding forms contact	Phone	Email address
Secondary withholding forms contact	Phone	Email address
Primary W2/1099 forms contact	Phone	Email address
Secondary W2/1099 forms contact	Phone	Email address
<b>Note:</b> If you have additional contacts, please list them by form/tax type on a separate sheet and attach it to this submission.		

## Software products and tax types supported

Check all that apply.

Forms and schedules	Substitute forms	E-file (TAP)
0850 Sales and Use Return	<input type="checkbox"/>	<input type="checkbox"/>
0910 Withholding Return	<input type="checkbox"/>	<input type="checkbox"/>
0967 Annual Withholding Reconciliation Return	<input type="checkbox"/>	<input type="checkbox"/>
1152 Travel and Convention Return	<input type="checkbox"/>	<input type="checkbox"/>
1250 Greater Boise Auditorium District Return	<input type="checkbox"/>	<input type="checkbox"/>
1350 Tobacco Return	<input type="checkbox"/>	
1450 Fuel Distributer Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
1550 Cigarette Return	<input type="checkbox"/>	
1650 Beer Return	<input type="checkbox"/>	<input type="checkbox"/>
1754 Beer over 5% and Wine Return	<input type="checkbox"/>	<input type="checkbox"/>
3150 IFTA Return	<input type="checkbox"/>	<input type="checkbox"/>
3550 Amusement Device Tax Return	<input type="checkbox"/>	<input type="checkbox"/>
3950 E911 Prepaid Wireless Return	<input type="checkbox"/>	<input type="checkbox"/>
4150 Idaho Falls Auditorium District Return	<input type="checkbox"/>	<input type="checkbox"/>
4250 Pocatello/Chubbuck Auditorium District Return	<input type="checkbox"/>	<input type="checkbox"/>
Power of Attorney	<input type="checkbox"/>	

\*Permit tax return forms that are available on our website under their respective tax types <https://tax.idaho.gov> aren't listed here.

## Filing types and methods

This section identifies the various ways returns can be filed with the Idaho State Tax Commission. Please select the method(s) your company will support.

The following filing methods represents ISTC’s preferred ways of receiving the forms. These methods are mandated in some cases as described under “E-File mandates or requirements” and “Agency Requirements” (page 6).

Form types	ISTC Filing Methods Check filing methods your company supports	For more information
<b>1099</b>	<input type="checkbox"/> File upload process	<a href="http://tax.idaho.gov/developers">tax.idaho.gov/developers</a>
	<input type="checkbox"/> Combined fed/state program	
<b>W2</b>	<input type="checkbox"/> Taxpayer Access Point (Web Service)	<a href="http://tax.idaho.gov/tap">tax.idaho.gov/tap</a>
	<input type="checkbox"/> File upload process	<a href="http://tax.idaho.gov/developers">tax.idaho.gov/developers</a>
<b>W2C</b>	<input type="checkbox"/> Paper filing only	<a href="http://tax.idaho.gov/developers">tax.idaho.gov/developers</a>
<b>Withholding Return</b>	<input type="checkbox"/> Taxpayer Access Point (Web Service)	<a href="http://tax.idaho.gov/tap">tax.idaho.gov/tap</a>
	<input type="checkbox"/> ACH Credit Payment (satisfies return and payment)	<a href="http://tax.idaho.gov/epay">tax.idaho.gov/epay</a>
<b>Reconciliation Return</b>	<input type="checkbox"/> Taxpayer Access Point (Web Service)	<a href="http://tax.idaho.gov/tap">tax.idaho.gov/tap</a>
	<input type="checkbox"/> File upload process	<a href="http://tax.idaho.gov/developers">tax.idaho.gov/developers</a>
<b>Other Permitted Returns and Payments</b> (Types listed in the <i>Forms and Tax Types</i> table above)	<input type="checkbox"/> Taxpayer Access Point (Web Service)	<a href="http://tax.idaho.gov/tap">tax.idaho.gov/tap</a>
	<input type="checkbox"/> ACH credit payment (must coincide with a return submission via Taxpayer Access Point)	<a href="http://tax.idaho.gov/epay">tax.idaho.gov/epay</a>

## e-File mandates or requirements

With respect to W2 and 1099 submissions: If the federal mandate for electronic filing of W2 or 1099 is met (250 or more), and if 50 or more of them are for Idaho employees, then the State of Idaho and ISTC mandates electronic filing of such forms.

If you are a Withholding Service Provider who serves 100 or more Idaho businesses, electronic 910 payments should be made either with validated customer data for ACH Credit or through TAP. Paper 910 filings are not recommended and may result in delays to processing.

## Agency requirements

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

- If your company provides tax return/payment submission service for 100 or more Idaho businesses, ISTC requires you to sign and submit the Withholding Validation Agreement.
  - The ISTC Withholding Validation Agreement allows you access to the Withholding Validation Tool in our TAP system (web service).
  - ISTC requires that the Withholding Validation Tool be used to acquire and maintain accurate electronic filing data for your customers. (Filing paper returns/payments in lieu of maintaining accurate efile using the Withholding Validation Tool is not permitted.)
  - Contact [efilecoordinator@tax.idaho.gov](mailto:efilecoordinator@tax.idaho.gov) to obtain and submit the Withholding Validation Agreement.
- With EFW2 and E1099 files, and in scenarios of file upload trouble, troubleshooting of the file with our efile customer support team is required before any data in such file(s) is reduced to a paper filing.
  - Contact for ISTC Efile Customer Service: [efilehelp@tax.idaho.gov](mailto:efilehelp@tax.idaho.gov)
- ISTC requires a valid Power of Attorney (POA) to be filed in our system before we will discuss the specifics of any taxpayer and/or account information with the software company.
  - The POA can be found here: <https://tax.idaho.gov>
- ISTC requires the NACTP number of your software company be present on every substitute form and voucher produced by your software.

### Issue notification and resolution requirements

This section represents the ISTC issue notification and issue resolution standards.

- ISTC may require you to submit a plan and time frame of issue correction, and impacted customers may need to be notified.
- Notify the agency if any forms and/or payments you support are not ready when your software is available for use. Submit this information via email: [efilecoordinator@tax.idaho.gov](mailto:efilecoordinator@tax.idaho.gov)

### 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.

### Product update

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.

### **System security requirements**

ISTC 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.

### **Testing and submission requirements**

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

**The Substitute Document Test Pack for Tax Year 2023 must be utilized in test submissions** for every form marked with your intent for "Substitute Forms" in the "Forms and Tax Types" table on page 4 above.

- Test submissions that do not follow the direction of the Substitute Document Test Pack will not be considered for testing by ISTC.

### **Validation of data elements**

You must validate the following data elements before submission of a permit tax return and/or payment:

- State account number
- Name control
- Tax code
- Tax period
- Filing Cycle
- Transaction code
- Check digit (for use in scan line forms)

**Withholding Validation Agreement**

If you wish to have the Withholding Validation Tool in your TAP profile, please check here:

The ISTC and the Payroll Company wish to provide a means by which the Payroll Company may verify its client’s information in an electronic manner. To achieve an efficient and effective verification process, the parties agree to the following:

1. This agreement shall be effective for a period not to exceed 12 months starting from the date shown above and shall be renewed on an annual basis through fulfillment of the LOI.
2. System access will be given only to users identified in the List of Authorized Users and who have signed the list to indicate acceptance of the agreement terms. Each authorized user of the Payroll Company must register on ISTC’s Taxpayer Access Point (TAP) system and create a unique TAP username. Usernames are non-transferable to other Payroll Company employees.
3. The Payroll Company agrees to ensure only those users listed in this agreement access the validation system for the sole purpose of securing valid reporting information for the Payroll Company’s clients. The Payroll Company further agrees to notify the ISTC within two business days of any change relating to the users of the validation system. User changes include, but are not limited to, termination, resignation or reassignment of duties within the Payroll Company.
4. By signing this agreement, the Payroll Company acknowledges and agrees to be bound by the requirement that information obtained through the validation system may be used for the sole purpose of verifying client information and will be treated as confidential information. Use of the information available in the validation system for any other purpose is a violation of the terms of this agreement and may also constitute a criminal violation pursuant to Idaho Code Section 63-3076 and Internal Revenue Code Sections 7213(a) and 7213A(a)(2).
5. The Payroll Company acknowledges that it is an authorized representative of its clients. As the authorized representative, the Payroll Company understands the requirement to provide a valid Power of Attorney to the ISTC. The ISTC will periodically audit the validation system to ensure EINs researched through this system belong to clients of the Payroll Company as indicated through a valid Power of Attorney on file with the ISTC for the client.
6. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of Idaho.

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

\*Authorized users can be listed on page 10



## Customer notices

This section identifies information ISTC is requiring the software providers to communicate with customers.

### Disclosure and use of information language expectations

The following consent language must be added to electronic filing software to notify the user.

**For do-it-yourself software:**

*By using a computer system and software to prepare and/or 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 ISTC.*

**For tax professional software:**

*By using a computer system and software to prepare and/or 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 ISTC.*

**For business software:**

*By using a computer system and software to prepare and/or 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 ISTC.*

## 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 ISTC 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

## Authorized access to the State Exchange System

Access to the State Exchange System should be limited to those with a business need. You are allowed up to eight users.

Provide information for each employee you are authorizing for access to the State Exchange System. The tax type box should include all the tax types individuals are authorized to access.

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

First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms e-File	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types
First and last name	Phone number	Email address
	Authorized access <input type="checkbox"/> e-File <input type="checkbox"/> Substitute Forms	Tax types