



Withholding/Payroll Service Provider Letter of Intent

Tax Year 2023

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This form must be completed and submitted to Bill Hofstra by **September 15, 2023**



2023 Tax Software Provider Letter 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 Bill Hofstra at 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
Note: 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 ISTC. 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 5 & 6).

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

E-file mandates or requirements

With respect to W2 and 1099 submissions: If the reconciliation filing contains 10 or more records in aggregate (W2s, 1099s, etc), then E-file is required. This reflects the federal mandate that ISTC has adopted.

If you are a Withholding Service Provider who serves 100 or more Idaho businesses, electronic payments should be made with validated customer data for ACH Credit or through TAP. Paper 910 returns 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(s).

- If your company provides tax return/payment submission service for 100 or more Idaho businesses, ISTC recommends you sign and submit the Withholding Validation Agreement.
 - The ISTC Withholding Validation Agreement allows you access to the Withholding Validation Tool (WVT) in our TAP system (web service).
 - ISTC recommends that the WVT be used to acquire and maintain accurate electronic filing data for your customers. (Filing paper returns/payments in lieu of maintaining accurate E-file using the WVT is not permitted.)
 - Please see page 8 for the Withholding Validation Agreement.
- With EFW2 and E1099 files, and in scenarios of file upload trouble, troubleshooting of the file with our E-file customer support team is required before any data in such file(s) is reduced to a paper filing.
 - Contact for ISTC E-file Customer Service: efilecoordinator@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

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 validation of correct scan line usage on applicable forms.

- 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're recommended to have the WVT in your TAP profile, please check here:

By checking this box, and by signing in the authorized signature section of the LOI, you are agreeing to the following terms.

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. At the end of each 12-month period, this agreement must be renewed to maintain access to the validation system. The Payroll Company may terminate this agreement at any time by giving thirty (30) days written notice to ISTC. ISTC reserves the right to terminate this agreement at any time. The list of authorized users may be amended at any time by executing a written amended List of Authorized Users signed by both the ISTC and the Payroll Company.
2. System access will be given only to users identified in the List of Authorized Users and who have been signed for by the signatory of this document 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 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 the 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 the 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 and Withholding Validation Tool

Access to the State Exchange System (SES) and WVT 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 SES and WVT. 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. If WVT is selected, it should coincide with a TAP Username.

First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types
First and last name	Phone number	Email address
TAP Username	Authorized access <input type="checkbox"/> Substitute Forms <input type="checkbox"/> E-file <input type="checkbox"/> WVT	Tax types