MINNESOTA·REVENUE
2016 Tax Software Provider Registration Form

Complete this form to request approval from the Minnesota Department of Revenue to provide tax preparation software for electronic and paper forms submission. By completing this form, you agree to comply with all national security summit standards and requirements in addition to the specific state requirements identified in this registration form. If your submitted form is not complete we will deny your request.

Note: Please complete a registration form for each unique product your company offers.

Name of Company	Product Name	State Software ID
DBA Name	NACTP Member Number	State Account Number (if applicable)
Address	Website Address/URL	Company FEIN
City	State	Zip Code
Primary Individual MeF Contact	Phone	Email Address
Secondary Individual MeF Contact	Phone	Email Address
Primary Business MeF Contact*	Phone	Email Address
Secondary Business MeF Contact	Phone	Email Address

Test EFIN(s)	Test ETIN(s)
Production EFIN(s)	Production ETIN(s)

Use this section only if the LOI will be used for both forms and e-file registration		
State Substitute Form Vendor Number		
Primary Individual Forms Contact	Phone	Email Address
Secondary Individual Forms Contact	Phone	Email Address
Primary Business Forms Contact	Phone	Email Address
Secondary Business Forms Contact	Phone	Email Address

*If you have separate contacts for each tax type, please attach a separate contact list.

Type of Software Product

☐ DIY/Consumer (Web-Based)   ☐ DIY/Consumer (Desktop)

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

Tax Types Supported (Check all that apply)

Forms	E-File		Forms	E-File	
☐	☐	Individual Income Tax	☐	☐	Property Tax
☐	☐	Estate/Trust/Fiduciary Tax	☐	☐	Partnership Tax
☐	☐	Corporate/Franchise Tax	☐	☐	S-Corporation Return
☐	☐	Insurance Premium Tax	☐	☐	Pass-Through Partnership/S-Corp

Forms and Schedules Supported

Use the section below to list forms and schedules. Indicate whether or not the form is supported for both print and e-file returns or just printed returns. A complete list of forms can be found in the Electronic Filing Guidelines on the Software Providers page on our website.

National Security Summit Standards and Requirements

National standards have been developed to protect taxpayers from identity theft tax refund fraud. You are agreeing to adhere to all IRS, state, and Industry Security Summit guidelines as a condition of providing tax software product(s) to taxpayers and tax professionals for individual and business income tax MeF.

Standards in this section apply to all Do It Yourself (DIY) Consumer and Professional, Paid Preparer Products, tax professional, and volunteer (VITA) products.

Note: Items highlighted in blue indicate a national security summit standard or requirement document. A comprehensive list of those documents is also provided at the end of this document.

Authentication Data Elements

Nationally identified *Authentication Data Elements* in the state e-standards schema sets have been established to identify and authenticate a taxpayer and to prevent identity theft tax refund fraud. Tax Software Providers are required to transmit all data elements included in the *state authentication data elements* when available**.** If you are not providing all of the authentication data elements you must explain what you are not providing and why you are unable to provide them in the space provided below.

Authentication Trusted Customer Requirements

Nationally identified minimum *Industry Trusted Customer Requirements* have been established to authenticate the customer logging in and to prevent identity theft tax refund fraud. Tax Software Providers are required to adhere to these minimum requirements. You must verify that you are adhering to the minimum standards in the space provided below.

1. Describe the process by which the new and returning tax professionals gain access to use your product. Attach a separate sheet if necessary.

2. How do you use out-of-band verification practices for your customer account verification process? Please describe what you do and how it is used. Attach a separate sheet if necessary.

3. Do you meet nationally recognized standards for implementing customer account authentication by using:

   a. The standards identified in the Identity Authentication section of the 2017 Industry Trusted Customer Requirements? If yes, please explain how you meet those standards. Attach a separate sheet if necessary.

   b. An equivalent standard for identity authentication that meets or exceeds the minimum requirements? If yes, please describe your proposed process. Attach a separate sheet if necessary.

   c. For the Online Do-It-Yourself software, when there is more than one account using a Primary and/or Secondary SSN this or the previous year, do you notify both account holders that the SSN is used within another account for the current and previous year or just the current year? (This also requires including the appropriate authentication review code within the return schema when the SSN is used in another account for the current and previous year.)

Information Sharing

Nationally identified *Information Sharing* standards for analyzing and reporting questionable activity associated with identity theft tax refund fraud have been established. You are required to provide regular leads reporting according to the information sharing requirements.

Rapid Response Process:

Nationally identified *Rapid Response* procedures have been established. When industry, states, or the IRS discover a significant incident or threat in the tax ecosystem, the rapid response process must be activated.
Tax software providers should:
- Conduct initial analysis and immediately take steps to block or contain any threat;
- Share detailed information with the impacted states as soon as it becomes available, as permitted by applicable laws, regulations, and relevant information sharing agreements; and
- Initiate the rapid response team per the Rapid Response document.

Note: If the tax software provider fails to timely notify the affected state of a significant, escalating issue, their ability to submit returns to the state may be removed.

Safeguarding e-file/Information

Nationally recognized rules and standards to safeguard e-file from fraud and abuse have been established.

All Individual (1040 family) return providers must adhere to the Safeguarding E-File Standards as outlined in IRS Publication 1345.

All business return providers must adhere to the "MeF Rules Protecting Taxpayer Information" and "Safeguarding MeF Data from Fraud and Abuse" sections of IRS Publication 4163. This includes sections 2.3, 2.4, and 2.5 of the publication.

Note: If the tax software provider fails to adhere to these rules and standards as published by the IRS for the respective return types submitted to the Minnesota Department of Revenue, their ability to submit such returns to the department may be removed. This includes reporting security-related incidents to the department.

Strategic Threat Assessment & Response (STAR)

Nationally identified *Security Control* standards have been established. Tax software providers must adhere to these security controls. Please provide an answer to the question listed below. Attach a separate sheet if necessary.

1. Have you implemented the current requirements defined in the Security Control standard? At what level will your company implement the STAR security controls for the filing season? If no, please provide an explanation of your current progress and remediation plans. Please provide documentation to validate your statement.

2. Have you implemented controls beyond the first year's requirements? If yes, please explain what you've implemented.

National Disclosure and Use of Information Standards

Nationally established language has been developed for the disclosure and use of information related to filing a tax return. This section provides the language to which tax software providers must adhere.

Tax Service Provider Definitions

In this section, "tax services provider" is defined three different ways:

- An **Electronic Return Originator (ERO)** is authorized IRS e-file Provider that originates the electronic submission of returns to the IRS.

- A **Software Developer** is an authorized IRS or state e-file Provider that develops software for the purposes of (a) formatting the electronic portions of returns according to Publication 4164 or state specifications and/or (b) transmitting the electronic portion of returns directly to the IRS or the state. A Software Developer may also sell its software.

- A **Transmitter** is an authorized IRS or state e-file Provider that transmits the electronic portion of a return directly to the IRS or the state. An entity that provides a "bump up" service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS or the state via a public switched telephone network.

Note: A tax service provider may serve its customers in more than one of these roles.

Disclosure and Use of Information Language:

A tax services provider may use any tax return information provided by a taxpayer, for current or prior tax years, for the purpose of identifying a suspicious or potentially fraudulent return that claims to be from, or related to, that taxpayer. For these purposes, "tax return information" means any and all documents or materials that the tax services provider uses in the course of the return preparation and submission process that are provided by the taxpayer or that are required by the taxing authority that the tax services provider uses in the course of the return preparation and submission.

Tax service providers must produce analytic compilations of federal and state tax return and submission information that directly relate to the internal management or support of the tax services provider's business, which must include aggregated data compilations to identify potentially fraudulent behaviors or patterns.

Tax services providers must disclose the compilations of tax information to [state] through IRS secure data transmission on at least a weekly basis and identify by use of federal and state submission IDs any return the preparer believes is potentially fraudulent.

In addition, if a tax services provider has a bona fide belief that a particular individual's activity, violated a state or federal law, the tax services provider must disclose that individual's tax return information to the Minnesota Department of Revenue**.**

The following consent language <u>must be added to electronic filing software</u> to notify the user of the use of this information.

For Do-It-Yourself software:

By using a computer system and software to prepare and transmit return(s) electronically, I consent to the disclosure of all information pertaining to my use of the system and software to the Minnesota Department of Revenue, as applicable by law, and to the transmission of my tax return(s).

For Tax Professional software:

By using a computer system and software to prepare and transmit <u>my client's return</u> electronically, I consent to the disclosure of all information pertaining to my use of the system and software to create my client's return and to the electronic transmission of my client's tax return to the Minnesota Department of Revenue, as applicable by law*.*

For Business software:

By using a computer system and software to prepare and transmit this business return electronically, I consent to the disclosure of all information pertaining to the user of the system and software to create this business return and to the electronic transmission of this business tax return to the Minnesota Department of Revenue.

National Security Summit Standards and Requirements Documents:

The most recent version of national security summit standards and requirements documents, referenced below are available to states and industry partners through the Federation of Tax Administrators (FTA) website for state revenue agencies through the Secure Document Repository (SDR), national security summit standards and requirements documents include those addressing:

- Authentication Data Elements
- Information Sharing
- Rapid Response Procedures
- Security Control Standards
- Industry Trusted Customer

State Questions, Requirements, and Standards

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

When you submit your registration form to us, you agree to meet our standards for software provider registration, tax preparation software (DIY, Professional), and substitute forms.

Standards and Requirements for Transferring Data Year over Year

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.

As a Software Provider you agree to:

- Be approved by the IRS as an electronic transmitter.
- Review and comply with the standards in the *2016 Software Provider Electronic Filing Guidelines* and *2016 Software Provider Substitute Form Guidelines*.
- Submit test transmissions and corresponding PDFs (based on approved criteria-based test cases) for approval.
- Resubmit software test transmissions and corresponding PDFs if correcting errors.
- Submit all returns as "linked returns" if a corresponding federal return was submitted unless otherwise directed by MDOR.
- Notify the department immediately when errors in your software affect Minnesota taxpayers. Do not submit returns with known errors until they are corrected. Notify us and your Minnesota customers as soon as you have corrected the errors.
- Upon discovery of improper disclosure of taxpayer data, including breaches and security incidents, by employees or any other person, promptly notify the department. Additionally, document the specifics of the incident known at the time into an incident report, including but not limited to:
  - Date and time of incident
  - Date and time the incident was discovered
  - How the incident was discovered
  - Description of the incident and the data involved, include specific data elements if known
  - Potential number of taxpayer records involved, if unknown provide a range if possible
  - IT (Infrastructure) involved (e.g., laptop, server, etc.)

- Provide timely software updates, corrections, and technical support to ensure the accuracy of Minnesota tax returns.
- Transmit taxpayer submissions on a regular basis. Notify the department and your Minnesota customers if you are holding any returns.
- Protect Taxpayer Data:
    - Physical and remote access is managed and protected
    - Identities and credentials are managed for authorized devices and users
    - Access permissions are managed using the principles of least privilege and separation of duties
    - All users (i.e. Standard, Privileged, and Senior leaders) are provided cybersecurity awareness training
    - Data is protected in-transit and at-rest
    - Data and media it is stored on is properly managed throughout removal, transfers, and disposition
    - Protect against data leaks
    - Data is destroyed in accordance with policy, i.e. when no longer needed or older than retention date
    - Protection processes are continually improved and system security plans updated
    - Systems are monitored for anomalous activity
    - Cybersecurity is a part of human resources practices
    - Risk and Vulnerability Management are developed and implemented
- Meet with the department as necessary to address issues, answer questions, and maintain open communication.
- Submit all forms included in your software for approval in a PDF format using the *2016 Transmittal for Substitute Form Approval* to Efile.FormApproval@state.mn.us.
- Include the Minnesota assigned vendor ID number on all forms in the location stated in the guidelines and specification document.
- Provide printer-friendly forms to your customers. Include PDF printer setting instructions to "Print Actual" in your software for printing approved forms.
- Distribute only complete, tested, approved, and certified software with approved forms that have been tested, approved, and certified.
- Send a copy of all general communications that you send to your Minnesota software customers to EFile.DevSupport@state.mn.us.
- Authorize the department to feature your company in materials identifying you as a certified software provider.

Failure to meet these requirements may result in your organization being removed as an approved software provider, and all electronic and/or paper returns submitted using your products will be denied by the department.

All software providers that create Minnesota tax returns electronically or on paper must complete and sign this form. The department must receive a signed copy of this form by October 28. We will notify you of your application status within seven business days.

Minnesota Fraud Leads Reporting

Software providers must produce reports that include identifying potential fraudulent behavior or patterns and include any tax return information provided by the taxpayer. You must report fraudulent behavior to Minnesota on a weekly basis, identifying any taxpayer whose return you believe could be fraudulent. In addition, if you have reason to believe that an individual violated a relevant criminal law, you must disclose the individual's tax return information to the state of Minnesota. Upon accepting you as a software provider, you will be given details on the leads reporting schema and reporting requirements. As part of certification testing, you will be required to submit lead reports.

State Specific Questions

1. In the event of a data breach, how will you provide your taxpayer's/customer's IDs?

2. What refund products or payment vehicles do you offer to your customers? If you partner with an entity to provide or process 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.

Data Breach Reporting

Software Providers executing this agreement are subject to the data breach notification laws and/or regulations of the State of Minnesota and the department, 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 applicable exemptions.

Signature:

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 Minnesota Department of Revenue 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 above stated requirements.

As an approved Software Provider, I agree to provide the Minnesota Department of Revenue with 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 department has the right to immediately deny, suspend, or terminate my account.

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