Tax Year 2020 Oklahoma e-File Testing Procedures & Scenarios

The Oklahoma Tax Commission (OTC) is providing the criteria for 9 test scenarios, 5 resident, 2 part-year resident and 2 nonresident (see below). Vendors will create their own test returns. If a schedule/form included in a test return is not supported, submit the test return without the form/schedule. Advise OTC of all limitations of your software package. Do not omit any test return unless you do not support the main form.

Each test scenario provides the minimum information needed to prepare the appropriate forms and schedules. Additional income, deductions, credits, etc., may be added unless otherwise stated. Each test submission should include the AuthenticationHeader. Some knowledge of tax law and tax preparation is necessary to correctly prepare the returns.

Submission/Return Types: Accepted values for the State Submission Type in the Manifest and the Return Type in the Return Header are OK511 and OK511NR.

All test original returns must include the complete Federal return, including Forms W-2 and/or 1099. Amended returns may be unlinked.

All returns, in the same transmission, must be correct to pass testing. Please submit all returns each time you transmit. You will need to test all products.

Transmitting Test Returns:

1. Before transmitting test returns, your Letter of Intent must be submitted. You will receive a confirmation that we received your information.

2. Once we are open for testing you may transmit your test returns. Your submissions will be automatically pulled and acknowledged. If you receive a rejection acknowledgement (Ack) for one or more submissions, make the necessary corrections and resubmit **all** test submissions. Once acceptance Acks are received for all test submissions, the tests are ready for manual review. Contact Crystal Cameron at efiledevelopers@tax.ok.gov and provide a list of the accepted submission ID's and the name of the product being tested.

3. During the manual review process, we will correspond with you by e-mail concerning any issues. Once testing is complete, you will receive an e-mail stating you have passed.

4. Send questions to Crystal at e-mail address above.

Test Scenarios

Test Scenario 1

Oklahoma Forms: 511 & 538-S

Taxpayer Information:

Emily Pope (SSN: 400-10-5001)
903 E Broadway St.
Altus, OK. 73521

Emily is a full-year Oklahoma resident and is under 65 years old. She files as Head of Household and claims her son, Jason, as her dependent. Jason is at least 17 years old.

Income:

- Emily has taxable wages. Her Form W-2 indicates Oklahoma withholding.
- She received $3,600 in child support and $1,200 in alimony.
- Emily's federal adjusted gross income is at least $25,000.

Credits:

- Emily qualifies for Earned Income Credit (EIC) and the Credit for Other Dependents on her federal return.
- She qualifies for the Oklahoma Sales Tax Credit, Form 538-S.

Additional Information:

- Emily's return results in an overpayment. She would like to donate $2 to Support Oklahoma Silver Haired Legislature and Alumni Association Program on Schedule 511-H and receive the rest of the overpayment by direct deposit into her savings account.

Test Scenario 2

Oklahoma Form 511 & 511CR with PDF attachment.

Taxpayer Information:

Terry B. Hill (SSN: 400-10-5003)
Sue C. Hill (SSN: 400-10-5013)
2028 Oxford Street
Edmond, OK. 73013

Terry and Sue are full-year Oklahoma residents and both under 65. They file married filing joint.

Income:

- Terry received a Form 1099-R reporting taxable pension income.
- Sue received a Form 1099-R reporting a taxable IRA distribution of $3,000.
- Sue has taxable wages. Her Form W-2 indicates $200 Oklahoma withholding.
- The Hills have $5,200 of net out-of-state income. (Note: Complete Federal Schedule E, Part 1. The rents received on line 3 must be more than $5,200. Report expenses on lines 5-20).
- Their federal adjusted gross income is at least $60,000.

Credits:

- Terry qualifies for the $200 Volunteer Firefighter Tax Credit on Form 511CR. Attach the Oklahoma Volunteer Firefighter Tax Credit form as a PDF (see next page).

Additional Information:

- This year, as in past years, the Hill's claim itemized deductions. Their federal itemized deductions are $25,500. There are amounts on Federal Schedule A, line 5a for "State and Local Income or Sales Tax" and line 14 for "Gifts to Charity".
- Their return results in a balance due which will be paid by direct debit from their checking account.
- They use a paid tax-preparer. Check the box to allow OTC to speak to the preparer. (Not applicable for Do-It-Yourself products)
- They would like to submit four 2021 estimated tax payments as part of their e-filed return. The payments will be debited from the same account as their balance due.

Oklahoma Volunteer Firefighter Tax Credit
Supporting Documentation
For Volunteer Firefighter Use Only.

Tax Year: ________

STATE LAW requires **all first-time participants** to apply for the $200 tax credit for their first year.
First year? If so, you should list eligible firefighter training taken in current Tax Year as well as those taken in previous years. If you have **previously completed a $200 tax credit**, you **may be eligible for the $400** tax credit, which has different requirements.
- Recognizing the importance of volunteer firefighters and the challenges they face, Title 68 O.S. Sec. 2358.7 provides the opportunity to receive a tax credit for firefighter training.

Type or print. Please make a copy of approved form for your records.

Your Information:

Print first name and middle Initial ______ Last name ______

Mailing Address (include apartment number or rural route)

City, State, ZIP

Daytime phone, with area code ( ) | Evening phone, with area code ( )

Your email address

Department Affiliation(s):

CURRENTLY serving as a volunteer firefighter with:

Organizational address, including city and ZIP code

Fire Chief cell phone number ( ) | Fire Chief daytime phone number ( )

Fire Chief or Fire Department's email address

List any other Fire Departemtns under which your training records may be listed:

Department name(s): ________________

Please Check All That Apply:

- ☐ I am working towards Support and Basic Firefighter or Higher Equivalent.
- ☐ I have completed (year ________) Support and Basic or Higher Equivalent.
- ☐ I am working towards my Intermediate and Advanced Firefighter or Higher Equivalent.
- ☐ I have completed (year ________) Intermediate and Advanced or Higher Equivalent. (Please keep copies of all training records for your tax records.)

Make a copy for your tax records and department files. (After your Fire Chief approves and signs your form, go to Step 2 below.)

2. ENTER YOUR SSN! You must <u>attach this approved document</u> to the <u>Oklahoma Tax Commission (OTC) Form 511EF or your tax return, then mail to the Oklahoma Tax Commission at</u>:

Oklahoma Tax Commission
P.O. Box 26800
Oklahoma City, OK 73126-0800
Phone: (405) 521-3160

Taxpayer SSN: ☐☐☐–☐☐–☐☐☐☐

Birth Date: MM DD YYYY

For **more information**, see instructions available at **www.ftac.ok.gov** or call (405) 522-5015.
Please enter $200 or $400 on the applicable line for Firefighter Training Tax Credit on OTC Form 511CR or your Oklahoma state tax return. Then, transfer the totals of your tax credits to the applicable line for Other Credits on OTC Form 511.

Under penalties of perjury I declare the information presented here is true and correct to the best of my knowledge.
In accordance with the Family Education Rights and Privacy Act, I hereby give my permission for my information showing eligibility to be sent to Firefighter Training Advisory Committee (FTAC) and OSU - Fire Service Training.

________ Date ________ Signature of Volunteer Firefighter

Training:

For your first year, you will need **12 hours** of eligible training. You can list training completed during **Current Tax Year** and in previous years. If you have been previously approved you only need 6 hours of eligible training - **completed in the Current Tax Year**. Please use the **Training Information Form** to list the training completed to apply for the tax credit. Or as an option attach training records and relevant certificates.

Please check the box of the tax credit for which you are applying:

- ☐ I am applying for a $200 tax credit, and this is my first year to apply for the volunteer firefighter tax credit.
- ☐ I am applying for a $200 tax credit (repeat applicant).
- ☐ I am applying for a $400 tax credit (must have prior $200 tax credit for approved on file).

**** *For Fire Chief Use* ****

- ☐ **If $200 credit.** I verify that the above listed firefighter is a member in good standing with our department and has completed the submitted training for the dates indicated. The volunteer has been provided and participated in all annual training as required by federal and state authorities.
- ☐ **If $400 credit.** I verify that the above listed firefighter is a member in good standing with our department and has completed the submitted training for the dates indicated. The volunteer has been provided and participated in all annual training as required by federal and state authorities.

________ Date ________ Signature of Fire Chief

________ Printed Name of Fire Chief

Is it an OSU-FST, Career Tech or other course pre-approved by FTAC?
Yes ☐ **No** ☐

Test Scenario 3

Oklahoma Forms: 511 & 538-S

Taxpayer Information:

Spencer Rhodes (SSN: 400-10-5004)
PO Box 132
Fairview, OK 73737

Spencer is a full-year Oklahoma resident who passed away on 03/01/2021. He files married filing separate and is at least 65 years old.

Income:

- Spencer is a civil service retiree whose retirement benefits were paid out of the Civil Service Retirement System (CSRS). His Form CSA 1099-R, from the "Office of Personnel Management", has a Retirement Claim Number of CSA3001234. The 1099-R indicates Oklahoma withholding.
- Spencer is self-employed. His net business income is $10,000. (Note: Complete Federal Schedule C or C-EZ. The Gross Receipts must be more than $10,000. Report his business expenses on the applicable lines).

Credits:

- Spencer qualifies for the Sales Tax Credit, Form 538-S. Spencer and Mary did not live together.

Additional information:

- Spencer's wife, Mary Rhodes (SSN: 400-10-5014), also files Federal and Oklahoma returns.
- Mary will claim itemized deductions. Spencer and Mary did not own their home.
- His return results in a refund. No banking information is provided.
- Spencer's physical address is 315 N. Main St., Fairview, OK.

Test Scenario 4

Oklahoma Form: 511 and, if applicable, Form 538-S.

Taxpayer Information:

Ann Moore (SSN: 400-10-5005)
1103 S 27th Street
Duncan, OK. 73533

Ann is a full-year Oklahoma resident. She files head of household and claims her daughters, Jill and Beth, as dependents. Jill's age is under 13 and Beth is at least 17 at the end of the year.

Income:

- Ann has taxable wages. Her Form W-2 indicates Oklahoma withholding.
- She received a $650 refund from last year's Oklahoma income tax return. Report this refund on Form 1040, Schedule 1, line 1.
- She received $2,400 in child support.
- Her federal adjusted gross income is at least $45,000.

Credits:

- She qualifies for the following federal credits: credit for child care expenses, child tax credit, and credit for other dependents. Also, earned income credit, if applicable based on her income.
- If her gross income, as shown on the federal return, is $50,000 or less complete Form 538-S to determine if she qualifies for the Sales Tax Relief Credit. (Note: She did not qualify for EIC on last year's return)

Additional Information:

- She owes use tax. She did not keep any receipts.
- She is not able to claim itemized deductions this year; she is claiming the standard deduction.
- If the return results in tax due, pay the amount due by direct debit from her checking account. If the return results in an overpayment, request the refund be directly deposited into her checking account.

<u>Test Scenario 5</u>

Oklahoma Forms 511 & 538-S (Amended)

Taxpayer Information:

Shannon Williams (SSN: 400-10-5009)
1728 Pawnee St.
Enid, OK. 73703

Shannon is a full-year Oklahoma resident and over 65 years old. She files as Single.

Income:

- Shannon has taxable wages. Her Form W-2 indicates Oklahoma withholding.
- Her federal adjusted gross income is under $50,000.

Credits:

- Shannon qualifies for the Oklahoma Sales Tax Credit, Form 538-S.

Additional Information:

- Shannon received an overpayment on her original return.
- She is filing an amended return to claim Oklahoma Sales Tax Credit, Form 538-S not claimed on the original return.
- Shannon is not able to claim itemized deductions this year; she is claiming the standard deduction.

<u>Test Scenario 6</u>

Oklahoma Forms 511NR & State 1099Misc (if the 1099-Misc is not part of the federal return)

Taxpayer Information:

Ronald M. Bailey (SSN: 400-10-5006)
Diana G. Bailey (SSN: 400-10-5016)
8400 Ward Parkway
Kansas City, KS. 66101

Ronald and Diana are full-year Kansas residents. They file married filing joint.

Income:

- Ronald received a Form 1099-R reporting retirement income from the private sector (there is no Oklahoma withholding).
- Ronald received a Form 1099-Misc reporting $5,996, Oil Royalties from Oklahoma property. The 1099-Misc indicates Oklahoma withholding.
- Diana received a Form W-2G reporting gambling winnings from an Oklahoma casino. She won at least $1,750 and the W-2G indicates Oklahoma withholding.
- They received a total of $495 in refunds from last year's Oklahoma and Kansas income tax returns. Report these refunds on Form 1040, Schedule 1, line 1.

Additional Information:

- The couple has sufficient gross income to require the filing of a federal income tax return.
- This year, as in past years, they claim itemized deductions. Their federal itemized deductions exceed their federal standard deduction. There is an amount on federal Schedule A, line 5a for State and Local Income or Sales Tax.
- If the return results in tax due, pay the balance due by direct debit from their checking account. If the return results in an overpayment, request the refund be directly deposited into their checking account.
- They use a paid tax-preparer. Check the box to allow OTC to speak to the tax preparer. (Not applicable for Do-It-Yourself products.)
- Ronald would like to submit one 2021 estimated tax payment as part of their e-filed return. The payment will be debited from the same account used for the refund/tax due for the current year.

<u>Test Scenario 7</u>

Oklahoma Form: 511NR

Taxpayer Information:

Stewart Adams (SSN: 400-10-5007)
1005 H Street
Barling, AR. 72923

Stewart is a full-year Arkansas resident. He files head of household and claims his son, Miles, as a dependent.

Income:

- Stewart worked in Oklahoma; his Form W-2 indicates Oklahoma withholding. His wages were less than $1,000.
- He also worked in Arkansas; his Form W-2 indicates Arkansas withholding.
- You may add any other sources of non-Oklahoma income.

Additional Information:

- Stewart has sufficient gross income to require the filing of a federal income tax return.
- His gross income from Oklahoma sources is below the Oklahoma filing requirement. Complete his Oklahoma return accordingly.
- No banking information is provided.

Test Scenario 8

Oklahoma Form: 511NR

Taxpayer Information:

Larry V. Pearson (SSN: 400-10-5008)
Molly K. Pearson (400-10-5018)
615 McIntyre Ave.
Tyler, TX. 75701

Larry and Molly are part-year Oklahoma residents. They moved to, and became residents of Texas, during the tax year. They filed married filing joint and claim their sons, Barry and Jerry, as their dependents. Barry's age is under 17 and Jerry is at least 17 at the end of the year.

Income:

- Larry has taxable wages of at least $35,000. He received two W-2 forms, one for his job in Oklahoma and the other for his employment in Texas while a TX resident. His Oklahoma Form W-2 indicates Oklahoma withholding.

Credits:

- The Pearson's qualify for the following federal credits; child tax credit, credit for other dependents and earned income credit.

Test Scenario 9

Form 511NR (Amended)

Taxpayer Information:

Christopher Selling (SSN: 400-10-5010)
499 Timber Lane
Skiatook, OK. 74070

Christopher is a part-year resident of Oklahoma. He files as Single.

Income:

- Chris worked in Oklahoma; his Form W-2 indicates Oklahoma withholding.
- He received a Form 1099-R reporting taxable pension income (no Oklahoma withholding is reflected).
- You may add other sources of non-Oklahoma income.

Additional Information:

- Chris owes use tax. He did not keep any receipts.
- He is not able to claim itemized deductions this year; he is claiming standard deduction.
- His original return resulted in an overpayment.
- Chris is filing an Amended Form 511NR to claim contributions made to the Oklahoma 529 College Savings Plan. He contributed $300 in TY 2020.