

2018

AL4162: ALABAMA BUSINESS MeF TEST PACKAGE



**For the Following Form Types:
20C, 20CC, CPT, PPT, 20S, 65, PTEC and 41**



Alabama Department of Revenue
Business Modernized Electronic Filing
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Important!! Business MeF testing for Tax Year 2018/2019 will open on or after 12/1/2018 and will close on 2/28/2019 with no extensions and no exceptions. A software developer must begin *examiner review no later than 2/1/2019 (by 4pmct).

*Examiner Review – Vendor must submit a complete test package which includes all department required test scenarios by tax type. The returns submitted must be error free and ready for final examiner review. No partial packages or returns with schema/business rule errors will be accepted.

**PTEC test returns should all be submitted with the corresponding 65/20S test scenarios. They will not be accepted and reviewed separately.*

Important Testing Dates for TY2018/2019

- 11/5/2018 – Internal Testing Begins for Select Vendors
- 12/1/2018 – Open Business MeF Testing for All Vendors
- 2/1/2019 – All Vendors must begin Examiner Review for Approval
- 2/28/2019 – BMF Testing Ends with NO extensions

*All Above Dates are subject to Change.

The Alabama Business Acceptance Testing System (BATS) supports the following Corporate forms for tax year 2018:

20C – Corporate Income Tax Return

- Schedule A – Reconciliation Adjustments of Federal Taxable Income to Alabama Taxable Income.
- Schedule B – Alabama Net Operating Loss Carryforward Calculations.
- Schedule C – Allocation of Nonbusiness Income, Loss and Expenses
- Schedule D-1 – Apportionment Factor Schedule
- Schedule D-2 – Percentage of Sales
- Schedule E – Federal Income Tax (FIT) Deduction / Refund
- Other information
- Schedule BC – Business Credits Computation
- Schedule AB – Corporate Add Back Form
- Consolidated return indicator – “This company files as part of a federal consolidated return.”

20CC – Consolidated Corporate Income Tax Return

- Schedule AS – Affiliation Schedule
- Schedule B – Alabama Consolidated Net Operating Loss Carryforward Calculation
- Schedule AB – Corporate Add Back Form

The Alabama Business Acceptance Testing System (BATS) supports the following Business Privilege forms for tax year 2019:

CPT – Business Privilege Tax Return and Annual Report (C-Corporation and Other Specified Entities)

- Schedule AL-CAR – Secretary of State Corporation Annual Report
- Worksheet BPT-NW (Balance Sheet – Net Worth Computation for Forms CPT and PPT)
- Schedule G – Financial Institution Group Computation Schedule.
- WksCPTFinancialConsGrpComp – Worksheet CPT financial consolidated group computation is required to be supported when consolidated filing for financial institutions is supported.

PPT – Business Privilege Tax Return and Annual Report (Pass-Through Entities)

- Schedule AL-CAR (For S-Corps) – Secretary of State Corporation Annual Report
- Worksheet BPT-NW (Balance Sheet - Net Worth Computation for Forms CPT and PPT)
- Worksheet BPT-NWI (Balance Sheet – Net Worth Computation for Disregarded Entities with Individual Single Member Only)
- Schedule BPT-E – Family Limited Liability Entity Election Form

The Alabama Business Acceptance Testing System (BATS) supports the following Pass Through Entity forms for tax year 2018:

65 – Partnership/Limited Liability Company Return of Income

- Schedule A – Nonseparately Stated Reconciliation Adjustments
- Schedule B – Allocation of Nonbusiness Income, Loss and Expenses
- Schedule C – Apportionment Factor Schedule
- Schedule D – Full Ownership (Disregarded Entities)
- Schedule E – Other Information
- Schedule K – Partners’ Distributive Share Items
- Schedule P – Ordinary Income or (Loss) from Partnerships, Trusts and Estates
- Schedule K-1(65) – Owner’s Share of Income, Deductions, Credits, etc.
- Schedule PAB – Pass-Through Add Back Form
- Schedule QIP-C – Qualified Investment Partnership Certificate
- Schedule PC – Pass-Through Credit Calculation Schedule
- Schedule NRC – Exempt – Subchapter K Affidavit of Exemption by Nonresident
- All worksheets in the Form 65 Schema

20S – S-Corporation Information / Tax Return

- Schedule A – Nonseparately Stated Reconciliation Adjustments
- Schedule B – Allocation of Nonbusiness Income, Loss and Expenses
- Schedule C – Apportionment Factor Schedule
- Schedule D – Apportionment of Federal Income Tax (FIT) (LIFO Recapture Tax Only)
- Schedule E – Alabama Accumulated Adjustments Account
- Schedule DE – Q-Sub/Disregarded Entity Schedule
- Schedule G – Other Information
- Schedule K – Shareholder’s Distributive Share Items

- Schedule K-1(20S) –Shareholder’s Share of Income, Deductions, Credits, etc.
- Schedule PAB – Pass-Through Add Back Form
- Schedule NRA – S-Corporation Nonresident Agreement
- Schedule PC – Pass-Through Credit Calculation Schedule
- All worksheets in the Form 20S Schema

PTEC – Nonresident Composite Payment Return

- Required Entity Information for Partnerships and LLCs
- PTE-CK1
- Schedule NRC – Exempt – Subchapter K Affidavit of Exemption by Nonresident

**PTEC test returns should all be submitted with the corresponding 65/20S test scenarios. They will not be accepted and reviewed separately. **

The Alabama Business Acceptance Testing System (BATS) supports the following Fiduciary forms for tax year 2018:

41 – Fiduciary Income Tax Return

- Schedule A – Computation of Alabama Income Distribution Deduction
- Schedule B – Alabama Charitable Deduction
- Schedule C – Computation of Alabama Adjusted Total Income
- Schedule K – Summary of K-1 Information
- K-1 for 41 – Fiduciary Income Tax Beneficiary Information
- NOL-F85 – Computation of Net Operating Loss
- NOL-F85A – Application of Net Operating Loss, Carryback and Carryforward
- Schedule G – Grantor Statement of Income, Deductions, Credits
- Schedule ESBT – Worksheet for Electing Small Business and Qualified Subchapter S Trusts
- Schedule D – Profit or Loss from Sales of Assets (Form 41)
- Schedule E – Supplemental Income and Loss (Form 41)
- Form 4952A – Investment Interest Expense Deduction
- Scheduled FC – Fiduciary Credit Calculation Schedule
- IRS1099R, IRS W-2, IRS W-2G (as utilized in the Form 41 Schema)
- All worksheets in the Form 41 Schema

Why Test Prior to Live Processing?

The purpose of testing prior to live processing is to ensure that:

1. All filers transmit returns in the correct format and meet Alabama Modernized E-File (MEF) electronic filing specifications.
2. Transmitted returns have few validation or math errors.
3. The Alabama Revenue Department can receive and process the electronic returns.
4. Developers should understand and be familiar with the mechanics of electronic filing.

Who must Test?

All Software developers are required to submit their created tests before acceptance into the Department's electronic filing program for the 2019 filing season (tax year 2018 / 2019 (Business Privilege Tax)). Anyone who plans to transmit returns to the Department must complete communications testing with the Internal Revenue Service (IRS) and be accepted. Prior to testing, all software developers and transmitters must have obtained an Electronic Transmitter Identification Number (ETIN), Electronic Filer Identification Number (EFIN) and password through the IRS application process. Refer to the IRS Publication 3112, IRS E-file Application Package for Form 8633 procedures.

Products Using the Same Engine

The Alabama Department of Revenue fully tests every product. The Department reserves the right to test any rebranded product even if it is using the same engine.

How to Begin the Testing Approval Process:

****New for 2018 – Each vendor must complete a National LOI for each product and have it posted to SES before the LOI-B can be approved. ****

The LOI-B must be completed, signed and emailed to Corporate.Efile@revenue.alabama.gov. Once the LOI-B has been approved then the ADOR will grant the vendor access to the schemas, business rules and documents on the SES (State Exchange System). Vendors in good standing will be granted access to SES prior to the LOI-B being approved.

All applications and test submissions should be sent to the following:

Corporate.Efile@revenue.alabama.gov

Be aware that a database consisting of the Software Developer Codes for each vendor who has completed testing with the Department will be maintained. If the Software Developer Code in the element /ReturnState/ReturnHeaderState/SoftwareID, is not in the database the return will be rejected.

Testing Guidelines for Software Developers:

1. Each Software Vendor will be required to test all Department provided test case scenarios to adequately test schedules and return/form types supported by their software.
2. You must test the complete form for all forms you plan to support 20C/20CC/20S/65/PTE-C/CPT/PPT/41 with no field limitations except for the number of occurrences. Return/form types must be correctly prepared and computed before transmitting the test.
3. The Department strongly recommends each return be run against a parser prior to being transmitted to the Department. The Department will run each return against a parser.
4. After internal testing is complete, the ADOR will automatically acknowledge test submissions from 8am-5pm, Monday-Friday. The returns are processed once in the morning and once in the afternoon. If you happen to need immediate feedback on a

test submission please send that submission id to Corporate.Efile@revenue.alabama.gov. We will do our best to accommodate your request.

5. After all test returns for a specific supported form are error free, the vendor needs to send the submission IDs and pdf copies of the returns they would like to have reviewed for approval. A Revenue Examiner will perform a final manual review of the test submissions for any additional issues. All problems found by the examiner must be corrected and the return retransmitted before the vendor can be approved.

Every conceivable condition cannot be represented in any test package therefore vendors may test additional conditions they feel are appropriate after they have passed testing, as long as they use the predefined FEINs and Name Controls.

Attachments to the Electronic return:

The test case scenarios may require non-XML documents, known as “binary attachments”, submitted in PDF format. Approved tax preparation software must provide the necessary instructions for creating and submitting all required attachments. These attachments include items from the following sources:

- Required by the return. Example – a line on the form states “attach itemized schedule”
- Required by the form instructions. Example – instructions state “attach a statement to line XX...”

Alabama programming will verify transmission, receipt, and attachment naming/location. The content of the binary attachment will not be validated.

Populating Data in the Test Cases:

1. All vendors will be assigned a set of FEINs for their test returns. This will help prevent overlaps in FEINs used by different vendors and insure that test returns are reviewed as soon as possible.
2. Do not transmit blank or zero data elements. For example, if you have no NOL Carry forward, do not enter a zero for that data element. It should be left blank and not transmitted in the XML return data.
3. All test data should be run through your software. Do not force any figures to match the test return. If there are slight differences in calculations due to rounding please send your system calculated figures.
4. If you do not support a particular field, schedule, etc on a test return just adjust your return accordingly and notify the ADOR.
5. The examiner review requires that all data on the pdf provided matches the XML data sent in.

Reviewing BATS Test Files and Making Corrections:

You may transmit as many test returns as necessary until you receive no error messages; all “Business Rules” violations must be corrected in order to pass BATS testing. In addition, all issues found during the examiner review must also be corrected. Software will only be passed upon error free transmission of all tests and no errors during the examiner review.

Our goal is to maintain open lines of communication to assure the success of your software and the electronic filing program for the State of Alabama. You are invited to contact us with any questions or comments you have regarding our Business Modernized Electronic Filing (MeF) Program.

Contact Information:

***** Under no circumstances should the developers directly contact the ADOR programmers. All communications with ADOR must be done through the Business MeF Coordinators (Nicci Adams and Missy Gillis)*****

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