Montana

Department of Revenue

Modernized e-File Program

Individual Income Tax
Letter of Intent

Tax Year 2020

2020 Montana Department of Revenue Tax Software Provider Letter of Intent

This Letter of Intent (LOI) sets forth the specific questions, requirements, and standards for tax software providers (Provider) for the Montana Department of Revenue (Department). By submitting this Letter of Intent (LOI) to the Department, you are agreeing to meet our standards for software provider registration, all tax preparation software, and substitute forms.

This LOI also incorporates by reference all the terms, requirements, and standards set forth in the Tax Software Provider National Standards Letter of Intent maintained by the Federation of Tax Administrators. Agreement and adherence to the national standards are required as a prerequisite to approval.

Failure to meet the standards or requirements set forth in this LOI may result in the denial of your application or the removal of your organization as an approved software provider, and the rejection of all electronic or paper returns submitted using your products.

You must complete a separate LOI form for each unique product your company offers. If you submit an incomplete form, your request to participate in electronic or paper submissions may be denied.

This form must be completed and submitted to dore-services@mt.gov *no later than November 2, 2020.*

Name of Company	Product Name	State Software ID (if applicable)
DBA Name	NACTP Vendor ID	State Tax Account Number (if applicable)
Address	Product Address/URL	Company FEIN
City	State	Zip Code
If you have more than one product name, list your other product names here:		
Regulatory/Compliance Contact	Phone	Email Address
Primary Individual MeF Contact	Phone	Email Address
Secondary Individual MeF Contact	Phone	Email Address
Primary Leads Reporting Contact	Phone	Email Address
Secondary Leads Reporting Contact	Phone	Email Address
Test EFIN(s)		Test ETIN(s)
Production EFIN(s)		Production ETIN(s)

Authorized access to the State Exchange System

Please provide information for the employees you are authorizing to have access to the Modernized e-File requirements for the Montana Individual return.

NOTE: Even if the individuals are the same as what you have listed on the previous page, please also include them here.

Company name	First and last name	Email address
Company name	First and last name	Email address
Company name	First and last name	Email address

Please attach additional sheet with authorized users if necessary. The list you provide must include the information requested in the table above.

Type of software product

☐ DIY/Consumer (Web-Based)   ☐ Professional/Paid Preparer (Web-Based)

☐ DIY/Consumer (Desktop)   ☐ Professional/Paid Preparer (Desktop)

Rebranded software products
Complete this section only if your product is rebranded.

For the software to be considered rebranded, changes cannot be made to the software requirements and output(s). As the Software company selling and/or licenses your product to a third-party, it is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). Enter the appropriate class code for the rebranded product in class code box below.

- **Class Code 1:** Software products sold/licensed to a third-party user and the third-party user can add their own logos and/or splash screens. They cannot modify calculations in the program.

- **Class Code 2:** Software products sold/licensed to a third-party user and the third-party can alter/change calculations in the program.

Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address

Please attach additional sheets with rebranded software product information if necessary.

For Rebranded Products, the Department has the following requirements:

- Rebranded Products with Class Code 1 are not required to complete e-file ATS/paper form approval.

- Rebranded Products with Class Code 2 are required to complete the full e-file ATS/paper form approval process. *LOI and forms registration is required.*

Individual Income Tax Forms & Schedules

Submission Type (check all that apply)
- ☐ Linked Returns
- ☐ Unlinked Returns
- ☐ Amended Returns
- ☐ Prior Year Returns

Miscellaneous (check all that apply)
- ☐ Direct Deposit
- ☐ Direct Debit
- ☐ IAT Transactions
- ☐ Binary Attachments (**required**)
- ☐ Underpayment of Estimated taxes

Required for the Montana MeF Program

Filing Status - **Required**
Single
Married filing separately on same form
Married filing separately on separate forms
Married filing separately and spouse not filing
Head of household
Married filing jointly

Residency Status - **Required**
Resident Full Year
Nonresident Full Year
Resident Part Year

Montana Forms - **Required**
(**Montana requires XML data for all the required forms, schedules and worksheets listed.**)
- Montana Form 2, 2EC, Schedules 1-11 plus Schedule MT-529
- Montana K-1 (**Attach a copy**)
- MT Class B NOL (**Electronic required**)
- Media Credit (**Attach a copy**)

- ETM – Enrolled Tribal Member (**File on TAP, Attach a copy**)

Supporting filing data is required
MeF federal return data contains most information required to process refunds. Montana law requires attaching documents used to generate calculated amounts for the Montana return if it was not included in the federal XML return data.

Additional XML Forms – **Required when applicable**
QEC

CC

ENRG-A

ENRG-B

ENRG-C

EST-I

AFCR

DCAC

2441-M

ECC

RCYL

1099-R

W-2

W-2G

1099-B

1099-G

1099-INT

1099--K

1099-MISC

1099-DIV

1099-NEC

1099-OID

Taxable Social Security Benefits Worksheet

Software Limitations

Software Overrides

Which areas of the return and lines will this software product allow for a field override? (Please explain; None, All, Certain pages etc.)

Department requirements

Production support and return submission requirements

All returns generated from this software must be electronically filed or printed from the initially approved software or a subsequent product update. Any production issues will be reported immediately to the E-Services Unit at dore-services@mt.gov. **Updates for software releases and problem resolutions will be provided to the E-Services Unit weekly.**

Product information and update requirements

Users/customers of desktop products who attempt to file 10 or more business days after a production release must be required to download and apply the product update.

Schema requirements

- Your software must adhere to the schema requirements included in the most recent authentication and return header.
- Department schema specifications and requirements can be found on the State Exchange Server.
- Montana requires information regarding year-over-year return pre-populated data to determine whether the information needs to be confirmed prior to submission.

  Here are some examples:
  - State Driver's License Numbers
  - Social Security Numbers
  - Routing and Bank Account Numbers
  - Address Information

Software Pre-Populated Fields

List all the fields the software product pre-populates for the filer and which fields are being pre-validated.

(Montana may require pre-validation of additional fields.)

Testing and submission requirements

All e-file ATS and substitute forms tests submitted during the approval process must be created in, and originate from, the actual software. Provider must complete acceptance or assurance testing with the Department in accordance with the applicable requirements for each type of return. **ATS testing submissions are required to match the LOI requirements**. Montana recommends scheduling your development and testing when the November ATS testing window opens. If any testing windows are scheduled after the filing season begins, they are subject to the limited availability of Department resources.

- Draft schema, business rules, specifications and ATS testing scenarios will be published on the FTA State Exchange System by September 18, 2020.
- Final schema, business rules, specifications and ATS testing scenarios will be published on the FTA State Exchange System by November 2, 2020.
- Department will typically begin ATS testing with the opening of the IRS ATS testing window in early November.
    - Initial test submissions are typically returned within 5-7 business days of receipt.
    - Subsequent retest transmissions are typically tested within 5-7 business days.
    - Retests will be limited to 5 submissions.
- Initial test submissions must be received by January 15, 2021.
- All testing must be completed by February 15, 2021.

While every effort will be made to be flexible during the ATS testing window, the Department reserves the right to not approve the participation of a Provider if testing is inadequate, not completed in a timely manner, or continued testing exceeds the ability of the Department to test after the production filing window opens. The Provider will not submit production returns before successfully completing all required testing and approval has been issued. Software products released for production must adhere to all return specifications, business rules and Montana publications. The Provider will not advertise Montana's acceptance of software until testing approval is provided. Montana will not accept returns prior to approval. Once approval has been issued, the Provider must continue to adhere to all requirements and standards in this LOI. Failure to continuously adhere to these standards will result in termination of this agreement and removal of your organization as an approved Provider until your company is retested and reapproved. The Department will notify the Provider of any issues with the software and may request that Provider hold returns until the issue is resolved. The Provider is expected to deploy the software updates within 7 business days from the date the Department notifies the Provider of an issue and may be required to queue returns until the software updates can be applied.

Standards Review

The Department may need to review a specific section of the software. Upon request, the software company shall provide the Department with either a beta version (ex. CD) or temporary access to an online tax preparation program that allows the Department to confidentially review:

- User screens
- Interview questions
- Messaging
- The final submission screens
- The printing of substitute forms (as applicable to the product).

Specific Questions

1. What refund products or payment vehicles do you offer your customer? If you partner with an entity to provide 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.
   Refund payments must be deposited with a bank. The Department will not accept any payments using cryptocurrency or cyber currency (such as Bitcoin, Litecoin, Ethereum, etc.)

2. The Department prefers receiving e-filed amended returns. What are your plans to support the federal/state amended individual return electronic processing?

Data Breach Reporting

All Providers executing this agreement are subject to Federal and State data breach security laws and/or regulations noted below, 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 exemptions.
Internal Revenue Code 6103, 7213, 7213A, 7431
Internal Revenue Service Publication 1075

Section 15-30-2618, Montana Code Annotated (MCA)
Section 15-31-511, MCA

System security requirements

You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. This includes but is not limited to when it is on-line, off-line, at rest, and in transit. The Department does not prescribe the security requirements for your system. Cyber security resources such as the National Institute of Standards and Technology or the Department of Defense Security Technical Implementation Guide are examples of national resources available to assist you with this process.

Customer Disclosures

Disclosure and use of information language expectations

Montana requires product disclosure of all forms, schedules, worksheets "included" and "not included" in the tax software product before data entries are accepted on a tax return.

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 transmit return(s) electronically, I consent to the disclosure of all information pertaining to my use of the system and software to the Montana 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 my client's return 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 Montana 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 Montana Department of Revenue.*

Driver's license/ID card expectations

For e-file returns:
> The Department wants to receive the DL/ID card with the tax return

For printed/paper forms requesting the DL/ID Information:
> The Department does not require the DL/ID card information on the form(s).

E-File Statement:
To combat stolen-identity tax fraud and protect you and your refund, the Department is requesting additional information from your Montana driver's license or ID card. You aren't required to give us this information, however it will help process your taxes faster.

Refund expectations

To assist taxpayers and tax professionals expecting refunds, the Department is providing a URL about refund processing. Industry partners should use this URL to communicate and help set the appropriate expectations with external stakeholders. Providing this information will:

- help eliminate phone calls from taxpayers, tax professionals and industry partners about refunds.
- ensure that taxpayers and tax professionals receive the appropriate message.

It can take up to 90 days to issue a refund and the Department may need to ask you to verify information prior to sending the refund. Find more information about our refund process and check your refund status on Montana's

website at – http://mtrevenue.gov/taxes/individuals-income-tax/individual-refunds/

Taxes due expectations

The Montana Department of Revenue has provided the URL below to include in your software products as a reference for income tax payments and payment methods.

https://mtrevenue.gov/taxes/individual-income-tax/individual-income-tax-payments/

Signature

I agree to provide true, accurate, current, and complete information. By signing this agreement, my company agrees to all the requirements listed in this document.

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

Complete this signature line if this is an amended Letter of Intent

AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER	AMENDED DATE