



Instructions for the 2017 Tax Software Provider Registration Form North Carolina Department of Revenue

The **Tax Software Provider Registration Form** also known as the **Letter of Intent (LOI)** must be completed annually prior to your participation in the North Carolina Modernized Electronic Filing program. A separate LOI must be submitted for each product that will submit returns electronically. NCDOR will utilize the State Exchange System (SES) to securely distribute the LOI, eFile schemas, business rules, ERO guides and other materials that pertain to our MeF program. Please keep in mind that both NCDOR and the Federation of Tax Administrators (FTA) must grant each user access to the SES. Access to the SES can take up to 3 days from the date of the request. After the LOI has been completed in its entirety, access will be granted to those providers in good standing to view and/or download the required information needed for ATS testing.

***Note – NCDOR will provide the LOI to software providers in good standing before granting access to the SES. New software providers and software providers not in good standing will be vetted and a decision will be made to determine if the software provider will be given access to the SES and allow them to participate in ATS testing.**

The deadline for the **Tax Software Provider Registration Form** is **November 3, 2017**. If you have any questions, please send an email to NCTaxEfile@ncdor.gov.

1. Complete the **Tax Software Provider Registration Form** (LOI) in its entirety unless the section is in reference to paper forms. Only complete the sections that are relevant to **eFile only**.
2. For the North Carolina Department of Revenue, there is a separate **Tax Software Provider Registration Form** to produce substitute paper forms. Please visit <http://www.dornnc.com/forms/agreementto comply.html> to complete the registration form for this approval process.
3. A separate LOI must be submitted for each software product.
4. The standard **Tax Software Provider Registration Form** incorporates the national security summit standards and requirements for electronic form submission; Vendor Support, the paper form submissions unit, at the North Carolina Department of Revenue uses this template to ensure software providers understand and adhere to both national standards established within the Security Summit as well as our State's specific requirements.

2017 Tax Software Provider Registration Form

Complete this form to request approval from the **North Carolina Department of Revenue** to provide tax preparation software for electronic 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	Primary 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		
Primary Individual MeF Contact	Phone	Email Address
Secondary Individual MeF Contact		
Secondary Individual MeF Contact	Phone	Email Address
Primary Business MeF Contact*		
Primary Business MeF Contact*	Phone	Email Address
Secondary Business MeF Contact		
Secondary Business MeF Contact	Phone	Email Address
Primary Leads Reporting Contact **		
Primary Leads Reporting Contact **	Phone	Email Address
Secondary Leads Reporting Contact **		
Secondary Leads Reporting Contact **	Phone	Email Address
Primary Leads Feedback Contact **		
Primary Leads Feedback Contact **	Phone	Email Address
Secondary Leads Feedback Contact **		
Secondary Leads Feedback Contact **	Phone	Email Address
Test EFIN(s)		
Test EFIN(s)	Test ETIN(s)	
Production EFIN(s)		
Production EFIN(s)	Production ETIN(s)	
*If you have separate contacts for Business Tax Types, please list them separately on a separate sheet and attach with your LOI submission.		
**Must match FTA Master list		

Rebranded Software Products

Software Companies: Use this section only if this product is rebranded with the approval of the Software Publisher, who is the original creator of the software and signer of the LOI. It is the position of the STAR Working Group under the auspices of the IRS Security Summit that:

- *Rebranding where the software publisher makes all code changes to generate the rebranded software and ensures that the rebranded software meets the applicable requirements (Trusted Customer, Generation of Authentication Elements, Generate of LEADS reports, STAR Requirements, etc.) does not pose any additional risk to the tax ecosystem.*
- *Rebranding where the organization who rebrands the software has the capability to make cosmetic changes including but not limited to color or font, but cannot make changes to the applicable requirements (listed above) also does not pose additional risk to the ecosystem.*

Rebranded Product Name	Contact Person	Phone	Email Address	Unique Identifier **
Rebranded Product Name	Contact Person	Phone	Email Address	Unique Identifier **
Rebranded Product Name	Contact Person	Phone	Email Address	Unique Identifier **
Rebranded Product Name	Contact Person	Phone	Email Address	Unique Identifier **
Rebranded Product Name	Contact Person	Phone	Email Address	Unique Identifier **

*If there are more than 5 software products that have rebranded under a different name, please list them on a separate sheet and attach with your LOI submission.
 ** If available.

For Rebranded Products, the North Carolina Department of Revenue has the following requirements for e-file ATS approval

- Rebranded Products are required to complete the full e-file ATS approval process
- Rebranded Products are required to complete an abbreviated e-file ATS approval process
- Rebranded Products are not required to complete e-file ATS approval process

Type of Software Product

- | | |
|---|---|
| <input type="checkbox"/> DIY/Consumer (Web-Based) | <input type="checkbox"/> DIY/Consumer (Desktop) |
| <input type="checkbox"/> Professional/Paid Preparer (Web-Based) | <input type="checkbox"/> Professional/Paid Preparer (Desktop) |

Tax Types Supported (Check all that apply)

E-File Only

- Individual Income Tax
- Corporate Income/Franchise Tax (C-Corp & S-Corp)
- Partnership Tax Corporate/Franchise Tax

Forms and Schedules Supported (check all that apply)

Individual Income Tax Forms

- D-400 – Individual Income Tax (Original)
- D-400 – Individual Income Tax (Amended)
- D-400 Schedule S – Supplemental Schedule
- D-400 Schedule PN – Part-Year and Nonresident Schedule
- D-400TC – Individual Income Tax Credits
- D-400 Schedule AM – Amended Schedule
- NC-Rehab – Historic Rehabilitation Tax Credits
- NC-478 – Summary of Tax Credits Limited to 50% of Tax
- NC-478 Pass-Through – Pass-through Schedule for NC-478 Series
- NC-478G – Tax Credit for Investing in Renewable Energy Property
- NC-478J – Tax Credit for Creating Jobs
- NC-478K – Tax Credit for Investing in Business Property
- NC-478L – Tax Credit for Investing in Real Property
- NC-40 – Individual Estimated Income Tax
- D-410 – Application for Extension for Filing Individual Income Tax Return
- D-400V – Individual Income Payment Voucher
- D-400V - Amended Individual Income Payment Voucher
- NC-EDU – North Carolina Education Endowment Fund Contribution

Corporate Income & Franchise Tax Forms

- CD-401S – S Corporation Tax Return (Original)
- CD-401S – S Corporation Tax Return (Amended)
- CD-405 – C Corporation Tax Return (Original)
- CD-405 – C Corporation Tax Return (Amended)
- CD-405 CW – Combined Corporate Income Tax Worksheet
- CD-418 – Cooperative or Mutual Association
- CD-425 – Corporate Tax Credit Summary
- NC-478 – Summary of Tax Credits Limited to 50% of Tax
- NC-478G – Tax Credit for Investing in Renewable Energy Property
- NC-478J – Tax Credit for Creating Jobs
- NC-478K – Tax Credit for Investing in Business Property
- NC-478L – Tax Credit for Investing in Real Property
- NC-478 Pass-Through – Pass-through Schedule for NC-478 Series
- NC K-1 for Form CD-401S – Shareholder's Share of North Carolina Income, Adjustments, and Credits
- NC-Rehab – Historic Rehabilitation Tax Credits
- CD-V – Franchise and Corporate Payment Vouchers
- CD-V - Amended Franchise and Corporate Payment Vouchers
- CD-419 – Application for Extension for Franchise and Corporate Income Tax
- CD-429 – Corporate Estimated Income Tax
- NC-EDU – North Carolina Education Endowment Fund Contribution

Partnership Income Tax Forms

- D-403 – Partnership Income Tax Return (Original)
- D-403 – Partnership Income Tax Return (Amended)
- D-403TC – Partnership Tax Credit Summary
- NC-478 – Summary of Tax Credits Limited to 50% of Tax
- NC-478G – Tax Credit for Investing in Renewable Energy Property
- NC-478J – Tax Credit for Creating Jobs
- NC-478K – Tax Credit for Investing in Business Property
- NC-478L – Tax Credit for Investing in Real Property
- NC-478 Pass-Through – Pass-through Schedule for NC-478 Series
- NC-Rehab – Historic Rehabilitation Tax Credits
- NC K-1 for Form D-403 – Partner's Share of North Carolina Income, Adjustments, and Credits
- D-410P – Application for Extension for Filing Partnership, Estate, or Trust Tax Return
- D-403V – Partnership Income Payment Voucher

Please list the sections of the North Carolina form your software does not support or other limitations.

IRS form(s) or schedules your software does not support.

All software products with limitations must provide detailed calculations prior to the start of software developer testing. Failure to comply will result in receiving test compares based on supporting all forms, schedules and test case scenarios.

Developers should calculate the return data based on NCDOR’s test cases **AND** the software’s limitations.

Ex. NCDOR Test Case shows the following for Form 1040:

Wages, salaries, tips, etc.	7937
Taxable refunds, credits, or offsets of state and local income tax	1000
Rental real estate, royalties, partnerships, S corps, trust, etc. (Schedule E)	1000
Total income	<u>9937</u>

Ex. Software Limitation = Does not support Sch E – Developer’s correctly completed Form 1040:

Wages, salaries, tips, etc.	7937
Taxable refunds, credits, or offsets of state and local income tax	1000
<i>Rental real estate, royalties, partnerships, S corps, trust, etc (Schedule E)</i>	<i>0</i>
Total income	<u>8937</u>

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

The state e-standards Authentication Header Schema has been established to identify and authenticate a taxpayer and 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 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 prevent identity theft tax refund fraud. Tax Software Providers are required to adhere to the minimum standards. You must verify that you are adhering to minimum standards in the space provided below.

For Online Do-It-Yourself software:

1. 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.

2. Do you meet nationally recognized standards for implementing customer account authentication by using:
 - a. The standards identified in the Minimum Requirements for Identity Authentication section of the 2018 DIY Trusted Customer Requirements? 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.

- 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.

3. Do you use out-of-band verification?
 - a. If yes, 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.

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 an incident or threat of significance 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 and permitted by applicable laws, regulations, and relevant information sharing agreements.
- 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 **North Carolina Department of Revenue**, their ability to submit such returns to the **North Carolina Department of Revenue** may be removed. This includes reporting security-related incidents to **North Carolina Department of Revenue**.

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 and second 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 service providers must adhere.

Tax Service Provider Definitions

In this section, "tax service 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.
- **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 service provider may use any tax return information provided by a taxpayer, for the 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 service 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 service 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 service provider’s business, which must include aggregated data compilations to identify potentially fraudulent behaviors or patterns.

Tax service 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 service 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 **North Carolina Department of Revenue**.

The following consent language must be added to electronic filing software 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 North Carolina 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 **North Carolina 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 **North Carolina Department of Revenue**.

State Specifications and Communication

State Documents and Materials

North Carolina Department of Revenue e-file documentation will be posted/provided at the following locations (check all the apply)

FTA State Exchange System (SES)

State Website

Other/Please Specify

State Refund Expectations

To assist Taxpayers and Tax Professionals expecting refunds, [STATE NAME] is providing a URL and/or a statement about refund processing. Industry partners should use this statement and/or 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 about refunds
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

url: <http://www.dornc.com/electronic/refundprocess.html>

Statement: *The North Carolina Department of Revenue offers a text message notification service for updates on individual income returns. When you register for the service, you will receive a text message when a return is filed with your Social Security number and when your refund is mailed or direct deposited.*

The service also allows you to take action before a fraudulent refund is issued. If you are a victim of identity Theft, you will receive a text message if a fraudulent return is filed with your Social Security number. The NCDOR will not include your Social Security number in any text message.

Go to <url> to learn more about the service and to sign-up. – Note: The URL will be provided by 10/2/2017.

State Questions, Requirements, Standards and Recommendations

This form must be completed annually prior to your participation in the North Carolina Modernized Electronic Filing program. NCDOR will utilize the State Exchange System (SES) to securely distribute registration forms, eFile schemas, business rules, ERO guides and other related materials as it relates to the MeF program.

***Note – NCDOR will provide the LOI to software providers in good standing before granting access to the SES. New software providers and software providers not in good standing will be vetted and a decision will be made to determine if the software provider will be given access to the SES and allow them to participate in ATS testing.**

The deadline for the Tax Software Provider Registration form is **November 3, 2017**. If this form is not received, you will not receive access to the Tax Year 2017 IIT or BIT eFile documents stored in the SES.

State Specific Questions

1. Do you support unlinked returns?

2. Do you support prior year e-Filing?

3. Will you offer a Free File product for Tax Year 2016? If yes, please complete the information below:

Free File Product Name –

Free File Contact Name –

Contact Phone Number –

Contact Email Address –

4. Would you like NCDOR to publish your E-File Marketing and Sales Contact information on our website? If yes, please complete the information below:

E-File Marketing Sales Contact Name -

Contact Phone Number –

Data Breach Reporting

The Tax Service Provider must notify NCDOR of any real or suspected security breach promptly, and will coordinate with NCDOR any external communications or notices to be sent. NCDOR will be responsible for reporting to any related agencies or entities (including the Attorney General's Office). The Tax Service Provider, however, will be responsible for and bear the financial cost of mailing out any required notices to any taxpayers affected by a security breach or unauthorized disclosure while data is in the possession of the Contractor. See NC General Statute § 75-65 (Protection from Security Breaches) for details on providing notice to taxpayers affected by a security breach.

State Driver's License/ID Card Expectations

To help drive clarity for Taxpayers, Tax Professionals and Industry partner North Carolina Department of Revenue is providing the following expectations regarding the Driver's License/ID Card.

For e-file returns:

- North Carolina Department of Revenue does not want to receive the DL/ID Card Information with the tax return
- North Carolina Department of Revenue wants to receive the DL/ID Card Information with the tax return
- North Carolina Department of Revenue requires the DL/ID Card Information be included with the tax return but will not reject the e-file return
- North Carolina Department of Revenue will reject e-file returns if the DL/ID Card Information is not included with the tax return

To assist Taxpayers and Tax Professionals filing returns, North Carolina Department of Revenue is providing a URL and/or a statement regarding expectations for the DL/ID Card. Industry partners will use this statement or 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 about DL/ID Card Collection and Reporting
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

URL: N/A

Statement: *In an effort to protect your identity and combat tax fraud, many state revenue agencies are requesting that filers provide their driver's license or state-issued ID number. While providing this information is encouraged, it is optional and not required in order to file your North Carolina taxes.*

In addition to the text provided above, eFile providers please ensure your communication within your software such as help text and/or FAQs **DOES NOT:**

- Indicate that providing it (DL/ID Card) will cause the return to process quicker
- Indicate that returns without it could face delays or that the taxpayer may have to supply additional information
- Indicate how it affects the acceptance or rejection of the return
- Indicate that if the taxpayer does not have or does not want to provide it that they should mail the return rather than eFile

Software Developer Requirements and Authorizations

As an authorized representative, I agree on behalf of our entity that we will comply with NCDOR's tax preparation software standards and all of the requirements listed below.

- a. Provide the requested information about your company to ensure you receive all future software developer emails.
- b. Notify the Department, customers, and clients immediately if computation errors or other variable data errors are found. Please contact the E-File and Development Unit via email at NCTaxEfile@ncdor.gov. Identify the computation and/or data errors that were found and establish when these errors will be resolved.
- c. Submit a corrective action plan to the Department within three (3) business days of error discovery.
- d. Correct errors within seven (7) business days of submitting the corrective action plan, and provide the Department with satisfactory evidence that the errors have been corrected and customers/clients have been notified of such.
- e. Failure to comply with the correction of computation errors or other variables data errors will result in a loss of software approval and removal from the Department’s website for public viewing for a period of time. This period of time will be at the discretion of the Department of Revenue.
- f. The Department will reject e-Filed return and revoke approval of software products until the developer becomes compliant.
- g. Provide a copy of the software or the URL within five (5) business days from the date of request if computation errors or other variable data errors are suspected.
- h. E-File Approvals and Substitute Form Approvals are two separate approval processes. If your software product has not been approved to produce substitute North Carolina Tax forms, refrain from selling, releasing, licensing, or distributing tax packages to customers without placing a semitransparent watermark on each unapproved form that states “UNAPPROVED FORM: DO NOT FILE”. This watermark is to be printed diagonally across the form in bold, capital letters in Arial 60pt font. Only approved current year forms should not have this watermark. Software developers understand that this watermark will enable the Department to readily identify these forms and to reject them.

Signature

I acknowledge that all e-file ATS tests submitted during the approval process are created in and originate from the actual software.

I acknowledge that all electronic returns received by North Carolina Department of Revenue generated from this software will be electronically filed from the initially approved product version, or a subsequent product update.

I acknowledge that North Carolina Department of Revenue will be notified of any incorrect and/or missing calculation or e-file data element for any electronic returns submitted to North Carolina Department of Revenue

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 **North Carolina 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 **North Carolina Department of Revenue** provider, I agree to provide 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 **North Carolina Department of Revenue** has the right to deny, suspend, or terminate my account.

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