North Carolina

eFile and Substitute Tax Forms
Letter of Intent

Tax Year 2019

eFile Unit
NCTaxEfile@ncdor.gov
(919) 814-1500

Vendor Support Unit
AllAboutForms@ncdor.gov
(919) 754-2625

Instructions for the
2019 Letter of Intent for eFile and Substitute Tax Forms
North Carolina Department of Revenue

The North Carolina Department of Revenue (NCDOR) Letter of Intent (LOI) must be completed annually prior to your participation in substitute tax forms or Assurance Testing System (ATS) testing with the Department. All tax service providers (Electronic Return Originators (ERO), primary/secondary software developers, and transmitters) and Payroll Service Providers (PSPs) that want to include North Carolina tax forms in their tax preparation software for electronic and/or paper filing must obtain prior approval from the North Carolina Department of Revenue. Only after the North Carolina Department of Revenue has received a completed LOI, will access be granted to view and/or download the required information needed for testing and approval.

LOI Submission Instructions

For the software providers that will **only** participate in eFile testing, please submit the completed LOI to NCTaxEfile@ncdor.gov by **November 1, 2019**.

For the software providers that will **only** participate in substitute tax form re-production testing, please submit the completed LOI to AllAboutForms@ncdor.gov by **August 30, 2019.**

For the software providers that will participate in both eFile and substitute tax forms testing, please submit the completed LOI to NCTaxEfile@ncdor.gov and AllAboutForms@ncdor.gov on or before the applicable due date noted above.

General LOI Submission Instructions

1. Complete the LOI in its entirety by providing all the requested information. Incomplete LOI's will be rejected and access to forms, specifications, schemas, business rules and other documents that are needed for testing and approval will not be provided.
2. A separate LOI must be submitted for each product that will be submitted for eFile and forms testing.
3. Each rebranded product must be itemized in the "Rebranded Software Products" section of the LOI form.
4. Test Submissions for electronic and/or paper forms will not be reviewed until the LOI has been received and approved.
5. Access to the State Exchange System (SES) is required to obtain the LOI and testing documentation.
6. Ensure the National Letter of Intent has been completed by your company and stored in the State Exchange System.
7. Rebranded products do not require a separate approval.

State Exchange System Access

If a software provider currently does not have access to the State Exchange System (SES), an email should be sent to support@taxadmin.org to request access. The Federation of Tax Administrators (FTA) will have to start the process to get your company listed in the SES.

For software providers that currently have access and only require eFile access, send an email to NCTaxeFile@ncdor.gov and provide the name and email address of the individual(s) that need access to the LOI folder.

For software providers that currently have access and only require forms access, send an email to AllAboutForms@ncdor.gov and provide the name and email address of the individual(s) that need access to the LOI folder.

For software providers that currently have access and will support both eFile and forms and need access to the LOI, send an email to NCTaxEfile@ncdor.gov and AllAboutForms@ncdor.gov and provide the name and email address of the individual(s) that need access to the LOI folder.

In the subject line of the email, enter the text "SES Access Request."

In the body of the email, please indicate that access is needed to the State Exchange System. When submitting the request, include the following:

- First and Last Name of person seeking access*
  *This should be the person that will be completing the LOI
- Valid company email address

Please note that FTA will validate the company's email address, so please ensure the email address that is provided matches the domain name (the part after the @ symbol) of the company that is present in the SES. If the email provided does not match what is in the SES, contact FTA at support@taxadmin.org for assistance.

Once access is granted to the LOI folder and the LOI has been submitted to the NCDOR for review and is approved, the individuals listed in the LOI under the section "Authorized access to the State Exchange System" will be granted access to the information that is designated in the completed LOI.

eFile Specific Instructions

1. Software Developer Test Lead is Vickie Grant. She will be the primary contact for all of your ATS testing needs. Please ensure that you send emails to NCTaxEfile@ncdor.gov only and not to her directly.

2. Software Developer ID must be a maximum of 10 characters and can consist of both letters (a-z) and numbers (i.e., EFILETAXES, TAXES101NC).

Substitute Tax Forms (Forms) Specific Instructions

1. Submit final versions of the forms at least (5) business days prior to approved by due dates listed below:
   a. **Sales and Use** **September 16, 2019**
   b. **Withholding** **September 30, 2019**
   c. **Partnership** **September 30, 2019**
   d. **Corporate** **September 30, 2019**
   e. **Individual** **October 15, 2019**
   f. **Fiduciary** **October 31, 2019**

2. Software Providers that want to include NC tax forms in their preparation software for filing paper state tax returns must obtain prior approval from NCDOR. Email questions about the process to AllAboutForms@ncdor.gov.

3. The final version of the form must be submitted at least (5) business days prior to the approval dates noted in instructions #1. All forms **must** be approved by these dates. Email PDF submissions to SDFormsUpdate@ncdor.gov.

4. Use the naming scheme and instructions for PDF submissions on the NCDOR public website at https://files.nc.gov/ncdor/documents/files/howto_provide_forms.pdf.

5. Forms are expected to be submitted and approved within (30) days of the posted date. All forms should be approved in three (3) or fewer attempts.

2019 Tax Software Provider North Carolina Department of Revenue Letter of Intent

By submitting this Letter of Intent (LOI) to the North Carolina Department of Revenue (NCDOR), you are agreeing to meet our standards for software provider registration, all tax preparation software, and substitute forms. Agreement and adherence to the national standards are required as a prerequisite to approval.

Failure to meet the standards or requirements set forth in the national standards and requirements form or 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.

Please complete a registration 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.

Name of Company	Product Name	Software Developer Code (eFile only)
DBA Name	NACTP Member Number	State Tax Account Number (if applicable)
Address	Product Address/URL	Company FEIN
City	State	Zip Code
Regulatory/Compliance Contact	Phone	Email Address
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
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 a list of employees within your organization that you are authorizing to have access to the State Exchange System. The list you provide should include the following information:

- Company name, if different than company name at top of LOI
- First and last name of authorized individual(s)
- Email address
- Phone number
- Tax types they are authorized to access (indicate all or individual, corporate, estate/trust, payroll etc.)

NOTE: If the individuals are the same as what you've listed on the first page, please include them in this section as well.

Company name	First and last name	Email address	Phone number	Authorized access ☐ Forms ☐ eFile	Tax types
Company name	First and last name	Email address	Phone number	Authorized access ☐ Forms ☐ eFile	Tax types
Company name	First and last name	Email address	Phone number	Authorized access ☐ Forms ☐ eFile	Tax types
Company name	First and last name	Email address	Phone number	Authorized access ☐ Forms ☐ eFile	Tax types

Please attach additional sheet with authorized users if necessary.

Type of software product

☐ Do It Yourself (DIY)/Consumer (Web-Based)
☐ Do It Yourself (DIY)/Consumer (Desktop)
☐ Professional/Paid Preparer (Web-Based)
☐ Professional/Paid Preparer (Desktop)

Tax types supported

Please check all that apply

Forms	eFile	
☐	☐	Individual Income Tax
☐	☐	Corporate/Franchise Tax (C & S Corp)
☐	☐	Partnership Tax

Forms	
☐	Estate/Trust/Fiduciary Tax
☐	Sales and Use Tax
☐	Withholding Tax

Rebranded software products

Complete this section if your product is rebranded. If there are more than five software products that have been rebranded under a different name, please list them on a separate sheet and attach it to this submission.

Note: In order for the software to be considered rebranded, changes cannot be made to the software requirements and output(s). It is your responsibility to make sure the rebranded product reflects the current software requirements and output(s).

Forms Only – Products using the same SD ID# does not need to obtain a separate approval for rebranded products.

Rebranded Product Name	Contact Person	Phone	Email Address	National Software ID *

Rebranded Product Name	Contact Person	Phone	Email Address	National Software ID *
Rebranded Product Name	Contact Person	Phone	Email Address	National Software ID *
Rebranded Product Name	Contact Person	Phone	Email Address	National Software ID *
Rebranded Product Name	Contact Person	Phone	Email Address	National Software ID *
*If not available at the time of LOI submission, please provide it when available.				

For Rebranded Products, the North Carolina Department of Revenue has the following requirements for paper and/or eFile ATS approval

- **Rebranded Products are not required to complete eFile ATS/paper form approval**

Substitute Forms Registration

Complete this section if your product will be providing substitute forms		
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
Senior Manager/VP	Phone	Email Address
Manager/Primary Lead	Phone	Email Address
*If you have separate contacts for each business tax type, please list them by tax type on a separate sheet and attach it to this submission.		

Forms and schedules supported (check all that apply)

Individual Income Tax Forms

Forms Only	eFile Only	Both	
☐	☐	☐	D-400 – Individual Income Tax Return
☐	☐	☐	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
☐	☐	☐	D-410 – Application for Extension for Filing Individual Income Tax Return

☐	☐	☐	NC-40 – Individual Estimated Income Tax
☐	☐	☐	D-400V – Individual Income Payment Voucher
☐	☐	☐	D-400V – Amended Individual Income Payment Voucher
☐			D-422 – Underpayment of Estimated Tax by Individuals
☐			D-422A – Annualized Income Installment Worksheet

Corporate Income & Franchise Tax Forms

Forms Only	eFile Only	Both	
☐	☐	☐	CD-401S – S-Corporation Tax Return
☐	☐	☐	CD-405 – C-Corporation Tax Return
☐	☐	☐	CD-405 CW – Combined Corporate Income Tax Worksheet
☐	☐	☐	CD-418 – Cooperative or Mutual Association
☐	☐	☐	CD-425 – Corporate Tax Credit Summary
☐	☐	☐	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
☐			CD-429B – Underpayment of Estimated Taxes by C Corporations
☐	☐	☐	NC K-1 (CD-401S) – Shareholder's Share of NC Income, Adjustments and Credits
☐			NC-NA – Nonresident Shareholder Agreement

Partnership Income Tax Forms

Forms Only	eFile Only	Both	
☐	☐	☐	D-403 – Partnership Income Tax Return
☐	☐	☐	D-403TC – Partnership Tax Credit Summary
☐	☐	☐	D-410P – Application for Extension for Filing Partnership, Estate or Trust Return
	☐		D-403V – Partnership Income Payment Voucher (**eFile only**)
☐	☐	☐	NC K-1 (D-403) – Partner's Share of NC Income, Adjustments and Credits
☐			NC-NPA – Nonresident Partner Affirmation

Estates/Trust/Fiduciary Tax Forms

Forms Only

☐ D-407 – Estates and Trusts Income Tax
☐ D-407TC – Estates and Trusts Tax Credit Summary
☐ D-410P – Application for Extension for Filing Partnership, Estate or Trust Return
☐ NC K-1 (D-407) – Beneficiary's Share of NC Income, Adjustments and Credits

Sales and Use Tax Forms

Forms Only

☐ E-500 – Sales and Use Tax Return
☐ E-536 – Schedule of County Sales and Use Taxes
☐ E-500E – Combined General Rate Sales and Use Tax Return
☐ E-500F – Motor Vehicle Lease and Rental Tax Return

- ☐ E-500G – Scrap Tire Disposal Tax Return
- ☐ E-500H – White Goods Disposal Tax Return
- ☐ E-500K – Solid Waste Disposal Tax Return
- ☐ E-500L – Service Charge/Prepaid Wireless Telecommunications Return
- ☐ E-585 – Nonprofit & Governmental Entity Claim for Refund State and County Sales and Use Taxes
- ☐ E-585S – Incentive Claim for Refund State and County Sales and Use Taxes
- ☐ E-536R – Schedule of County Sales& Use Tax Claim for Refund
- ☐ E-588 – Business Claim for Refund State and County Sales and Use Taxes
- ☐ E-588J – Claim for Refund Machinery, Equipment and Fuel Tax Return
- ☐ E-595E – Streamlined Sales and Use Tax Agreement

Withholding Tax Forms

Forms Only

- ☐ NC-3 – Annual Withholding Reconciliation
- ☐ NC-5 – Withholding Return
- ☐ NC-5A – Applied For Status Withholding Return
- ☐ NC-5X – Amended Withholding Return
- ☐ NC-5P – Withholding Payment Voucher
- ☐ NC-5PA – Applied For Status Withholding Payment Voucher
- ☐ NC-5PX – Amended Withholding Payment Voucher
- ☐ NC-5Q – Quarterly Income Tax Withholding Return
- ☐ NC-3X – Amended Annual Withholding Reconciliation
- ☐ NC-4 – Employee's Withholding Allowance Certificate
- ☐ NC-4EZ – Employee's Withholding Allowance Certificate

General Forms

Forms Only	eFile Only	Both	
☐	☐	☐	NC-478 – Summary of Tax Credits Subject to 50% of Tax Limit
☐	☐	☐	NC-478 Pass Through – Pass-through Schedule for NC-478 Series
☐	☐	☐	NC-478G – Tax Credit for Investing in Renewable Energy Property
☐	☐	☐	NC-478L – Tax Credit for Investing in Real Property
☐	☐	☐	NC-EDU – North Carolina Education Endowment Fund Contribution
☐	☐	☐	NC-Rehab – Historic Rehabilitation Tax Credits
☐			Gen 58 – Power of Attorney and Declaration of Representative
☐			EFT-100C – ACH Credit Payment Method Authorization Agreement
☐			EFT-100D – ACH Debit Payment Method Authorization Agreement
☐			NC-BR – Business Registration Application for Income Tax Withholding, Sales and Use Tax and Other Taxes and Service Charge

Communication and Expectations

Documents and materials

The North Carolina Department of Revenue eFile and paper form documentation will be provided at the following locations:

- FTA State Exchange System (SES) for schemas, business rules, form specifications, draft forms and all other testing materials.

Refund expectations

North Carolina Department of Revenue has provided a URL and a statement about refund processing below. Industry partners must use this statement and URL in all products. The messages within the software must be shown to end-users in a way to maximize the likelihood that the message is read.

URL: https://www.ncdor.gov/file-pay/refund-process

Statement: *You can check the status of your refund online at https://www.ncdor.gov/file-pay/eservices/refund-process. In order to view status information, you will be prompted to enter the first social security number listed on your tax return along with the exact amount of your refund. You can also call our toll-free refund inquiry line at 1-877-252-4052, 24 hours a day, 7 days a week. Refund checks are written weekly. If you contact our refund inquiry line and you are advised that your check has not been written, please wait 7 days before calling the refund inquiry line again.*

Taxes due expectations

North Carolina Department of Revenue has provided a URL and a statement about taxes due below. Industry partners must use this statement and URL or other method prescribed by the jurisdiction in all products. The messages within the software must be shown to end-users in a way to maximize the likelihood that the message is read.

URL: https://www.ncdor.gov/file-pay

Statement: *If you owe additional tax, you can pay by bank draft or debit/credit card using Visa or MasterCard. To pay online, go to the Department's website at https://www.ncdor.gov/file-pay.*

Driver's license/ID card expectations

North Carolina Department of Revenue has provided the following expectations and information:

For eFile 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 eFile return

☐ North Carolina Department of Revenue will reject eFile returns if the DL/ID Card information is not included with the tax return

North Carolina Department of Revenue has provided a statement for the DL/ID Card. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The messages within the software must be shown to end-users in a way to maximize the likelihood that the message is read.

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.*

Questions, Requirements, Standards and Recommendations

This section is separated by submission type, eFile and paper.

Software Package Limitations

List all limitations (electronic and/or paper) of your software product below. Failure to supply this information will delay the results of your testing and approval. If additional space is needed, please attach additional page(s).

eFile Limitations

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Forms Limitations

List all limitations of your software package below. Failure to supply this information may delay the forms review by two (2) weeks.

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Standards and Requirements

General

1. Provide a list of unaffiliated websites that link to your portal for electronic or traditional paper filing of NC tax returns.
2. Forms approval and eFile approval are separate approval processes. An entity must gain approval for each process independently.
3. NCDOR has the discretion to request a copy of your entity's software or URL if deemed necessary. A copy must be submitted within five (5) business days from the date of the request.
    a. The software will be used for researching computation errors or other variable data errors based on taxpayer inquiries.
    b. Under no circumstances will the software be used by NCDOR to prepare or submit tax returns for processing. NCDOR has put reasonable security measures in place in an effort to prohibit unauthorized access and improper or illegal usage of your software product by NCDOR employees.
4. If computation errors exist within the software, notify NCDOR and customers within three (3) business days of discovery of the error/issue.

   a. Provide the NCDOR with a corrective action plan within 2-3 business days after discovery of the error/issue that provides the following details:
      i. Date when the error and/or issue was initially identified
      ii. Date the error/issue will be corrected
      iii. Date when the update will be released
   b. Provide the NCDOR with satisfactory evidence that the errors have been corrected and customers have been notified.
   c. Developers will have 10 business days from the date of contact to correct the issue, obtain form approval for corrected form(s) and/or resubmit an eFile submission to validate the correction.
   d. Failure to comply with any correction of computation errors or other variable data errors will result in the loss of software and/or forms approval and removal from NCDOR's website.
   e. Regression test software updates, code fixes and error corrections to ensure the fix did not impact any other fields on either the electronic or paper return.
5. Electronic submissions and paper tax returns must fully comply and meet the standards set forth in the Electronic Return Originator (ERO) Guides, Requirements for the Approval of Tax Forms document and the LOI. If not, the electronic returns and paper returns will be rejected.
6. NCDOR does not endorse any software products that supports the electronic filing and/or re-production of state forms. Therefore, refrain from promoting and/or advertising software that is endorsed by NCDOR.
7. Authorizes NCDOR to include your entity's name in various public information material designed to inform tax practitioners and the public about software developers who have agreed, complied or failed to comply with NCDOR guidelines and requirements that are included in the ERO and Requirements for the Approval of Tax Forms document.

eFile

1. All PDF attachments must be submitted unsecured with each attachment having a unique filename.

Forms

1. Submit all forms following the form specifications published in the current year's "Requirements for the Approval of Substitute Tax Forms."
2. Developers will produce all forms in a specified set as listed in the "Requirements for the Approval of Substitute Tax Forms" document.
3. Prior to receiving approval for each North Carolina form indicated on the Letter of Intent, refrain from selling, releasing, licensing, or distributing tax packages to customers without placing a semi-transparent water mark 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 60 pt. font. Only approved current year forms should not have this watermark. Software developers understand that this watermark will enable NCDOR to readily identify these forms and reject them.
4. Review public website forms independently of the forms approval process. Any developer selecting to support public website forms will take on the legal responsibility for any misstatements solely as they will not be reviewed by the NCDOR.

General Questions

1. What refund products or payment vehicles do you offer your customers? If you partner with an entity to provide refunds, please provide the names and bank routing numbers (RTNs) of each company. Attach a separate sheet if necessary.

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____
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eFile Specific questions

1. Do you support unlinked NCDOR returns?
   a. ☐ Yes
   b. ☐ No

2. NCDOR wants to receive Taxes Paid to Other States (TPOS) data when applicable and will provide a cross walk for the software provider when schemas are released.

   Will your company support the TPOS schema for this filing season? ______________________________________

3. Will you offer a Free File Product (Free File Alliance (FFA) and/or Non FFA product(s)) for Tax Year 2019? If yes, please complete the information below:

   a. Free File Product Name – ____

   b. Free File Contact Name – ____

   c. Contact Phone Number – ____

   d. Contact Email Address – ____

4. Would you like NCDOR to publish your eFile Marketing and Sales Contact Information on our website? If yes, please complete the information below:
   a. eFile Marketing Sales Contact Name – ____
   ____

   b. Contact Phone Number and/or Email Address – ____
   ____

Forms Specific questions

1. If a Tax Software Provider develops substitute tax forms using another entity's software program, do you:
   a. ☐ Sell the product(s) for public use (software may be required) or
   b. ☐ Do not sell the product(s) for public use (software not required)

2. If you buy tax forms from another entity in order to print the variable data on these forms, please give the name of the primary software developer ____.

3. Do you place product identification in software that prints on the substitute tax forms?
   a. ☐ Yes
   b. ☐ No

4. If a payroll service provider signs and files a withholding tax return on behalf of the employer, is software required?
   a. ☐ Yes
   b. ☐ No

5. How are the instructions for the forms presented in your software?
    a. ☐ Printable option with the form
    b. ☐ Link in software
    c. ☐ Link to the NCDOR's website
6. How will your forms be submitted for approval?
    a. ☐ PDF/E-mail
    b. ☐ Mail (First-Class/Courier)

7. Do you support software for state returns that are not filed electronically through MeF?
    a. ☐ Yes
    b. ☐ No

Acknowledgments and signature

☐ I acknowledge all eFile ATS tests submitted during the approval process are created in, and originate from, the actual software.

☐ I acknowledge 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 all paper returns received by North Carolina Department of Revenue generated from this software will be printed from the approved product version, or a subsequent product update.

☐ I acknowledge North Carolina Department of Revenue will be notified of any incorrect and/or missing calculation or eFile data element for any paper or electronic returns submitted to North Carolina Department of Revenue

☐ I acknowledge users/customers of desktop products who attempt to eFile 10 or more business days after a production release will be required to download and apply the product update.

☐ I acknowledge adherence to the ERO Guides for electronic submissions and the Requirements for the Approval of Substitute Tax form document for paper returns.

I agree to provide true, accurate, current, and complete information. By signing this agreement, my company agrees to all of the requirements listed in this document. The North Carolina Department of Revenue reserves the right to deny, suspend or terminate my company's ability to submit returns.

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