

# ELECTRONIC FILING (MEF) PROCEDURES & SPECIFICATIONS

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ND Tourism

**2022** Tax Year

**2023** Processing Year

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Electronic Filing Unit

Last Revised: September 2022



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## **Introduction**

The North Dakota Office of State Tax Commissioner partners with the Internal Revenue Service to accept electronic returns via the Modernized E-File (MeF) system. North Dakota accepts individual, fiduciary, partnership, subchapter S corporation, and C corporation returns. The transmission method is a web service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data is formatted using Extensible Markup Language (XML). Authorized Electronic Return Originators (EROs) can submit returns to the IRS MeF system for federal and state return processing. State returns should be transmitted as a “linked” submission (also referred to as a Fed/State return and the preferred method), but “unlinked” submissions (also referred to as a State Only return) are also accepted. Each return must be in a separate submission, but multiple submissions may be contained in a single payload. Software developers must test their software and receive approval from the North Dakota Office of State Tax Commissioner prior to submitting live returns.

## **Purpose**

This manual provides general information for software developers, transmitters, and tax practitioners about North Dakota’s Modernized Electronic Filing Program and is a supplement to the materials available on our website and in the state exchange system (Kiteworks).

All participants in the North Dakota Federal/State e-file program are our partners, including:

- **Software Developers** – A firm, organization, or individual who creates tax preparation and transmission software for formatting returns according to North Dakota’s electronic specifications. A software developer must test their communication/transmission protocol and test transmissions of all returns and schedules supported by their software that they intend to file.
- **Electronic Return Originators (ERO)** – A firm, organization, or individual who prepares or collects tax returns for electronic transmission. An ERO may be either a tax professional who prepares returns for their clients or someone who creates electronic returns from already prepared returns.
- **Transmitters** – A firm, organization, or individual who uses approved software to electronically transmit completed returns directly to the IRS. An ERO may also be a Transmitter or an ERO may have an arrangement with a third-party Transmitter to use their computer services.

## **For Tax Period January 1, 2022 through December 31, 2022**

Acceptance testing begins the same day as the IRS.

Prior to submitting test returns, developers must submit a letter of intent, which is only available via the state exchange system (Kiteworks).

Software developers must first complete Internal Revenue Service testing before obtaining a final approval with North Dakota. The start-up date for the IRS Acceptance Testing may change.

Transmitters must be accepted by the Internal Revenue Service prior to sending data and testing the North Dakota acknowledgments.

Electronic Return Originators are not required to perform state acceptance testing.

North Dakota opens the gateway for production returns the same day as the IRS. Perfection periods for all MeF returns is 5 calendar days. See IRS MeF website for more details: **[www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Modernized-e-File-Program-Information](http://www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Modernized-e-File-Program-Information)**

### **New for Tax Year 2022**

Beginning Tax Year 2022, passthrough entities (fiduciaries, partnerships, and S corporations) with 10 or more owners are required to file income tax returns, and pay tax, electronically.

Starting for TY2022, individual income tax returns can be electronically filed for nonresident aliens who file using federal Form 1040-NR. Previously, rule FND1-000 rejected electronic returns with federal Form 1040-NR. Since nonresident aliens are nonresidents of North Dakota, FND1-000 is being updated to only reject these returns if Schedule ND-1NR is not included.

Recent updates have been made to the following business rules which will impact returns filed for TY2022: FND1-000, R0000-001, FND1-014, FND1-015, and F40-007. The previously active rules are being deactivated: FSCHK-011, FSCK-012, FSCHK-013, F38TC-001, F38TC-002, and F38TC-003. Please see the attached Appendix A for the current list of active MeF business rules.

The North Dakota Tax Relief Credit remains in place for TY2022. The credit amount of \$700 for Married Filing Joint returns, and \$350 for all other filing statuses, is available for all Full-Year North Dakota residents. Please note, the \$350 credit calculation includes situations where one spouse on a MFJ return is a full-year North Dakota resident, and the other spouse is not. Software developers are encouraged to implement diagnostics to properly calculate the credit based on the filing status of the taxpayers.

Our offices have seen a recent increase in the number of returns claiming the Military Retirement Pay Exclusion (ND-1, Line 14), where the e-file submission contains no 10990-R information. No business reject rules are currently being implemented in relation to this issue, but we ask that software developers make use of alerts and limit override capabilities related to the Military Retirement Pay Exclusion. If claiming the exclusion, the information of a related 1099-R should be included with the return.

There has been a recent uptick in filers trying to claim Schedule ND-1PSC (Nonprofit Private School) and Schedule ND-1QEC (Qualified Endowment Fund) Tax Credits, that are unable to because the forms are not supported by software. While not required for approval, we encourage developers to consider beginning support for these forms.

## Privacy Act Notification

This statement has been added to all forms requiring the taxpayer to disclose their SSN or FEIN when submitting forms to our department. This statement should be presented in some format to your customers so they are aware of the requirement. We are unable to efficiently process returns/payments with a SSN of \*\*\*-\*\*-\*\*\*\* and in some cases, may have to send them back to the taxpayer if we cannot determine how to process the form.

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. § 57-01-15 and 57-38-56, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

## MeF Supported Forms

The following forms and schedules are supported by the North Dakota MeF program. All state adjustments and tax credits not requiring a separate state schedule can be e-filed. Not all schedules are required to be supported. (\* Designates a required form/schedule)

<b>Individual Income Tax (ND-1)</b>	
*Form ND-1	Individual Income Tax Return
Schedule ND-1CR	Credit for Income Tax Paid to Another State
Schedule ND-1FA	3-Year Averaging Method for Elected Farm Income
Schedule ND-1NR	Non-resident and Par-year Resident Schedule
Schedule ND-1SA	Statutory Adjustments
Schedule ND-1TC	Tax Credits
Schedule ND-1PSC	Nonprofit Private School Tax Credits For Individuals
Schedule ME	Credit For Wages Paid to Mobilized Employee
Schedule ND-1CS	Calculation of Tax on Proceeds from Sale of Income Tax Credit
Schedule ND-1FC	Family Member Care Credit
Schedule ND-1PG	Planned Gift Tax Credit
Schedule ND-1QEC	Qualified Endowment Fund Tax Credit
*Schedule ND-1UT	Underpayment of Estimated Income Tax
*Schedule ND K-1 Received	Share of North Dakota Withholding from a Pass-Through Entity
Capital Gain Exclusion Worksheet	Optional worksheet which applies to Form ND-1, line 8
Marriage Penalty Credit Worksheet	Optional worksheet which applies to Form ND-1, line 22
Schedule RZ	Schedule of Renaissance Zone Income Exemption and Tax Credit
Tax Paid to Other States	TSOP schema info in IndividualReturnND1.xsd
*StateIndividual\IRSForms	IRSW2.xsd, IRS1099R.xsd, State1099Misc.xsd



**MeF Supported Forms – Continued**

<b>Corporation Income Tax (Form 40)</b>	
*Form 40	Corporate Income Tax Return
*Schedule SA	Statutory Adjustments
*Schedule FACT	Apportionment Factor for Corporations Not Filing a Consolidated State Return
Schedule WE	Water’s Edge Method Income Schedule
*Schedule TC	Tax Credits
Schedule WW	Combined Report Method Income Schedule
*Schedule CR (Parts 1-3)	Computation of Tax Due for Corporations Included in a North Dakota Consolidated Return
*Form 40-UT	Underpayment of Estimated Income Tax
Schedule RZ	Schedule of Renaissance Zone Income Exemption and Tax Credit
*StateBusiness\IRSForms	State1099Misc.xsd
<b>S Corporation Income Tax (Form 60)</b>	
*Form 60	S Corporation Income Tax Return
*Schedule FACT	Calculation of North Dakota Apportionment Factor
Schedule BG	Tax on Excess Passive Income and Built-In Gains
*Schedule K	Total North Dakota Adjustments, Credits, and Other Items Distributable to Shareholders
*Schedule KS	Shareholder Information
*Schedule K-1 (Form 60)	Shareholder’s Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items
Schedule RZ	Schedule of Renaissance Zone Income Exemption and Tax Credit
*StateBusiness\IRSForms	State1099Misc.xsd
*Schedule ND K-1 Received	Received from passthrough entity (SchNDK1Received.xsd)
<b>Partnership Income Tax (Form 58)</b>	
*Form 58	Partnership Income Tax Return
*Schedule FACT	Calculation of North Dakota Apportionment Factor
*Schedule K	Total North Dakota Adjustments, Credits, and Other Items Distributable to Partners
*Schedule KP	Partner Information
*Schedule K-1 (Form 58)	Partner’s Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items
Schedule RZ	Schedule of Renaissance Zone Income Exemption and Tax Credit
*StateBusiness\IRSForms	State1099Misc.xsd
*Schedule ND K-1 Received	Received from passthrough entity (SchNDK1Received.xsd)

**MeF Supported Forms – Continued**

<b>Fiduciary Income Tax (Form 38)</b>	
*Form 38	Fiduciary Income Tax Return
*Tax Compensation Schedule	Tax on Fiduciary’s Table Income
*Schedule BI	Beneficiary Information
Schedule CR	Credit for Income Tax Paid to Another State
Schedule 38-TC	Tax Credits
*Schedule 38-UT	Calculation of Interest on Underpayment or Late Payment of Estimated Tax for Estates and Trusts
*Schedule K-1 (Form 38)	Beneficiary’s Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items
Schedule RZ	Schedule of Renaissance Zone Income Exemption and Tax Credit
StateEstateTrust\IRSForms	IRSW2.xsd, State1099Misc.xsd
*Schedule ND K-1 Received	Received from passthrough entity (SchNDK1Received.xsd)

**Forms Not Supported Through MeF**

Due to the very limited use of the forms listed below, schemas have not been developed to support them in the MeF program. Taxpayers may still take the credits associated with these schedules, and attach a PDF of the schedule to the submission. To avoid delays in processing returns, these forms should be included when the return is submitted. If we do not have the required documentation, we may disallow the credit, or send a request for additional information.

**Corporation, S-Corporation, Partnership, Fiduciary**

- Schedule ME
- Schedule QEC

**PDF Attachments**

North Dakota MeF infrastructure provides the ability for the taxpayer or tax preparer to include a PDF attachment with the e-filed return. This functionality should be used to provide supporting documentation for amounts claimed on the return for which there is no place to enter the data. For TY2022, all professional software products must provide the ability to attach PDFs. Suggested uses for PDF attachments:

- Attaching forms or schedules **not** supported by MeF.
- Other states’ tax returns to support the credit for tax paid to another state.
- Military Title 10 orders to support the National Guard/Reserve member income exclusion.
- Documentation to support any other addition, deduction, or tax credit claimed on the form.

**\*Note:** North Dakota does not require any attachments for electronic returns, attaching supporting documentation as noted in the instructions will avoid delays in processing the return and reduce the chance of our office having to request additional information from the taxpayer.

## **Acceptance and Participation**

North Dakota only accepts electronic returns from IRS approved software developers. To participate in North Dakota's MeF program, software developers must:

- Register with our office, prior to submitting test files. In accordance with the FTA security summit rules, the letter of intent needed to register is only available in the state exchange system (Kiteworks).
- Submit your letter of intent to our office using one of the two methods below:
  1. Email to **taxme@nd.gov**
  2. Fax to 701-328-0352

## **Developer's Responsibilities**

Developed software must:

- Adhere to all federal and state procedures, requirements, and specifications listed in the letter of intent.
- Pass all relevant tests prescribed by the North Dakota Office of State Tax Commissioner. This includes supporting all required forms, schedules, and functionality (ex. binary attachments)
- Be developed in accordance with statutory requirements and return preparation instructions obtained from the North Dakota Office of State Tax Commissioner.
- Provide accurate North Dakota tax returns in the correct electronic format.
- Support the substitute form (printable version) for all supported schemas.
- Provide schema validation, verification, and error detection to prevent transmission of incomplete or invalid return data.
- Clearly state which forms/schedules and filing scenarios are supported.
- Have the ability to be update their software as needed throughout the filing season for issues that may not be evident during testing. Customer should receive notification in a timely manner to mitigate any outstanding issues.
- Validate the submission prior to submitting it. North Dakota should not be seeing schema rejection errors in production.

## **Software Acceptance, Testing, and Approval**

- North Dakota follows the same dates and deadlines as the IRS for testing purposes.
- Test scenarios, xml schemas, and all other relevant documentation are available on our website.
- Email **taxmef@nd.gov** when sending test returns. Include your company name, software product name, NACTP software ID, ETIN and the Submission IDs associated with the test returns. For tracking purposes, the company/software name and the tax type being tested, should be listed in the "subject" line of the e-mail.
- The state manifest must include the following information:
  - GovernmentCode = **NDST**
  - SubmissionType = **FormND1** or **Form60** or **Form58** or **Form40** or **Form38**
  - SubmissionCategory = **IND** or **PART** or **CORP** or **ESTRST**



- Please use your 4-digit NACTP Vendor ID in the Software ID field on the state return. This allows us to easily identify the software used to prepare and submit the return. We will reject the returns if a number other than your NACTP vendor ID is used. If you are not registered with NACTP, please use this link to complete the process: **[www.nactp.org](http://www.nactp.org)**
- Send data elements only if they contain values, unless the fields are required.
- We will generate acknowledgements on all test returns. However, an “accepted” ACK does not mean we have approved your software for release. You must receive a software approval e-mail from the Office of State Tax Commissioner prior to releasing your software.
- Software vendors can self-test their software by sending additional returns through the system. Unless we receive an email with the required elements as noted above, we will not review these returns.

### **Acknowledgement System**

- The North Dakota Office of State Tax Commissioner will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record is created using standards agreed upon by the IRS, state agencies, transmitters, and software developers.
- Allow two days to receive the acknowledgment from North Dakota.
- North Dakota will reject returns missing required schedules or having mismatched data.
- Appendix A contains a complete list of business rules and associated reject codes.
- Returns may be corrected and re-transmitted as long as the MeF and the software product being used supports the missing schedule or form.
- Per the IRS perfection period – Returns which have been rejected have a 5-day period, 10 days for business returns, to be corrected and resubmitted, and still be considered timely. For extensions, there is a 5-day perfection period for all tax types.

### **Signature Requirements**

The IRS obtains the taxpayer’s signature by requiring the taxpayer to select a PIN (Federal Form 8879). North Dakota recognizes the federal PIN as the signature for the North Dakota return. If the return must be submitted as an unlinked (state only) return, a self-selected PIN may be used.

### **ERO Retention Documents**

When an ERO files an electronic return, (in addition to attaching any necessary PDFs to the return) the ERO must also retain the following documents as they may apply to the return:

- State copies of Forms W-2, W-2G, 1099, and ND Schedule K-1s – anything with state income tax withholding identified.
- Copy of the other state’s return for a credit claimed on Schedule ND-1CR.
- Copy of the supporting statements identifying interest from U.S. obligations.
- Copy of RRB-1099 or RRB-1099R.

- Copy of the statement supporting the new or expanding business income exemption.
- National Guard/Reserve member's mobilization orders.
- Copy of the credit certificate from ND Housing Finance Agency.
- Copy of the supporting statement for the human organ donor expense deduction.
- Copy of the Ag Commodity or Seed Capital Investment reporting form.
- Copy of the biodiesel fuel supplier/seller statement.
- Copy of the statement from the entity when claiming a gain or loss from an S corporation that elected to be taxed as a C corporation for North Dakota income tax purposes.
- Copy of the local property tax clearance.
- Copy of letter, cancelled checks or other documents to support nonprofit private school tax credit on Schedule ND-1PSC.
- Other forms, schedules, or statements to explain information stated.

### **Submitting a Rejected MeF Return on Paper**

If the state return is rejected and cannot be retransmitted electronically, the following documents should be submitted to our office:

- Copy of the signed Federal Form 8879, 8879-F, 8879-PE, 8879-S, or 8879-C.
- Form ND-1, 38, 58, 60, or 40 and any supporting North Dakota forms and schedules. On the taxpayer's signature line of Form ND-1, 38, 58, 60, or 40, please write, "See attached Form 8879."
- The federal return and any supporting federal forms and schedules.
- Copy of all Forms W-2, W-2G, 1099, and Schedule K-1s that indicate North Dakota withholding.
- Form ND-1PRV if the return has a balance due.
- Any other documentation needed to support the state return.

### **Refund Options**

Taxpayers have four options when their North Dakota return shows an overpayment of taxes. They may elect to have their overpayment:

1. Direct deposited to their financial institution account (the preferred method);
2. Sent as a paper check;
3. Applied as an estimated payment to next year's tax liability;
4. Donated to the Watchable Wildlife Fund, Trees for ND Program Trust Fund and/or Veteran's Postwar Fund.

We do not provide time frames as to how long it will take to process returns. If our department encounters any errors or requires additional inspection when processing the tax return, the refund will be delayed.

A refund may also be delayed, or denied, if the taxpayer owes past due North Dakota taxes, fines, or debts to other state agencies (i.e. child support, student loans, etc.). The Office of State Tax Commissioner is required by law to offset the income tax refund to any of these debts. In these cases, a letter will be mailed to the taxpayer letting them know why their refund was offset.

Taxpayers can check the status of their refund at **[www.tax.nd.gov/refund](http://www.tax.nd.gov/refund)**. Appropriate messaging will be provided if there is a delay due to error, offset or if additional information was requested.

## **Payment Options**

Taxpayers have various options to remit their balance due. They may elect to:

1. Make an electronic payment directly from their checking or savings account (aka Direct Debit or ACH Debit). There is no fee for this payment option, when submitting the banking information with the MeF return. This is also the method for submitting estimated payments. These options are not allowed for paper returns.
2. Visit our Taxpayer Access Point at **[www.tax.nd.gov/payment](http://www.tax.nd.gov/payment)** to set up a payment. Electronic check payments can be made for free, or debit/credit card payments can be made through FIS Corporation for a fee. This application also includes options for paying other taxes which are not part of MeF.
3. Mail in a check or money order with the appropriate payment voucher: Individual – Form ND-1V, Partnership – Form 58-EPV, S Corporation – Form 60-EPV, Fiduciary – Form 38-EPV, Corporation – Form 40-EPV.
4. Corporation, S Corporations, Fiduciaries and Partnerships have an additional option to remit payment using ACH Credit. Information for ACH credit procedures can be found on our website at Essential information must be provided with each ACH Credit payment in an addenda record using the banking standard TXP format to ensure funds are applied correctly to the taxpayer’s account. The TXP file layouts/addenda records are available on our website at **[www.tax.nd.gov/sites/www/files/documents/forms/misc-forms/ach-credit](http://www.tax.nd.gov/sites/www/files/documents/forms/misc-forms/ach-credit)**.

**Contact Information**

<b>Contact Information</b>				
<b>Subject</b>	<b>Contact Person</b>	<b>Phone</b>	<b>Fax</b>	<b>Email</b>
General Questions				<b>taxmef@nd.gov</b>
ATS Testing & Registration	Cindy Roehrich	701-328-2049	701-328-0352	<b>taxmef@nd.gov</b>
Individual Income Tax Questions	Donna Kohler	701-328-3102	701-328-0352	<b>taxmef@nd.gov</b>
Business Income Tax Questions	Kris Snow	701-328-3430	701-328-0352	<b>taxmef@nd.gov</b>
Technical Questions	Christi Tweeten	701-328-3348	701-328-0352	<b>taxmef@nd.gov</b>

**Other Websites**

<b>Other Websites</b>	
<b>Subject</b>	<b>Website</b>
North Dakota MeF	<b>tax.nd.gov/mef</b>
North Dakota Software Developer (2D/forms)	<b>tax.nd.gov/developer</b>
North Dakota Office of State Tax Commissioner	<b>tax.nd.gov</b>

## APPENDIX A - TY2022 MeF Business Rules

### Applies to all MeF filings

Rule Number	Line #	Rule Text	Error Category	Severity
X0000-005		Schema validation error. The electronic return does not match the format defined by North Dakota.		Reject
R0000-001		Duplicate return. North Dakota has already received and accepted a return for the same filing period. For IIT, PRT, SCO, and FID - this will only apply on non Amended Returns		Reject
R0000-002		An unauthorized software vendor was used to submit the state return. Please contact your software provider.		Reject
R0000-003		We are unable to process your electronic return payment due to an invalid routing number. Please verify you have entered the correct bank routing number and bank account number prior to resubmitting the return.	Incorrect Data	Reject
R0000-004		Tax Period Begin and End Dates are required.	Missing Data	Reject
R0000-005		We are unable to process your direct deposit request with the information you provided on your return. A paper check will be issued to the address provided on the return.	Incorrect Data	Alert
R0000-006		We are unable to process one or more of your electronic estimated payments due to an invalid routing number. Please verify you have entered the correct bank routing number and bank account number prior to resubmitting the return.	Incorrect Data	Reject
R0000-007		The requested date of one or more of your electronic payments is outside of the valid date range. Please verify you have entered the correct dates for your return payment and, if applicable, any estimated payments prior to resubmitting the return.	Incorrect Data	Reject
R0000-008		The Employer's State ID Number (Box 15), State Wages (Box 16), and State Income Tax (Box 17) are required on Form W-2 and Form W-2G.	Missing Data	Reject
R0000-009		North Dakota only accepts returns for the current year and the previous two tax years. All other returns must be filed on paper.	Incorrect Data	Reject
R0000-010		The Payer's Federal ID Number is required on all Form 1099s.	Missing Data	Reject
R0000-011		W-2 or 1099 exists and the Payer's Federal ID or Employer State ID contains all 9's or all 0's.	Incorrect Data	Reject

### Individual Income Tax

Rule Number	Line #	Rule Text	Error Category	Severity
FND1-000		Schedule ND-1NR is required when filing Form 1040-NR.		Reject
FND1-001		When the filing status is married filing jointly, the spouse's first and last name are required.	Missing Data	Reject
FND1-002	Line A	The filing status (single, married filing jointly, etc) must be the same on both the state and federal returns.	Data Mismatch	Reject
FND1-003	Line A	The Spouse SSN or ITIN is required when the filing status is married filing jointly.	Missing Data	Reject
FND1-004		SSNs or ITINs must be the same on both the state and federal returns.	Data Mismatch	Reject

FND1-006	Line 1a	Federal adjusted gross income on Form ND-1, line 1a must equal federal adjusted gross income on the federal return.	Data Mismatch	Reject
FND1-007	Line 1b	Federal taxable income on Form ND-1, line 1b must equal federal taxable income on the federal return, when the amount on the federal return is greater than \$0.	Data Mismatch	Reject
FND1-008	Line 16	Total subtractions from Schedule ND-1SA must equal Form ND-1, line 16.	Data Mismatch	Reject
FND1-009	Line 16	Schedule ND-1SA is required when Form ND-1, line 16 is greater than \$0.	Missing Form	Reject
FND1-010	Line 20	When the state tax computation on Form ND-1, line 20 does not equal the tax computed per the North Dakota tax tables or rate schedule for the filing status claimed, either Schedule ND-1NR or Schedule ND-1FA is required.	Missing Form	Reject
FND1-011	Line 21	The sum of total credit(s) claimed on Schedule(s) ND-1CR must equal Form ND-1, line 21. If a credit is being claimed for more than one state, a Schedule ND-1CR is required to be completed for each state.	Data Mismatch	Reject
FND1-012	Line 21	Schedule ND-1CR is required when Form ND-1, line 21 is greater than \$0. If a credit is being claimed for more than one state, a Schedule ND-1CR is required to be completed for each state.	Missing Form	Reject
FND1-013	Line 22	To be eligible for the marriage penalty credit, your filing status must be married filing jointly.	Incorrect Data	Reject
FND1-014	Line 22	To be eligible for the marriage penalty credit, your North Dakota taxable income on Form ND-1, line 18 must be greater than \$69,812.	Incorrect Data	Reject
FND1-015	Line 22	The marriage penalty credit for married filing jointly filers cannot exceed \$208.	Incorrect Data	Reject
FND1-016	Line 23	The total credit amount claimed on Schedule ND-1TC must equal Form ND-1, line 23.	Data Mismatch	Reject
FND1-017	Line 23	Schedule ND-1TC is required when Form ND-1, line 23 is greater than \$0.	Missing Form	Reject
FND1-018	Line 26	Total North Dakota withholding on Form ND-1, line 26 must equal the sum of North Dakota withholding from all Forms W-2s, 1099s, and North Dakota Schedule K-1s submitted with the return.	Data Mismatch	Reject
FND1-019	Line 26	Withholding statements (Forms W-2s, 1099s, and North Dakota Schedule K-1s) are required when Form ND-1, line 26 (state withholding) is greater than \$0.	Missing Form	Reject
FND1-020	Line 20	The tax credit is limited to \$700 for married filing joint returns, or \$350 for other filing statuses. The credit is allowed for full-year North Dakota residents only, and cannot be claimed by non-residents or part-year residents of North Dakota.	Data Mismatch	Reject
FND1-021	Line 20	The tax relief credit on Form ND-1, Line 20 not allowed for reciprocity returns.	Data Mismatch	Reject
FND1NR-001	Header	Full-year nonresidents must provide the name of the other state in which they reside.	Missing Data	Reject
FND1NR-002	Header	Part-year residents must provide the name of the other state in which they resided.	Missing Data	Reject



**Individual Income Tax (cont.)**

Rule Number	Line #	Rule Text	Error Category	Severity
FND1NR-003	Header	Part-year residents must provide the dates during which they resided in North Dakota.	Missing Data	Reject
FND1NR-004	Line 21	If Schedule ND-1NR is used to calculate the tax, Schedule ND-1NR, line 23 must equal Form ND-1, line 20.	Data Mismatch	Reject
FND1TC-001	Line 2	The total credit claimed on Schedule RZ must equal Schedule ND-1TC, line 2.	Data Mismatch	Reject
FND1TC-002	Line 2	Schedule RZ is required when Schedule ND-1TC, line 2 is greater than \$0.	Missing Form	Reject
FND1TC-003	Line 18	The maximum credit for contributions made directly to qualified primary schools is \$2,500	Data Mismatch	Reject
FND1TC-003	Line 19	The maximum credit for contributions made directly to qualified high schools is \$2,500	Data Mismatch	Reject
FND1TC-003	Line 20	The maximum credit for contributions made directly to qualified colleges is \$2,500	Data Mismatch	Reject
FND1SA-001	Line 1	The total RZ exemption claimed on Schedule RZ must equal Schedule ND-1SA, line 1.	Data Mismatch	Reject
FND1SA-002	Line 1	Schedule RZ is required when Schedule ND-1SA, line 1 is greater than \$0.	Missing Form	Reject
FND1CR-001	Line 7	If Schedule ND-1CR is used and you are a full year resident (if married filing jointly, both you and your spouse must be full year residents), the sum of the credit(s) calculated on Schedule(s) ND-1CR, Line 7 must equal Form ND-1, line 21.	Data Mismatch	Reject
FND1CR-002	Line 11	If Schedule ND-1CR is used and you are a part-year resident (or if married filing jointly, your spouse is a part-year resident), the sum of the credit(s) calculated on Schedule(s) ND-1CR, Line 11 must equal Form ND-1, line 21.	Data Mismatch	Reject
FND1FA-001	Line 23	If Schedule ND-1FA is used to calculate the tax and you are a full year resident (if married filing jointly, both you and your spouse must be full year residents), the tax calculated on Schedule ND-1FA, line 23 must equal Form ND-1, line 20.	Data Mismatch	Reject
FND1FA-002	Line 23	If Schedule ND-1FA is used to calculate the tax and you are required to use Schedule ND-1NR, the tax calculated on Schedule ND-1FA, line 23 must equal Schedule ND-1NR, line 23.	Data Mismatch	Reject
FND1UT-001	Line 39	When the total interest on Schedule ND-1UT is greater than zero, it must equal Form ND-1, line 37.	Data Mismatch	Reject

**Partnership Income Tax**

Rule Number	Line #	Rule Text	Error Category	Severity
F58-001	Line C	The FEIN (Federal Tax ID) on the state return must match the FEIN on the federal return.	Data Mismatch	Reject
F58-002	Line 1	Income tax withheld on Form 58, line 1 must equal the sum of all North Dakota withholding provided on line 3 of the Schedule(s) KP.	Data Mismatch	Reject
F58-003	Line 2	Composite income tax on Form 58, line 2 must equal the sum of all composite tax provided on line 4 of the Schedule(s) KP.	Data Mismatch	Reject
F58-004	Line 4	Total North Dakota withholding on Form 58, line 4 must equal the sum of North Dakota withholding from all 1099-MISC and North Dakota Schedule K-1s submitted with the return.	Data Mismatch	Reject
F58-005	Line 4	Withholding statements (1099-MISC, North Dakota Schedule K-1) are required when Form 58, line 4 is greater than \$0.	Missing Form	Reject
FSCHK-001	Line 4a	Schedule RZ is required when Schedule K, line 4 is greater than \$0.	Missing Form	Reject
FSCHK-002	Line 4a	The RZ exemption claimed on Schedule K, line 4 must equal Schedule RZ, line 1c, part 7.	Data Mismatch	Reject
FSCHK-003	Line 7a	Schedule RZ is required when Schedule K, line 7a is greater than \$0.	Missing Form	Reject
FSCHK-004	Line 7a	The RZ credit claimed on Schedule K, line 7a must equal Schedule RZ, line 4, part 7.	Data Mismatch	Reject
FSCHK-005	Line 7b	Schedule RZ is required when Schedule K, line 7b is greater than \$0.	Missing Form	Reject
FSCHK-006	Line 7b	The RZ credit claimed on Schedule K, line 7b must equal Schedule RZ, line 5, part 7.	Data Mismatch	Reject
FSCHK-007	Line 7c	Schedule RZ is required when Schedule K, line 7c is greater than \$0.	Missing Form	Reject
FSCHK-008	Line 7c	The RZ Credit claimed on Schedule K, line 7c must equal Schedule RZ, line 6, part 7.	Data Mismatch	Reject
FSCHKP-001	Line 3	The sum of withholding claimed on Line 40 for all North Dakota Schedules K-1 must equal the sum of Line 3 on the Schedule(s) KP.	Data Mismatch	Reject
FSCHKP-002	Line 4	The sum of composite income tax claimed on Line 41 for all North Dakota Schedules K-1 must equal the sum of Line 4 on the Schedule(s) KP.	Data Mismatch	Reject

**S-Corporation Income Tax**

Rule Number	Line #	Rule Text	Error Category	Severity
F60-001	Line C	The FEIN (Federal Tax ID) on the state return must match the FEIN on the federal return.	Data Mismatch	Reject
F60-002	Line 1	The tax on excess net passive income and built-in gains must equal Schedule BG, line 8.	Data Mismatch	Reject
F60-003	Line 2	Income tax withheld on Form 60, line 2 must equal the sum of all North Dakota withholding provided on Line 3 of the Schedule(s) KS.	Data Mismatch	Reject
F60-004	Line 3	Composite income tax on Form 60, line 3 must equal the sum of all composite tax provided on Line 4 on Schedule(s) KS.	Data Mismatch	Reject
F60-005	Line 5	Total North Dakota withholding on Form 60, line 5 must equal the sum of North Dakota withholding from all 1099-MISC and North Dakota Schedule K-1s submitted with the return.	Data Mismatch	Reject
F60-006	Line 5	Withholding statements (1099-MISC, North Dakota Schedule K-1) are required when Form 60, line 5 is greater than \$0.	Missing Form	Reject
FSCHK-001	Line 2a	Schedule RZ is required when Schedule K, line 2 is greater than \$0.	Missing Form	Reject
FSCHK-002	Line 2a	The RZ exemption claimed on Schedule K, line 2 must equal Schedule RZ, line 1c, part 7.	Data Mismatch	Reject
FSCHK-003	Line 4a	Schedule RZ is required when Schedule K, line 4a is greater than \$0.	Missing Form	Reject
FSCHK-004	Line 4a	The RZ credit claimed on Schedule K, line 4a must equal Schedule RZ, line 4, part 7.	Data Mismatch	Reject
FSCHK-005	Line 4b	Schedule RZ is required when Schedule K, line 4b is greater than \$0.	Missing Form	Reject
FSCHK-006	Line 4b	The RZ credit claimed on Schedule K, line 4b must equal Schedule RZ, line 5, part 7.	Data Mismatch	Reject
FSCHK-007	Line 4c	Schedule RZ is required when Schedule K, line 4c is greater than \$0.	Missing Form	Reject
FSCHK-008	Line 4c	The RZ credit claimed on Schedule K, line 4c must equal Schedule RZ, line 6, part 7.	Data Mismatch	Reject
FSCHKS-001	Line 3	The sum of withholding claimed on Line 35 for all North Dakota Schedules K-1 must equal the sum of Line 3 on Schedule(s) KS.	Data Mismatch	Reject
FSCHKS-002	Line 4	The sum of composite income tax claimed on Line 36 for all North Dakota Schedules K-1 must equal the sum of Line 4 on Schedule(s) KS.	Data Mismatch	Reject

## Corporate Income Tax

Rule Number	Line #	Rule Text	Error Category	Severity
F40-001	Line 1	For filing methods b1 and c1, Schedule CR must be completed.	Missing Form	Reject
F40-002	Line 1	For filing methods c and c1, income must equal Schedule WE, line 2.	Data Mismatch	Reject
F40-003	Line 1	For filing methods b and b1, income must equal Schedule WW, line 5.	Data Mismatch	Reject
F40-004	Line 2	Total additions on Form 40, line 2 must equal Schedule SA, line 7.	Data Mismatch	Reject
F40-005	Line 3	Total subtractions on Form 40, line 3 must equal Schedule SA, line 16.	Data Mismatch	Reject
F40-006	Line 5	For filing methods a, b, and c, if the apportionment factor does not equal 1.000000 or 0, Schedule FACT must be completed.	Missing Form	Reject
F40-007	Line 5	For filing methods a, b, and c, if the apportionment factor does not equal 1.000000 or 0, Line 5 must equal Schedule FACT, line 14 or line 16.	Data Mismatch	Reject
F40-008	Line 5	For filing methods b1 and c1, Line 5 must equal Schedule CR, part II, line 14a or 16a.	Data Mismatch	Reject
F40-009	Line 10	If the Renaissance Zone Income Exemption is claimed, Schedule RZ must be completed.	Missing Form	Reject
F40-010	Line 20	For filing methods b1 and c1, the net income tax liability must equal Schedule CR, Part 1, line 20a.	Data Mismatch	Reject
F40-011	Line 22	Total North Dakota withholding on Form 40, line 22 must equal the sum of North Dakota withholding from all Forms 1099-MISC submitted with the return.	Data Mismatch	Reject
F40-012	Line 22	Withholding statements (Forms 1099-MISC) are required when Form 40, line 22 is greater than \$0.	Missing Form	Reject
F40-013	Lines 14a, 16a	For filing methods b1 and c1, the aggregate of all columns line 14 or 16 (SFW) must equal the total factor on lines 14a or 16a (SFW).	Data Mismatch	Reject
FSCHSA-001	Question 7	If this corporation files its federal income tax return as a member of a consolidated group, the FEIN of this group is required.	Missing Data	Reject
FSCHTC-001	Line 9	Schedule RZ is required when Schedule TC, line 9 is greater than \$0.	Missing Form	Reject
FSCHCRIII-001	Line 9	Schedule RZ is required when Schedule CR, part III, line 9 is greater than \$0.	Missing Form	Reject

**Fiduciary Income Tax**

Rule Number	Line #	Rule Text	Error Category	Severity
F38-001	Line C	The FEIN (Federal Tax ID) on the state return must match the FEIN on the federal return.	Data Mismatch	Reject
F38-002	Line 1	Tax on fiduciary's North Dakota taxable income must equal the amount on the Tax Computation Schedule, Part 1, line 8.	Data Mismatch	Reject
F38-003	Line 2	The sum of the total credit(s) claimed on Schedule(s) CR must equal Form 38, line 2. If a credit is being claimed for more than one state, a Schedule CR is required to be completed for each state.	Data Mismatch	Reject
F38-004	Line 2	Schedule CR is required when Form 38, line 2 is greater than \$0. If a credit is being claimed for more than one state, a Schedule CR is required to be completed for each state.	Missing Form	Reject
F38-005	Line 5	Income tax withheld on Form 38, line 5 must equal the sum of all North Dakota withholding provided on Line 3 of the Schedule(s) BI.	Data Mismatch	Reject
F38-006	Line 6	Composite income tax on Form 38, line 6 must equal the sum of all composite tax provided on Line 4 on Schedule(s) BI.	Data Mismatch	Reject
F38-007	Line 8	Total North Dakota withholding on Form 38, line 8 must equal the sum of North Dakota withholding from all Forms W-2, W-2G, 1099G, 1099R, 1099-MISC, 1099-INT, 1099-DIV, 1099-OID, 1099-B, 1099-NEC and North Dakota Schedule K-1s submitted with the return.	Data Mismatch	Reject
F38-008	Line 8	Withholding statements (Forms W-2, W-2G, 1099G, 1099R, 1099-MISC, 1099-INT, 1099-DIV, 1099-OID, 1099-B, 1099-NEC, or North Dakota Schedule K-1s) are required when Form 38, line 8 (state withholding) is greater than \$0.	Missing Form	Reject
F38-009	Line 3	The total credit amount claimed on Schedule 38-TC must equal Form 38, line 3.	Data Mismatch	Reject
F38-010	Line 3	Schedule 38-TC is required when Form 38, line 3 is greater than \$0.	Missing Form	Reject
FSCHBI-001	Line 3	The sum of withholding claimed on Line 34 for all North Dakota Schedules K-1 must equal the sum of Line 3 on Schedule(s) BI.	Data Mismatch	Reject
FSCHBI-002	Line 4	The sum of composite income tax claimed on Line 35 for all North Dakota Schedules K-1 must equal the sum of Line 4 on Schedule(s) BI.	Data Mismatch	Reject