

Income Tax Letter of Intent

Tax Year 2022

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MeF Coordinators & Substitute Forms Vendor Liaisons

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Vermont Department of Taxes

Email: vendorsupport@vermont.gov

This form must be completed and submitted by December 16, 2022

# **2022 Tax Software Provider Vermont Department of Taxes Letter of Intent**

Welcome to the Income Tax Letter of Intent (LOI). If your software company intends to submit electronic and/or paper returns to the Vermont Department of Taxes, you will need to complete this form and submit it to tax.vendorsupport@vermont.gov.

By submitting this Letter of Intent (LOI) to the Vermont Department of Taxes, you agree to meet our standards for software provider registration, tax preparation software, and substitute forms.  If you do not meet the standards and requirements explained in this LOI or provide an incomplete form, we may deny your application or revoke your approved software provider status and reject all electronic and/or paper returns submitted using your products.

You must complete a separate LOI for each unique product your company offers.

**Note:** If you are a new Software Provider who has not filed city/state income tax returns with any city or state agencies, you must have passed assurance testing with the IRS. Please be sure to attach documentation from the IRS demonstrating you have successfully tested with the IRS.

**Important dates**

The Vermont Department of Taxes has important key dates to ensure we are ready for the filing season and taxpayers can file an accurate and timely tax return. Please note the following key dates:

* Complete and submit this LOI by December 16, 2022.
* Assurance testing (ATS) tentatively begins on October 31, 2022.

Please ensure the test packet is complete with all forms that Software Provider will be using. If Software Provider will not be supporting all Vermont tax forms, please notate the exceptions. If the test packet is not complete/no exceptions are notated, the test packet will be rejected.

**Amended Letter of Intent**

[ ]  Check this box if this is an amended Letter of Intent.

Reason for amendment:

**Company information**
List your company information.

|  |  |  |
| --- | --- | --- |
| Name of company      | Product name      | City/State issued software ID (if applicable) |
| DBA name      | NACTP vendor ID      | City/State tax account number (if applicable)      |
| Address      | Product address/URL      | Company FEIN      |
| City      | State      | Zip code      |
| List your other product names using the same calculation engines here:       |

**IRS issued electronic identification numbers**

List your IRS electronic identification numbers.

|  |  |
| --- | --- |
| Test EFIN(s)      | Test ETIN(s)      |
| Production EFIN(s)      | Production ETIN(s)      |

**Contact information**
List the contact information for each area identified.

|  |  |  |
| --- | --- | --- |
| 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 fiduciary (Estate/Trust) MeF contact      | Phone      | Email address      |
| Secondary fiduciary (Estate/Trust) MeF contact      | Phone      | Email address      |
| Primary leads reporting contact      | Phone      | Email address      |
| Secondary leads reporting contact      | Phone      | Email address      |

## **Substitute forms registration**

Complete this section only if your product will provide substitute forms.

|  |
| --- |
| Agency substitute forms software 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      |
| **Note:** 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. |

**Software products and tax types supported**

Check all that apply.

|  |
| --- |
| **Type of software product supported** |
| DIY/consumer (Web-Based) | [ ]  |
| DIY/consumer (Desktop) | [ ]  |
| Professional/paid preparer (Web-Based) | [ ]  |
| Professional/paid preparer (Desktop) | [ ]  |

|  |
| --- |
| **Tax types supported** |
| Individual income tax  | [ ]  Substitute forms [ ]  e-file |
| Property tax  | [ ]  Substitute forms [ ]  e-file |
| Estate/trust/fiduciary tax  | [ ]  Substitute forms [ ]  e-file |
| Partnership tax  | [ ]  Substitute forms [ ]  e-file |
| Corporation/franchise tax  | [ ]  Substitute forms [ ]  e-file |
| S-Corporation return  | [ ]  Substitute forms [ ]  e-file |
| Insurance premium tax  | [ ]  Substitute forms [ ]  e-file |
| Pass-Through partnerships/S-Corporation | [ ]  Substitute forms [ ]  e-file |

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

For software to be considered rebranded, changes cannot be made to the software requirements and output(s). As the Software company selling and/or licensing your product to a third-party, it is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). List each of your rebranded products below.

Use one of the following class codes for each product:

* **Class code 1:** Software products sold/licensed to a third-party user and the third-party user can add their own logos and/or splash screens, but they cannot modify calculations in the program.
* **Class code 2:** Software products sold/licensed to a third-party user and the third-party can modify calculations in the program.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Rebranded product name      | Class code       | ETIN (if applicable)      | Contact person      | Phone      | Email address      |
| Rebranded product name      | Class code       | ETIN (if applicable)      | Contact person      | Phone      | Email address      |
| Rebranded product name      | Class code       | ETIN (if applicable)      | Contact person      | Phone      | Email address      |
| Rebranded product name      | Class code       | ETIN (if applicable)      | Contact person      | Phone      | Email address      |
| Rebranded product name      | Class code       | ETIN (if applicable)      | Contact person      | Phone      | Email address      |

Attach additional sheets if needed.

For Rebranded Products, the Vermont Department of Taxes has the following requirements for Substitute form and/or e-file ATS approval:

* Rebranded Products [with class code #1] are not required to complete e-file ATS/Substitute form approval
* Rebranded Products [with class code #2] are required to complete the full e-file ATS/substitute form approval process

## **Forms and schedules supported by tax type (check all that apply)**

Check the boxes of the forms and schedules your company supports.

|  |  |  |  |
| --- | --- | --- | --- |
| **Individual Income Tax** | **Substitute Forms** | **E-file** | **E-File Amended** |
| IN-111: Vermont Income Tax Return | [ ]  | [ ]  | [ ]  |
|  IN-112: Vermont Adjustments and Credits | [ ]  | [ ]  |  |
|  IN-113: Income Adjustment Calculations | [ ]  | [ ]  |  |
|  IN-117: VT Credit for Income Tax Paid to Other State or Canadian Province | [ ]  | [ ]  |  |
|  IN-119: Vermont Tax Adjustments & NonRefundable Credits  | [ ]  | [ ]  |  |
|  IN-153: Capital Gains Exclusion | [ ]  | [ ]  |  |
| HS-122: Homestead Declaration and Property Tax Credit Claim | [ ]  | [ ]  | [ ]  |
|  HI-144: Household Income Schedule | [ ]  | [ ]  |  |
| RCC-146: Renter Credit Claim | [ ]  | [ ]  | [ ]  |
| IN-114: VT Income Estimated Tax Payment | [ ]  | [ ]  | [ ]  |
| IN-116: Income Tax Payment Voucher | [ ]  | [ ]  | [ ]  |
| IN-151: Extension of time to file Individual Income Tax Return  | [ ]  | [ ]  | [ ]  |
| IN-152: Underpayment of 2022 Estimated Individual Income Tax  | [ ]  | [ ]  | [ ]  |
| IN-152A: Annualized Income Installment Method for Underpayment of 2022 Estimated Tax | [ ]  | [ ]  | [ ]  |
| **Estate/Trust/Fiduciary Income Tax** | **Substitute Forms** | **E-File** | **E-File Amended** |
| FIT-161: Fiduciary Return of Income | [ ]  | [ ]  | [ ]  |
|  FIT-162: Capital Gain Exclusion Calculation for Estates or Trusts | [ ]  | [ ]  |  |
|  FIT-166: VT Income Adjustments and Tax Computation for Fiduciaries | [ ]  | [ ]  |  |
|  FIT-167: VT Credit for Tax Paid to Other State or Canadian Province | [ ]  | [ ]  |  |
|  K1VT-F: Shareholder, Partner, or Member Information for Fiduciaries | [ ]  | [ ]  |  |
| FIT-165: VT Fiduciary Estimated Tax Payment Voucher | [ ]  | [ ]  | [ ]  |
| FIT-168: Extension of time to file Fiduciary Income Tax Return | [ ]  | [ ]  | [ ]  |
| FIT-160: Fiduciary Income Tax Return Payment Voucher | [ ]  | [ ]  | [ ]  |
| **Business Income Tax** | **Substitute forms** | **e-file** | **E-File Amended** |
| BI-471: Business Income Return | [ ]  | [ ]  | [ ]  |
|  BI-472: Non-Composite Schedule | [ ]  | [ ]  |  |
|  BI-473: Composite Schedule | [ ]  | [ ]  |  |
|  K1VT: Shareholder, Partner, or Member Information | [ ]  | [ ]  |  |
|  BA-402: Appointment & Allocation Schedule | [ ]  | [ ]  |  |
|  BA-404: Tax Credits Earned, Applied, Expired, and Carried Forward | [ ]  | [ ]  |  |
|  BA-406: Credit Allocation Schedule | [ ]  | [ ]  |  |
| BI-476: Business Income Tax Return for Residents Only | [ ]  | [ ]  | [ ]  |
|  BA-404: Tax Credits Earned, Applied, Expired, and Carried Forward | [ ]  | [ ]  |  |
|  BA-406: Credit Allocation Schedule | [ ]  | [ ]  |  |
| BA-403: Extension of time to file Corporate or Business Income Tax Return | [ ]  | [ ]  | [ ]  |
| WH-435: Estimated Income Tax Payments for Nonresidents Shareholders, Partners, or Members | [ ]  | [ ]  | [ ]  |
| BI-470: Business Income Tax Return Payment Voucher | [ ]  | [ ]  | [ ]  |
| **Corporate Income Tax**  | **Substitute forms** | **e-file** | **E-File Amended** |
| CO-411: Corporate Income Tax Return | [ ]  | [ ]  | [ ]  |
|  BA-410: Corporate Income Tax Affiliation Schedule | [ ]  | [ ]  |  |
|  BA-402: Apportionment & Allocation Schedule | [ ]  | [ ]  |  |
|  BA-404: Tax Credits Earned, Applied, Expired, and Carried Forward | [ ]  | [ ]  |  |
|  CO-419: Apportionment of Foreign Dividends | [ ]  | [ ]  |  |
|  CO-420: Foreign Dividend Factor Increments | [ ]  | [ ]  |  |
|  CO-421: Unitary Affiliate Schedule | [ ]  | [ ]  |  |
| BA-403: Extension of time to file Corporate or Business Income Tax Return | [ ]  | [ ]  | [ ]  |
| CO-414: Corporate Estimated Payment Voucher | [ ]  | [ ]  | [ ]  |
| CO-422: Corporate Income Tax Return Payment Voucher | [ ]  | [ ]  | [ ]  |
|  | **Substitute forms** | **e-file** | **E-File Amended** |
| MRT-441: Meals and Rooms Tax Return | [ ]  | [ ]  | [ ]  |
| REF-620: Application for Refund of VT Sales & Use or Meals & Rooms Tax | [ ]  | [ ]  | [ ]  |
| SUT-451: Sales and Use Tax Return | [ ]  | [ ]  | [ ]  |
| WHT-430: Withholding Tax Payment | [ ]  | [ ]  | [ ]  |
| WHT-434: Annual Withholding Reconciliation  | [ ]  | [ ]  | [ ]  |
| WHT-436: Quarterly Withholding Reconciliation | [ ]  | [ ]  | [ ]  |

**Electronic amended returns**

Vermont Department of Taxes requests you support electronic amended returns for those available through MeF.

**Agency requirements**
This section identifies agency requirements and expectations of new and existing Software Providers and the software product.

# **Issue notification and resolution requirements**

This section represents the Vermont Department of Taxes issue notification and issue resolution standards. If your company identifies an issue, incident, or threat of significance you should:

* Conduct an initial analysis and immediately take steps to block or contain the issue.
* Share detailed information about the impacts to the returns or taxpayers immediately as permitted by applicable laws, regulations, or policies. The information includes, but is not limited to:
	+ Description of the incident.
	+ Date and time of the incident.
	+ Date and time the incident was discovered.
	+ How the incident was discovered.
	+ Data involved, including specific data elements.
	+ Actual or estimated number of taxpayer records involved.
	+ A sample of the submission IDs of those involved with the incident.
	+ Examples of information communicated to customers or other external audiences about the issue.
	+ Plan for correcting the issue and, if appropriate, notifying those impacted.
* Work with the Vermont Department of Taxes to identify, correct, and prevent the issue.
* If applicable, work with the Vermont Department of Taxes to develop and distribute communication material and instructions for customers. Please contact vendorsupport@vermont.gov for a quick response.

Data breaches, security incidents, or other improper disclosures of taxpayer data that by law require reporting to the Office of the Vermont Attorney General must also be reported to the Vermont Department of Taxes. Software Providers executing this agreement are subject to the data breach notification laws and regulations of the State of Vermont including, but not limited to, 9 V.S.A. § 2435

Notify the agency if any forms and/or payments you support are not ready when your software is available for use. Submit this information via email to vendorsupport@vermont.gov.

# **Production return submission requirements**All returns generated from this software must be e-filed or printed from the approved software or a subsequent product update.

# **Product updates**Desktop product users who attempt to file 10 or more business days after a production release must be required to download and apply the product update.

# **Schemas**

# Your software must follow the schema requirements. Find Vermont Department of Taxes schema requirements on the FTA State Exchange System.

# **System security requirements**

# The Vermont Department of Taxes does not prescribe the security requirements for your system. You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. You must apply security measures to protect taxpayer information in your system when it is online, offline, at rest, and in transit.

# **Testing and submissions**All e-file ATS and substitute forms tests submitted during the approval process must be created in, and originate from, the actual software.

## **Validation of data elements**

You must validate the following pre-populated data elements:

* PTIN entered at product registration (if applicable).
* Taxpayer’s mailing address.

**Customer Notices**This section identifies information Vermont Department of Taxes is requiring the software providers to communicate with customers.

# **Disclosure and use of information language expectations**

You must include the following consent language with electronic filing software.

**For Do-It-Yourself software:** *By using a computer system and software to prepare and file my tax return(s) electronically, I consent to the transmission of my return(s) and to the disclosure of all information about my use of the system and software to the Vermont Department of Taxes.*

**For Tax Professional software:**

*By using a computer system and software to prepare and file my client’s return(s), I consent to the transmission of my client’s return(s) and to the disclosure of all information about my use of the system and software to the Vermont Department of Taxes.*

**For Business software:**

*By using a computer system and software to prepare and file this business tax return(s), I consent to the transmission of the return(s) and to the disclosure of all information about the use of the system and software to the Vermont Department of Taxes.*

## **Driver’s license/ID card expectations**

Vermont Department of Taxes is providing the following expectations and information:

**For e-file returns:**

* Vermont Department of Taxes requests the DL/ID card be included with the tax return but won’t reject it if it’s not included.

**For printed/paper forms requesting the DL/ID Card information:**

* Vermont Department of Taxes does not want to receive the DL/ID card with the tax return.

Vermont Department of Taxes is providing a URL and/or 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 message is expected to be displayed within the software in a way to maximize the likelihood the message is read.

**URL:** https://tax.vermont.gov/individuals/income-tax-returns

**Statement:** *The State of Vermont is requesting additional information this filing season in an effort to combat stolen-identity tax fraud and ensure that your hard-earned tax refund goes to you. Please provide the requested information from your driver's license or state-issued identification card. Your return will not be rejected if you do not have a driver's license or state-issued identification and providing the information could help process your return more quickly.*

## **Refund expectations**

The Vermont Department of Taxes is providing a URL and/or a statement about refund processing. You must include the URL and statement in all your products and show it to users within the software in the most prominent way possible.

**URL:** https://myvtax.vermont.gov/\_/

**Statement:** *Are you curious to know the status of your refund? After you file your return, you may learn the status by visiting myVTax, select Check the status of your return. Once you transmit your e-filed return it may take up to 72 hours for your information to become available. For those who paper file, the information regarding the status of a return can take 4 weeks or more to become available on myVTax.*

## **Taxes due expectations**

The Vermont Department of Taxes is providing a URL and/or a statement about taxes due, such as due dates and payment methods. You must include the URL and statement in all your products and show it to users within the software in the most prominent way possible.

**URL:** https://tax.vermont.gov/individuals/pay

**Statement:** *Failure to pay taxes owed by the due date may result in one or more of the following: the imposition of liens, court action, wage garnishment, bank levies, revocation of your business and/or professional license(s), imposition of a bond on your authority to do business, and the assignment of your debt to a private collection agency.**If you cannot make a payment in full, contact the department to learn about payment plans*

# **Acknowledgments and signature**

The Vermont Department of Taxes 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      |

## **Authorized access to the State Exchange System**

## Access to the State Exchange System should be limited to those with a business need. You are allowed a maximum of two delegates for substitute forms and e-file.

## Provide information for each employee you are authorizing for access to the State Exchange System. The tax type box should include all the tax types individuals are authorized to access.

**NOTE:** Include all authorized individuals, even if listed previously on this form.

|  |  |  |
| --- | --- | --- |
| First and last name       | Phone number       | Email address       |
| Authorized access[ ]  Substitute Forms [ ] E-file | Tax types  |
| First and last name      | Phone number       | Email address       |
| Authorized access[ ]  Substitute Forms [ ] E-file | Tax types  |
| First and last name      | Phone number       | Email address       |
| Authorized access[ ]  Substitute Forms [ ] E-file | Tax types  |
| First and last name      | Phone number       | Email address       |
| Authorized access[ ]  Substitute Forms [ ] E-file | Tax types  |