IDAHO

2008

BUSINESS INCOME TAX

CORPORATION
S CORPORATION
PARTNERSHIP

ELECTRONIC FILING SPECIFICATIONS

SCHEMA VERSION V2.0

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Introduction

The Idaho State Tax Commission (STC), in conjunction with the Internal Revenue Service (IRS), accepts state Corporate, S Corporate and Partnership (August 2008) Income Tax returns and corresponding forms for tax year 2008 by method of the Modernized E-File system (MeF). The accepted forms are identified in the General Information section.

The transmission method will be a Web Service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data will be formatted using Extensible Markup Language (XML). Authorized E-File providers, also known as Electronic Return Originators (ERO's) can submit returns to the IRS MeF system for federal and state return processing. State returns can be submitted as a federal return with a state return attached, called a "Fed/State" return, or as a state return, known as a "State Only" submission. Each return (Fed/State or State Only) must be in a separate submission. Multiple submissions may be contained in a single message payload. Software developers must test with the STC prior to submitting live Fed/State or State Only returns.

Contact Personnel

For the best possible service, please choose the appropriate contact carefully.

Technical questions about:

- The web site
- The XML Schema
- The summary of the XML Schema
- Additional detail information of schema elements
- The web application
- The summary of schema changes
- Missing acknowledgements
- Testing questions

Contact: Robin Allen
(208) 334-7783
rallen@tax.idaho.gov

OR

Steve Thimsen
(208) 334-7569
sthimsen@tax.idaho.gov

Business Income Tax questions:

Form/schedule development

Contact: Idaho State Tax Commission
Chris Vega
(208) 334-7822
cvega@tax.idaho.gov

Legal Questions

Contact: Idaho State Tax Commission
Janice Boyd
(208) 334-7670
jboyd@tax.idaho.gov

General Questions about:

- Bills or Refunds
- Filing requirements
- Name and address changes

Contact: Taxpayer Services
(800) 972-7660
taxrep@tax.idaho.gov

EFT payment questions:

Contact: Accounting
(208) 334-7528

Related Web Links:

- State of Idaho – idaho.gov
- Idaho State Tax Commission – tax.idaho.gov
- Electronic filing information – tax.idaho.gov
- Electronic payment information – tax.idaho.gov
- Internal Revenue Service – www.irs.gov
- Federation of Tax Administrations – www.taxadmin.org

Acceptance and Participation

1. Idaho will accept returns electronically from any IRS approved software provider. Software providers will work in a cooperative partnership effort with the STC.

2. Software providers must make the following information available to the STC for participation:
    - Software developer company name
    - Address
    - EFIN
    - ETIN
    - Primary contact name
    - Secondary contact name
    - Primary/Secondary telephone number
    - Primary/Secondary fax number
    - Primary/Secondary e-mail addresses

Developer's Responsibilities

Developed software must:

- Adhere to all federal and state procedures, requirements and specifications. These requirements are specified in IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters.*

- Successfully complete all testing.

- Be developed in accordance with statutory requirements and STC return preparation instructions.

- Provide accurate Idaho Business tax returns in correct electronic format.

- Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate, or invalid return information.

- Be available to correct any software errors, which may occur after production begins, and work with the STC to follow up on any processing issues that may arise during filing season. If software providers need to update software, it should be done in a timely manner and proper notification should be made to all customers.

Software Acceptance, Testing, and Approval

1. The testing system is available year round. The beginning test date for the next year's processing is subject to IRS availability and is subject to change. Notification will be given if the beginning test date is different than November. Testing outside the Fed/State system (direct testing with Idaho) may be available if necessary.

2. Upon request, the technical questions contact will provide access to the following:

    - Spreadsheets of Idaho data elements (combined and by form type).
    - Idaho specific XML schema.
    - PDF copies of state forms with element reference numbers.

3. Developers should support all schedules, forms, and occurrences that are available for corporation, S corporation, and partnership e-filing for 2008. It's important that customers are provided with a complete range of services.

4. Developers must include edits and verification based on the business rules provided for each field or data element. The STC spreadsheet will include information on field type, field format, length, the business rule edits and other edits for the field, and if the field or data element can be negative or is recurring. Developers must closely follow the requirements for each field to ensure proper data formatting.

5. Software must not be moved to production until notified by email of STC approval.

Acknowledgement System

1. The STC will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record will be in a format approved and agreed upon by the IRS, state agencies, transmitters, and software developers.

2. Transmitters and software developers should allow one business day to receive the State acknowledgement before contacting the STC.

General Information

1. The STC will support e-filing of the following forms:
   - Form 41 Idaho Corporation Income Tax Return
   - Form 41S Idaho S Corporation Income Tax Return
   - Form 65 Idaho Partnership Return of Income
   - Form 42 Idaho Supplemental Schedule for Multistate/Multinational Businesses
   - Form 44 Idaho Business Income Tax Credits and Credit Recapture
   - Form 49 Idaho Investment Tax Credit
   - Form 49C Idaho Investment Tax Credit Carryover
   - Form 49R Recapture of Idaho Investment Tax Credit
   - Form 55 Idaho Credit for Qualifying New Employees
   - Form 56 Idaho Net Operating Loss Carryforward/Carryback
   - Form 67 Credit for Idaho Research Activities
   - Form 68 Idaho Broadband Equipment Investment Credit
   - Form 68R Recapture of Idaho Broadband Equipment Investment Credit
   - Form 69 Incentive Investment Tax Credit
   - Form 71 Idaho Biofuel Infrastructure Investment Tax Credit
   - Form 71R Recapture of Idaho Biofuel Infrastructure Investment Tax Credit
   - Form 75 Idaho Fuels Use Report

2. The STC will support PDF attachments of the following forms:
   - Form 41A Supplemental Schedule Of Affiliated Entities
   - Form 49E Property Tax Exemption Election Form
   - Form 49ER Recapture of Qualified Investment Exemption from Property Tax
   - Form 41ESR Underpayment of Estimated Tax
   - Form 70 Idaho Statement of Credit Transfer
   - Form 75-IMV Idaho Fuels Tax Refund Worksheet Intrastate Motor Vehicles
   - Form 75IC Fuels Tax Refund Worksheet for IFTA Licensees
   - ITC Equipment list
   - Combined Reporting Spreadsheet

3. The STC will accept the following return types:

   - Fed/State: An original federal return submitted with one original state return.

   - State Only: A state return not submitted with an original copy of the Federal return.

4. In general, send data elements <u>only</u> if they contain data values. It is not necessary to send empty data elements (i.e., zero financial fields, unused elements, etc.)

5. Decimal places for ratios:

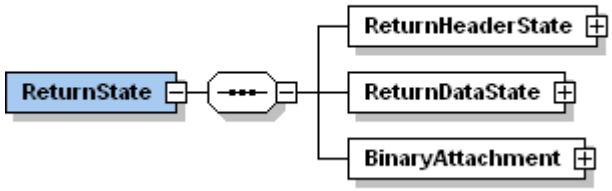
   - Ratios will use two positions in front of the decimal and up to six places to the right of the decimal. Examples:
     100% = 01.000000
     37.1/3% = 00.373333
     37.0829% = 00.370829

6. The STC 2008 Business Electronic Filing program will support returns for tax years ending 12/31/2007 through 11/30/2008.

Schemas and Transmission Specifications

1. Idaho adopted the TIGERS recommended structure in the development of forms-based schemas.

2. The TIGERS structure adopted by Idaho includes standardized schemas for header and binary attachments. Idaho will not use the Financial Transaction schema.



3. Software developers should apply data from the spreadsheet or tax forms to the appropriate data element from the XML schema.

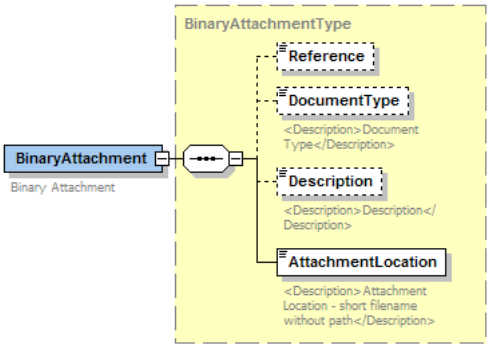
4. All XML data must be well formed.

5. Packaging of data and transmission payload must be in the proper format.

6. The STC rejects state returns for reasons outlined in Appendix A.

7. Returns filed in XML format with SOAP attachments allow for binary attachments to the submission. These attachments could consist of schedules, balance sheets, statement records, or other types of documentation as outlined in Appendix B. The allowed file type for attachments is file extension .PDF. The file order of attachments and procedures must follow the IRS

requirements for binary attachments as found in IRS publication 4163 at http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html. The STC allows for binary attachments to the state return with the appropriate naming convention for the description element.



Description = name as defined in Appendix B - PDF Description

DocumentType = PDF

AttachmentLocation = actual name of the attached PDF.

8. The STC supports simple and complex e-file types as outlined in Appendix C and Appendix D.

9. Other packaging and guidelines:

- A submission contains a state return and a copy of the federal return.
  - Each state return must include a complete copy of the federal return as submitted to the IRS and any attachments associated with that federal return.
  - The copy of the federal return must be submitted in the agreed upon IRS XML format.

- Each submission must be a separate file.

- Each state return must be submitted in the XML format specified and agreed upon by IRS, state agencies, transmitters, and software developers.

- If the IRS rejects a Fed/State submission, the state will not receive the state return portion. The Fed/State submission must be re-submitted.

- Each submission must be in Zip archive format as outlined in federal publication 4164 – Modernized e-File (MeF) Guide for Software Developers and Transmitters.

- The SOAP message itself must not be compressed or zipped.

- The state manifest must follow the guidelines provided by the IRS with the following Idaho specific items.

- SubmissionID = 6-character EFIN + 4-digit year + 3-digit Julian date + 7-digit unique sequence number.
- Government Code = IDST
- SubmissionType
  - For Corporate and Scorporate = Form41V2, Form41SV2
  - For Partnership = Form 65
- SubmissionCategory
  - For Corporate and Scorporate = CORP
  - For Partnership = PART

- The message must contain a header, a body, and an attachment. See Modernized E-File Logical ICD Model for message layout and message technical specifications.

- ERO's and transmitters must be registered with the IRS in order to submit Fed/State or State Only returns.

- The STC will produce an acknowledgement of acceptance or rejection for each state submission. The transmitter may retrieve the state's acknowledgement from the IRS.

Appendix A – Idaho State Return Reject Codes

Reject Code	Error Message	
0001	Duplicate Submission ID	
0002	Missing copy of federal tax return	
0003	Missing form type indicator (41 / 41S / 65)	
0004	Return includes a value in both the tax due • Form 41 line 56, • Form 41S line 61, • Form 65 line 56) and Overpayment • Form 41 line 59, • Form 41S line 64, • Form 65 line 59) fields * If the return is a "zero balance due" report "0" in the tax due field.	
0007	Duplicate EIN for the same tax period	
	Missing electronically filed returns with value in appropriate field:	
1000	Missing Form 42 with value less than 100% on • Form 41, Line 33 • Form 41S, Line 37 • Form 65, Line 35	
0050	Missing Form 44 with value on • Form 41, Line 41 or 45 • Form 41S, Line 46 or 51 • Form 65, Line 44 or 48	
0060	Missing Form 75 with value on • Form 41, Line 47 or 54 • Form 41S, Line 52 or 59 • Form 65, Line 49 or 54	
0600	Form 49 with value on • Form 44, Part I, Line 1, Column A	
1010	Form 49C with value on • Form 44, Part I, Line 1, Column B	
0710	Form 49R with value on • Form 44, Part II, Line 1	
0610	Form 55 with value on • Form 44, Part I, Line 4, Column A	
0620	Form 67 with value on • Form 44, Part I, Line 5, Column A or Column B	

0630	Form 68 with value on • Form 44, Part I, Line 6, Column A or Column B	
0720	Form 68R with value on • Form 44, Part II, Line 2	
0640	Form 69 with value on • Form 44, Part I, Line 7, Column A or Column B	
1200	Form 71 with value on • Form 44, Part I, Line 11 Column A or Column B	
1210	Form 71R with value on • Form 44, Part II, Line 6	
	Missing binary attachments with value in appropriate field:	**PDF Attachment Description**
1020	Form 49E with value on • Form 41, Line 10 • Form 41S, Line 13 • Form 65, Line 11	Form_49E_01
1030	Form 49ER with value on • Form 41, Line 49 • Form 41S, Line 54 • Form 65, Line 51	Form_49ER_01
1050	Form 75IMV with value on • Form 75, Section III, Line 4,6 or 14	Form_75IMV_01
1060	Form 75IC with value on • Form 75, Section III, Line 5 or 13	Form_75IC_01
1070	Form 41ESR with value on • Form 41, Line 51 • Form 41S, Line 56	Form_41ESR_01
1160	Combined reporting spreadsheet with value and Form 41A Supplemental Schedule Of Affiliated Entities • Form 41, Line 8	Form_41A_01

	Missing Description element within EntityDetailType with value in appropriate field:	
1110	Interest on US Government obligations statement with value on • Form 41, Line 21, • Form 41S, Line 25 • Form 65, Line 23	
1120	Nonbusiness income statement with value on • Form 41, Line 25 • Form 41S, Line 29 • Form 65, Line 27	
1130	Nonbusiness expense statement with value on • Form 41, Line 26 • Form 41S, Line 30 • Form 65, Line 28	
1150	Income allocated to Idaho statement with value on • Form 41, Line 35 • Form 41S, Line 39 • Form 65, Line 37	

Appendix B – 2008 Business Income Tax Forms and Schedules

				---------- Xref ----------					
FORM	**eFile**	**PDF**	**PDF Description**	**Form 41**	**Form 41S**	**Form 65**	**Form 44**	**Form 75**	**Reject Code**
Form 41 - Corporate Return	X								
Form 41S - S Corp Return	X								
Form 65 – Partnership Return	X								
Form 42 - Multistate / Multinational	X			Ln 33	Ln 37	Ln 35			1000
Form 44 - Credits and Recapture	X			Ln 41, 45	Ln 46, 51	Ln 44, 48			0050
Form 49 - Investment Tax Credit	X						Part I, Ln 1, Col A		0600
Form 49C - Investment Tax Credit Carryover	X						Part I, Ln 1, Col B		1010
Form 49E - Property Tax Exemption		X	Form_49E_01	Ln 10	Ln 13	Ln 11			1020
Form 49ER - Property Tax Recapture		X	Form_49ER_01	Ln 49	Ln 54	Ln 51			1030
Form 49R - Investment Tax Credit Recapture	X						Part II, Ln 1		0710
Form 55 - New Employee Credit	X						Part I, Ln 4, Col A		0610
Form 56 - Net Operating Loss	X			Ln 36a, 36b					No
Form 67 - Research Activity Credit	X						Part I, Ln 5, Col A, Col B		0620
Form 68 - Broadband Equipment Credit	X						Part I, Ln 6, Col A, Col B		0630
Form 68R - Broadband Equipment Recapture	X						Part II, Ln 2		0720
Form 69 - Incentive Investment Tax Credit	X						Part I, Ln 7, Col A, Col B		0640
Form 71 – Biofuel Infrastructure Investment Tax Credit	X				Ln 12		Part I, Line 11, Col A, Col B		1200
Form 71R – Biofuel Infrastructure Investment Tax	X						Part II, Line 6		1210

Credit Recapture									
Form 70 - Statement of Credit Transfer		X	Form_70_01						No
Form 75 - Fuels Use Report	X			Ln 47, 54	Ln 52, 59	Ln 49, 54			0060
Form 75-IMV Interstate Motor Vehicle		X	Form_75IMV_01					Part III, Ln 4, 6,14	1050
Form 75-IC - IFTA Carrier		X	Form_75IC_01					Part III, Ln 5,13	1060
Form 14 -Idaho Water's Edge Election and Consent Form		X	Form_14_01	Ln 9 a 2					No
Form 41ESR		X	Form_41ESR_01	Ln 51	Ln 56				1070
Other Attachments (not forms)									
Combined Reporting Spreadsheet		X	Comb_Report_Sheet_0001 Form 41A	Ln 8					1160
Miscellaneous Statements		X	Miscellaneous_01						No
ITC equipment list			ITC_equipment_01 or Misc_Stmt_01				Part I, Ln 1		No
EntityDetailType must include Description element									
Int and div not taxable under IRS				Ln 13	Ln 20	Ln 18			No
Taxes measured by net income				Ln 14	Ln 21	Ln 19			No
Other Additions				Ln 17	Ln 22	Ln 20			No
Interest on US Govt obligations				Ln 21	Ln 25	Ln 23			1110
Nonbusiness income				Ln 25	Ln 29	Ln 27			1120
Nonbusiness expense offset				Ln 26	Ln 30	Ln 28			1130
Sub Bonus depreciation (e.g. Form 4562)				Ln 28	Ln 32	Ln 30			No
Other Subtractions				Ln 29	Ln 33	Ln 31			No
Income Allocated to Idaho				Ln 35	Ln 39	Ln 37			1150

**** PDF Description includes "_01" or "_0001." 01 = 01 - 99 and 0001 = 01 - 9999 for each occurrence of the form within the same filing.***

Appendix C- Payment Voucher for E-filed returns ONLY

Payment voucher for original return (Transaction Code = 95)

Idaho Income Tax Payment Voucher **E-filed Original Return**	Amount Paid $ 10.00

Mail to: Idaho State Tax Commssion
PO Box 83784
Boise ID 83707-3784

REVENUE OPERATIONS QUALITY CONTROL
PO BOX 36
BOISE ID 83722-0410

290500056 000000000 REVE 05 1208 A 95 7

Payment voucher for amended return (Transaction Code = 72)

Idaho Income Tax Payment Voucher **E-filed Amended Return**	Amount Paid $ 10.00

Mail to: Idaho State Tax Commssion
PO Box 83784
Boise ID 83707-3784

REVENUE OPERATIONS QUALITY CONTROL
PO BOX 36
BOISE ID 83722-0410

290500056 000000000 REVE 05 1206 A 72 6

OPTICAL CHARACTER RECOGNITION (OCR) SPECIFICATIONS

Paper Specifications

1. Width - 8 1/2"
2. Height - 3 2/3" (Coupons)
   - 11" (Standard Size Forms)
3. Perforation Type - Standard Perf
4. Weight - 24#
5. Color - White (black ink)
6. Paper must contain properties that will allow data to be read by optical character recognition equipment. Such properties are gloss, porosity, reflectance and smoothness.
7. The dirt (dirt, specks, wood pulp or foreign marks) shall not exceed 150 marks per 1000 square inches.
8. Opacity - Paper with opacity of greater than 85% is preferable.

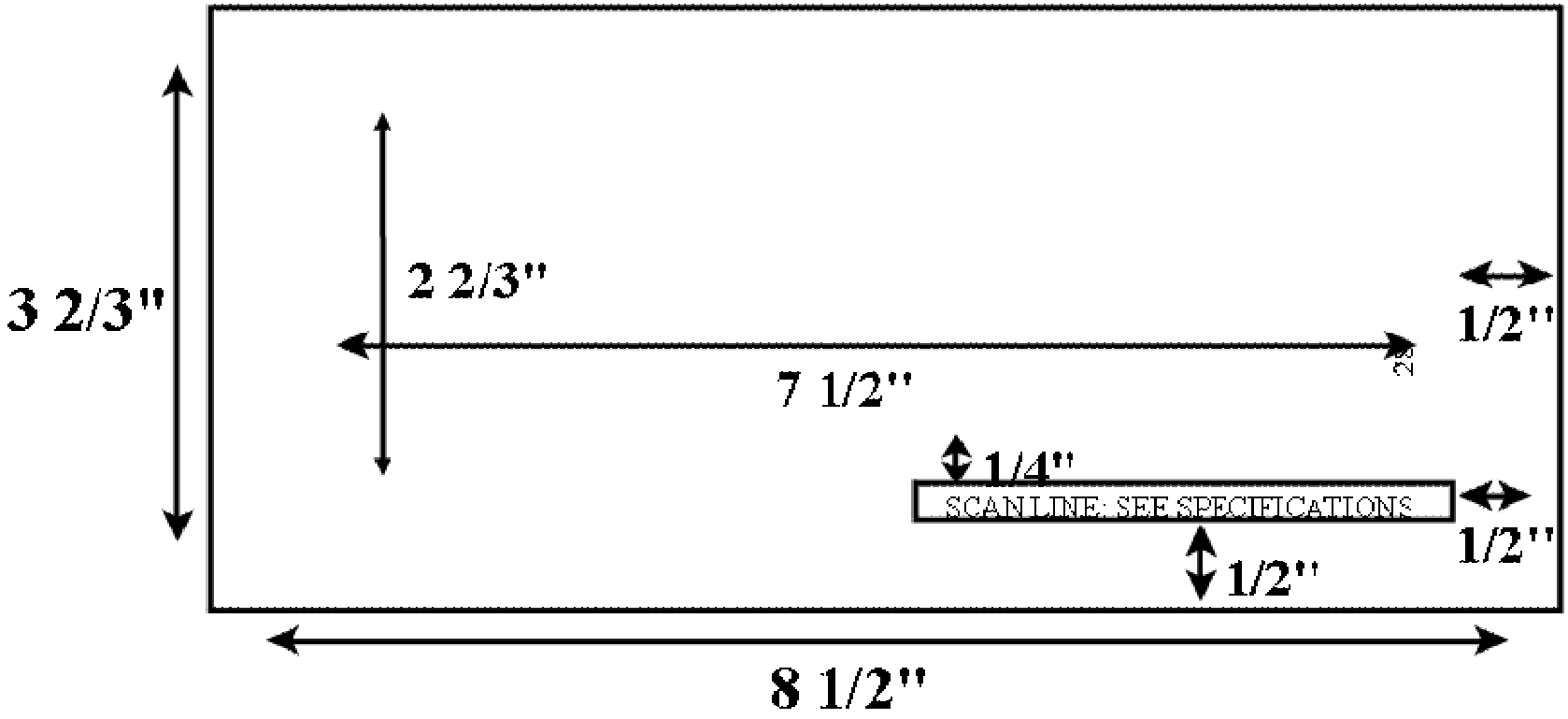
OCR Scan Line Data Fields

THE OCR SCAN LINE MUST BE OCR-A 10 PITCH - 10 CHARACTERS PER INCH -FIXED PRINT.

Our Taxpayer for sample purposes is: Taxpayer Inc

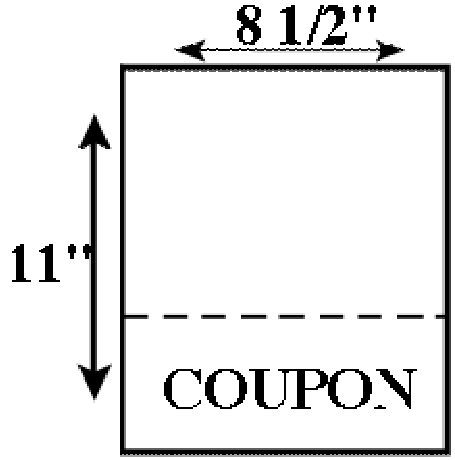
1.	Business EIN	9 digits (518010001)
2.	Not used for business payments	9 digits (000000000)
3.	Name Control (first 4 letters of the last name)	4 characters (TAXP)
4.	Tax Code	2 digits (05)
5.	Tax Period (month & year)	4 digits (1207)
6.	Filing Cycle Code	1 character (A)
7.	Transaction Code	2 digits (95 if payment is made with an original return) (72 if payment is made with an amended return)
8.	Check Digit	1 digit (9)

Coupon-Size Form With Scan Line



Form size: 3 2/3" X 8 1/2"
OCR Scan Line: 1/2" from bottom of print
OCR Scan Line: .10 inches in height
OCR Scan Line: Minimum 1/4" between scan line & print above

If coupon is printed on 8 1/2" X 11" paper, print the coupon at the bottom of the page with the dotted line at 3 2/3" from the bottom.
(See Diagram at right).



NOTE: Not to scale

CHECK DIGIT VALIDATION

The calculation for the check digit is *Modulus 10 Luhns Sum of Digits*. It can be found in the scanline of all of the OCR scanable income tax returns. The check digit is found in position 39 of the scanline. The calculation to validate the check digit is performed on positions 1 through 38 of the scanline. The spaces separating two fields are **not** included in the calculations.

Numbers 0-9 are equal to their face value.

Numbers 10 and above are equal to the sum of their two digits.
Example: 10 = 1+0 = 1
14 = 1+4 = 5
18 = 1+8 = 9

The letters of the alphabet are valued as follows:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	2	3	4	5	6	7	8	9

AMPERSAND (&)= 0, DASH (-)= 0, AND BLANK SPACES = 0

SCANLINE POSITIONS = 123456789012345678901234567890123456789

EXAMPLE SCANLINE = 518010001 000000000 TAXP 05 1208 A 95 0

WEIGHTING FACTOR = 121212121 212121212 1212 12 1212 1 21 C

Check Digit validation calculations are done as follows:

5 x 1= 5
1 x 2= 2
8 x 1= 8
0 x 2= 0
1 x 1= 1
0 x 2= 0
0 x 1= 0
0 x 2= 0
1 x 1= 1
0 x 2= 0
0 x 1= 0
0 x 2= 0
0 x 1= 0
0 x 2= 0
0 x 1= 0
0 x 2= 0
0 x 1= 0
0 x 2= 0
3 (T) x 1= 3
1 (A) x 2= 2
7 (X) x 1= 7
7 (P) x 2= 14 1 + 4 = 5
0 x 1= 0
5 x 2= 10 1 + 0 = 1
1 x 1= 1
2 x 2= 4
0 x 1= 0
7 x 2= 14 1 + 4 = 5
1 (A) x 1= 1
9 x 2= 18 1 + 8 = 9
5 x 1= 5___
___
TOTAL 60

1. Sum of the digits. The sum in this example equals 60.

2. Divide the sum by 10. 60/10 = 6 with a remainder of 0.

3. Subtract the remainder from 10. 10 - 0 = 10.

4. The check digit equals 0.

NOTE: The "C" used in the example of weighting factor on the previous page designates the location of the check digit. It has no other purpose.

NOTE: If the remainder is equal to zero, the check digit is 0.

NAME CONTROL GUIDELINES

Name control must be the first four letters and/or characters of the last name. Do **not** include spaces. Do **not** include any punctuation with the exception of the ampersand (&), and the hyphen (-). If the Legal business name includes the first word "The", go to the next word to begin the four-letter name control (example shown below). If the name control is less than four letters, use the following examples to help you.

Business Name Control Samples

ABC The name control would be **ABC** (Space at the end after the "C")

987654321 000456321 ABC 01 1208 A 95 9

AB C The name control would also be **ABC** (Remove spaces in the middle and compact the letters. Space is at the end)

987654321 000456321 ABC 01 1208 A 95 9

A+B, Inc: The name control would be **ABIN** (Remove the "+" and the comma)

987654321 000456321 ABIN 01 1208 A 95 2

A/B/C The name control would be **ABC** (Remove the "/"'s and compact the letters. Space after "C")

987654321 000456321 ABC 01 1208 A 95 9

A/B/C Company The name control would be **ABCC** (Remove the "/"'s and compact the letters)

987654321 000456321 ABCC 01 1208 A 95 3

John Doe Inc. (Business): The name control would be **JOHN**

987654321 000456321 JOHN 01 1208 A 95 4

The ABC Company: The name control would be **ABCC** (Disregard "The" as part of the name control)

987654321 000456321 ABCC 01 1208 A 95 3

Spaces are placed only at the end of a name control. If the legal business name contains characters other than & (ampersand) or – (dash), remove them from the name control and collapse the letters.