

DRAFT



**New York State
Personal Income Tax
Modernized e-file (MeF)
Guide for Software Developers
For
Tax Year 2011**

The information presented is current as of this publication's print date.
Visit our Web site at www.tax.ny.gov for up to date information



Table of Contents

For Tax Year 2011	5
SWDs Developing Consumer Products.....	6
E-file Mandate.....	6
Debit Card Refund.....	7
Email	7
Marriage Equality Act (MEA).....	7
SWDs Developing Products for Tax Professionals	8
NYS e-file mandate changes for returns filed on or after January 1, 2012.....	8
NYS Tax Department expanded email services for individual income tax filers	8
Federal forms required in the NYS Schema	9
New York State Forms accepted	9
2011 Tax Year PIT MeF Calendar.....	10
Contact Information	11
Web sites and publications	11
All Software Vendors must	12
Schemas and Specifications.....	13
Software Acceptance, Testing and Approval	13
E-file Mandate Information	14
IRS MeF Fed/State program.....	14
Acceptance and Participation	15
Requirements for Tax Preparers and Transmitters participating in the e-file program.....	15
Software Vendor ID characteristics include the following	15
All authorized Electronic Return Originators (EROs) must	15
All authorized Software Developers must	16
Confidentiality, Guidelines, Rules, and Violation Consequences	16
Penalties	16
Advertising standards.....	16
Compliance Requirements	17
Software developers must	17
New York State Software Testing for PIT MeF will begin May 2012 for Tax Year 2011.....	17
What you will need for testing	17

Acknowledgement System.....	18
IRS MeF receipt.....	18
State submission denied by IRS MeF	18
State receipt and acknowledgment.....	18
Resubmission of state rejected return	18
Perfection period for rejected submissions	18
Postmark received date	19
Processing delays	19
Payment Handling and Acceptance.....	21
Paying a balance due.....	21
All of the following information MUST be present for e-filed documents containing ACH debit payments:	21
ACH Debit Settlement Date Guidelines Must be Strictly Enforced	22
Refunds	22
If the direct deposit indicator is present, then the following information must be included.....	22
All of the following information MUST be present for e-filed documents containing refunds:	23
Debit Card Option.....	23
Signature Requirements for Personal Income Tax e-file Returns and extensions.....	23
Signature requirements for returns e-filed through your tax preparation professional software package	23
Signature requirements for extensions (Form IT-370) e-filed through your tax preparation professional software package	23
Returns e-filed by taxpayers themselves (self-filers) using commercial software.....	24
Balance-due extensions (Form IT-370) e-filed by taxpayers themselves (self-filers) using commercial software	24
No Balance-due extensions (Form IT-370) e-filed by taxpayers themselves (self-filers) using commercial software	24
Extensions (Form IT-370) e-filed on the Tax Department Web site	24
Declaration certification language for e-file returns and extensions.....	24
Declaration of tax preparer to be included on approved NYS e-file products for tax professionals ..	24
Declaration of tax preparer to be included on approved NYS e-file products for tax professionals- Extensions	24
Declaration of taxpayer(s) to e-file the return.....	25
Declaration of taxpayer to authorize electronic payment for an extension	25
Important Information regarding dependents.....	Error! Bookmark not defined.
Handling of Attachments	26

Attaching Non-XML Documents.....	26
XML document.....	26
Acknowledgement and Reject Codes Crosswalk	27
Specific Codes for Locality Name for New York City and Yonkers Tax Withheld (Form W-2, box 20, and 1099-R, box 14).....	27
The following variations of NYC are acceptable.....	27
The following variations of Yonkers are acceptable.....	28
W-2 Verification Indicator.....	28
Entries on Form W-2, Box 14, for NYS Returns	28
Appendix.....	28
Foreign Country Codes	28
Links to publications.....	29

Introduction

The New York State Department of Taxation and Finance (NYSDTF or Tax Department) is participating in the Fed/State Modernized e-file (MeF) program, under the IRS Modernized e-file architecture. NYSDTF is supporting New York State Personal Income Tax (PIT) Form IT-201, *Resident Income Tax Return*, Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*, and Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individual*. List of all forms accepted in on [page 9](#).

MeF returns for tax year 2011 only. The IRS and NYSDTF require that all tax software pass a series of tests each year. Once approved, this software may be sold and used by Electronic Return Originators (EROs), Reporting Agents, Intermediate Service Providers, and Transmitters.

EROs authorized by the IRS to e-file federal PIT returns are also authorized to e-file PIT MeF returns with NYSDTF. NYSDTF does not require EROs to apply for our program, or provide copies of their IRS acceptance letters.

All participants in the NYS program must comply with the procedures, requirements, and specifications in IRS Publication 3112, [IRS e-File Application and Participation](#), IRS Publication 4164, [Modernized e-File Guide for Software Developers and Transmitters](#), NYS Publication 93, [New York State Personal Income Tax Modernized E-file \(MeF\) Guide for Return Preparers for Tax Year 2011](#), and Publication 95, [Personal Income Tax Modernized e-file \(MeF\) Guide for Software Developers for Tax Year 2011](#).

This publication provides software developers with the technical information necessary for creating, formatting, and transmitting New York State (NYS) Modernized e-file (MeF) personal income tax (PIT) returns through the Federal/State 1040 MeF e-file program. This publication should be used in conjunction with NYS Publication 93 and [IRS Publication 1436, Test Package for Electronic Filers of Individual Income Tax Returns](#), and [IRS Publication 4164, Modernized e-File Guide for Software Developers and Transmitters](#).

To contact the New York State PIT MeF e-mail: NYSPITMEF@tax.ny.gov.

For Tax Year 2011

- The Personal Income Tax MeF Schema is available at: http://www.tax.ny.gov/bus/efile/swd_income.htm
- PIT MeF Acknowledgement and Reject Codes are available at: http://www.tax.ny.gov/bus/efile/swd_income.htm. This table is a comparison between the original e-file codes and the new PIT MeF codes.
- All Software must support the Marriage Equality Act (MEA) and the NYS Debit Card option.
- Vendors **must** send their MEA verbiage to us at NYSPITMEF@tax.ny.gov
- Form IT-150, *Resident Income Tax Return* (short form) has been obsoleted.
- All forms currently supported by the NYS e-file program will be supported by MeF and are listed on [page 9](#).
- NYS will allow a perfection period for rejected submissions. If a state return, extension, or payment is timely filed and rejected by NYS due to an error, we will allow 7 calendar days from the rejection date for the resubmission of the rejected item.
- Double entry of bank account information:
When bank account information (account number and routing number) is being entered for the first time, we require that the information be entered **twice**.
This improves accuracy by requiring the taxpayer to double check their account information.

This reduces the number of Direct Deposit Refunds (DDR) and Electronic Funds Withdrawals (EFW) being returned by the taxpayer's bank.

- Bank accounts must be identified as either *personal* or *business* bank accounts.
- Tax returns may also include non-XML documents, known as *binary attachments*, submitted in PDF format.
- Foreign mailing addresses will be accepted.
- The taxpayer's permanent home address is required on the return if the taxpayer has entered a Post Office box as their mailing address.
- Filed electronic returns subsequently found to have errors may be corrected and re-filed electronically.
- The NYS e-file mandate has changed. More information is available at:
http://www.tax.ny.gov/tp/efile/tp_busn_mandate.htm
- The law allows NYSDTF to charge a \$50 fee when a check, money order, or electronic payment is returned by a bank for nonpayment. However, if an electronic payment is returned as a result of an error by the bank or NYSDTF, then NYSDTF will not charge the \$50 fee. If your payment is returned, we will send a separate bill for \$50 for each payment that is dishonored.
- New rules apply to social security numbers. See:
http://www.irs.gov/pub/irs-utl/ssa_irs_reporter_summer.pdf

SWDs Developing Consumer Products

E-file Mandate

Software Developers must display the following information to users during the preparation of a return or extension:

Most taxpayers must electronically file their 2011 New York State Personal Income Tax returns and extensions. There's no additional Charge to you for e-filing this form. For more information, visit the New York State Tax Department Web site at:
www.tax.ny.gov/pit/efile/elf_individual.htm

However, you are not required to display the e-file mandate message to a user if you can determine that your software does not support the electronic filing of the specific return or extension being filed. For personal income tax returns you are only required to display the debit card language if the filer chooses to receive a paper check for their NYS tax refund. In the alternative, you can display the message to all users who are requesting a NYS refund.

Debit Card Refund

Software Developers must display the following information to users during the preparation of a return or extension:

You can get your tax refund on a debit card issued by New York State. Debit cards allow you to:

- avoid check cashing fees
- get cash at banks and ATMs
- make purchases (and get cash back)
- In most cases, there's no fee for using the card. For more information,

Visit the New York State Tax Department Web site at:

http://www.tax.ny.gov/pit/file/debit_cards.htm

Email

Software Developers must display the following information to users during the preparation of a return or extension:

The New York State Tax Department is expanding its services to include email notifications to taxpayers about their personal tax accounts.

Enter your email address and the tax department will send you more information, or visit the New York State Tax Department's Web site:

www.tax.ny.gov/pit/efile/elf_individual.htm

You do not need to document your compliance with this requirement for e-file approval. However, you may be required to provide that documentation after your software is approved.

Marriage Equality Act (MEA)

All Software Vendors must support the NYS MEA by electronic returns.

The Marriage Equality Act (Act) took effect on July 24, 2011, and provides that all marriages, whether between same-sex couples or different-sex couples, will be treated equally under the laws of New York. The Act amends New York law to recognize all legally performed marriages between same-sex and different-sex couples, whether or not the marriage took place in New York. For more information, go to the NYSDTF Web site: http://www.tax.ny.gov/pit/marriage_equality_act.htm

SWDs Developing Products for Tax Professionals

Software Developers must provide the following information to their tax professional users. These messages must be provided in a manner that ensures that the user will see it at least once at the start of the filing season.

NYS e-file mandate changes for returns filed on or after January 1, 2012

The two separate e-file mandates for tax professionals that applied to personal income tax and business taxes have been combined into one mandate. The single e-file mandate applies to tax preparers who prepare more than **five** tax documents. Your clients cannot opt-out of electronic filing their New York State tax documents.

When determining the five document threshold, you must count all New York State personal income, partnership, fiduciary, sales and corporation tax documents that you prepared in calendar year 2011.

If you don't file and pay electronically when required to do so, the New York State Tax Department can impose penalties on both you and your clients.

For more information on the New York State e-File mandate for Tax Professionals visit the Tax Department Web site at: http://www.tax.ny.gov/tp/efile/tp_busn_mandate.htm

NYS Tax Department expanded email services for individual income tax filers

The New York State Tax Department is expanding its services to include email notifications to taxpayers about their personal tax accounts. Provide your client's email address and the tax department will send them more information about our expanded email services.

You do not need to document your compliance with this requirement for e-file approval. However, you may be required to provide that documentation after your software is approved.

Forms Accepted for New York State E-File

NYS form #	Form title	Max #
IT-370	Application for Automatic Extension of Time to File for Individuals	1
IT-201	Resident Income Tax Return (long form)	1
IT-201-ATT	Other Tax Credits and Taxes	1
IT-203	Nonresident and Part-Year Resident Income Tax Return	1
IT-203-C	Nonresident or Part-Year Resident Spouse's Certification	1
IT-203-ATT	Other Tax Credits and Taxes	1
IT-203-B	Schedule A, Allocation of Wage and Salary Income to NYS	99
IT-203-B	Schedule B-C, Living Quarters; College Tuition Itemized Deduction Worksheet	99
IT-112.1	NYS Resident Credit Against Separate Tax on Lump-Sum Distributions	99
IT-112-C	New York State Resident Credit for Taxes Paid to a Province of Canada	99
IT-112-R	New York State Resident Credit	99
IT-135	Sales and Use Tax Report for Purchases of Items Costing > \$25,000	99
IT-182	Passive Activity Loss Limitations	1
IT-209	Claim for Noncustodial Parent Earned Income Credit	1
IT-212	Investment Credit	99
IT-212-ATT	Claim for Historic Barn Rehabilitation Credit and Employment Incentive Credit	99
IT-213	Claim for Empire State Child Tax Credit	1
IT-214	Claim for Real Property Tax Credit for Homeowners and Renters	1
IT-215	Claim for Earned Income	1
IT-216	Claim for Child and Dependent Care Credit	1
IT-217	Claim for Farmers' School Tax Credit	1
IT-219	Credit for City of New York Unincorporated Business Tax	99
IT-220	Minimum Income Tax	1
IT-230	Separate Tax on Lump-Sum Distributions	99
IT-241	Claim for Clean Heating Fuel Credit	1
IT-245	Claim for Volunteer Firefighters' and Ambulance Workers' Credit	1
IT-249	Claim for Long-Term Care Insurance Credit	99
IT-250	Claim for Credit for Purchase of an Automated External Defibrillator	99
IT-255	Claim for Solar Electric Generating Equipment Credit	99
IT-256	Claim for Special Additional Mortgage Recording Tax Credit	99
IT-257	Claim of Right Credit	99
IT-258	Claim for Nursing Home Assessment Credit	99
IT-272	Claim for College Tuition Credit for New York State Residents	1
IT-280	Nonobligated Spouse Allocation	1

NYS form #	Form title	Max #
IT-360.1	Change of City Resident Status	2
IT-398	New York State Depreciation Schedule for IRC Section 168(k) Property	1
IT-399	New York State Depreciation Schedule	99
IT-2105.9	Underpayment of Estimated Income Tax by Individuals and Fiduciaries	1
Y-203	Yonkers Nonresident Earnings Tax Return	99
NYS W2-G	New York State Report of Certain Gambling Winnings	99
IT-1099-UI	Summary of Unemployment Compensation Payments	2
1099-MISC	Miscellaneous Income	99

Notes:

NYS created the NYSW2G to capture information from the federal W-2G and any associated NYC/Yonkers Tax Withheld. The federal W-2G is not required to be included in the NYS e-file submission.

Form IT-1099-UI is a NYS form used to capture information from a federal Form 1099-G. The IT-1099-UI must be attached to the NYS return when the corresponding 1099-G is issued by the NYS Department of Labor and shows NYS withholding.

1099-MISC is a federal form. However, the IRS does not include it in the Schema. The 1099-MISC is included in the NYS Schema and it must be included in the NYS return when it contains tax withheld for NY State, NY City or Yonkers (it should not be attached to the federal return).

NYS Forms IT-2 and IT-1099-R are for paper filing only; NYS e-file will continue to use the W-2 and 1099-R.

Federal forms required in the NYS Schema

- Schedule C per IRS
- Schedule C-EZ per IRS
- Form W-2 per IRS
- Form 1099-R per IRS
- Form 6198 per IRS

NYS forms based on IRS forms

The NYS W2-G and the 1099-Misc are state specific and do not use the IRS field names, these forms require 2 additional fields for local withholding.

2011 Tax Year PIT MeF Calendar

NYS PIT MeF TY 2011 Schema published	March 15, 2012
NYS PIT MeF test returns posted	April, 2012
NYS PIT MeF Software Testing Period	May, 2012 through IRS shutdown.
NYS PIT MeF return acceptance period	July, 11, 2012 through IRS shutdown.

For MeF Assurance Testing System (ATS) updates, visit the Web site at <http://www.irs.gov/efile/article/0,,id=213513,00.html>

All prescribed due dates for filing of returns apply to e-file returns.

Note: NYS uses the same e-file end date as the IRS.

Contact Information

Email NYSPITMEF@tax.ny.gov

NYS DTF e-file Help Desk: (518) 457-6387

IRS e-file Help Desk: 1 866 255-0654

NYS DTF forms and instructions: www.tax.ny.gov/forms/default.htm

Fax: NYS DTF e-file (518) 485-2348

Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at (518) 485-5082. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



Telephone assistance

Automated income tax refund status: (518) 457-5149


Personal Income Tax Information Center: (518) 457-5181

To order forms and publications: (518) 457-5431



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.

Web sites and publications

	http://www.tax.ny.gov
NYS DTF e-file Web site	http://www.tax.ny.gov/tp/efile/elf_taxpros.htm
NYS DTF forms and instructions	http://www.tax.ny.gov/forms/
NYS DTF PIT MeF e-filing Software	http://www.tax.ny.gov/bus/efile/swd_income.htm

Developer Testing Package Not yet available	
Frequently asked questions (Taxpayer Answer Center)	http://www.tax.ny.gov/help/faq.htm
Internal Revenue Service (IRS)	http://www.irs.gov/
IRS Modernized e-file (MeF) Status Page	http://www.irs.gov/efile/article/0,,id=168537,00.html
IRS forms and publications	http://www.irs.gov/formspubs/index.html?portlet=3
Federation of Tax Administrators (FTA)	http://www.taxadmin.org/fta/edi/
National Association of Computerized Tax Processors (NACTP)	http://nactp.org/
IRS Foreign Country Code Listing for Modernized e-file	http://www.irs.gov/efile/article/0,,id=175595,00.html

Important!

NYSDTF requests that software developers provide the department with a copy of new software as soon as it is released to the public. The department will use the software for research and to troubleshoot production issues. The department will not use the software to prepare and/or file returns. If the software developer supports e-file via an online application, the department requests access to that as well.

If additional information is needed regarding the department's use of software, please contact Diana Trask-Daley at (518) 591-1212

Mail a copy of your software to:
 NYS TAX DEPARTMENT
 ATTN DIANA TRASK-DALEY
 TSS PIT – e-FILE
 W A HARRIMAN CAMPUS
 ALBANY NY 12227

Software Development

Schema Version Number

The version number includes the tax year, the version initial and version number for which the schema and business rule document applies. The version initial is case sensitive. The version number of MeF business rules that are invoked for the MeF XML schemas will always have the same version number as the schema version, thereby, providing a mechanism that aligns the various versions of schemas with their applicable business rules.

New York State schema version as of March 29, 2012 is Version Number 1.2

To verify that this is the latest schema and check for any updates, go to:

http://www.tax.ny.gov/bus/efile/swd_income.htm.

Schemas and Specifications

IRS has structured tax return data into a series of schemas. A schema is an XML document that specifies the data elements, structure, and rules for each form, schedule, document, and/or attachment (Note: There are business rules in addition to rules defined by schema (See Error Codes – Crosswalk for further clarification). Unless otherwise noted, XML schemas must be used as defined by IRS Web site (at www.irs.gov/efile/article/0,,id=243254,00.html) . Most of the required elements are in the return header schema. The header schema contains the identifying information for the entity filing the return, the name of the officer signing the return, preparer information, and the preparing firm's information.

- Fields identified as *internal use only* should not be coded in the Vendor Schema(s). These fields will be populated from the SOAP (Simple Object Access Protocol) or by the transmission.
- Multiple entries of the same field name may be required on successive forms within a return. These will be denoted as required within the NYS Schema.

For a complete list refer to the New York State e-file Web site for Personal Income Tax /Software Developers and download our Schemas and Edits file at: http://www.tax.ny.gov/bus/efile/swd_income.htm

- The submission order of the return is set within the Schema, if the forms not submitted in order the return will be rejected.

Software Acceptance, Testing and Approval

The following information must be provided to department prior to submitting test transmissions:

- Software developer company name
- Address
- Primary Contact person – name, telephone number, email address
- Secondary Contact person – name, telephone number, email address
- EFINs/ETINs (test and production) assigned by Internal Revenue Service
- Tax Year 2011 New York State forms supported for Personal Income Tax e-file
- A separate vendor ID must be provided for each tax software product
- The ID is self- selected by the developer, defined as a string allowing alpha characters and digits, limited to 10 characters and stored in the required element called <SOFT_VNDR_ID>
- Each unique vendor ID will test separately for approval
- Software product name

The information should be emailed to: NYSPITMEF@tax.ny.gov

- For PIT MeF, software vendors will be required to test and receive acceptance of their software each new tax year. Software testing for **previously approved** prior tax years is not required, as acceptance is maintained for as long as the tax year is eligible for e-file.
- **Final Transmission**
When you receive no rejects, you will then be required to transmit the returns in two separate, same-day transmissions in order to test the ability of your software to increment the TransmissionID number that appears in the Transmission Header.
- The Modernized e-File Assurance Testing System configuration is not identical to the MeF Production system. A tester should not expect the same response time when testing in the ATS environment versus the Production environment. Do not use ATS for performance or load testing. However, testing a single extremely large return in one transmission is acceptable.
- Accepted Software will be listed by New York State based on number of forms supported from highest to lowest.

E-file Mandate Information

For information regarding the individual taxpayer mandate, visit our Web site at http://www.tax.ny.gov/pit/efile/efile_mandate_for_individuals.htm.

For information on who the tax preparer e-file mandate applies to, visit our Web site at http://www.tax.ny.gov/tp/efile/mandate_participants.htm.

Additional information for tax professionals:

Publication 93, *New York State Personal Income Tax Modernized e-file (MeF) Guide for Tax Practitioners*: http://www.tax.ny.gov/bus/efile/swd_income.htm

Publication 97, *Partnership Modernized e-file (MeF) Handbook for Software Developers for Tax year 2011*
http://www.tax.ny.gov/pdf/elf/pub_97_ty2011_pt_mef_software_developers_handbook.pdf

Publication 116, *Corporation Tax Modernized e-file Handbook*
http://www.tax.ny.gov/pdf/elf/pub_116_ty11_draft_111711.pdf

IRS MeF Fed/State program

MeF will accept two kinds of submissions: 1) IRS (federal) submissions, and 2) NYSDTF submissions. Each return must be enclosed in a separate submission, but multiple submissions may be contained in a single message.

NYSDTF will support *linked* and *unlinked* state returns. A state submission can be *linked* to the IRS submission by including the Submission ID of the federal return in the state manifest. If the state submission is *linked* to an IRS submission (also referred to as a *Fed/state return*), the IRS will check to see if there is an accepted IRS submission under that Submission ID. If there is not an accepted federal return, the IRS will deny the state submission and a denial acknowledgement will be sent from the IRS. If there is an accepted federal return under that Submission ID, then IRS MeF will validate certain elements on the state submission and provide the submission to the participating state.

If the NYS return is *unlinked* to a previously accepted federal return (also referred to as a *State Stand-Alone Return*), then IRS MeF will validate certain elements of the submission, and, if IRS does not deny the state return, it will provide the state submission to the participating state regardless of the federal return.

Both federal and state returns must be in XML format. The federal returns must conform to the IRS valid schema versions. New York State returns must conform to the PIT MeF New York State schema.

Acceptance and Participation

Requirements for Tax Preparers and Transmitters participating in the PIT MeF e-file program

A Tax Preparer must be an authorized IRS e-file provider. An authorized IRS e-file provider may be an Electronic Return Originator (ERO), Intermediate Service Provider, Transmitter, Software Developer, or Reporting Agent. You must apply and be accepted by the IRS as an authorized IRS e-file provider. A separate PIT MeF e-file application is not required for New York State.

For more information on the application process, refer to Publication 3112, *IRS e-file Application and Participation* (at www.irs.gov/taxpros/providers/article/0,,id=223755,00.html).

Become an authorized e-file provider -watch a video overview of how to become an authorized IRS e-file provider at www.irs.gov/taxpros/providers/article/0,,id=222533,00.html.

E-services - Online Tools for Tax Professionals (at www.irs.gov/taxpros/article/0,,id=109646,00.html).

A separate PIT MeF e-file application is not required for New York State.

Software Vendor ID characteristics include the following

- A separate vendor ID must be provided for each tax software product.
- A software Vendor ID will be approved at the primary form level.
- The ID is self- selected by the developer.
- It is defined as a string allowing alpha characters and digits
- It is limited to 10 characters.
- It is stored in an element called <SOFT_VNDR_ID>.
- It is a required element.
- Each unique vendor ID will test separately for approval.
- Alpha characters may relate to the name of the software company.

All authorized Electronic Return Originators (EROs) must

- Comply with the procedures, requirements, and specifications in the IRS Publication 3112, *IRS e-File Application and Participation*, and IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters*, on the IRS Web site: <http://www.irs.gov/efile/article/0,,id=118575,00.html>.
- Identify the paid preparer, if applicable, in the appropriate field.
- Provide the Internet Protocol (IP) information (IP Address, IP Date, IP Time and IP Time Zone of the computer the taxpayer uses to submit the return).

- Have the Taxpayer(s) sign the correct Signature form(s). Copies of these documents are available in this publication at [Signature Requirements for Personal Income Tax e-file Returns and extensions](#).
- Furnish the taxpayer with copies of all e-filed forms and schedules.
- Include the ERO identification on the return.
- Not charge a customer an additional amount for e-file of a NYS tax document.

All authorized Software Developers must

- Comply with the procedures, requirements, and specifications in the IRS Publication 3112, *IRS e-File Application and Participation*, and IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters*, on the IRS Web site: <http://www.irs.gov/efile/article/0,,id=118575,00.html>.
- Allow *linked* and/or *unlinked* state returns.
- Allow re-transmissions of rejected and then corrected returns.
- Correct any software errors identified during production.
- Provide the software ID within each filing.
- Not charge a separate fee for e-file.
- Not sell one version of their software that charges for e-file and another version that does not.
- Adhere to the guidelines for ACH debit payment settlement dates. Enter the name of the person completing the return and certify to NYSDTF that the data is true, correct, and complete.
- Support NYS MEA electronically.
- Support the New York State Debit card refund option.

Confidentiality, Guidelines, Rules, and Violation Consequences

Developers must conform to all IRS security requirements. For more information on the IRS security requirements go to: <http://www.irs.gov/efile/article/0,,id=146388,00.html>.

Penalties

New York State Tax Law, section 1825 prescribes penalties for violation of confidentiality of taxpayer information requirements. Refer to section 685(u) regarding violation penalties on tax return preparers.

For further information see Publication 58, *Information for Income Tax Return Preparers*:

<http://www.tax.ny.gov/pdf/publications/income/pub58.pdf>

Advertising standards

An authorized IRS e-file provider must comply with the advertising and solicitation provisions of 31 C.F.R. Part 10 (Treasury Department Circular No. 230). This circular prohibits the use or participation in the use of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive, or unfair statement of claim. An e-file Provider must adhere to all relevant federal, state, and local consumer protection laws that relate to advertising and soliciting.

The guidelines in the IRS Revenue Procedure must be followed for the NYSDTF program as though references to *Internal Revenue Service* and *Service* were references to the *New York State Department of Taxation and Finance*, *New York State*, or the *State*, and references to the *Financial Management Service* (FMS) or *Treasury Seals* were references to the *State of New York Seal*.

Compliance Requirements

Software developers must

- Immediately correct software errors identified by the IRS/NYS DTF and distribute updates of their software packages to their clients. Failure to correct any errors or issue timely releases may result in suspension from the program.
- Notify NYSDTF of any software errors identified during the filing season.
- Tax Practitioners must ensure that their software enables the printing of Form [TR-579-IT](#), *New York State E-file Signature Authorization for Tax Year 2011* For Forms IT-201, IT-203, [TR-579.1-IT](#), *New York State Taxpayer Authorization for Electronic Funds Withdrawal for Tax Year 2011* Form IT-370, and Form [IT-201-V](#), *Payment Voucher for E-filed Income Tax Returns*.
- Ensure that their software supports electronic payment options and any electronic funds withdrawal information (payment effective date and routing/account numbers).
- Ensure their software supports the printing of the tax return and all supporting forms for the New York State Personal Income Tax so that if the return cannot be e-filed, the filer can mail the printed return to NYSDTF. See Publication 75, *Specifications for Reproduction of Scannable and Nonscannable New York State Income Tax Forms*, regarding the printing of supportable forms.

New York State Software Testing for PIT MeF will begin May 2012 for Tax Year 2011

All software must be tested using the New York State test package posted on our Web site. Returns submitted under software vendor ID's that have not been approved for NYSDTF Personal Income Tax processing will be rejected. A separate software vendor ID must be provided for each product. A software vendor ID will be approved at the primary form level. This will provide for forms with an earlier due date to be tested, approved, and released prior to other form types.

The Income Tax e-file test package and all other testing documents and schemas are available on our Web site: http://www.tax.ny.gov/bus/efile/swd_income.htm. **Not yet available.**

See Publication 75, *Specifications for Reproduction of Scannable and Nonscannable New York State Income Tax Forms*: <http://www.tax.ny.gov/pdf/publications/income/pub75.pdf>.

What you will need for testing

- Current year [test package](#) with PDF copies of NYSDTF returns. **Not yet available.**
- NYSDTF specific current year [XML schema](#) (must use the latest version). The [XML schema](#) will include definitions and information for each field including: type, format, length, allowable values, allowable occurrences, and business/validation rules.
- Chart of current year schema business objects (BO) to be included by form.

- Validate your files prior to submission to avoid unnecessary rejections.

Developers must validate the New York State return data (XML) against the New York State Schema, and include edits and verifications based on the business rules provided for each element. Software Developers will be given confirmation by email from the NYSDTF e-file section when software has been successfully tested and approved. Only approved software may be released and distributed by the developer. A copy of the released software must be sent to NYSDTF.

Acknowledgement System

IRS MeF receipt

IRS MeF will create a *receipt* for transmitters for every state submission received.

State submission denied by IRS MeF

If the state submission (linked or unlinked) is *denied* by IRS MeF, then IRS MeF will create an acknowledgement for the transmitter indicating that the state submission was denied and will not be available for the state. In this case, the state will not know that the transmitter sent a state submission to IRS MeF and that it was not accepted.

State receipt and acknowledgment

If the state submission is not *denied* by IRS MeF, IRS MeF will return a receipt (not an acknowledgement) and provide the state submission for the state to retrieve. IRS MeF will not create an acknowledgement for the transmitter for the state return.

NYSDTF will retrieve the state submission from IRS MeF, and immediately send a *receipt* back to IRS MeF. NYSDTF will then validate the XML data and apply the business rules to the return. An acknowledgment (indicating acceptance or rejection) will be sent back to IRS MeF within 72 hours; however an Acknowledgement may take up to 10 days to deliver. The transmitter may pick up the acknowledgment from the IRS. An accepted acknowledgement record transmitted in XML schema format indicates the return and payment (if applicable) was received and has successfully completed the *transmission* validation process. **Note:** This does not acknowledge that the ACH (Automated Clearing House) debit requested was approved and processed. The IRS will accept filings with an “EXT_TP_ID” (new State ID-choice of Temporary ID) containing alpha characters and will allow the acknowledgements to be returned by NYSDTF with an ID containing alpha characters in the EIN field within the acknowledgement.

Resubmission of state rejected return

If a state return is rejected by NYSDTF, correct the error and resubmit the return to IRS MeF. The corrected, resubmitted return **must** contain the *original* submission ID of the rejected return. There will be a field in the header BO in the schema labeled ORIG_SBMSN_ID.

Perfection period for rejected submissions

When a transmitted electronic return is received by NYSDTF and subsequently rejected, there is a seven calendar day perfection period to correct that return for electronic retransmission. When a previously rejected electronic return is accepted by NYSDTF within the seven day perfection period, it will be deemed to have been received on the date of the first rejection that occurred within that seven day period.

The e-filed perfection period is initiated:

- if the original submission was timely
- if the original submission was rejected,

- if the original submission ID# is present on the resubmission, and
- if the original submission contained the Postmark Date (PSTMRK_DT).

Note: If the submission is rejected by the IRS, NYSDTF will not receive the original submission and the perfection period will not initiate. The perfection period is not an extension of time to file.

Postmark received date

Even though the postmark received date (PSTMRK_DT) is not a required field, it needs to be populated to take advantage of the perfection period.

Processing delays

NYSDTF will make every effort to process an e-filed return once it is receipted and/or acknowledged. However, if the e-filed return contains an error(s), identified after the return is receipted/acknowledged; the return may require manual review or manual rejection.

Guidelines for Entering Foreign Addresses

Foreign Addresses must be submitted as follows:

MAIL_LN_2_ADR - With the exception of Canadian addresses, foreign zip codes should be entered at the end of the address field (MAIL_LN_2_ADR).

MAIL_CITY_ADR - Enter city/town as applicable

MAIL_STATE_ADR - For Canadian addresses enter province, for all other foreign addresses state must be blank.

MAIL_CNTRY_CD - Enter the appropriate foreign country code as defined by the IRS. They are available at <http://www.irs.gov/efile/article/0,,id=175595,00.html>, MAIL_ZIP_5_ADR and

MAIL_ZIP_4_ADR - For Canadian addresses, enter the first 3 characters of the zip code in MAIL_ZIP_5_ADR, and enter characters 4-6 of the zip code in MAIL_ZIP_4_ADR.

For all other foreign addresses, MAIL_ZIP_5_ADR and MAIL_ZIP_4_ADR must be blank.

Guidelines for entering Credit Amounts

IT-201-ATT and IT-203-ATT

For the IT-201-ATT you must total all credit amounts for 6a-6n and enter on line 6, and 12a-12l (L) and enter on line 12.

For the IT-203-ATT you must total all the credit amounts for 7a-7n and enter on line 7, and 12a-12l(L) and enter on line 12.

Important Information regarding dependents

The following field names will be common to Forms: IT-209; IT-213; IT-215, and IT-216:

	IT-209	IT-213	IT-215	IT-216
DEP_TYPE	1	2	1	2
DEP_SSN_NMBR	Dependent SSN			
DEP_SEQ_NMBR	Occurrence of Dependent for each form			
DEP_YOB_YEAR	Year of Birth CCYY			
DEP_DISAB_IND	1= yes 2=no			
DEP_FORM_ID	209	348	215	216
DEP_RELATION_DESC	Dependent relationship if applicable			
DEP_STUDENT_IND	1= yes 2=no			
DEP_CHLD_LAST_NAME	Dependent last name			
DEP_CHLD_FRST_NAME	Dependent first name			
DEP_CHLD_MI_NAME	Dependent middle initial			
DEP_CHLD_SFX_NAME	Dependent suffix name			
DEP_MNTH_LVD_NMBR	# of months	n/a	# of months	n/a
DEP_QUAL_EXP_AMT	n/a	n/a	n/a	Qualified expenses paid for Tax year
FORM_IND	Blank	1	Blank	Blank

Key:

n/a= not applicable

These field names will need to be populated on all applicable forms in a return filing. Information in red does not vary within form type.

Fields used by NY State only:

PR_SSN_VALID_IN & SP_SSN_VALID_IND on return Header

Vendors do not send these fields as the SOAP provides the field values.

These fields are not required:

DCMT_RCVD_DT and SBMSN_ID are not required.

Although PSTMRK_DT is not required omission of this field will stop enabling of the Perfection Period.

Please check the State Spreadsheet for more information.

Payment Handling and Acceptance

Paying a balance due

NYS allows 3 options to pay electronically-filed Personal Income Tax documents:

- by ACH Debit included with the filing data when the document is electronically filed
- by check or money order utilizing the payment voucher (Form IT-201-V)
- by credit card

We need the bank account number and the routing transit number of the financial institution from which the withdrawal is being made. The routing number is the nine-digit number at the bottom of a check. An e-filed return with an invalid routing number will be rejected. In addition we need the electronic funds withdrawal information including the requested date of debit, the payment amount, and the checking or savings account information. The ACH_IND and RFND_OWE_IND fields must be set correctly.

To pay by electronic funds withdrawal (direct debit) the ownership type of account (business or individual) to be debited, the account and routing numbers of the bank account from which they wish to have the balance paid, the requested withdrawal date, and the payment amount to be debited are required. Returns can be submitted with full payment or no payment. Balances due will be billed at a later date, once the return is fully processed.

International ACH Transactions or IAT: Software must not allow an ACH electronic fund withdrawal to be requested where the funds would be coming from an account outside the U.S. This is due to banking rules from NACHA (National Automated Clearing House Association) regarding the processing of international transactions.

All of the following information **MUST** be present for e-filed documents containing ACH debit payments:

- ACH_IND
- BANK_ACCT_NMBR (Bank account number)
- ABA_NMBR (Bank routing number)
- ACCT_TYPE_CD (Account type: 1 = checking, 2 = savings)
- ELC_AUTH_EFCTV_DT (Requested settlement date)
- PYMT_AMT (Total payment amount)
- BNK_ACCT_ACH_IND (1= business, 2 = personal)

If the payment amount of an ACH debit is greater than zero, **all** of these required fields **must** be present in the submission, otherwise it will be rejected.

If the payment amount of an ACH debit is equal to zero, **none** of these required fields should be present in the submission. If any or all of these required fields is present in the submission, it will be rejected.

The authorization date for the payment is the earliest date that the electronic funds withdrawal will be debited from the specified account. You can specify a payment date up to and including the due date of the return, **without** regard to extensions. If the payment date falls on a weekend or bank holiday, the payment will be withdrawn the next business day. If you e-file your return before the due date, the money will be withdrawn from your account on the date you specify. A return received prior to the due date that has no requested withdrawal date will be rejected because it does not conform to NACHA rules. For a return e-filed after the due date, the withdrawal will be processed on the date the e-file return is accepted.

This payment option is available through the end of the e-file season. Please note that unpaid returns will be accepted in e-file and the balance due will be billed at a later date, once the return is fully processed.

When submitting a modified return where an original return has already been processed and had a payment that was already processed, be sure to remove any ACH data that was previously submitted or adjust it if an additional payment should be debited. If the ACH data is exactly the same on the subsequent filing, the filing will reject.

ACH Debit Settlement Date Guidelines Must be Strictly Enforced

Software Developers are required to have the following guidelines set in their software for customers entering a payment settlement date, (ELC_AUTH_EFCTV_DT) for ACH debit payments:

- Not allow a payment settlement date earlier than the submission date, or
- Not allow a payment settlement date later than the due date, if the filing is on or before the due date, or
- Not allow a payment settlement date later than the submission date, if the filing is after the due date.

Software vendors who are found to be in violation of the above noted guidelines for ACH debit payment settlement dates will have their approvals to e-file NYS Personal Income Tax returns, extensions and payments revoked, until proof of compliance is verified.

Refunds

Direct Deposit refunds

We need the bank account number and the routing transit number, entered twice, of the financial institution to which the refund is being made. The routing number is the nine-digit number at the bottom of a check. An e-filed return with an invalid routing number will be rejected. Additional required information: the payment amount; the checking or savings account information; and the identification of the account as either a personal or business account.

The ACH_IND and RFND_OWE_IND fields must be set correctly.

If the direct deposit indicator is present, then the following information must be included

- IAT_IND (IAT Indicator)
- and**
- ABA_NMBR (Bank routing number)
- and**
- BANK_ACCT_NMBR (Bank account number)
- and**
- ACCT_TYPE_CD (Account type: 1 = checking, 2 = savings)

and

- BNK_ACCT_ACH_IND (1= business, 2 = personal)

All of the following information MUST be present for e-filed documents containing refunds:

- RFND_OWE_IND (Refund owed)

and

- DBT_CARD_RFND_IND (Debit card refund indicator, or PAPER_CHK_RFND_IND (Paper check refund indicator)

Debit Card Option

The option for the NYS Debit Card must be available on Forms IT-201 and IT-203:
DBT_CARD_RFND_IND

More information is available at: http://www.tax.ny.gov/pit/file/debit_cards.htm

Signature Requirements for Personal Income Tax e-file Returns and extensions

Software developers must provide instructions to guide EROs and taxpayers in the use of signature check boxes for fulfilling the signature requirements.

Signature requirements for returns e-filed through your tax preparation professional software package

The taxpayer(s) and the ERO / Preparer must sign **Form TR-579-IT, New York State E-file Authorization Signature for Tax Year 2011 For Forms IT-201, and IT-203**. Form TR-579-IT establishes that the taxpayer has reviewed his or her return, and authorizes the e-filing of the return, and if an electronic funds withdrawal (for payment of the amount owed on the return) has been requested, it verifies that the taxpayer has authorized the electronic funds withdrawal. The ERO / Preparer must retain the TR-579-IT for 3 years (do not mail it to the NYS Tax Department). The ERO / Preparer must also sign the return electronically by checking a box that indicates that they have read and agreed to our declaration certification language. See return declaration.

Signature requirements for extensions (Form IT-370) e-filed through your tax preparation professional software package

For a no Balance-Due Extension (Form IT-370) there is no signature requirement for the taxpayer or the ERO / Preparer. You are not required to complete or retain a TR-579.1-IT, *New York State Taxpayer Authorization for Electronic Funds Withdrawal for Tax Year 2011 Form IT-370*, for these transactions. For a Balance-Due Extension (Form IT-370) e-filed through your software (not through the NYS Tax Department's Web site), you must also pay the balance due with an electronic funds withdrawal. The primary taxpayer must sign **Form TR-579.1-IT, New York State Taxpayer Authorization for Electronic Funds Withdrawal for Tax Year 2011 Form IT-370**, to establish that he/she has authorized the ERO to include the information necessary for the Tax Department to initiate the withdrawal. The ERO is not required to sign the TR-579-IT form or TR-579.1-IT form for these extensions; however, the ERO must retain the TR-579.1-IT for 3 years (**do not mail it to the NYS Tax Department**). The ERO/Preparer must also sign the extension electronically by checking a box that indicates that they have read and agreed to our declaration certification language. See extension declaration.

Returns e-filed by taxpayers themselves (self-filers) using commercial software

Taxpayers are required to sign the return electronically by checking a box that indicates that they have read and agreed to our declaration certification language. See return declaration. Form TR-579-IT and ERO / Preparer declaration check box are not required.

Balance-due extensions (Form IT-370) e-filed by taxpayers themselves (self-filers) using commercial software

Taxpayers are required to sign the extension electronically by checking a box that indicates that they have read and agreed to our declaration authorization language. See extension declaration. Form TR-579.1-IT and ERO / Preparer declaration check box are not required.

No Balance-due extensions (Form IT-370) e-filed by taxpayers themselves (self-filers) using commercial software

There is no signature requirement of the taxpayer or the ERO / Preparer.

Extensions (Form IT-370) e-filed on the Tax Department Web site

The Tax Department offers an application on our Web site that supports electronic filing by tax preparers or self filers of balance-due and no balance-due extensions. For balance-due extensions, multiple payment methods are available: electronic funds ACH withdrawal, credit card, and check or money order.

Declaration certification language for e-file returns and extensions

NYS e-file software intended for **tax professionals** must present the following applicable declaration on the screen(s) for the tax preparer to complete.

Declaration of tax preparer to be included on approved NYS e-file products for tax professionalsERO/ Preparer Certification and Signature (for the return)

By checking the box below, I certify that I have a valid New York State E-File Signature Authorization for Tax Year 2011 (Form TR-579-IT), authorizing me to sign and file this return on behalf of the taxpayer(s). I further certify that all information provided on the return is true, correct and complete, to the best of my knowledge and belief, and that I have provided a copy of this return to the taxpayer(s). If financial institution account information has been provided on the return, I certify that the taxpayer(s) has agreed to payment of the amount indicated as due by electronic funds withdrawal, that the taxpayer(s) has authorized the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account, and that the designated financial institution is authorized to debit the entry to the taxpayer's account. By checking the box shown below, I understand and agree that I am electronically signing and filing this return.

☐ I have read the certification above and agree

Declaration of tax preparer to be included on approved NYS e-file products for tax professionals-ExtensionsERO/ Preparer Certification and Signature (for the authorization of electronic payment for an extension)

By checking the box below, I certify that I have a valid New York State Taxpayer Authorization Electronic Funds Withdrawal for Tax Year 2011 Form IT-370(Form TR-579.1-IT), authorizing me to submit this extension on behalf of the taxpayer(s). I certify that the taxpayer(s) has agreed to payment of the amount indicated as due by electronic funds withdrawal, that the taxpayer(s) has authorized the New

York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account, and that the designated financial institution is authorized to debit the entry to the taxpayer's account.

☐ I have read the certification above and agree

NYS e-file software intended **for individual online filers** must present the following applicable declaration on the screen(s) for the taxpayer(s) to complete:

Declaration of taxpayer(s) to e-file the return

By checking the box shown below, I declare, under penalty of perjury, that I have examined the information on my 2011 New York State electronic personal income tax return, including any accompanying schedules, attachments, and statements, and certify that my electronic return is true, correct, and complete.

If I am paying my New York State personal income taxes owed by electronic funds withdrawal, I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the financial institution account indicated on my 2011 electronic return, and I authorize my financial institution to debit the entry to my account.

Taxpayer

☐ I have read the certification above and agree

Spouse

☐ I have read the certification above and agree

Declaration of taxpayer to authorize electronic payment for an extension

If an amount owed on this extension is being paid by electronic funds withdrawal, I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated account, and I authorize the financial institution to debit the entry to the account.

☐ I have read the authorization above and agree

Handling of Attachments

Attaching Non-XML Documents

All Binary Attachments must be in PDF format. *This includes federal required attachments for state filings, pages with additional information from forms, letters of explanation, etc.* A separate *Binary Attachment XML* document must be created for each PDF and included in the submission data. The PDF must be included in the attachment folder of the submission zip file.

Each individual PDF cannot exceed 60 megabytes uncompressed. For the accuracy of a document image, whether an attachment is in a PDF file or an image file format, the resolution should be no more than 200 dpi.

DO NOT SEND any tax returns as PDFs

Please refer to IRS Publication 4164 for Binary Attachment Submissions and Guidelines at <http://www.irs.gov/pub/irs-pdf/p4164.pdf>.

As referenced in our instructions, the following federal forms may be required complete the NY return.

- Schedule D (including STCGL and LTCGL records)
- Schedule E
- Schedule F
- Form 1116
- Form 4562
- Form 4797
- Form 4972
- Form 8582
- Form 8582CR
- Form 8829

Attaching non-XML documents (PDF files) is different than attaching XML documents. To attach a PDF file, the following steps must be performed:

- Create the PDF file.
- Create a Binary Attachment XML document in the submission data that describes the PDF file.
- Create references, if any, from the element(s) to which the PDF file is attached to the Binary Attachment

XML document

- If the PDF file is to be attached to an element for a line, form, or schedule, create a reference from the element to the Binary Attachment XML document. It is important to note that the reference is created from the element to the Binary Attachment XML document, not to the PDF file. If no reference is created to the Binary Attachment XML document, then the PDF file is considered to be *attached* to the submission. It is important to note that creating reference(s) to PDF files is needed only when the IRS specifies the conditions under which the reference must be created, and the reference locations within return data where the reference must exist.
- Include the number of binary attachments in the submission in the *BinaryAttachmentCount* attribute, which is used to indicate the number of binary attachments in the return, of element *ReturnHeader*.
- Include the PDF file in the submission zip file that constitutes the submission.

Note: The ERO or taxpayer can create the PDF file with any tool available. Follow your e-file software provider instructions.

To create the Binary Attachment XML document, the ERO needs to know the name of the PDF file and a brief description of the file's contents. The ERO creates one Binary Attachment XML document for each PDF file included in the submission. There is one-to-one relationship between the PDF file and the Binary Attachment XML document that describes it.

The ERO or taxpayer provides the name of the PDF file, including the extension, in the *AttachmentLocation* element and provides a brief description in the *Description* element of the Binary Attachment XML document. The schema for the Binary Attachment document is defined in the file named *BinaryAttachment.xsd*.

Acknowledgement and Reject Codes Crosswalk

http://www.tax.ny.gov/bus/efile/swd_income.htm

Specific Codes for Locality Name for New York City and Yonkers Tax Withheld (Form W-2, box 20, and 1099-R, box 14)

Code	Description
NYC	Name of locality is New York City (see acceptable variations below)
YONKERS	Name of locality is Yonkers (see acceptable variations below)

The following variations of NYC are acceptable

1. NYxxxxxxx except NYSDI, NYSbDI, NYbSDI, NYDI, NYbDI
2. NbYxxxxxx
3. NWYxxxxxx
4. NWbYxxxxx
5. NEWYxxxxx
6. NEWbYxxxx
7. CITYNYxxx
8. CITYNbYxx
9. CITYbNYxx
10. CTYbOFbNY
11. CITYOFNYx
12. CITYOFNbY
13. CITYOFbNY
14. CITYbOFNY
15. BRONXxxxx
16. BROOKLYNx
17. BRKLYNxxx
18. MANHATTAN

- 19. QUEENSxxx
- 20. STATENxxx

The following variations of Yonkers are acceptable

- 1. YONxxxxxx
- 2. YNKxxxxxx
- 3. YKxxxxxx
- 4. CITYOFYKx
- 5. CITYOFbYK
- 6. CITYbOFYK
- 7. CTYOFYKRx
- 8. CTYbOFbYK

W-2 Verification Indicator

If a return is rejected for Error Code R0502 or R0503, commonly caused by user's input error, users should check their W-2(s) and correct the input error. If the users do not find any input errors, they should call the NYS e-file Help Desk and they will be instructed to enter a particular value for this indicator and re-transmit the return. This will resolve the reject. Software Developers are encouraged to support this, and should add the W-2 Verification Indicator to an input screen for user entry.

Entries on Form W-2, Box 14, for NYS Returns

Public employee retirement contributions, usually shown on a paper W-2 box 14, as "414(h)", "Pub Ret", "NYS Ret Cont", etc. (e.g., "414 (h) 750.00") may be subject to NYS tax even though they are not subject to federal tax. All NYS public employee retirement contributions, except Long Island Railroad and Staten Island Railroad, are subject to NYS tax. Public employee retirement contributions from other states are not subject to NYS tax. Refer to the form instructions for details

Similarly, NYC flexible benefits program (IRC 125), usually shown on a paper W-2 box 14 as "IRC 125", "IR 125", "125M", etc. (e.g., "IRC 125 300.00") are subject to NYS tax even though they are not subject to federal tax.

These two amounts, if subject to NYS tax, should be added to the appropriate lines on Form IT-201 or Form IT-203. Refer to the form instructions for details.

For descriptions of all error codes, see [Acknowledgment & Error Codes](#) Crosswalk.

Appendix

Foreign Country Codes

Visit IRS Web site: www.irs.gov/efile/article/0,,id=173966,00.html. NYSDTF will use the Foreign Country Codes as defined by IRS.

Links to publications

<http://www.tax.ny.gov/pdf/publications/general/pub910.pdf>
www.tax.ny.gov/pubs_and_bulls/general.htm

DRAFT