New York State Department
of Taxation and Finance

Publication 97

Partnership
Modernized e-file (MeF) Handbook
For Software Developers
for
Tax Year 2011

January 25, 2012

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.

Fed/State Partnership Modernized e-filing Software
Developer's Guidelines and Schemas for New York State

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1. New for Tax Year 2011

For information on the mandate for tax return preparers, visit our Web site at:
www.tax.ny.gov/tp/efile/tp_busn_mandate.htm

This publication has been made more maneuverable by adding links inside the document. The MeF icon, at the bottom of the page, when selected, will bring you back to the *Table of contents*. There are links in the table of contents that, when selected, will bring you to the appropriate section of the publication.

Tax preparers/Self-filers can no longer opt-out of e-file. Form TR-800, *Taxpayer Opt-Out and Reasonable Cause Record for Tax Return Preparers,* has been eliminated. The tax preparers and self-filers may find this *handout* helpful. Form TP-573, *E-file your return* helpful that explains both the IRS and New York State require tax preparers to e-file their clients' tax returns.

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

"Partnership return (including Form IT-204-LL) or extension (Form IT-370-PF): Most filers are now required to electronically file their 2011 New York State tax returns and extensions. You may be subject to penalty if you file on paper. For more information on this requirement, visit the New York State Tax Department Web site at *www.tax.ny.gov/bus/efile/elf_busn_mandate.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.

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

New York State Department of Taxation and Finance (NYSDTF) is requesting all software developers to include an edit in their software that will ask the taxpayer or tax preparer to verify the taxpayer's current address. If the address has changed, please capture the new address and activate the address change indicator field (ADR_CHG_IND) by including a "1" as the value. This request applies to the Form IT-204 and the Form IT-204-LL.

For processing year 2012, NYSDTF will no longer accept the federal equivalent (Form 7004, Form 4868) of our extension forms (Form IT-370-PF, Form IT-370). The correct NYSDTF form needs to be sent in order to receive the extension benefit. If a federal form is sent with a payment, NYSDTF will process the payment. Subsequently, NYSDTF will send a letter explaining that the federal forms are no longer accepted.

The e-file mandate effective January 01, 2012 includes penalties assessed to the taxpayer for failure to e-file in addition to the penalty for failure to e-pay. The penalty is $50 per tax document or payment. This penalty cannot be abated for reasonable cause. For more information visit NYSDTF Web site (at *www.tax.ny.gov/tp/efile/mandate_penalties.htm*.)

Partnership MeF will modify and remove all personal income tax and corporation tax nonrelated data from the schema. There will be one schema for Partnership MeF and a different schema for personal income tax MeF.

When bank account information (account number and routing number) is being entered for the first time, NYSDTF requires that the information be entered ***twice*** within the tax software. This improves accuracy by requiring the taxpayer to double check their account information. This also reduces the number of direct deposit refunds (DDRs) and electronic funds withdrawal (EFWs) being returned by the taxpayer's bank.

Chapter 61 of the Laws of 2011 changed the due date for filing Form IT-204-LL. Under the new law, Form IT-204-LL must be filed, and the annual filing fee must be paid, within **60 days** after the last day of the tax year of the partnership, LLC, LLP, or single-member LLC that is a disregarded entity. If the 60th day falls on a Saturday, Sunday, or legal holiday, Form IT-204-LL and the annual filing fee may be filed on the next business day. For more information, see *www.tax.ny.gov/pdf/memos/multitax/m11_4c_4i.pdf*

Three forms have been added to the list of e-file supported forms for Partnership modernized e-filing. They are:

- IT-242, *Claim for Conservation Easement Tax Credit*
- IT-602, *Claim for EZ Capital Tax Credit*, and
- IT-603, *Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit*

A new 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.

Social Security is changing the way Social Security numbers (SSN) are issued. For more information visit the IRS Web page (at *www.irs.gov/pub/irs-pdf/p1693_11.pdf*). NYSDTF will accept identification numbers that begin with 'TF' or 'NY' and cannot be the following: IDs that start with 000, 666 or 900-999; IDs that have 00 for the 4th & 5th digit (middle digits); IDs that have 0000 for the last four digits.

Reject Codes / Modifications / Error Codes

See the Rules, Edits, and Rejects section for the complete list.

New: Reject code **05442** added for "Payment Amount exceeds ACH limit or other NY State Limitations" for any ACH payment amount greater than $4,500. This new rejection is to stop any erroneous payments made with a partnership return. The largest NYSDTF filing fee that would be due with a partnership return is $4,500.

New: Reject code **1000**, **1001**, and **1002** have been added for invalid fields, field missing, and invalid data value, respectively.

New: Reject code **05507** added for "Incomplete bank payment data" When an incomplete bank account type is sent, i.e. ACH_IND is selected and account type (personal or business) is not selected.

Examine the New York State spreadsheet for all other changes related to schema, and/or field descriptions, referring specifically to both tabs in the state spreadsheet – "NY State Spreadsheet TY11" and "TY11 Changes." Column R, "Update/New for TY11" within the state spreadsheet indicates the specific change made to each field. Also note that we have added two new fields in connection with internet protocol, IP address (IP_ADR), and IP Timestamp (IP_TIMESTAMP).

2. Introduction

Description of New York State Partnership e-file Program

NYSDTF is participating in the Fed/State Modernized e-file (MeF) program, under the IRS Modernized e-file architecture. NYSDTF is supporting Partnership return e-filing for tax years 2009, 2010 and 2011.

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 EROs, Reporting Agents, Intermediate Service Providers and Transmitters.

Electronic Return Originators (EROs) authorized by the IRS to e-file federal partnership returns are also authorized to e-file partnership returns with NYSDTF. NYSDTF does not require EROs to apply for our program, or provide copies of their IRS acceptance letters.

When partnerships e-file their NYSDTF partnership returns they must also electronically pay any balance due on the electronic return with an ACH debit. The information necessary to initiate the debit must be included with the return data upon filing. See the *New for Tax Year 2011* section in this document (at *Double entry of bank account information*).

NYSDTF requests that you provide a copy of your software as soon as it is released to the public. We will use the software for evaluation, research and to troubleshoot production issues. We will not use the software to prepare and/or file returns. If you support e-file via an online application, we are requesting access to that as well. You may contact Diana Trask-Daley at 518.591.1212 if you need additional information. Please mail a copy of your software to:

Attn: Diana Trask-Daley, Enterprise Services Unit
NYS Dept of Tax and Finance
WA Harriman Campus
Albany, NY 12227

2011 Tax Year e-file Calendar

NYSDTF Partnership e-filing program calendar

Partnership return period	January 1, 2011 through December 31, 2011
Software testing	November 1, 2011 through April 30, 2012
e-file return acceptance period	January **17**, 2012 through the end of December 31, 2012

Note: NYSDTF will be accepting submissions on January 17, 2012, but normally uses the same e-file calendar (start and end dates) as the IRS.

All transmitted returns received by NYSDTF will generate a submission receipt and an acknowledgement. The receipt indicates that the transmission was received by the NYSDTF. An acknowledgement indicates whether or not the return is able to be processed. An accepted acknowledgement record transmitted in XML format indicates the return was received and has successfully completed the transmission validation process. This DOES NOT mean any requested direct debit was processed successfully.

Mandate Information

For information regarding the mandate, visit our Web site (at *www.tax.ny.gov/tp/efile/tp_busn_mandate.htm*) and who the tax preparer e-file mandate applies to (at *www.tax.ny.gov/tp/efile/mandate_participants.htm*).

Additional information for tax professionals:
Partnership Modernized e-file (MeF) Handbook For Tax Practitioners (*Publication 96*)
New York State Handbook for e-file of Personal Income Tax Returns (*Publication 84*)
New York State Handbook for e-file of Fiduciary Income Tax Returns and Estimated Tax (*Publication 90*)
Corporation Tax Modernized e-file Handbook (*Publication 116*)

3. 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 state return is '*not linked'* to a previously accepted federal return (also referred to as 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 Partnership New York State schema.

4. Contact Information

Telephone numbers, Fax numbers, and Mailing Addresses:

NYSDTF e-file Help Desk: (518) 457-6387

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

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

NYSDTF forms and instructions**:** *www.tax.ny.gov/forms/default.htm* or (518) 457-5431.

Fax**:** NYSDTF e-file (518)-485-2348

Mailing Address:
NYS TAX DEPARTMENT
PARTNERSHIP – MODERNIZED E-FILE
PERSONAL INCOME TAX BUREAU
WA HARRIMAN CAMPUS
ALBANY NY 12227

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.

5. Acceptance and Participation

Requirements for Tax Preparers and Transmitters participating in the Partnership 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 partnership 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 Partnership 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.
- The ID is self- selected by the developer.
- Defined as a string allowing alpha characters and digits.

- Limited to 10 characters.
- Stored in an element called <SOFT_VNDR_ID>.
- A required element.
- Each unique vendor ID will test separately for approval.
- Alpha characters may relate to the name of the software company.

Who can participate in e-file?

Tax professionals and transmitters can e-file New York partnership returns when they are authorized to e-file federal partnership returns and are using software approved by the IRS and the NYSDTF. Visit our Web site (at *www.tax.ny.gov/pit/efile/tp_partner_llc.htm*). Partnerships (self filers) acting as Electronic Return Originators (EROs), can prepare and e-file returns themselves without going through a paid preparer.

6. Software Developers Responsibilities

All participants in the NYSDTF MeF program 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 (at *www.irs.gov/pub/irs-pdf/p4164.pdf*).

Partnership self filers must**:**

- Enter the name of the person completing the return and certify to NYSDTF that the data is true, correct, and complete.
- Authorize any electronic payment that is included in the filing. See *Signature - Requirements* for more information.

Confidentiality, Guidelines, Rules, and Violation Consequences

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

Penalties

Article 22, section 697(e), and Article 37, section 1825, of the New York State Tax Law prescribe penalties for violation of confidentiality of taxpayer information requirements. Section 685(u) of the New York State Tax Law prescribes penalties for paid preparers who fail to meet their responsibilities.

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/NYSDTF 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-PT, *New York State e-file Signature Authorization for Tax Year 2011 For Forms IT-204 and IT-204-LL.*

- 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 partnership's records so that if the return cannot be e-filed, the partnership 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.

Numerical listing by publication number: *www.tax.ny.gov/pubs_and_bulls/publications/pub_numeric_list.htm*

7. Web sites and Publications

New York State e-file www.tax.ny.gov	*www.tax.ny.gov/*
NYSDTF e-file Web site	*www.tax.ny.gov/tp/efile/elf_taxpros.htm*
NYSDTF forms and instructions	*www.tax.ny.gov/forms/*

NYSDTF Partnership e-filing Software Developer Testing Package	*www.tax.ny.gov/pit/efile/swd_partnership.htm*
Frequently asked questions (Taxpayer Answer Center)	*www.tax.ny.gov/help/faq.htm*
Publication 16 (*LLC and LLP information)*	*www.tax.ny.gov/pdf/publications/multi/pub16.pdf*
Publication 20, NYS Tax Guide for New Businesses	*www.tax.ny.gov/pdf/publications/multi/pub20_1007.pdf*
Publication 910, NAICS codes	*www.tax.ny.gov/pdf/publications/general/pub910.pdf*
Internal Revenue Service (IRS)	*www.irs.gov/*
IRS Modernized e-file (MeF) Status Page	*www.irs.gov/efile/article/0,,id=168537,00.html*
IRS forms and publications	*www.irs.gov/formspubs/index.html?portlet=3*
Federation of Tax Administrators (FTA)	*www.taxadmin.org/fta/edi/*
National Association of Computerized Tax Processors (NACTP)	*http://nactp.org/*
IRS Foreign Country Code Listing for Modernized e-file	*www.irs.gov/efile/article/0,,id=175595,00.html*

8. NYSDTF Partnership Forms Supported in e-file for Tax Year 2011

Schedules, attachments, and credit forms can be filed with Form IT-204 only.

The following tax forms are supported by NYSDTF Partnership MeF. If a tax filing contains a tax form that is not included in this list, the entire return and all attachments must be filed on paper. In addition, if a tax filing contains a form that is included on this list but is not supported by the taxpayer's tax software, the entire return and all attachments must be filed on paper.

E-FILE SUPPORTED FORMS FOR THE TAX YEAR 2011	
Main forms	
IT-204	*Partnership Return*- Report of Income, Deductions, Credits, etc. (required for filing, no payment allowed)

IT-204-LL	*Partnership, Limited Liability Company, and Limited Liability Partnership Filing Fee Payment Form* (required for filing)
IT-370-PF	*Application for Automatic Extension of Tine to File for Partnerships and Fiduciaries* (with instructions)
Schedules, attachments, etc. for Form IT-204, *Partnership Return*	
DTF-686	*Tax Shelter Reportable Transactions-Attachment to New York State Tax Return*
IT-204-IP*	*New York Partner's Schedule K-1* (optional, can have multiple occurrences in same filing)
IT-204-CP*	*New York Corporate Partner's K-1* (optional, can have multiple occurrences in same filing)
IT-204.1	*New York Corporate Partners' Schedule K*
IT-398	*New York State Depreciation Schedule for IRC Section 168(k) Property*
IT-399	*New York State Depreciation Schedule*
Y-204	*Yonkers Nonresident Partner Allocation*

* For each Form IT-204-CP, and Form IT-204-IT filed the Partner's EIN and the Partner's identifying number (PRTNR_EIN_ID) needs to be entered. Each partner in a partnership should have a unique identifying number (e.g. a social security or employer identification number) within the partnership.

Credit claim forms filed with Form IT-204, *Partnership Return*	
IT-212	*Investment Credit* (optional, can have multiple occurrences in same filing)
***NEW* IT-242**	***Claim for Conservation Easement Tax Credit***
IT-256	*Claim for Special Additional Mortgage Recording Tax Credit* (optional, can have multiple occurrences in same filing)
IT-601	*Claim for EZ Wage Tax Credit* (optional)
***NEW* IT-602**	***Claim for EZ Capital Tax Credit***
***NEW* IT-603**	***Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit***
IT-604	*Claim for QEZE Tax Reduction Credit* (optional)
IT-606	*Claim for QEZE Credit for Real Property Taxes* (optional)

Forms not currently supported for e-filed returns in the tax year 2011;

DTF-619, *Claim for QETC Facilities, Operations, and Training Credit*
DTF-621, *Claim For QETC Employment Credit*
DTF-622, *Claim For QETC Capital Tax Credit*
DTF-624, *Claim For Low- Income Housing Credit*
DTF-630, *Claim For Green Building Credit*

IT-238, *Claim for Rehabilitation of Historic Properties Credit*
IT-239, *Claim for Credit For Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities (credit has expired - for carryover only)*
IT-241, *Claim for Clean Heating Fuel Credit*
IT-243, *Claim for Biofuel Production Credit*
IT-246, *Claim for Empire State Commercial Production Credit*
IT-248, *Claim for Empire State Film Production Credit*
IT-249, *Claim for Long-Term Care Insurance Credit*
IT-250, *Claim for Purchase of an Automated External Defibrillator Credit*
IT-251, *Credit for Employment of Persons with Disabilities*
IT-252, *Investment Tax Credit for the Financial Services Industry*
IT-252 *ATT, Employment Incentive Credit for the Financial Services Industry*
IT-253, *Alternative Fuels Credit* (credit has expired - for recapture or carryover only)
IT-261, *Claim for Empire State Film Post-Production Credit*
IT-605, *Claim for EZ Investment Tax Credit & EZ Employment Incentive Credit for Financial Services Industry*
IT-607, *Claim for Excelsior Jobs Program Tax Credit*
IT-611, *Claim for Brownfield Redevelopment Tax Credit*
IT-611.1, *Claim for Brownfield Redevelopment Tax Credit*
IT-612, *Remediated Brownfield Credit for Real Property Taxes*
IT-613, *Claim for Environmental Remediation Insurance Credit*
IT-631, *Claim for Security Officer Training Tax Credit*
IT-633, *Economic Transformation and Facility Redevelopment Program Tax Credit*

9. Software Acceptance, Testing, and Approval

The following information must be provided to NYSDTF 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 IRS
Tax Year 2011 New York State forms supported for Partnership e-file
Software ID
Other information as required

The information should be emailed to: efile@nystax.gov

New York State Software Testing will begin November 2011 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 partnership 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 partnership e-file test package and all other testing documents and schemas are available on our Web site (at *www.tax.ny.gov/pit/efile/swd_partnership.htm*).
See Publication 75, *Specifications for Reproduction of Scannable and Nonscannable New York State Income Tax Forms* (at *www.tax.ny.gov/pubs_and_bulls/publications/income_pubs.htm*).

What you will need for testing:

- Current year test package with PDF copies of NYSDTF returns.
- Publication 97
- NYSDTF specific current year XML schema (must use the latest version).
- State spreadsheet of required data elements and edits
- Chart of current year schema business objects (BO) to be included by form.
- Sample forms displaying XML tags

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.

The New York State spreadsheet will include definitions and information for each field including: type, format, length, allowable values, allowable occurrences, and business/validation rules.

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.

10. 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. 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 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
- on the day the original submission was rejected, and
- If the original submission ID# is present on the resubmission.

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.

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.

11. Payment Handling and Acceptance

Paying a balance due

Partnerships electing to electronically file their Forms IT-204-LL must also electronically pay the balance due with an ACH debit. The information necessary to initiate the ACH debit must be included with the return data when the return is filed. Partially paid or unpaid liabilities on an e-filed return will be billed when the return is processed. There is no paper voucher option for e-filed returns.

Preparers and EROs must stress to taxpayers the importance of supplying correct information because the routing transit number and bank account number may not be changed once a return has been transmitted and accepted. They should also stress that their clients follow up to ensure the debit is processed at their financial institution. We do not reject or notify the filer if the ACH payment is returned dishonored or if the bank could not debit the account. If no follow up is done, the filers may receive a bill at a later date, which will include applicable penalties and interest.

Pay by electronic funds withdrawal (direct debit)

Taxpayers must specify the following at the time the Form IT-204-LL is e-filed: 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. Returns can be submitted with full payment, partial payment or no payment. Balances due will be billed at a later date, once the return is fully processed.

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.

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 partially paid or 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 and the *Amended* box is not marked, the filing will reject. If an amended return is submitted with the same ACH information as the original return, the debit request will be processed as a new request.

Common Questions about Electronic Funds Withdrawal (direct debit):

1. How is an electronic funds withdrawal initiated?

The tax preparer/general partner will specify on the return that they are authorizing electronic funds withdrawal if there is a balance due on an e-file return. If the return is e-filed before the due date, a requested settlement date up to and including the due date MUST be specified. If a return is e-filed on or after the due date, the requested ACH /debit withdrawal date must equal the received date. The filing of a Form IT-370-PF, *Application for Automatic Extension of Time to File for Partnerships and Fiduciaries*, is disregarded in computing the due date of the return payment.

2. What information is needed to make an electronic funds withdrawal payment and how is the information used once the return is e-filed?

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.

3. Will a partial payment be accepted?

Yes, partial payment will be accepted. However, NYSDTF strongly recommends full payment at the time the return is e-filed.

4. If the electronic funds withdrawal option with delayed payment is chosen, what assurance is given that the money won't be withdrawn sooner?

Money will not be withdrawn from any account before the date specified unless the due date of the filing has passed. For a return e-filed after the due date, the withdrawal will be processed on the date the e-file return is accepted. If a weekend or bank holiday is designated, the payment will be withdrawn on the next business day.

5. Can an electronic funds withdrawal be made after the due date?

If a return is e-filed after the due date, the balance **must** be paid by an electronic funds withdrawal along with the e-filed return. Checks are not allowed as a method of payment. We will disregard the ACH request date and immediately process the ACH debit.

6. What will the tax preparer/partnership Officer receive from NYSDTF as confirmation of the electronic fund withdrawal payment?

The confirmation is the partnership's bank statement that includes a NYSDTF file payment line item, e.g., PIT ELF - NYS DTF. The acceptance of the NYSDTF return filing DOES NOT confirm the electronic funds withdrawal was successful. The acknowledgement is solely for the acceptance of the return.

7. What if I want to change my designated payment date or cancel my payment?

Once the e-filed partnership return is accepted, the designated payment date cannot be changed and the payment cannot be cancelled.

12. Signature Requirements for Partnership e-file Returns

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-PT**, ***New York State E-File Signature Authorization for Tax Year 2010* (or appropriate year) *For Forms IT-204 and IT-204-LL.*** Form TR-579-PT 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-PT 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 below.

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 below. Form TR-579-PT and ERO / Preparer declaration check box are not required.

Declaration certification language for e-file returns:

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 Self-Filer to be included on approved NYS e-file products for Partnership Return or Filing Fee Payment Form (filers of NYS Forms IT-204 and IT-204-LL)

NYS e-file software intended for partnership online (self) filer must present the following applicable declaration on the screen(s) for the taxpayer(s) to complete.

Self-Filer Declaration and Signature

I declare, under penalty of perjury, that I have examined the information on this 2011 New York State electronic partnership return or filing fee payment form (hereafter, "return"), including any accompanying schedules, attachments, and statements, and certify that this electronic return is true, correct, and complete.

If an amount owed on this return 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.

By entering my name and checking the box shown below, I declare that I am an authorized member or general partner in this partnership, LLP or LLC (hereafter, collectively, "partnership"), that I am authorized to sign and file this electronic return on behalf of the partnership, and am in fact signing and filing this return.

_____
Enter Name

☐ I have read the certification above and agree

Certification of ERO or tax preparer to be included on approved NYS Partnership Return (NYS Forms IT-204 and IT-204-LL) e-file products for tax professionals

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

ERO/ Preparer Certification and Signature

I certify that I have a valid New York State E-File Signature Authorization for Tax Year 2011 (Form TR-579-PT), authorizing me to sign and file this return on behalf of the partnership, LLP or LLC (hereafter, collectively, "partnership"). 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 partnership. If financial institution account information has been provided on the return, I certify that the partnership has agreed to payment of the amount indicated as due by electronic funds withdrawal, that the partnership 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 partnership'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

13. 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 and for the accuracy of a document image, whether an attachment is in a PDF file or in an image file format, the resolution should be no more than 200 dpi.**

Please refer to IRS Publication 4164, *Modernized e-File (MeF)Guide for Software Developers And Transmitters*. See page 31, section 2.2 IRS Web site (at www.irs.gov/pub/irs-pdf/p4164.pdf).

Some federal forms that should be attached as PDFs include, but not limited to, the following:

Federal Attachment	State Form Reference
Schedule M-3	IT-204, Section 5
Form 4562	IT-204, Section 2, Part 2, Line 18 & Section 7, Line 98
Form 4797	IT-204, Section 2, Part 1, Line 8 & Section 7, Line 96
Form 8825	IT-204, Section 7, and Line 87
Schedule F (Form 1040)	IT-204, Section 2, Part 1, Line 7
Form 970	IT-204, Section 3, and Line 37
Schedule D	IT-204, Section 7, Lines 94 & 95

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.
- If the PDF is to be attached to a *GeneralDependency* or *GeneralDependencyElection* (i.e., Plans of Merger, Plans of Reorganization) 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*.

14. Exclusions from NYSDTF Partnership e-filing Program

NYSDTF follows the IRS guidelines for MeF exclusions (refer to IRS Publication 4164).

In addition to the IRS guidelines, NYSDTF returns meeting any of the following criteria may not be e-filed with New York State:

- Returns filed with Hurricane Irene or Tropical Storm Lee written on them, or with the D3 special conditions indicator. For additional information visit our Web site (at *www.tax.ny.gov/bus/multi/Irene_relief.htm*), and (at *www.tax.ny.gov/bus/multi/lee_relief.htm*).
- Returns filed with a liability period begin date prior to January 1, 2009. The tax year is determined by the liability period begin date year.
- Returns filed with a liability period begin date on or after December 2, 2011.
- Returns that include New York State tax forms that are not currently supported by e-file. Refer to the chart in this publication (at *e-file supported forms*).
- Returns requesting an electronic funds withdrawal payment where the funds for the payment would come from an account outside the U.S.

See NYSDTF e-file mandate on our Web site (at *www.tax.ny.gov/tp/efile/tp_bus_mandate.htm*).

15.Rules, Edits, and Rejects

Error Codes for Rejected Returns

- ***New:*** reject code 05442 - If state partnership "Payment Amount exceeds ACH limit or other NY State Limitations" for any ACH Payment amount > $4,500**.**

Edits and Acknowledgement Reject Codes

- ***New edit:*** There has been an increase in the length of various fields from twenty (20) characters to fifty (50) alpha characters in order to be consistent with the federal data elements. Refer to the state spreadsheet for field names and descriptions.

Please refer to the NYSDTF e-file Web site for Partnership /Software Developers and download our schema file (at www.tax.ny.gov/pit/efile/swd_partnership.htm).

The table below provides a listing of the error codes used by NYSDTF. Please review the table to ensure you are sending the correct error text with the correct error code because the codes used by NYSDTF are different from those used by the IRS and other states.

ERROR CODES FOR REJECTED RETURNS, TAX YEAR 2011		
Reject Code	**Reject Condition**	**Description**
1000 ***New***	Invalid Field	Schema validation detail error
1001 ***New***	Field Missing	Schema validation detail error
1002 ***New***	Invalid Data Value	Schema validation detail error
02707	Liability period end date is before the liability period begin date	Liability Period end date cannot be prior to the Liability Period begin date
02708	Document received date is before Postmark date	Document received date is before Postmark date
04012	Filing Composition Error	The combination of forms in the filing is not valid
04015	Form Not Valid for Tax Year	Only 2009, 2010 and 2011 tax year forms are valid, or a main form is required but was not included in the tax return
04074	ELF Schema Validation Failure	Refers to Software Developer's schema validation
04075	Invalid Bank Routing Number	Bank Routing number is invalid
04079	Submission does not contain a main form	A Main Form must be included- see *Tax forms supported* in this Publication
04676	ACH Debit > Payment Enclosed	The debit amount requested is greater than the Filing Fee due
04882	Payment not allowed with IT-204 or IT-370-PF	Payment is only allowed with Form IT-204-LL for partnerships
04883	Software vendor is not approved	The Software ID has not been approved by NYS for partnership e-file
04919	Prior tax year of submission is not Accepted	Tax year 2008 and prior are not accepted
04924	Payment amount Conflicts with ACH Indicator	ACH indicator is selected but no payment amount information is entered.
05025	Invalid liability period	Liability period is either > 12months or not within the MeF tax years accepted i

05046	Future Year Returns are not Accepted	Tax year 2012 and later are not accepted
05107	State/province is required if country code is US or Canada (CA)	The state is required if country code is United States (US) and Province is required if country code is Canada (CA) ii
05108	Duplicate Submission	Duplicate filing criteria met – filing contains all the same information, forms and ACH data
05110	International ACH Transactions (IAT) not Accepted	If the International ACH Transactions (IAT) is selected then no direct debit (ACH) information is allowed
05111	Account number cannot equal routing number	Account number cannot be the same as routing number
05118	Either LLC/LLP Filing Fee or LLC Disregarded Entity Filing Fee can be > 0 not both	Both the LLC/LLP Filing Fee and the LLC Disregarded Entity Filing Fee cannot be > 0
05134	"PREPARER" is not a valid entry for Paid Prep.name or Third Party name	"PREPARER" is not a valid entry for paid preparer name or third party designee name
05135	Submission contains Invalid XML	Submission contains invalid XML
05264	ELC_AUTH_EFCTV_DT is blank	If the ACH information is blank and the submission is received prior to the due date the ELC_AUTH_EFCTV_DT must be entered.
05265	Declaration and signature authorization is incorrect or missing	Based on the preparer signature or both declaration indicators are missing.
05266	ACH_IND conflicts with RFND_OWE_IND	Payment information complete and/or the ACH IND conflicts with the RFND_OWE_IND
05267	Invalid Identification Number	The identification #, social security #, EIN# is an invalid: DSRGRD_ENT_ID (204LL) PREP_SSN_NMBR (Header, 204, 204LL) EXT_TP_ID (FilingKeys, Header) EXT_TP_PSHIP_ID (TIPartnership) PAID_PREPARER_ID (Header, 204, 204LL) WTHLD_TAX_ID (204)
05276	IT-370-PF received with IT-205 box checked	IT-205 extension not accepted via Modernized e-file

05376	State address should not be populated when Cntry Cd Not = 'US' or 'CA'	If MAIL_COUNTRY_CD not = US or CA, MAIL_STATE_ADR should not be populated
05442 ***New***	Payment amount for Partnership cannot exceed $4,500.00.	State "Payment Amount exceeds ACH limit or other NY State Limitations" for any ACH Payment amount > $4500
05507 ***New***	Incomplete bank payment data	When incomplete bank account type is sent, i.e. ACH_IND is selected and account type (personal or business) is not selected.

[i] If the return is for the calendar year 2011, the beginning and ending date must be 01/01/11 and 12/31/11 respectively. The liability period reported on your filing must not be greater than twelve months, however you can elect to use a 52/53-week tax year if you keep your books and report your income and expenses on that basis. To make the election, attach a statement with the following information to your tax return for the 52/53-week tax year and ensure you set the beginning and ending date to 01/01/2011 and 12/31/2011 respectively.

1. The month in which the new 52-53-week tax year ends.
2. The day of the week on which the tax year always ends.
3. The date the tax year ends. It can be either of the following dates on which the chosen day.

Last occurs in the month in **1.**, above, or
Occurs nearest to the last day of the month in **1.**, above.

[ii] See **How to Enter Foreign Addresses**:

How to Enter Foreign Addresses:

Address – With the exception of Canadian addresses, foreign ZIP codes should be entered at the end of the address field.

City – enter city / town as applicable.

State – For Canadian addresses, enter province; for all other foreign addresses state must be blank.

Country Code – enter appropriate foreign country code: see *Appendix* for list.

ZIP code and ZIP code ext – For Canadian addresses enter the first three characters of the postal code in the ZIP code field and enter characters four through six of the postal code in the ZIP code ext field. For all other foreign addresses ZIP code and ZIP code ext must be blank.

16. 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 Categories/ Business Rules for more information about business rules). 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.

For a complete list refer to the New York State e-file Web site for Partnership /Software Developers and download our Schemas and Edits file, (at *www.tax.ny.gov/pit/efile/swd_partnership.htm*).

COMMON SCHEMA VALIDATION ERRORS (CODE *04074*):	
Error	**Details/Description**
The wrong year schema was used based on the liability period begin date	Schema year must be equal to the liability period begin year.
Incorrect Data	Data violates a business rule even though it is syntactically correct. That is, the data values for elements must conform to the format specified and the data type. Also, the data values for elements must contain only values allowed for them in the schema.
Missing Data	Data is not provided for a required field.
Multiple Document	More than the required number of documents is included in the tax return.
The length of DSRGRD_ENT_ID is greater than 11	Invalid Contents
Invalid Identification Number	EXT_TP_ID PAID_PREPARER_ID PREP_SSN_NMBR EIN_ID WTHLD_TAX_ID PSHIP_EIN_ID ENT_ID PRTNR_EIN_ID ENT_INDV_ID GRP_EIN_ID DSRGRD_ENT_ID ITC_PRTNR_EMP_ID ITC_SCORP_EIN_ID EMP_SSN_ID EXT_TP_PSHIP_ID QEZ_TR_EIN_1_ID QEZ_TR_EIN_2_ID

The length of PAID_PREPARER_ID is greater than 9	Invalid Content
The length of MAIL_ZIP_5_ADR is greater than 5	Format of ZIP code to only allow 5 byte (MAIL_ZIP_5_ADR) and 4 byte (MAIL_ZIP_4_ADR). ZIP cannot be sent with 9 bytes in a single field. This will reject for invalid schema
The length of MAIL_ZIP_4_ADR is greater than 4	Format of ZIP code has changed to only allow 5 byte (MAIL_ZIP_5_ADR) and 4 byte (MAIL_ZIP_4_ADR). ZIP cannot be sent with 9 bytes in a single field. This will reject for invalid schema
New York Source gross income of the LLC or LLP Cannot be Negative	Invalid Content

17. Appendix

Foreign Country Codes as Defined by Internal Revenue Service:

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

NAICS Codes:

A principal business activity and the associated code are designed to classify an enterprise by the type of activity in which it is negated to facilitate the administration of the Internal Revenue Code. These principal business activity codes are based on the North American Industry Classification System.

Links to publications:

www.tax.ny.gov/pdf/publications/general/pub910.pdf

www.tax.ny.gov/pubs_and_bulls/general.htm