



New York State Handbook for Modernized E-Filers of Fiduciary Income Tax Returns

Tax Year 2013



Table of contents

Introduction	3
NYSDTF forms supported in e-file.....	4
Federal forms	5
E-file mandate information	5
E-file schema reject and acknowledgement codes	5
Exclusions from e-file	5
Changes for tax year 2013	6
Short tax year	7
Handling of PDF attachments	7
Amended returns	8
Prior year returns	9
Fiduciary extensions	9
Payment handling and acceptance	9
Requirements for tax preparers participating in fiduciary e-file program	11
Tax Year 2013 fiduciary e-file calendar	13
Testing and certification	13
Software development	13
Letter of intent	13
IRS e-file Fed/State program	15
Receipts and acknowledgement systems	15
Perfection period for rejected submission	16
Entering addresses	17
Signature requirements for fiduciary e-file documents	19
Fiduciary income tax e-file reject codes	22

Introduction

The New York State Department of Taxation and Finance (NYS DTF) is participating in the Fed/State Modernized e-File (MeF) program under the IRS Modernized e-File architecture. NYSDTF will implement the MeF technology for Fiduciary returns starting with Tax Year 2013/Processing Year 2014 using Extensible Markup Language or *XML*. NYSDTF will **not** be maintaining our legacy system; it will be decommissioned with the completion of Tax Year 2012.

NYSDTF is supporting New York State fiduciary income tax return Form IT-205. A list of all supported forms can be found in this publication.

For the initial implementation, e-filed returns are accepted for Tax Year 2013 only. As subsequent tax years are added to the system, MeF will accept the current year and two prior tax years. Tax years beyond the two prior years cannot be filed through MeF.

All participants in the NYS program must comply with IRS and NYS procedures, requirements, and specifications, including those in the following IRS and NYS Publications:

Publication 3112, *IRS e-file Application and Participation*

Publication 4164, *Modernized e-File (MeF) Guide for Software Developers and Transmitters*

Publication 4163, *Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns*

Publication 5078, *Modernized e-File (MeF) Test Package for Electronic Filers of Business Income Tax*
[Test Package for Software Developers for NYS Fiduciary MeF - Tax Year 2013](#)

Publication 90-B, *New York State Specifications for Electronic Bulk Payments of Fiduciary Income Tax and Estimated Tax*.

NYSDTF offers the following e-file programs for fiduciary returns and payments:

- Form IT-205, *Fiduciary Income Tax Return*, and Form IT-370-PF, *Application for Automatic Extension of Time to file for Partnerships and Fiduciaries*. This includes ACH for balance due and direct deposit for refunds.
- New York will also accept single payments by check for fiduciary returns. See Form IT-205-V, *Payment Voucher for Fiduciary Income Tax Returns*; the form with instructions is available on our Web site at: www.tax.ny.gov/forms/fiduciary_cur_forms.htm
- **For extensions filed using tax preparation software, the only payment option is electronic funds withdrawal from a checking or savings account.**
- Electronic payment voucher through NYS's program for:
 - Form IT-205 balance due
 - Form IT-2106, *Estimated Income Tax Payment Voucher for Fiduciaries*

See Publication 90-B for more information.

Forms accepted for New York State e-file*

Schedules, attachments, and credit forms cannot be submitted separately and must be filed with Form IT-205. If you need to provide an additional schedule, attachment, or credit form after the return has been e-filed, you will need to e-file an amended return with the additional documentation.

The following tax forms are supported by NYSDTF Fiduciary MeF. If a tax filing contains a tax form that is not included on 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 tax software, the entire return and all attachments must be filed on paper.

NYS form #	Form title
IT-370-PF	Application for Automatic Extension of Time to File for Partnerships and Fiduciaries
IT-205	Fiduciary Income Tax Return
IT-205-A	Fiduciary Allocation
IT-205-C	New York State Resident Trust Nontaxable Certification
IT-135	Sales and Use Tax Report for Purchases of Items and Services Costing \$25,000 or more
IT-219	Credit for New York City Unincorporated Business Tax
IT-220	Minimum Income Tax
IT-223	Innovation Hot Spot Deduction
IT-2105.9	Underpayment of Estimated Income Tax by Individuals and Fiduciaries
IT-607	Claim for Excelsior Jobs Program Tax Credit
IT-611	Claim for Brownfield Redevelopment Tax Credit (Prior to June 23, 2008)
IT-611.1	Claim for Brownfield Redevelopment Tax Credit (After June 23, 2008)
IT-612	Claim for Remediated Brownfield Credit for Real Property Taxes
IT-637	Alternative Fuels and Electric Vehicle Recharging Property Credit

Federal forms included in NY schema

Form	Form title	Note
Schedule C (1040)	Profit or Loss from Business	IRS version
Schedule C-EZ	Net Profit From Business	IRS version
W-2	Wage and Tax Statement	IRS version
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	IRS version
1099-G	Certain Government Payments	TIGERS version
W-2G	Certain Gambling Winnings	TIGERS version

Federal forms required in federal XML format

Federal forms may be required to complete the NYS return. The XML for these forms should be included in the transmission zip file. (See IRS Publication 4164.)

Form	Form title	Note
Schedule D (1041)	Capital Gains and Losses	Line 46, IT-205
Schedule E	Supplemental Income and Loss	Line 47, IT-205
Schedule F	Profit or Loss from Farming	Line 48, IT-205
Federal Form 4797	Sales of Business Property	Line 49, IT-205
Schedule K-1 (Form 1041)	Beneficiary's Share of Income, Deductions, Credits, etc.	Line 58, IT-205
Federal Form 4684	Casualties and Thefts	IT-205-A Schedule 8
Schedule I (Form 1041)	Alternative Minimum Tax - Estates and Trusts	IT-220
Federal Form 6251	Alternative Minimum Tax - Individuals	IT-220
Schedule J (Form 1041)	Accumulation Distribution for Certain Complex Trusts	IT-205 Line 10 and 18 (NYS and NYC accumulation distribution credit)

Form	Form title	Note
Federal Form 8949	Sales and Other Dispositions of Capital Assets	It is part of schedule D
Federal Form 4970	Tax on Accumulation Distribution of Trusts	IT-205 Line 10 and 18 (NYS and NYC accumulation distribution credit)

In the alternative, NYS will accept a complete copy of the federal return. Whether you provide only the required forms or the complete copy of the federal return, the federal XML must be submitted in a separate folder in the same message container as specified by the IRS and the TIGERS standard. Do not include the federal return as a PDF attachment.

E-file mandate information

For information on the e-file mandate, visit our Web site (at www.tax.ny.gov/tp/efile/tp_busn_mandate.htm). If returns are not filed and paid electronically when required, the New York State Tax Department can impose penalties on the preparer.

E-file schema, reject and acknowledgement codes

The fiduciary income tax e-file schema and acknowledgement acceptance and reject codes are available at: http://www.tax.ny.gov/bus/efile/swd_fiduciary.htm

Exclusions from e-file

NYS DTF follows the IRS guidelines for MeF exclusions (refer to IRS Publication 4164). In addition to the IRS exclusion guidelines, NYS DTF returns meeting any of the following criteria may **not** be e-filed with NYS DTF:

- Bankruptcy estate cases
- Returns filed for a Tax Year other than 2013
- Returns requesting electronic funds withdrawal payment, or direct deposit, where the funds would come from or go to an account outside the United States
- Returns that include New York State tax forms that are not currently supported by e-file
- Returns claiming accumulation distribution credit

Changes for Tax Year 2013

Item	Tax Year 2013	Previous tax years
NY forms supported	IT-205 Fiduciary Income Tax return IT-205-A Fiduciary Allocation IT-205-C New York State Resident Trust Nontaxable Certification IT-370-PF Application for Automatic Extension of Time to File for Partnerships and Fiduciaries IT-135 Sales and Use Tax Report for Purchases of Items and Services Costing \$25000 or more IT-219 Credit for NYC Unincorporated Business Tax IT-220 Minimum Income Tax IT-223 Hot Spot Innovation Deduction IT-607 Claim for Excelsior Jobs Program Tax Credit IT-611 Claim for Brownfield Redevelopment Tax Credit prior to June 23, 2008 IT-611.1 Claim for Brownfield Redevelopment Tax Credit on or after June 23, 2008 IT-612 Claim for Remedial Brownfield Credit for Real Property Taxes IT-637 Alternative Fuels and Electric Vehicle Recharging Property Credit IT-2105.9 Underpayment of Estimated Income Tax by Individuals and Fiduciaries	IT-205 Fiduciary Income Tax Return IT-2105.9 Underpayment of Estimated Income Tax by Individuals and Fiduciaries
IT-370-PF	Added to MEF, will also be part of the NY e-File mandate. Options for ACH/direct deposit will be available. New Form TR-579.3-IT to authorize payment for Form IT-370-PF.	Not supported
Federal forms transmitted in NY submission.	Schedule C, Schedule C-EZ, W-2, 1099-R, W-2G and 1099-G are formatted within the NY schema. NY copies of other required federal attachments or complete copy of federal return is included in separate folder within the NY submission.	All federal data was transmitted in an attachment record
PDF file attachments	Form instruction request for attached information such as certificates, statements and schedules can be scanned into a PDF file (.pdf) and included in an attachment folder in the submission zip file.	Not available
Direct state filings	Allows state-only filings for MeF (unlinked). Submission does not require a corresponding federal return	Federal and state returns were required to be transmitted together
Rejected returns	Can be corrected and resubmitted	If rejected and could not be electronically resubmitted
Amended returns	Available for e-file for Tax Year 2013 in processing year 2014	Not available
Prior year returns	Available for e-file for Tax Year 2013 in processing year 2015	Not available
Fiscal year filers	All fiscal year filers can e-file through MeF	Cut-off for fiscal year filers with tax periods ending after June
Short tax year filers	Available for e-file	Not available

Item	Tax Year 2013	Previous tax years
Entity types Form IT-205	Increased number of fields to accommodate multiple entity types	Were able to only choose one entity type
Fiduciary foreign address (mailing)	Allow foreign address	Not available
205 signature method	We will be using check box for signature method. Modify Form TR-579.2-IT to include ERO/Preparer signature	PIN used

Short tax year

Short-year returns can be filed on prior year forms using the prior year schema.

1. Identify the YYYY portion of the beginning liability period.
2. Check to see if the schema for that year is in production yet.
 - a. If the schema is in production, validate the return against that year.
 - b. If the schema is not in production, validate the return against the year-1.

Current year software is available

When a taxpayer needs to file a short period return and the current year software is available, ensure that the Tax Year in the Return Manifest and Return Header reflect the Tax Year of the schemas being used (e.g., in the current year, use TY2013). Then, enter the actual beginning and ending date of the short period return (e.g., 11/01/2013 – 01/31/2014).

Current year software is not available

In certain situations, a taxpayer may need to file a short period return before the software is ready for the next tax year. For instance a taxpayer may need to file a short period TY2013 return with Tax Period Beginning Date 01/01/13 and Tax Period Ending Date 06/30/13. Return is due by 10/15/2013. Such a return cannot be e-filed this year as the TY2013 software is not developed yet and no TY2012 schema exists for fiduciary. These returns will have to be paper filed for the first year.

Attaching non-XML documents

All Binary Attachments must be in PDF format. This includes: 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 password protect, or encrypt, or in any way *document protect* PDF attachments submitted through MeF.

Attachment for additional information (.pdf)

In cases where the user is required to create an attachment to comply with our form instructions; for example, attaching a certificate or a summary sheet, NY requires that you create the .pdf file with the following naming convention (e.g., *it607certofoxcredit.pdf*):

Form/Line/Schedule	Condition	.pdf file name
IT-607	Submitting a copy of your certificate of tax credit	<i>it607certofoxcredit</i>
IT-611	Submitting a copy of the certificate of completion	<i>it611certofoxcompletion</i>
IT-611	Submitting a copy of the sale or transfer documentation	<i>it611saleortransferdocumentation</i>
IT-611.1	Submitting a copy of the certificate of completion	<i>it6111certofoxcompletion</i>
IT-611.1	Submitting a copy of the sale or transfer documentation	<i>it6111saleortransferdocumentation</i>

IT-612	You are submitting a copy of the Certificate of Completion	<i>it612certofcompletion</i>
IT-612	Submitting a copy of the sale or transfer documentation	<i>it612saleortransferdocumentation</i>
IT-205	Submitting a signed statement indicating that you concede the federal audit changes or audit changes, submit a signed statement explaining why. Submit all of the following with amended Form IT-205:all of the following with amended Form IT-205:	<i>it205amededreturnexplanation</i>
IT-205	Electing small business trust (ESBT) and submitting the federal tax computation for the S portion of the ESBT.	<i>it205fedtaxcomputationforsportionofesbt</i>
IT-205	Grantor type trusts not using an optional filing method for federal purposes. Submit with Form IT-205 a copy of the attachment to federal Form 1041 that shows the amounts that are taxable directly to the grantor.	<i>grantorcopyofattachmenttofederal1041</i>
IT-205, Line 2	Line 2 New York modifications relating to amounts allocated to principal – The following amounts are to be added or subtracted on this line to the extent they are attributable to amounts that are not includable in federal distributable net income of the estate or trust (submit a statement giving full details)	<i>it205modificationsamountsallocatedtoPrincipal</i>
IT-205/Schedule B	Beneficiary of another estate or trust If the estate or trust is a beneficiary of another estate or trust, the share of the fiduciary adjustment of the other estate or trust to be included in Schedule B of Form IT-205 may generally be obtained from its fiduciary. Submit a schedule showing how the fiduciary adjustment was figured.	<i>fiduciaryadjustmentschedule</i>
IT-205A/Schedule 1, Line 3	Estate tax deduction (submit computation)	<i>it205aline3computation</i>
IT-205A/Schedule 1/LN7	Line 7 New York modifications relating to amounts allocated to principal – The same modifications listed in the instructions for line 2 of Form IT-205 are to be added or subtracted here to the extent that they apply to amounts not includable in federal distributable net income of the estate or trust. Submit a statement giving full details of any modifications.	<i>it205aline7computation</i>
IT-205A/Schedule 1/LN12	Line 12 Income percentage – New York additions and subtractions that relate to intangible items of income, such as interest or dividend income, are only required to the extent the property that generates the income is employed in a business, trade, profession, or occupation carried on in New York State. Submit a copy of your computation with Form IT-205.	<i>it205aline12incomepercentagecomputation</i>
IT-205 A Schedule 3/Column 5	Column 5 – Submit a separate schedule showing each nonresident beneficiary's share of other deductions from New York State sources included in the beneficiary's total share of distributable net income.	<i>it205anonresbenshareotherded</i>
IT-205 A Schedule 3/Column 6	Column 6 – Submit a separate schedule showing each nonresident beneficiary's share of federal tax preference items derived from New York State sources and the amount of any modifications that apply. See Form IT-220, Minimum Income Tax, with instructions.	<i>it205anonresbensharemodifications</i>
IT-205A/Schedule 5	Schedule 5 – Formula basis allocation of business income. Complete if business is carried on both in and out of New York State (submit list giving locations and descriptions of all places, both in and out of New York State, where you carry on business).	<i>it205asch5allocations</i>
IT-205A/Schedule 7 /Part 1/LN63	63 Short-term capital loss carryover (submit computation).	<i>it205a63stloss</i>
IT-205A/Schedule 7 /Part 2/LN71	71 Long-term capital loss carryover from 2012 (submit computation)	<i>it205a71ltloss</i>

Refer to IRS Publication 4164 for binary attachment submissions and guidelines. Attaching non-XML documents (PDF files) is different than attaching XML documents.

Note: Approved e-file tax preparation software MUST provide the necessary instructions for creating, scanning or exporting documents in PDF format and submitting these documents as attachments that are required by New York.

Amended returns

In Processing Year 2014:

- Amended returns for Tax Year 2013 can be e-filed.

In Processing year 2015:

- Amended Returns for Tax Years 2013 and 2014 can be e-filed.

In Processing Year 2016:

- Amended Returns for Tax years 2013, 2014 and 2015 can be e-filed.

To amend Form IT-205 to correct an error or to report changes, you must electronically file an amended return by marking an **X** in the amended return box. If your software supports electronic filing of the amended return, you must file it electronically. Please attach an explanation of the changes with the electronic filing. Do not file an amended return in protest of an assessment. You cannot separately submit attachments after the return is filed. You must file an amended return to include any missing documents.

Prior year returns

Prior year returns were excluded from e-file in Legacy.

Fiduciary MeF will progressively accept multiple years' returns from Tax Year 2013 forward.

In Processing Year 2014 you can only e-file Tax Year 2013.

In Processing Year 2015 you will be able to e-file Tax Years 2014 and 2013.

In Processing Year 2016 you will be able to e-file Tax Years 2015, 2014, and 2013.

In Processing Year 2017 you will be able to e-file Tax Years 2016, 2015, and 2014.

Fiduciary extensions (Form IT-370-PF)

For preparers subject to the e-file mandate, the extensions must be filed electronically, using tax preparation software or directly on the Tax Department's Web site.

The Tax Department offers an application on our Web site that supports electronic filing of both balance-due and no-balance-due extensions.

For balance-due extensions filed directly on our Web site, the following payment methods are available:

- electronic funds ACH withdrawal, from a checking or savings account
- check or money order submitted with Form IT-370-PF-V

Mail Form IT-370-PF-V and payment to:

EXTENSION REQUEST
PO BOX 4125
BINGHAMTON NY 13902-4125

(See Publication 55 if you wish to use a private delivery service instead of U.S. Mail.)

For extensions filed using tax preparation software, the only payment option is electronic funds withdrawal from a checking or savings account.

Payment handling and acceptance

Paying a balance due

The balance due on an e-filed Form IT-205 or IT-370-PF can be paid electronically with an ACH debit. The information necessary to initiate the ACH debit must be included with the submission when the return is filed. Partially paid or unpaid liabilities on an e-filed return will be billed when the return is processed. New York will also accept single payments for fiduciary returns by check or money order. See Form IT-205-V, *Payment Voucher for Fiduciary Income Tax Returns*, available on our Web site: www.tax.ny.gov/forms/fiduciary_cur_forms.htm

Double entry of bank account information

When bank account information (account number and routing number) is entered, we require that the information is entered twice. This improves accuracy by requiring the taxpayer to double check their account information and reduces the number of direct deposit and electronic funds withdrawals being returned by the taxpayer's bank.

The bank routing transit number and bank account number may not be changed once a return or extension has been transmitted and accepted. If an ACH debit is not successful the taxpayer could receive a bill including penalties and interest.

Pay by electronic funds withdrawal (direct debit)

Payments may be made by an electronic funds withdrawal from an account as long as the payment is not coming from an account outside the United States. At the time of filing, the following information must be provided with the return data: the amount to be withdrawn

- the bank account number
- the bank routing number
- the type of the account:
 - personal checking
 - personal savings
 - business checking
 - business savings
- the date of the withdrawal

Taxpayers can pay the full balance due, or make a partial payment on Form IT-205. When filing Form IT-370-PF, payment in full is required. Please note that unpaid returns will be accepted in e-file and the balance due will be billed at a later date.

Taxpayers can specify a payment date up to and including the due date of the return. If the payment date falls on a weekend or bank holiday, the payment will be withdrawn the next business day. If e-filed before the due date, the money will not be withdrawn from the account before the date specified. The requested date cannot be after the return due date. For returns e-filed after the due date, the authorized withdrawal from the account will be processed on the date the e-filed return is accepted. 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.

When submitting a corrected 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 be rejected.

The taxpayer can revoke an electronic payment by calling NYS DTF no later than five (5) business days before the date of the payment withdrawal.

To verify that an electronic payment was successful, check the bank statement against which the payment was authorized.

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

- ACH_IND
- RFND_OWE_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)
- BAL_DUE_AMT
- BNK_ACCT_ACH_IND (1= business, 2 = personal)

If an ACH payment amount is included in the submission, all the above fields **must** be presented. If the fields are not sent, the submission will be rejected.

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
- Not allow a payment settlement date later than the due date, if the filing is on or before the due date
- 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 returns, extensions, and payments revoked, until proof of compliance is verified.

Refunds

Direct deposit refunds

All of the following information **must** be present for e-filed documents requesting direct deposit of refunds:

- ACH_IND
- RFND_OWE_IND
- BANK_ACCT_NMBR (bank account number)
- ABA_NMBR (bank routing number)
- ACCT_TYPE_CD (account type: 1 = checking, 2 = savings)
- DIR_DEP_IND
- BNK_ACCT_ACH_IND (1= business, 2 = personal)

The following chart lists ACH payment scenarios and the expected values to be set (direct deposit of refunds and ACH debit payments).

Payment type	*RFND_OWE_IND	*ACH_IND	DIR_DEP_IND	PAPER_CHK_RFND_IND	Comment
Refund with Direct Deposit	1	1	1	2	
Refund with paper check	1	2	2	1	
Refund with no Direct deposit or paper check	1	2	2	2	Defaults to papercheck
Owe with EFW	2	1	2	2	
Owe with out EFW	2	2	2	2	
Even	0	2	2	2	

* Required fields

Requirements for Tax Preparers participating in the fiduciary income tax e-file program

All preparers, software developers, and e-service providers may participate in NYS's fiduciary e-file program. NYS will accept e-file returns only from approved software providers or transmitters. Electronic Return Originators (EROs) authorized by the IRS to e-file federal fiduciary income tax returns are also authorized to e-file NYS fiduciary income tax returns with NYS DTF. EROs are not required to submit a separate application for NYS e-file or provide copies of their IRS acceptance letters to NYS DTF.

Tax practitioners must conform to all IRS regulations, standards, rules and requirements.

For more information on the IRS application process, refer to Publication 3112, *IRS e-file Application and Participation*, available on the IRS Web site at: <http://www.irs.gov/pub/irs-pdf/p3112.pdf>

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

IRS e-services - see *Online Tools for Tax Professionals* on the IRS Web site at: www.irs.gov/taxpros/article/0,,id=109646,00.html

Please note that although NYS does not require preparers to submit an application for our e-file program, NYS does require certain tax preparers to register and obtain a New York Tax Preparer Registration Identification Number (NYTPRIN). For more information on Tax Preparer Registration, visit our Web site at: www.tax.ny.gov/tp/reg/tpreg.htm

All return filers (EROs) must

Include the following paid preparer information on all paper and e-filed returns, if applicable:

- Preparer's name
- Firm's name
- Checkbox for self-employed preparers
- Preparer's address
- Preparer's NYTPRIN
- Preparer's PTIN
- Firm's EIN
- Preparer's signature

and

- Fulfill the signature requirement by marking a box that indicates that they have read and agreed to our declaration certification language (see *Signature requirements for e-filed returns and extensions* later in this document).
- Furnish the taxpayer with copies of all e-filed forms and schedules.
- If required, register with NYSDTF as a tax preparer. See www.tax.ny.gov/tp/reg/tpreg.htm
- If the NYS return is rejected, correct and retransmit the return, or notify the taxpayer to file the return on paper.
- Retain a copy of the IT-205 return with all schedules and attachments, including wage and tax statements and Forms TR-579.2-IT, *New York State E-File Signature Authorization for Tax Year 2013 For Form IT-205*, and TR-579.3-IT, *New York State Taxpayer Authorization for Electronic Funds Withdrawal for Tax Year 2013 Form IT-370-PF*, any documents that require signatures, any documents that are not NYS forms or schedules and any documents not required by NYS that the fiduciary voluntarily included with the return as supporting material, for three years. The copy may be electronically imaged and stored. A complete copy of the electronic portion must also be retained for three years.
- Not charge a customer an additional amount to e-file a NYS tax document.
- Use NYS approved software; see <http://www.tax.ny.gov/pit/efile/professional.htm>

New applicants

New applicants (fiduciaries, software providers, and transmitters) to the IT-205 e-file program or the electronic payment voucher program should contact the e-file Help Desk at (518) 457-6387. The e-file unit will send new applicants a form to obtain the necessary applicant contact, e-file program, and electronic payment program information.

Current participants

Current participants will be required to send an updated *New York State Letter of Intent* for each testing period.

Tax Year 2013 fiduciary e-file calendar

NYS Fiduciary MeF Software Testing Period: November 4, 2013 through IRS shutdown

NYS Fiduciary MeF return acceptance period: January 6, 2013 through IRS shutdown

For Fiduciary MeF testing, see Test package, *New York State Fiduciary Income Tax MeF Test Package for Software Developers for Tax Year 2013*.

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

The NYSDTF is expanding its services to include email notifications to taxpayers and preparer about their tax accounts. For additional information visit the New York State Tax Department's Web site.

NYS MeF Status Page

NYSDTF maintains an MeF status page on the DTF Web site. The Web page provides the operational status along with processing alerts for all NY MeF components (corporation, partnership, personal income, and fiduciary). The MeF status page can be found at: http://www.tax.ny.gov/bus/efile/mef_status_page.htm

Testing and certification

IT-205 e-file program: Software developers and transmitters must submit a state test file for New York in conjunction with federal testing before submitting live data each year. Filers using NYS-approved software are not required to test.

Contact the e-file Help Desk at (518) 457-6387 for information about testing and certification.

Software development schema version number

The schema version number includes the tax year, the version initial and numeric 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.

To verify that this is the latest schema and check for any updates, go to: www.tax.ny.gov/bus/efile/swd_fiduciary.htm

Software acceptance, testing, and approval

Letter of Intent

Prior to submitting test transmissions, developers must complete and submit the *Letter of Intent* to develop MeF fiduciary income tax e-file software; a copy is available on our Web site. The completed letter should be emailed to: NYSFIDMEF@tax.ny.gov Additionally, NYSDTF may require certain test scenarios based on the information provided.

For Fiduciary MeF, software vendors will be required to test and receive acceptance of their software each year. Software testing for previously approved tax years is not required; acceptance is maintained for as long as the tax year is eligible for e-file.

The Modernized e-File Assurance Testing System (ATS) 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.

Approved software will be posted by NYSDTF if requested. The software will be posted based on number of forms supported from highest to lowest.

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 transmitted 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.

Confidentiality guidelines, rules, and violation consequences

Developers must conform to all IRS security requirements. For more information, see IRS Circular No. 230.

Compliance requirements

Software developers must:

- Immediately correct software errors identified by the IRS/NYSDF 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.
- Immediately notify NYSDTF of any software errors identified during the filing season.
- Ensure that professional software supports the printing of:
 - Form TR-579.2-IT, *New York State E-File Signature Authorization for Tax Year 2013 For Form IT-205*, and Form TR-579.3-IT, *New York State Fiduciary Authorization for Electronic Funds Withdrawal for Tax Year 2013 Form IT-370-PF*
 - Both consumer and tax professional software must support the printing of Form IT-205-V, *Payment Voucher for Fiduciary 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 fiduciary 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 Non-scannable New York State Income Tax Forms*, regarding the printing of supportable forms.

New York State Software Testing will begin November 2013 for Tax Year 2013

All software must be tested using the New York State test package posted on our Web site. Returns submitted under software vendor IDs that have not been approved for NYSDTF fiduciary income tax processing will be rejected. A separate software vendor ID must be provided for each product. NYS reserves the right to not approve your electronic software packages until your paper packages have been reviewed and approved as well. The fiduciary income tax e-file test package and all other testing documents and schemas are available on our Web site at:

www.tax.ny.gov/bus/efile/swd_fiduciary.htm

What you will need for testing

- *New York State Fiduciary Income Tax MeF Test Package for Software Developers for Tax Year 2013*
- Publication 90, *New York State Handbook For Modernized E-Filers of Fiduciary Income Tax Returns*
- 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,

Submitting test returns

Developers must validate their files prior to submission to avoid unnecessary rejections.

Software developers will need to contact NYS fiduciary income tax e-file when they transmit their test submissions to the IRS. A list of the submission IDs being transmitted should be included the information should be e-mailed to NYSFIDMEF@tax.ny.gov

Software developers will be sent a confirmation 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.

Note: Acknowledgements (ACKS) for testing are not automated; if you require testing for acknowledgements you will need contact us to make arrangements.

Suspension of software

Failure to adhere to NYS or IRS procedures may result in suspension from the fiduciary e-file program. If suspended, the program participant may not e-file returns for the remainder of the current processing year, or during the subsequent processing year. After this period, the suspended program participant must re-apply to NYS in order to participate. A fiduciary filer suspended from the IRS program will not be able to e-file returns with NYS.

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.

Copies should be sent to the following address; if additional information is needed regarding the department's use of software, please email Suzanne Ayer at TSS.PIT.Forms.Review@tax.ny.gov

NYS TAX DEPARTMENT
ATTN: SUZANNE AYER
OPTS ESB FORMS REVIEW UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227

IRS e-file Fed/State program

New York supports both *Linked* and *Unlinked* returns. For further information on this process, see IRS Publication *Modernized e-File (MeF) Guide for Software Developers and Transmitters*.

State receipt and acknowledgment

If the state submission passes IRS validation, the IRS will send a receipt (not an acknowledgement) to the transmitter and will provide the state submission for the state to retrieve. IRS does not issue an acknowledgement for state returns that pass validation. Transmitters are not required to provide receipts to their customers. NYSDTF will retrieve the state submission from IRS e-file, and send a *receipt* via IRS e-file to the transmitter. NYSDTF will validate the submission. An acknowledgment (indicating *accepted* or *rejected*) will be sent back to the IRS within 72 hours; however the acknowledgement process may take up to 10 days to complete. The transmitter will retrieve the acknowledgment from IRS e-file and notify the filer that the return was accepted or rejected. An *Accepted acknowledgement* indicates the return and payment data (if applicable) have been received and have successfully completed the transmission validation process. Note: An accepted acknowledgement does not indicate that an ACH debit authorized with the return filing was successfully 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.

Rejected returns

Rejected returns will display up to 100 error codes at a time. The error codes will indicate the errors to be corrected. Rejected submissions must be corrected and resubmitted.

Resubmission of state rejected return

If a state return is rejected by NYSDTF, you must correct the error(s) and e-file the corrected return. The corrected, resubmitted, return **must** contain the *original* submission ID of the rejected return. There is a field in the rtnHeader BO in the schema labeled ORIG_SBMSN_ID.

Perfection period for a rejected submission (returns and extensions)

The e-filed perfection period is initiated only when:

- the original submission was timely
- the original submission was rejected
- the original submission ID# is present on the resubmission
- the new submission is after the due date

There is a seven calendar day perfection period to correct the submission and re-file it electronically. When a previously rejected electronic return containing the original submission ID number is *accepted* by NYSDTF within the seven day perfection period, the submission **and** any e-payment included in the return data will be deemed to have been received on the date of the first rejection that occurred within that seven day period. If a submission is submitted after the seven day period, the received date for the submission and any e-payment authorized with the return filing will be the new submission date.

Note: If the submission is rejected or denied on the IRS level, NYSDTF will not receive the original submission and the perfection period will not systematically initiate.

Postmark received date

NYSDTF uses the IRS field *electronicPstmrkDate* to evaluate a perfection period. Even though the field is not a required field, it needs to be populated to take full advantage of the perfection period.

Processing delays

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

Field information

The NYSDTF explanation fields are not as long as the federal explanation fields. NYSDTF does not utilize a table driven approach for implementing data in explanation fields. We have defined and implemented a set of data types that are specific for NYS. NYSDTF uses a string type with restrictions that differ from one element to another. The use of predefined, reusable types allows for better data validation.

There are only a few data types treated this way: *string*, *decimal*, *non-negative integer*, *positive integer*, and *integer*. This has been deemed allowable by the TIGERS standards.

Checkbox fields

The *Checkbox* type fields, defined as switch indicator fields, have expected values of a **1** for checked and **2** for unchecked. When the field is required in the schema and the box is not checked, send the field tag with **2**. If the tag is not required and the field is not checked, do not send the field tag.

Entering addresses

The IRS allows 35 characters in their address fields. However the NYS address fields: MAIL_LN_2_ADR and MAIL_LN_1_ADR each have a **30** character limit. If 35 characters are submitted in these fields the return will **fail** schema validation.

NYS uses field MAIL_LN_2_ADR as the primary address line. NYS uses field MAIL_LN_1_ADR as the *Care of (C/O)* address, and for any address data overflow from field: MAIL_LN_2_ADR

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

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

All other foreign addresses, MAIL_ZIP_5_ADR and MAIL_ZIP_4_ADR must be blank.

For Form IT-205 when additions and subtractions are to be listed from multiple sources for lines 65 and 68, they can be entered as repeating schedules in the xml:

```
<IT205OTHADD>
<descAmt>
<DESCRIPTION claimed=""/>
<AMOUNT claimed="-999999999999"/>
</descAmt>
</IT205OTHADD>
<IT205OTHSUB>
<descAmt>
<DESCRIPTION claimed=""/>
<AMOUNT claimed="-999999999999"/>
</descAmt>
</IT205OTHSUB>
```

XML declaration is case sensitive.

```
<?xml version="1.0" encoding="UTF-8"?>
```

The following fields are NYSDTF internal fields and need to be included in the submission (rtnHeader):

DCMT_RCVD_DT
PSTMRK_DT
EFIN
CNTRL_NAME
ELF_STATE_ONLY_IND
IP_ADR
IP_TIMESTAMP

If the fiduciary signs the return using a professional online product, the following data must be included in the submission:

TP_SGN_IND (IT205BO &IT-370PFBO)
AUTHOFCR_FRST_NAME&AUTHOFCR_LAST_NAME (rtnHeader)

If the ERO/paid preparer signs the return using a professional product, the following data must be included in the submission:

IT-370PFBO&IT-205BO

ERO_SGN_IND
PREP_SSN_NMBR
PAID_PREPARER_ID
PREP_SGN_IND
PP_EMAIL_ADR
TX_PREP_RGST_ID

rtnHeader

PREP_LN_1_ADR
PREP_CTY_ADR
FIRM_NAME
PP_NAME
PREP_SELF_EMP_IND
PREP_SIGN_DT
PREP_ST_ADR
PREP_ZIP_4_ADR
PREP_ZIP_5_ADR
PREP_EIN_IND
PP_PH_NMBR

Withholding statements and locality information:

Specific codes for locality name for New York City and Yonkers tax withheld (Forms 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)

Locality name

For New York City, including the Bronx, Brooklyn, Manhattan, Queens, and Staten Island, and the city of Yonkers, the following locality names will be accepted. Case (upper versus lower) does not matter.

For New York City:

“NEW YORK CITY”
"NY"
“NYC”
"N Y"
"NWY"
"NW Y"
"NEWY"
"BRONX"
"BRKLYN"
"BROOKLYN"
"CITYNY"
"STATEN"
"QUEENS"
"CITY NY"
"CITYN Y"
"CITYOFNY"
"CITYOF NY"
"CITY OFNY"
"CITYOFN Y"
"CTY OF NY"

"MANHATTAN"

For Yonkers:

"YK"

"YON"

"YNK"

"CITYOFYK"

"CTYOFYKR"

"CITYOF YK"

"CITY OFYK"

"CTY OF YK"

Entries from Form W-2, box 14, on NYS returns

Tax software must allow the user to enter verbatim, the description and associated amounts included on the employees' state and local copy of their W-2 forms. Amounts entered that are deemed to be taxable by New York State should be transferred to the associated lines on Form IT-205. Public employee retirement contributions, usually shown on a paper W-2 in 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 amounts (IRC 125), usually shown on a paper W-2 in 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, must be added to the appropriate lines on Form IT-205. Refer to the form instructions for details.

Signature requirements for fiduciary e-file documents

Software developers must provide instructions to guide EROs and Fiduciaries in the use of signature check boxes for fulfilling the signature requirements. Software developers must present the exact certification language described in this section.

Signature requirements for returns e-filed by an ERO/ Tax professional on behalf of a fiduciary

The fiduciary(s) and the ERO / Preparer must sign Form TR-579.2-IT, *New York State E-File Signature Authorization for Tax Year 2013 for Form IT-205*.

Form TR-579.2-IT establishes that the fiduciary 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 fiduciary has authorized the electronic funds withdrawal. The ERO/Preparer must retain the signed Form TR-579.2-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 the return declaration:

Declaration of tax preparer to be included on approved NYS e-file products for tax professionals

ERO/ Preparer Certification and Signature (for the return)

I certify that I have a valid New York State E-File Signature Authorization for Tax Year 2013 (Form TR-579.2-IT), authorizing me to sign and file this return on behalf of the fiduciary(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 fiduciary(s). If financial institution account information has been provided on the return, I certify that the fiduciary(s) has agreed to payment of the amount indicated as due by electronic funds withdrawal, that the fiduciary(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 fiduciary's account. I understand and agree that I may revoke this authorization for payment only by contacting the Tax

Department no later than five (5) business days prior to the payment date. 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

Signature requirements for extensions (Form IT-370-PF) by an ERO/ tax professional on behalf of a fiduciary

For a no-balance-due extension (Form IT-370-PF) there is no signature requirement for the fiduciary or the ERO/Preparer. You are not required to complete or retain a Form TR-579.3-IT, *New York State Taxpayer Authorization for Electronic Funds Withdrawal for Tax Year 2013 for Form IT-370-PF*, for these transactions.

For a balance-due extension (Form IT-370-PF) e-filed through your software (not through the NYS Tax Department's Web site), the fiduciary must pay the balance due with an electronic funds withdrawal. The fiduciary must sign **Form TR-579.3-IT, New York State Taxpayer Authorization for Electronic Funds Withdrawal for Tax Year 2013 for Form IT-370-PF**, to establish that he/she has authorized the ERO/ Preparer to include the information necessary for the Tax Department to initiate the withdrawal. The ERO/ Preparer is not required to sign Forms TR-579.2-IT or TR-579.3-IT for these extensions; however, the ERO/ Preparer must retain the Form TR-579.3-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 the extension declaration.

Declaration of tax preparer to be included on approved NYS e-file products for tax professionals – Extensions with an authorization for an electronic payment

ERO/ Preparer Certification and Signature (for the authorization of electronic payment for an extension)

By checking the box below, certify that I am electronically signing and filing this request for an extension. I certify that I have a valid New York State Taxpayer Authorization Electronic Funds Withdrawal for Tax Year 2013 Form IT-370-PF (Form TR-579.3-IT), authorizing me to submit this extension on behalf of the fiduciary(s). I certify, to the best of my knowledge and belief, that all information provided is true, correct and complete and that I have provided a copy of this request for an extension to the fiduciary.

If financial institution account information has been provided on the request for an extension, I certify that the fiduciary has agreed to payment of the amount(s) indicated as due by electronic funds withdrawal, that the fiduciary has authorized the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated financial institution account(s), and that the designated financial institution(s) is authorized to debit the entry to the account(s). I understand and agree that I may revoke this authorization for payment only by contacting the Tax Department no later than five (5) business days prior to the payment date.

I have read the certification above and agree

Returns e-filed by fiduciary(s) themselves (self-filers) using commercial/professional software

Fiduciary(s) 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 the return declaration. Form TR-579.2-IT and ERO/Preparer declaration check box are not required.

Declaration of fiduciary(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 this 2013 New York State electronic fiduciary income tax return, including any accompanying schedules, attachments, and statements, and certify that the electronic return is true, correct, and complete. If I am paying the New York State fiduciary 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 this 2013 electronic return, and I authorize my financial institution to debit the entry to the account. I understand and agree that I may revoke this authorization for payment only by contacting the Tax Department no later than five (5) business days prior to the payment date.

By entering my name and checking the box shown, I declare that I am an authorized fiduciary of this estate or trust, that I am authorized to sign and file this electronic return on behalf of the Estate or Trust, and am in fact signing and filing this return.

Enter Name

I have read the certification above and agree

Balance-due extensions (Form IT-370-PF) e-filed by fiduciary(s) themselves (self-filers) using commercial/professional software

Fiduciary(ies) 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 the extension declaration. Form TR-579.3-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/professional software

There is no signature requirement for the fiduciary or the ERO/Preparer.

Declaration of fiduciary to authorize electronic payment for an extension

By checking the box, I certify that I am electronically signing and filing this request for an extension. I certify that all information provided on the request for an extension is true, correct and complete, and that I am authorized to file this request for an extension.

If financial institution account information has been provided on the request for an extension, I agree to payment of the amount(s) indicated by electronic funds withdrawal, that I authorize the New York State Tax Department and its designated financial agents to initiate an electronic funds withdrawal from the indicated financial institution account(s), and that the designated financial institution(s) is authorized to debit the entry to the account(s). I understand and agree that I may revoke this authorization for payment only by contacting the Tax Department no later than five (5) business days prior to the payment date.

Fiduciary

I have read the certification above and agree

Contact information

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

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

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

NYS DTF forms and instructions: (518) 457-5431


Fax NYS DTF e-file: (518) 435-8660

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

Mailing address:

NYS TAX DEPARTMENT
 FIDUCIARY MODERNIZED E-FILE
 PERSONAL INCOME TAX BUREAU
 W A HARRIMAN CAMPUS
 ALBANY NY 12227

Web sites and publications

 <p>New York State e-file <small>www.tax.ny.gov</small></p>	http://www.tax.ny.gov
NYSDTF e-file Web site	http://www.tax.ny.gov/tp/efile/elf_taxpros.htm
NYSDTF forms and instructions	http://www.tax.ny.gov/forms
NYSDTF Fiduciary e-filing Software Developer Testing Package	http://www.tax.ny.gov/bus/efile/swd_fiduciary.htm
Frequently asked questions (Taxpayer Answer Center)	http://www.tax.ny.gov/help/faq.htm
Internal Revenue Service (IRS)	http://www.irs.gov/

New York State Fiduciary Income Tax E-file Reject Codes Tax Year 2013

Can be found at: www.tax.ny.gov/pit/efile/fid_mef_publications_2013.htm