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SECTION 1
SUBSTITUTE FORMS

I. PURPOSE

This section establishes guidelines and defines requirements for preparing, submitting, and approving of substitute tax forms for the Michigan Department of Treasury (Treasury), Forms and Document Services (FDS).

Form submission guidelines for the following form types are now located on the Forms Web site.

- Imaged Forms Process
- Miscellaneous (Personal Property, Unclaimed Property Inquiry, Power of Attorney, etc.) any form that does not have a scan line or Doc ID Code
- Scannable Forms Process

Developers must submit forms for review and receive official approval from Treasury Electronic Filing Program (EFP) and FDS before releasing software to their customers. Developers must submit forms to FDS to the address below. Forms directed to other areas may delay review and approval. **FDS will no longer review draft forms, forms must be in final draft status.**

All substitute forms must meet the requirements stated in this Policy. Treasury reserves the right to require the refiling of any forms that do not meet these requirements.

IMPORTANT: Users of developer's software must have the ability to print a copy of their return for their records. Any form provided in a software package must be submitted to Treasury for approval to ensure the printed form matches the original.

Note: Federal forms filed with Treasury must comply with Internal Revenue Service (IRS) *Publication 1167*.

II. SCOPE

Draft tax forms **must not** be released to the public; however, advance copies of draft tax forms and e-file specifications (see Section 2) are published on the Forms Secure Web site. Documents on the Web site are provided to help developers build their software products in a timely manner.

Questions or requests for additional information should be directed to:

TreasForms@michigan.gov or call (517) 335-1179

Form submissions by **overnight courier** (e.g., Fed Ex, UPS, etc.) should be sent to:

Michigan Department of Treasury
Forms and Document Services
7285 Parsons Drive
Dimondale, MI 48821

Form submissions by **US Mail** should be sent to:

Michigan Department of Treasury
Forms and Document Services
P.O. Box 30791
Lansing, MI 48909-8291

III. GENERAL REQUIREMENTS FOR DEVELOPERS OF SUBSTITUTE FORMS

A. Michigan Software Developer Application and Letter of Intent to Participate in Federal/State e-file Programs and Substitute Forms (Form 4430)

All developers must complete *Michigan Software Developer Application and Letter of Intent to Participate in Federal/State e-file Programs* (Form 4430) each year. Once received, FDS will assign **new** developers a software developer identification number (developer ID). If appropriate, FDS will also grant a username and password login for the Web site.

B. Developer Identification

FDS will assign a developer ID to each developer or, if developers have a four-digit NACTP-assigned number, that number should be used as the developer code. The developer ID **must** appear in the lower-left corner (in a minimum of ten point font) on **each** page of every form produced by that developer's software. Imaged forms require a Document Identification (Doc ID) code. The first four digits of this code is the developer ID.

C. Advance Copies of Official Forms

Treasury's Forms Web site provides access to **draft** (*www.michigan.gov/ drafttaxforms*) and **final** (*www.michigan.gov/taxes)* forms. The major tax forms are available for viewing and printing using Adobe Acrobat Reader. Advance copies for developers are obtainable on the Web site. **Do not submit worksheets for testing.**

Draft forms are generally published in late September through early December as they become available. Most tax forms cannot be finalized until the Legislature has recessed the fall session. This generally occurs in mid-December. Treasury posts major tax forms as **final drafts** on the Forms Web site in late October. Developers may submit **final draft** forms to Treasury for approval, with the understanding that legislation may require changes to programs and forms. If there are changes to a final draft, developers will be notified and may need to resubmit the form for approval.

As forms become **final** (after the Legislature adjourns) they are posted on the public Web site (*www.michigan.gov/taxes*). **Developers must not release these forms to their customers until they have been approved by EFP and FDS.** If incorrect forms are filed, it will result in errors and/or delay the processing of returns, and the taxpayer may be notified that their return was not properly filed.

Note: The final MI-1040 and MI-1040CR-7 HOME HEATING CREDIT CLAIM forms posted on Treasury's public site are the "official tax booklet" versions. The final "computer-generated" versions will be available only on Treasury's secure Web site. These two forms will be clearly marked Draft or Final on the secure Web site. Developers must use the computer-generated version. The official tax booklet and computer-generated versions differ **only** in the **Doc ID code and mailing address** on page 2.
Really Simple Syndication (RSS) notification is one of Treasury's primary method of communication. Real-time notification of draft tax form publications on the Web site is provided through RSS feeds. RSS feed/communication information is available by subscription on any of the secure sites (after entering assigned username and password). Developers are encouraged to register for this service. Developers will need to sign up for this service every year with the new username and password.

IV. ACCEPTED PROCESS

Treasury will **not** review forms submitted for approval via fax machine. When reviewing forms for approval, FDS is verifying:

- Form can be processed through Treasury's mainstream processing systems
- Form layout and data placement (includes line reference changes from year to year)
- Form revised date.

A substitute form filed with Treasury that has not been approved or cannot be processed through Treasury's mainstream processing systems can delay a refund check by up to six weeks. This does not, however, delay the posting of payments arriving with a return. Treasury may contact the taxpayer directly advising them that their return was not properly filed and/or will contact the preparer of the unacceptable form and direct him or her to stop filing the unacceptable substitute form immediately.

FDS will send developers a formal notice of "Accepted" if forms meet all requirements. If forms do not meet requirements, FDS will specify required changes. Final "Approval" will be based on developers having successfully completed substitute forms review and e-file testing.

Approvals are granted for one tax year only (i.e., approval of the 2012 MI-1040 INDIVIDUAL INCOME TAX RETURN does not imply approval of the 2013 MI-1040 return). This applies whether or not there have been changes to the form.

SECTION 2
E-FILE

I. PURPOSE

Section 2 of this Policy establishes general guidelines and requirements for developers to test their electronic filing software with Treasury. It also sets forth mandates for e-filing IIT and MBT returns.

All tax forms included in software products (including "e-file only" software products), must be approved by FDS and EFP and adhere to all requirements of this Policy.

II. SCOPE

Treasury's EFP staff administers the e-file requirements of this Policy. After reviewing the contents of Section 2 of this Policy, questions or requests for additional information should be directed to:

Electronic Filing Programs
(517) 636-4450
e-mail: *MIefile2D@michigan.gov*

All tax preparation software and software producing computer-generated forms must meet the requirements in this Policy. If after acceptance, a developer has ongoing production problems, Treasury reserves the right to suspend that developer until the problems are resolved to Treasury's satisfaction.

III. GENERAL REQUIREMENTS FOR DEVELOPERS OF E-FILE

Michigan's Fed/State and State-Only e-file program is a cooperative effort with the IRS Electronic Filing System, allowing the filing of a Michigan return transmitted with federal return data. *Publication 2538, MICHIGAN E-FILE SOFTWARE DEVELOPER GUIDE; Publication 4758, MICHIGAN MODERNIZED E-FILE (MeF) SOFTWARE DEVELOPER GUIDE;* and *Publication 4672, MICHIGAN BUSINESS TAX FED/STATE E-FILE SPECIFICATIONS AND SOFTWARE DEVELOPER GUIDE* discuss the policies and procedures of Michigan's programs and are guides for developers to convert Michigan tax data into the proper format for e-file.

Note: EFP and FDS will coordinate approval covering both e-file testing and substitute forms. Developers will receive formal approval notices from both EFP and FDS once e-file testing and substitute forms review has been successfully completed. Final "Approval" will be based on developers having successfully completed substitute forms review and e-file testing.

A. Michigan Software Developer Application and Letter of Intent to Participate in Michigan's Federal/State e-file Programs and Substitute Forms (Form 4430)

All developers must complete Form 4430 each year. If appropriate, FDS will grant a username and password login for the secure Web site upon receipt of that completed Form 4430.

B. MBT E-file Mandate

Michigan has an enforced MBT E-file mandate.

Developers producing MBT tax preparation software and computer-generated forms must support e-file for all eligible Michigan forms that are included in their software package. All eligible MBT returns prepared using tax preparation software or computer-generated forms must be e-filed.

Treasury will be enforcing the MBT e-file mandate. The enforcement includes not processing computer-generated paper returns that are eligible to be e-filed. A notice will be mailed to the taxpayer, indicating that the taxpayer's return was not filed in the proper form and content and must be e-filed. Payment received with a paper return will be processed and credited to the taxpayer's account even when the return is not processed.

Treasury recognizes that there are conditions that make a return ineligible for e-file. When the computer-generated MBT return meets one or more of the recognized e-file exceptions, the taxpayer may have to complete and attach *Michigan Business Tax E-file Exceptions* (Form 4833) to the front of the return for the paper filing to be processed. Form 4833 must be included in all MBT software packages. See Form 4833 for further instruction.

Do not attach Form 4833 to a return that does not meet one or more of the Treasury-recognized e-file mandate exceptions.

Additional information is available on the secure Web site for software developers and Treasury's Web site and will be updated as additional information becomes available. Questions regarding the mandate may be directed to the EFP office at *MIefile2D@michigan.gov* or (517) 636-4450.

C. IIT E-file Mandate

Developers producing IIT tax preparation software and computer-generated forms must support e-file for all eligible Michigan forms that are included in their software package.

Beginning January 1, 2012, the IRS is mandating preparers filing 11 or more income tax returns to e-file those returns, with minor exceptions. Michigan would expect any preparer e-filing federal returns to also e-file Michigan returns. Tax preparers who prepare 11 or more individual income tax returns are required to e-file all eligible forms that are supported by their software.

D. Developer Identification

The Software Developer's ID (Developer ID) is provided to Treasury and placed in every record created using the developer's software. The ID can be any combination of letters and numbers up to ten characters in length and must be used for the entire year. It is preferred that all of a developer's e-file programs share the same developer ID. Invalid or missing IDs will cause a return to be rejected.

E. Review and Approval Process

Developers must submit e-file test return scenarios for review and receive official approval from Treasury **before** releasing software to their customers. See *Publication 2842, MICHIGAN IIT E-FILE (EMS AND MeF) TEST PACKAGE* and *Publication 4673, MBT MeF TEST PACKAGE* for further details.

Note: Delays in the release of federal or Michigan forms will not delay final approvals to developers. Individual forms which have received approval from Treasury, can be released to customers (see Section III-C).

F. Software Limitations

Software limitations that will alter the Michigan test return expected answers must be communicated to Treasury prior to developer testing. This allows EFP staff to prepare alternate test answers. Developers who do not support all of the test criteria may be requested to e-mail or fax copies of their completed test returns in PDF format. Failure to supply this information may delay availability of test compare results by one to two weeks.

SECTION 3
AGREEMENT FOR SUBSTITUTE FORMS AND E-FILE

By submitting e-file test return scenarios and substitute forms to Treasury for review and approval, a developer agrees and assumes responsibility for compliance by company employees to:

1. Abide by the requirements of Policy ET-03066, SUBSTITUTE PRINTED, and COMPUTER-GENERATED ELECTRONIC FILING FORMS/SOFTWARE.

2. **Not** release draft tax forms to the public (includes release of draft forms on a company Web site).

3. Fully cooperate with Treasury, after notification, to promptly correct software program errors identified after completing e-file testing, and to substantiate to Treasury that the errors were corrected and customers were notified.

4. Accept Treasury's decision as to whether a developer may continue to use the software program during the filing season.

5. Notify Treasury of any critical software problems identified by the developer after releasing products to customers.

6. Notify customers or clients of e-file mandates.

7. Notify customers or clients of the computer hardware requirements, including printers, printer fonts, paper weight, etc., necessary to produce substitute tax forms.

Violation of these terms could result in the developer being prevented from participation in the early release and approval of tax forms and/or rejection of Michigan tax returns (e-file and paper) created by the developer and filed by the developer's customers.

End