

SBT e-file

Michigan Department of Treasury

Michigan Single Business Tax

e-file Specifications and

Software Developer Guide

www.michigan.gov/sbtefile

2003

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SECTION 1 Introduction

1.1 General Information and Software Requirements

Thank you for your interest in the Michigan Department of Treasury's (Treasury) Single Business Tax Electronic Filing (SBT e-file) Program. This publication provides you with information on how you can participate as a software developer in the SBT e-file Program and with the file specifications to develop software.

In an effort to optimize operational efficiency and improve customer service, the Michigan Department of Treasury is planning several tax processing changes for tax year 2003. A major part of this effort is to mandate electronic filing for individual income tax and single business tax returns beginning in January 2004.

Software developers supporting Single Business Tax e-file for tax year 2003 will need to support all SBT forms that are eligible for e-file. Including the specified fields in the software for the federal return information is optional. All eligible SBT returns prepared using software that supports SBT e-file, must be filed through Treasury's Internet portal.

The draft SBT forms are available on our Web site at www.michigan.gov/sbtefile. They are made available to help software developers understand field locations and should not be used as draft forms in designing software to print the Michigan forms.

The forms to be used for forms design or photocopying will continue to be distributed to software companies through Treasury's Forms and Print Management Section, and will be posted in a secure area on Treasury's Web site when they are available.

Please note that most tax forms cannot be finalized until the Legislature has recessed the fall session. This generally occurs in mid-December. Until the Legislature adjourns, there may be law changes that would affect the SBT forms and require changes to the file specifications and test package.

The proposed software must:

- Compute the 2003 Michigan SBT forms and schedules, and pass the SBT testing process.
- Produce the Michigan SBT forms in both paper and electronic formats as specified by Treasury.
- Have the option to compress the file prior to transmission to Treasury, if transmission capability is part of the software package.
- *Have the option to send up to 999 returns in one file, if transmission capability is part of the software package.*
- Retrieve acknowledgments from Treasury and make available to the Electronic Return Originator (ERO) or transmitter.

If your software will allow the user to be the transmitter it must do one of the following:

- *Include at least two Treasury test scenario returns which will be used by transmitters during the transmitter testing process, or*
- *Provide instructions on how to create and send a test transmission containing at least 2 Treasury test scenario returns.*

It would also be helpful if the following instructional information was included in the appropriate location(s) in the software.

For tax year 2003 SBT annual returns requiring payment will be eligible for e-file. There will be two payment options available for those returns requiring payment.

- ***Electronic Funds Transfer (EFT).*** *Information on the EFT process as well as the EFT Debit Application (form 2248) and EFT Credit Application (form 2328) are available on Treasury's Web site at www.michigan.gov/biztax payments.*
- ***Paper Payment Voucher.*** *If taxpayer chooses to mail his/her payment, he/she must include form SBT-V SBT E-FILE ANNUAL RETURN PAYMENT VOUCHER with the payment.*

For more information and program updates, visit Treasury's Web site at www.michigan.gov/sbtefile.

1.2 Treasury Contacts

For Software Developers and Transmitters Only

For help with the SBT e-file program, software developers and transmitters may contact the Alternative Filing staff between the hours of 8:00 a.m. and 5:00 p.m., EST, Monday through Friday, except state holidays. When leaving a phone message, give as much detail as possible so that *Alternative Filing* staff can research your question and have the answer ready when they call you back. Speak clearly and spell any difficult names.

The Alternative Filing staff is not able to provide return status information or address specific taxpayer account issues. Should an error occur on the Michigan return during mainframe processing, Treasury will communicate directly with the taxpayer through the Department's regular error resolution process. Treasury's Customer Contact staff will, however, discuss return situations with the preparer if the appropriate authorization box has been completed on the return.

This contact information is **for software developers and transmitters only** and enables Treasury to provide better service to the SBT e-file program participants.

Contact:	Scott Bunnell or Nancy Agostini
Phone:	(517) 636-4450 (517) 636-4999 (TTY Only)
Fax:	(517) 636-4444
Email:	MIefile2D@michigan.gov

Include the words "SBT e-file" in the subject line.
Mailing Address: Alternative Filing Programs
Michigan Department of Treasury
P. O. Box 30058
Lansing, Michigan 48909

You may also visit our Web site at www.Michigan.gov/sbtefile for more information.

For Taxpayers

Internet – www.michigan.gov/bustax

Treasury is providing Self-Service to customers via the Web. From the comfort of your home or office, you have the ability to:

- *Check the date Treasury is currently processing returns*
- *Ask Treasury a question*
- *Request copies of lost returns*
- *Check the status of your Single Business Tax return*
- *Verify all Single Business Tax payments for current period*

Note: *To get return information using the "Internet Services" options, you must have the filer's Federal Employee Identification number or TR number, gross receipts and organization type.*

CUSTOMER CONTACT CENTER

For those taxpayers that cannot receive Internet service, call the SBT Customer Contact staff at (517) 636-4700.

Deaf, hearing or speech-impaired persons may call (517) 636-4999 (TTY) for assistance.

1.3 Highlights and Important Information for Tax Year 2003

- *Now available on our Web site at: www.MIfastfile.org is our new feature **E-file Alerts**. E-file Alerts will provide updates and important information throughout the year.*
- *Beginning with the 2003 tax year SBT annual returns requiring payment will be eligible for e-file. There will be two payment options available for those returns requiring payment:*
 - *Electronic Funds Transfer (EFT). Information on the EFT process as well as the EFT Debit Application (form 2248) and EFT Credit Application (form 2328) are available on our Web site at: www.michigan.gov/biztaxpayments.*

If you are currently submitting SBT estimates by EFT you should complete the Notice of Addition or Change of Tax Types/Bank Change (form 2439) to add the tax type code for making a SBT annual payment. Fax your completed

application or form 2439 to (517) 636-4356. Please allow 4 weeks for processing

- *Paper Payment Voucher. If you choose to mail your payment you must include the SBT E-File Annual Return Payment Voucher (form SBT-V) with your payment.*
- Registration changes (name, address, phone number, filing date, discontinuance date, etc.) must be made by calling (517) 636-4660 or submitting, a Notice of Change or Discontinuance (form 163) which is available on our Web site at http://www.michigan.gov/documents/163f_2885_7.pdf
- *The tax rate for the calendar year ending 2003 is 1.9%. We do not expect the rate to change for 2004. The 2004 rate should be available in December 2003.*

1.4 Key Dates

<i>Deadline for Submitting SBT e-file New Application (Profile)</i>	<i>None</i>
<i>Begin Software Testing for 2003</i>	<i>Mid – Late October 2003</i>
<i>Begin Transmitter Testing for 2003</i>	<i>Mid – Late October 2003</i>
<i>Begin Transmitting Live Returns</i>	<i>Late January 2004</i>
<i>SBT e-file unavailable due to system maintenance (Test returns may still be submitted.)</i>	<i>January 12-25, 2004</i>

1.5 SBT e-file Publications and Forms

3919	SBT e-file Specifications and Software Developer Guide
3920	SBT e-file Test Package for Software Developers
3921	SBT e-file Transmitters' Handbook
<i>SBT-V</i>	<i>SBT E-File Annual Return Payment Voucher</i>

1.6 State of Michigan Holiday Schedule

3149	<i>Due Dates for Accounts Administered by Return Processing Division</i>
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1.7 Program Compliance

Treasury will ensure transmissions are in compliance with the requirements outlined in this publication and the SBT e-file Transmitters' Handbook (Transmitters' Handbook).

If after acceptance, a *transmitter*/software developer has production problems, Treasury reserves the right to suspend that *transmitter*/software developer until the problems are resolved to Treasury's satisfaction.

SECTION 2 SBT e-filing Program

2.1 General Information

The Michigan SBT e-file Program was developed to provide Michigan taxpayers with the opportunity to use Internet technology to file Single Business Tax Returns. *In addition to refund returns we will also accept SBT e-file returns requiring payment for tax year 2003.*

The following 2003 forms are eligible for SBT e-file:

C-8000	SBT Annual Return
C-8000C	SBT Credit for Small Businesses and Contribution Credits
C-8000D	SBT Recapture of Capital Acquisition Deduction
C-8000G	SBT Statutory Exemption/Business Income Averaging
C-8000H	SBT Apportionment Formula
C-8000ITC	SBT Investment Tax Credit
C-8000KC	SBT Schedule of Shareholders and Officers
C-8000KP	SBT Schedule of Partners
C-8000S	SBT Reductions to Adjusted Tax Base
C-8009	SBT Allocation of Statutory Exemption, Standard Small Business Credit, and Alternate Tax for Members of Controlled Groups
C-8010AGR	SBT Adjusted Gross Receipts for Controlled Groups
C-8020	SBT Penalty and Interest Computation for Underpaid Estimated Tax
C-8030	SBT Notice of No SBT Return Required
C-8043	SBT Statutory Exemption Schedule
C-8044	SBT Simplified Return
3307	SBT Loss Adjustment Worksheet for the Small Business Credit

Information from the following 2003 federal forms may be included when filing the C-8000, C-8044 or C-8030:

U.S. 1120 and Schedules A and E (Corporations)
U.S. 1120A (Corporations)
U.S. 1120S and Schedules A, D and K (S-Corporations)
U.S. 1040 and Schedules C, D and E (Individuals)
U.S. 1065 and Schedules A and K (Partnerships)
U.S. 1041and Schedule D (Fiduciaries)
U.S. 4797, Sales of Business Property
8825, Rental Real Estate Income and Expenses of a Partnership
or S Corporation

SBT e-file is not available to taxpayers that file the following forms or meet the following conditions:

3/12/04

Taxpayer has not previously filed a paper SBT return with Treasury

C-8008	<i>SBT Affiliation Schedule – Consolidated Filing</i>
C-8022	SBT Farmland Preservation Tax Credit
C-8000X	SBT Amended Return
C-8044X	SBT Amended Simplified Return
C-8000MC	SBT Miscellaneous Credits
1366	Insurance Company Annual Return for SBT and Retaliatory Tax

Updated
12/2/03

When the following forms are included, the SBT return can be e-filed, but the forms listed below must be mailed.

4	<i>Application For Extension For Time To File Michigan Income Tax Return</i>
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2.2 Signature Alternative

Returns will be signed using an electronic signature composed of shared secrets as follows:

- Business FEIN
- Treasury-assigned Customer Service Number (CSN)
- Gross receipts or adjusted gross receipts from the most recently filed original SBT return

Treasury will provide all active SBT taxpayers who have filed form C-8000, C-8030* or C-8044 in the last two years with their Customer Service Number (CSN) in time to file their SBT return(s) in January 2004.

*Filed by registered taxpayers.

2.3 Definitions

Electronic Return Originator (ERO) or Preparer

An ERO is the person or firm that constructs the return information for the taxpayer for the purpose of electronically filing a tax return.

Transmitter

A transmitter is the business or individual that submits the electronic return data to Treasury. Software developers, tax preparers, businesses and individual taxpayers can all be transmitters. To be a transmitter you must:

- Submit an SBT e-file *New Application (Profile)* request to Treasury;
- Pass the Treasury qualifications review and be accepted.

2.4 Record Retention

Copies of all materials furnished to or by the taxpayer shall be retained by the ERO for the statutory period. In addition, the ERO must be able to provide to the taxpayer or Treasury, upon request, a printed copy of any filing made through the ERO.

SECTION 3 SBT e-file Application (Profile)

3.1 General Information

An organization or individual interested in participating as a transmitter or software developer must submit an SBT e-file New Application (Profile) request to Treasury. The on-line application is available on our Web site. Applications are processed within 1-2 business days. An acceptance letter containing a user ID and password to e-file SBT return(s) will be mailed within one (1) week. It is the responsibility of the transmitter to keep this information secure. Applications may be submitted at any time throughout the year.

In future years, participants who have been previously accepted by Michigan do not need to resubmit an application. If there is a change in the information on file, participants should submit the updated information by using the Update Profile screen on the secure Web site.

Failure to apply will preclude participation in the program.

Note: If the Web Server is down, you will not be able to access the SBT e-file program.

3.2 Transmission Software Developers

Developers producing only the transmission portion of the software and not functioning as the transmitter will need to:

- *Submit a SBT Application (Profile) to obtain a user ID and password.*
- *Develop XML file transmission software. The test file in XML must contain:*
 - *transmission data*
 - *at least two SBT returns, or sample SBT XML file available on our Web site*
 - *Transmission end data*
- *Test their transmission capabilities as outlined in the Transmitters' Handbook.*
- *Adhere to the requirements outlined in Section 3 of the Transmitters' Handbook if functioning as a transmitter.*

Developers obtaining the transmission portion of the software from another company will need to:

- *Submit a SBT Application (Profile) to obtain a user ID and password*
- *Test as a transmitter as outlined in the Transmitters' Handbook, and test as a developer.*
- *Adhere to the requirements outlined in Section 3 of the Transmitters' Handbook if functioning as a transmitter.*

If developers are not functioning as the transmitter, but allowing the user to function as the transmitter. The user will need to:

- *Submit a SBT Application (Profile) to obtain a user ID and password,*
- *Test their transmission capabilities as outlined in the Transmitters' Handbook.*
- *Adhere to the requirements outlined in Section 3 of the Transmitters' Handbook.*

SECTION 4 Acknowledgment System

4.1 General Information

Treasury will provide two types of acknowledgments. The first is a confirmation that *the file transmission was successful*. This confirmation is issued almost immediately after the transmission is complete. The second is an acknowledgment for each *live* return record included in the file. This acknowledgment is available within 1-2 business days after successful transmission of a file.

Please refer to Section 5 of the Transmitters' Handbook for more information on the acknowledgment system.

SECTION 5 File Specifications (Schema)

5.1 Schema and Draft Michigan SBT e-file Forms

The schema and accompanying forms are published as separate items on Treasury's Web site.