

Wisconsin Department of Revenue

Software Developer's Guide For Electronically Filed Corporation Franchise & Income Tax Returns

For 2009 Returns

Revised December 7, 2009

INFORMATION FOR FED/STATE CORPORATE 1120 DEVELOPMENT

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Section 1: Introduction

The Wisconsin Department of Revenue (department), in conjunction with the Internal Revenue Service (IRS), began accepting state Corporate Franchise & Income Tax returns and corresponding forms and schedules in July 2006 for tax year 2005 by method of the Modernized E-File system (MeF). The following form types and related schedules are being accepted.

- ❑ **Form 4** Corporation Franchise or Income Tax Return (Apportioned, Combined)
- ❑ **Form 5** Corporation Franchise or Income Tax Return
- ❑ **Form 5S** Tax-Option (S) Corporation Franchise or Income Tax Return
- ❑ **Form 3** Partnership Return
- ❑ **Form 1CNP** Composite Individual Income Tax Return for Nonresident Partners
- ❑ **Form 1CNS** Composite Individual Income Tax Return for Nonresident Tax-Option (S) Corporation Shareholders
- ❑ **Form 4H** Corporation Declaration of Inactivity
- ❑ **Form 4T** Exempt Organization Business Franchise or Income Tax Return
- ❑ **Form PW1** Nonresident Income or Franchise Tax Withholding on Pass-Through Entity Income

Please check our web site for a list of specific supporting forms and schedules supported for eFiling.

The transmission method will be a Web Service using Simple Object Access Protocol (SOAP) messaging. The return data will be formatted using Extensible Markup Language (XML). Authorized E-File providers, also known as Electronic Return Originators (ERO's) can submit returns to the IRS MeF system for federal and state return processing. State returns can be submitted as a federal return with a state return attached, called a "Linked" return, or as a state return, known as an "Unlinked" or "State Only" submission. Each return (Linked or State Only) must be in a separate submission. Multiple submissions may be contained in a single message payload. Software developers may test with and be approved by the department prior to submitting live Fed/State or State Only returns.

Section 2: Contact Personnel

For the best possible service, please choose the appropriate contact carefully.

For **technical questions** regarding:

- The web site
- The XML Schema
- The summary of the XML Schema
- Additional detail information of schema elements
- The sample return
- The web application
- The summary of schema changes
- Missing acknowledgements

Contact: Wisconsin Department of Revenue
Scott Mueller
(608) 266-8518
scott.mueller@revenue.wi.gov

For **Corporation Tax questions** regarding:

- Form/schedule development
- Corporation Tax Law

Contact: Wisconsin Department of Revenue
Fred Bahr
(608) 266-3120
fred.bahr@revenue.wi.gov

For **Corporation Tax questions** regarding:

- Bills or Refunds
- Filing requirements
- Name and address changes

Contact: Wisconsin Department of Revenue
Corporation & Withholding Unit
(608) 266-0800
Corptax@revenue.wi.gov

For **EFT payment questions** regarding:

- Registering to pay by Electronic Funds Transfer

Contact: Wisconsin Department of Revenue
Customer Service and Education Bureau
P.O. Box 8949
Madison, WI 53708-8949
Phone: (608) 266-2776
Fax: (608) 267-1030
<http://www.revenue.wi.gov/eserv/eftgen.html>

Other websites:

State of Wisconsin web site - www.wisconsin.gov

Wisconsin Department of Revenue web site - www.revenue.wi.gov

Electronic filing information - www.revenue.wi.gov/eserv/index.html

Internal Revenue Service - www.irs.gov

Federation of Tax Administrators - www.taxadmin.org

Section 3: Acceptance and Participation

1. Wisconsin will accept returns electronically from any IRS approved software provider. Software providers will work in a cooperative partnership effort with the department.
2. Software providers should make the following information available to the department for participation:
 - Software developer company name
 - Address
 - Primary contact name
 - Secondary contact name
 - Primary/Secondary telephone number
 - Primary/Secondary fax number
 - Primary/Secondary e-mail addresses

Section 4: Developer's Responsibilities

Developed software must:

- Adhere to all federal and state procedures, requirements and specifications. These requirements are specified in IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters*.
- Successfully complete all testing.
- Be developed in accordance with statutory requirements and department return preparation instructions.
- Provide accurate Wisconsin Corporate tax returns in correct electronic format.
- Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate, or invalid return information.
- Software provider must be available to correct any software errors, which may occur after production begins, and work with the department to follow up on any processing issues that may arise during filing season. If software providers need to re-release corrected software it should be done in a timely manner and proper notification should be made to all customers.
- Software providers must include electronic signature information in their software. A statement notifying taxpayers of the following should be included in the software directly before the taxpayer submits the return:

Under penalties of law, I declare by submitting this return that I have personally examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Section 5: Software Acceptance, Testing and Approval

1. The department expects to be able to accept 2009 test returns beginning November 2, 2009. The testing system will be available year round. The beginning test date is subject to IRS availability and is subject to change. Notification will be given if the beginning test date changes. Testing outside the Fed/State system (direct testing with Wisconsin) will be made available if necessary.
2. Wisconsin specific XML schema will be available at the department web site www.revenue.wi.gov/eserv/corp/index.html
3. Developers must include edits and verification based on the business rules provided for each field or data element. Developers must closely follow the requirements for each field to insure proper data formatting.
4. The department will provide test results in the form of an acknowledgement, specific comments and approval via email.

Section 6: Acknowledgement System

1. The department will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record will be in a format approved and agreed upon by the IRS, state agencies, transmitters, and software developers.
2. Transmitters and software developers should allow one business day to receive the State acknowledgement before contacting the department.

Section 7: General Information

1. Please see our web site for a complete listing of forms and schedules supported by our efile program
2. The department will accept the following return types:
 - Linked: An original federal return submitted with one original state return.
 - Unlinked/State Only: A state return not submitted with an original Federal return, or submitted by a Corporation filing for multiple states, or a state return which may have a different due date than the Federal return. (Note: Other conditions may warrant filing of State Only returns.)
3. In general, send data elements only if they contain data values. It is not necessary to send empty data elements (i.e., zero financial fields, unused elements, etc.)
4. Decimal places for ratios and percentages:
 - All percentages are submitted as decimal using a decimal99Type.

- Ratios and percentages will use a single position in front of the decimal and up to 8 decimal places. Examples:
 100% = 1.00000000
 37.3% = .37333333

5. Exclusions from Corporate Electronic Filing:

- Most supporting forms and schedules are supported for eFiling. There are a couple of rarely used forms that are not supported in XML, but they may be included in the return as PDFs.
- Returns for a Tax Year prior to 2005

Section 8: Schemas and Transmission Specifications

1. Beginning with Tax Year 2009, the department will only support forms based schemas, based on the TIGERS standard structure.
2. Software developers should consult the schemas for internal line documentation.
3. All XML data must be well formed.
4. Packaging of data and transmission payload must be in the proper format.
5. Returns filed in XML format with SOAP attachments allow for binary attachments to the submission. These attachments could consist of signature documents, balance sheets, statement records, or other types of documentation. The allowed file type for attachments is file extension .PDF. The file order of attachments and procedures must follow the IRS requirements for binary attachments as found in IRS Publication 4163 at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>. The department will allow for binary attachments to the state return.

The state does not require binary attachments, but there may be required supporting documents. These may be submitted as binary attachments or may be printed and mailed with a schedule WR-A transmittal form.

6. Other packaging and guidelines:

- A submission contains either a federal return or a state return.
- Each submission must be a separate file.
- Each federal return must be submitted in the agreed upon IRS XML format.
- Each state return must be submitted in the XML format specified and agreed upon by IRS, state agencies, transmitters, and software developers.
- Each state return must include a complete copy of the federal return as submitted to the IRS and any attachments associated with that federal return.

- If the IRS rejects a Fed/State submission, the state will not receive the state return portion. The Fed/State submission must be re-submitted.
- Each submission must be in Zip archive format.
- The SOAP message itself must not be compressed or zipped.
- The message must contain a header, a body, and an probably and attachment. See Modernized E-File Logical ICD Model for message layout and message technical specifications.
- ERO's and transmitters must be approved with the IRS in order to submit Fed/State or State Only returns.
- The department will produce an acknowledgement of acceptance or rejection for each state submission. The transmitter may then retrieve the department's acknowledgement from the IRS.

Section 9: Financial Transactions

1. Electronic Payments – Wisconsin supports the Financial Transactions and accepts ACH Debit payment requests. These payments may be warehoused for up to one year.

We also accept ACH payments. No information on the ACH Credit payment is necessary with the eFiled return. See www.revenue.wi.gov/eserv/eft2.html for details on making a credit payment.

2. Form 4-EPV Paper Payment Voucher – While paper checks are not encouraged, there maybe times when they are necessary. This voucher is scanned and must be tested and approved by the department. There is also a fill in printable form at www.revenue.wi.gov/forms/2009.
3. IAT Transactions - Wisconsin does not support IAT Transactions at this time. Software developers will need to ask the client if the transaction qualifies as an IAT transaction and offer alternatives or decline the debit option is the client says it is an IAT transaction.