



STATE OF CALIFORNIA
Franchise Tax Board

California

Income Tax Letter of Intent

Tax Year 2021

06/22/2021

2021 Tax Software Provider California Franchise Tax Board Letter of Intent

Welcome to the Income Tax Letter of Intent (LOI). If your software company intends to submit electronic and/or paper returns to the California Franchise Tax Board (FTB) you will need to complete this form and submit it to FTBLOI@ftb.ca.gov.

By submitting this LOI to the California FTB, you agree to meet our standards for software provider registration, tax preparation software, and substitute forms. If you do not meet the standards and requirements explained in this LOI, we may deny your application or revoke your approved software provider status and reject all electronic and/or paper returns submitted using your products.

You must complete a separate LOI for each unique product your company offers. We may reject an incomplete LOI.

Note: If you are a new Software Provider who has not filed state income tax returns with any state agencies, you must have passed assurance testing with the IRS. Attach documentation from the IRS demonstrating you have successfully tested with the IRS.

Important dates

California FTB has important key dates to ensure we are ready for the filing season and taxpayers can file an accurate and timely tax return. Please note the following key dates:

- If you support paper forms, you must complete and submit this form by September 10, 2021.
- Paper forms should be submitted for review by February 28, 2022.
- e-file Participant Acceptance Testing (PATs) begins on Friday, November 12, 2021.

Company information

List your company information.

Name of Company	Product Name	State Software ID (if applicable)
DBA Name	NACTP Vendor ID	State Tax Account Number (if applicable)
Address	Product Address/URL	Company FEIN
City	State	Zip Code
If you have more than one product name, list your other product names here:		

IRS issued electronic identification numbers

List your IRS electronic identification numbers.

Test EFIN(s)	Test ETIN(s)
Production EFIN(s)	Production ETIN(s)
Tax Software Engine	

If you have additional EFINs/ETINs, please list them on a separate sheet and attach it to this submission.

Contact information

List the contact information for each area identified.

Regulatory/Compliance Contact	Phone	Email Address
Primary Individual e-file Contact	Phone	Email Address
Secondary Individual e-file Contact	Phone	Email Address
Primary Business e-file Contact	Phone	Email Address
Secondary Business e-file Contact	Phone	Email Address
Primary Leads Reporting Contact	Phone	Email Address
Secondary Leads Reporting Contact	Phone	Email Address

Authorized access to the State Exchange System (SES)

On [page 10](#), provide information for each employee you are authorizing for access to the SES.

Type of software product

DIY/Consumer (Web-Based)

DIY/Consumer (Desktop)

Professional/Paid Preparer (Web-Based)

Professional/Paid Preparer (Desktop)

Programs supported

Forms e-file

Individual Income Tax

Estate/Trust/Fiduciary Tax

Withholding (590/592/593 Series)

Forms e-file

Corporation Tax

Partnership/LLC Tax

Exempt Organization

Type of substitute forms supported

Use CTP final PDF Forms

Build form in Software

Rebranded software products

Complete this section only if your product is rebranded.

For software to be considered rebranded, changes cannot be made to the software requirements and output(s). As the Software company selling and/or licensing your product to a third-party, it is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). List each of your rebranded products below.

Use one of the following class codes for each product:

- **Class Code 1:** Software products sold/licensed to a third-party user and the third-party user has the ability to add their own logos and/or splash screens. They cannot modify calculations in the program.

- **Class Code 2:** Software products sold/licensed to a third-party user and the third-party has the ability to alter/change calculations in the program.

Rebranded Product Name	ETIN (if applicable)	Class Code
Contact Person	Email Address	Phone
Rebranded Product Name	ETIN (if applicable)	Class Code
Contact Person	Email Address	Phone
Rebranded Product Name	ETIN (if applicable)	Class Code
Contact Person	Email Address	Phone

Please attach additional sheets with rebranded software product information if necessary.

For Rebranded Products, the California FTB has the following requirements for paper forms and/or e-file PATS approval.

- Rebranded Products with class code 1 are required to complete an abbreviated e-file PATS/paper form approval process.
- Rebranded Products with class code 2 are required to complete the full e-file PATS/paper form approval process.
- Rebranded Products with class code 2 are required to submit a separate CA LOI.

Substitute forms registration

Complete this section only if your product will provide substitute forms.

State Substitute Form Vendor Number		
Primary Individual Forms Contact	Phone	Email Address
Secondary Individual Forms Contact	Phone	Email Address
Primary Business Forms Contact	Phone	Email Address
Secondary Business Forms Contact	Phone	Email Address

If you have separate contacts for each business tax type, please list them by tax type on a separate sheet and attach it to this submission.

Forms and schedules supported

The forms and schedules supported checklists for California FTB will be available on the SES website. Software providers are required to complete the checklists prior to e-file PATS and substitute forms testing.

Agency requirements

This section identifies California FTB's requirements and expectations of new and existing Software Providers and the software product.

Issue notification and resolution

You are responsible to notify California FTB of any incorrect and/or missing calculation of e-file data element for any paper or electronic returns submitted to California FTB.

Production return submission

All returns generated from this software must be electronically filed or printed from the initially approved software or a subsequent product update.

Product update

You are responsible to enforce users/customers of desktop products who attempt to e-file 10 or more business days after a production release to download and apply the product update.

Schemas

Your software must follow the schema requirements. Find California FTB schema requirements on the SES to authorized users.

Testing and submission

All e-file PATS and substitute forms tests submitted during the approval process must be created in, and originate from, the actual software.

System security

The California FTB does not prescribe the security requirements for your system. You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. You must apply security measures to protect taxpayer information in your system when it is on-line, off-line, at rest, and in transit.

In addition to your current process, notify FTB of any confirmed data breach reported by taxpayer, preparer, or employer or any discovered fraudulent behavior or suspected identity theft by email: FTBDataBreach@ftb.ca.gov, e-filecoordinator@ftb.ca.gov, and your account manager.

Validation of specific data element

This section represents California FTB requirements for validation of specific data elements.

- State driver's license data elements.
- For personal income tax returns, the primary and secondary SSN or ITIN(s). For business returns, the FEIN, Secretary of State Number, CA Corporation Number, or LLC Temp Number.
- Bank routing and account numbers.
- For Security Summit industry partners provide fraud lead sharing information in accordance with the lead schema.

Customer Notices

This section identifies information California FTB is requiring the software providers to communicate with customers.

Disclosure and use of information language expectations

The disclosure and use of information language expectations for California FTB will be available on the State Exchange System website within the following California publications and related forms:

- California Business e-file Guide for Software Developers (FTB Publication 1346B)
- California Individual and Fiduciary e-file for Software Developers (FTB Publication 1346X)

Driver's license/ID card expectations

California FTB is providing the following expectations and information:

For e-file returns:

California FTB requests to receive the DL/ID card with the tax return

California FTB is providing a URL and a statement for the DL/ID Card. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The messages are expected to be displayed within the software in a way to maximize the likelihood the message is read.

URL: <https://www.ftb.ca.gov/about-ftb/newsroom/tax-news/print-version/october-2017.pdf>

Statement: California driver's license or state ID card information is not required to e-file a California tax return and tax returns will not be rejected if this information isn't provided. Providing this information will help expedite the tax return processing time as well as combat stolen-identity tax fraud.

Refund expectations

California FTB is providing a URL about refund processing. Industry partners must use this URL or other method prescribed by the agency in all products. The messages must be shown to end-users within the software in a way to maximize the likelihood the message is read.

URL: <https://www.ftb.ca.gov/refund/index.asp>

Publication 1098 Expectations

Our company agrees to comply with FTB Pub. 1098, Part I, Annual Requirements and Specifications for the Distribution and Use of Substitute, Scannable, Absolute Position and Reproduced Tax Forms, and Part II, Annual Requirements and Specifications for the Development of 2D Barcodes. Specifically, our company agrees to:

1. Request review and approval of substitute/scannable/2D and exact positioning tax forms based on final FTB forms posted on the SES and release only those FTB approved tax forms to our customers and clients.
2. When notified by FTB, promptly correct errors in our company's substitute/scannable/2D and absolute positioning tax forms and substantiate to FTB that our company corrected the errors and notified customers or clients of the corrections. Continue to educate customers to prevent problem tax returns from being generated.
3. Notify customers or clients of the computer hardware requirements, including printers, printer fonts and settings, font cartridges, etc., necessary to produce our company's substitute/scannable/2D and absolute positioning tax forms approved by FTB.
4. Identify to FTB all substitute/scannable/2D and absolute positioning tax forms and tax software programs that use our company's three-digit identification code.
5. Notify FTB of any critical software problems identified after we release products to customers.
6. Abide by the provisions of Senate Bill 1724 signed into law on September 30, 2000, (amending Sections 17530.5, 22251, and 22253 of the Business and Professions Code and adding Sections 1799.1a to the Civil Code and 18621.7 to the Revenue and Taxation Code). This law requires FTB to approve only those commercially developed tax preparation forms and software that comply with the privacy and confidentiality provisions described in these codes.
7. Authorize FTB to include our company name in various public information material designed to inform tax practitioners and the public about vendors who have agreed, complied, or failed to comply with FTB's policies, procedures, guidelines, and specifications.
8. Vendor acknowledges that upon approval of this agreement and prior to any access to proprietary information of the FTB, that each vendor and each of the vendor's employees who may have access to the information will

not reproduce, publish, sell, or release the proprietary information in original or in any other form for any reason.

I am authorized to agree to these terms on behalf of our company. Upon processing of this form, FTB will issue my company access to the SES to access Publication 1098, Part I and Part II.

Specific questions

1. Does your software require the acceptance of the Federal return with the IRS prior to sending the CA State return? If yes, list the program types supported and provide any conditions where your software does support unlinked jurisdictions returns.

- a. Yes
- b. No

2. Do you offer your customers refund products or payment vehicles? If yes, and you partner with an entity to provide refunds, please provide the names and bank routing numbers of each company. Attach a separate sheet if necessary.

- a. Yes
- b. No

3. Schema validation errors are the most common reason we reject e-file returns or stand-alone payments that are submitted in XML in our e-file program. Do you validate the e-file tax return or payment submissions you create against the latest valid production schemas prior to transmitting to FTB? If you do not, provide an explanation.

- a. Yes
- b. No

4. We expect software providers to report any issue that directly affects a tax return or payment filed with the State of California. When a software error is identified, it is the responsibility of the software vendor to immediately notify their customers, correct the problem, and expeditiously distribute the appropriate software revision (correction) to their clients with a “required” update. Additionally, FTB is to be advised when the corrections are made and supplied with the related version number, release date and the volume of impacted customers. What is your criteria for reporting software issues to FTB?

5. Provide any additional information.

Acknowledgments and signature

I agree to provide true, accurate, current, and complete information. I certify that I am authorized to sign this agreement on behalf of my company. I acknowledge and understand that the California Franchise Tax Board reserves the right to deny, suspend or terminate my company's ability to submit returns. By signing this agreement, my company agrees to all of the requirements listed in this agreement. If I use my electronic signature on this agreement, I also agree that my electronic signature is the legally binding equivalent to my handwritten signature.

AUTHORIZED REPRESENTATIVE PRINTED NAME	AUTHORIZED REPRESENTATIVE EMAIL ADDRESS	
AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER	DATE

Complete this signature line if this is an amended Letter of Intent

AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER	AMENDED DATE
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Authorized access to the SES

Access to the SES should be limited to those with a business need. You are allowed up to 2 users for each program type supported. Please provide information for the employees you are authorizing to have access to the SES.

Note: Include all authorized individuals, even if listed previously on this form.

First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC
First and last name	Phone number
Email address (No group ID or personal email allowed)	Authorized access <input type="checkbox"/> Forms <input type="checkbox"/> e-file <input type="checkbox"/> SCH K-1 Only <input type="checkbox"/> EITC

Purpose for authorized access

Complete the following if you are requesting authorized access for other than e-file.

- If you are requesting to view the substitute forms for either of the reasons below, please check the box:
 - Reproduce official California Franchise Tax Board forms for training purposes only.
 - Support e-file only, access to sub form folders for viewing purposes only.
- If you checked the SCH K-1 only, please provide a brief explanation:

Note: If you checked the Earned Income Tax Credit (EITC) checkbox, Substitute forms group will contact you to request for additional required information.