Income Tax Letter of Intent

Tax Year 2023

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Idaho State Tax Commission
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This form must be completed and submitted to Bill Hofstra by **September 15, 2023**

2023 Tax Software Provider 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 Idaho State Tax Commission (ISTC), you will need to complete this form and submit it to Bill Hofstra at efilecoordinator@tax.idaho.gov

By submitting this LOI to the ISTC, 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 or provide an incomplete form, 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.

Note: If you are a new Software Provider who has not filed city/state income tax returns with any city or 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

The ISTC 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:
- Complete and submit this LOI by **9/15/23**
- Assurance testing (ATS) begin date is contingent on IRS readiness and is expected by **10/17/23**
- Last date of initial test acceptance for ATS, Substitute Document, and 2D Tests is **12/01/23**
- ATS, Substitute Document, and 2D Testing must be complete and authorized by **1/31/24**

Amended Letter of Intent

☐ Check this box if this is an amended Letter of Intent.

Reason for amendment:

Company information

List your company information.

Name of Company	Product Name	
DBA Name	NACTP Vendor ID	
Address	Product Address/URL	Company FEIN
City	State	Zip Code
List your other product names using the same calculation engines here:		

IRS issued electronic identification numbers

List your IRS electronic identification numbers.

Test EFIN(s)	Test ETIN(s)
Production EFIN(s)	Production ETIN(s)

Contact information
List the contact information for each area identified.

Regulatory/Compliance Contact	Phone	Email Address
Primary Individual MeF Contact	Phone	Email Address
Secondary Individual MeF Contact	Phone	Email Address
Primary Business MeF Contact	Phone	Email Address
Secondary Business MeF Contact	Phone	Email Address
Primary Fiduciary (Estate/Trust) MeF Contact	Phone	Email Address
Secondary Fiduciary (Estate/Trust) MeF Contact	Phone	Email Address
Primary Leads Reporting Contact	Phone	Email Address
Secondary Leads Reporting Contact	Phone	Email Address

Substitute forms registration

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

Agency Substitute Forms Software Number (NACTP and 1D barcode numbers)		
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
Note: 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.		

Software products and tax types supported

Check all that apply.

Type of software product supported	
DIY/Consumer (Web-Based)	☐
DIY/Consumer (Desktop)	☐
Professional/Paid Preparer (Web-Based)	☐
Professional/Paid Preparer (Desktop)	☐

Tax types supported (Including Primary Forms)		
Individual Income Tax, Resident (Form 40)	☐ Substitute Forms ☐ *2D Barcode	☐ E-File
Individual Income Tax, Part Year & Nonresident (Form 43)	☐ Substitute Forms	☐ E-file
Corporate Tax (Form 41)	☐ Substitute Forms	☐ E-File
S-Corporation Tax (Form 41S)	☐ Substitute Forms	☐ E-File
Partnership Tax (Form 65)	☐ Substitute Forms	☐ E-File
Fiduciary Tax (Form 66)	☐ Substitute Forms	☐ E-File
Non-Income Tax Forms	☐ Substitute Forms	

*2D Barcode includes form and 2D support of Forms 40, 39R, 75, and 44

Rebranded software products

Complete this section only if your product is rebranded.

For software to be considered rebranded, changes <u>cannot</u> 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.

Rebranded Product Name	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	ETIN (if applicable)	Contact Person	Phone	Email Address
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Attach additional sheets if needed.

For Rebranded Products, the ISTC has the following requirements for paper forms and/or E-File ATS approval:

- Rebranded Products are not required to complete E-File ATS/substitute form approval.

Forms and schedules supported by tax type (check all that apply)

Check the boxes of the forms and schedules your company supports. All forms are schema, unless "Attachment" is noted.

Tax Types and Forms	Substitute Forms	E-File
Individual Income Tax		
40- Individual Income Tax Return	☐	☐
39R- Resident Supplemental Schedule	☐	☐
43- Part-Year Resident & Nonresident Income Tax Return	☐	☐
39NR- Part-Year Resident and Nonresident Supplemental Schedule	☐	☐

Tax Types and Forms	Substitute Forms	E-File
Business Income Tax		
41- Corporation Income Tax Return	☐	☐
41S- S Corporation Income Tax Return	☐	☐
65- Partnership Return of Income	☐	☐
66- Fiduciary Income Tax Return	☐	☐
41A- Supplemental Schedule of Affiliated Entities	☐	☐
42- Apportionment and Combined Reporting Adjustments	☐	☐
42A- By-Company Apportionment Factor Detail	☐	☐
PTE-12- Schedule of Pass-through Owners	☐	☐
49ABE- Affected Business Entity Investment Tax Credit Schedule	☐	☐
Common/Shared Forms		
44- Business Income Tax Credits, Credit Recapture, and Nonrefundable Credit From a Prior Year Return	☐	☐
49- Investment Tax Credit	☐	☐
49C- Investment Tax Credit Carryover	☐	☐
49R- Recapture of Idaho Investment Tax Credit	☐	☐
56 & 56A- Net Operating Loss Schedule and Application	☐	☐
67- Credit for Idaho Research Activities	☐	☐
68- Broadband Equipment Investment Credit	☐	☐
68R- Recapture of Idaho Broadband Equipment Investment Credit	☐	☐
CG- Capital Gains Deduction	☐	☐
75- Fuels Use Report	☐	☐
ID K-1- Partner's, Shareholder's or Beneficiary's Share of Idaho Adjustments, Credits, etc	☐	☐
ITC-LIST- Investment Tax Credit List	☐	☐
ID-529- Credit for Employer Contributions to Employee Idaho College Savings Account	☐	☐
Payment Vouchers		**Direct Debit**
ID-VP- IIT/BIT Return Payment	☐	☐
Form 51- IIT Estimated Payment	☐	☐
Form 41ES- BIT Estimated/Extension Payment	☐	☐
PTE-01- Pass-Through Entity Payment	☐	☐

IIT= Individual Income Tax
BIT= Business Income Tax

Continued:

Tax Type and Forms	Attachment Name	Substitute Forms	E-File
Common/Shared Forms (Attachments)			
14- Water's-Edge Election and Consent	Form_14_01	☐	☐
41ESR- Underpayment of Estimated Tax	Form 41ESR_01	☐	☐
49E- Election to Claim the Qualified Investment Exemption from Property Tax Instead of Investment Tax Credit	Form 49E_01	☐	☐
49ER- Recapture of Qualified Investment Exemption from Property Tax	Form 49ER_01	☐	☐
70- Statement of credit Transfer	Form_70_01	☐	☐
75-BST- Idaho Fuels Tax Refund Worksheet (Idaho Consumers with Single or Multiple Bulk Storage Tanks)	Form_75BST_01	☐	☐
75-LFA- Idaho Fuels Tax Refund Worksheet (Line Flush Allowance)	Form_75LFA_01	☐	☐
75-NM- Fuels Tax Refund Worksheet (Nontaxable Miles for Special Fuels)	Form_75NM_01	☐	☐
75-PTO- Fuels Tax Refund Worksheet (Power Take-off and Auxiliary Engine)	Form_75PTO_01	☐	☐
402- Individual Apportionment for Multistate Businesses	Form_402_01	☐	☐
Non-Idaho Income Tax Return	OtherState_Return_01	☐	☐
Miscellaneous Statements	Misc_Stmt_01	☐	☐
Combined Report Spreadsheet	Comb_Report_01	☐	☐
ITC Equipment List	ITC_Equipment_01	☐	☐
Tax Reimbursement Incentive Credit	Reimburse_Credit_01	☐	☐
First Time Home Buyer	Form_IDFTHB_01	☐	☐
Form DBDA- Deferred Bonus Depreciation Addition	Form_DBDA_01	☐	☐
Form ABE- Affected Business Entity Election	Form_ABE_01	☐	☐

Tax Type and Forms	Forms Support
Forms Not Applicable for E-File	
83- Small Employer Investment Tax Credit	☐
83R- Recapture of Idaho Small Employer Investment Tax Credit	☐
84- Small Employer Real Property Improvement Tax Credit	☐
84R- Recapture of Idaho Small Employer Real Property Improvement Tax Credit	☐
85- Small Employer New Jobs Tax Credit	☐
85R- Recapture of Idaho Small Employer New Jobs Tax Credit	☐
89SE- Certification for Idaho's Small Employer Tax Incentives	☐

Electronic amended returns

ISTC requests you support electronic amended returns for those available through MeF.

Software limitations

Please attach a complete list of software limitations to all forms and schedules you support. ISTC requires any change in limitations be expressed in an amended LOI.

Agency requirements

This section identifies agency requirements and expectations of new and existing Software Providers and the software product.

Issue notification and resolution requirements

This section represents the ISTC issue notification and issue resolution standards.

- Date and time the incident was discovered.
- How the incident was discovered.
- Description of the incident.
- Actual or estimated number of taxpayer records involved.
- Data involved, including specific data elements if known.
- Infrastructure/systems involved (i.e. laptops, servers, desktops etc.)
- Examples of information communicated to customers or other external audiences about the issue.
- ISTC may require you to submit a plan and time frame of issue correction, and impacted customers may need to be notified.
- Notify the agency if any forms and/or payments you support are not ready after agency approval. Submit this information via email to efilecoordinator@tax.idaho.gov and include the date the electronic or paper product will be ready to submit.

System security requirements

The ISTC 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.

Security incident reporting requirements

Unless otherwise prohibited by law, all data breaches, security incidents, or other improper disclosures of taxpayer data must be promptly reported to the ISTC and The Office of the Attorney General for the State of Idaho.

Production return submission requirements

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

Product updates

Desktop product users who attempt to file 10 or more business days after a production release are required to download and apply the product update.

Schemas

The software must follow the schema requirements. ISTC schema requirements can be found in the Federation of Tax Administrators (FTA) State Exchange System (SES).

Testing and submissions
All E-File ATS and substitute forms tests submitted during the approval process must be created in, and originate from, the actual software. Substitute document test submissions should include the complete set of submissions that have not yet been authorized. Partial submission sets can be accepted with prior ISTC authorization.

Validation of data elements
The software must require certain pre-populated data elements are reviewed for accuracy by the customer. Pre-populated information validated by users includes:

- State driver's license/ID card data elements
- State withholding account number(s)
- PTIN entered at product registration
- Address
- Phone Number

Change(s) Pursuant to Product Authorization

ISTC requires that the software partner stay apprised of, and act upon, specification updates we make available in SES.

Software Preparedness

After ISTC has authorized your product, we expect software messages do not indicate software preparedness is dependent on ISTC action or activity.

Customer Notices

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

Disclosure and use of information language expectations
You must include the following consent language with electronic filing software.

For Do-It-Yourself software:
By using a computer system and software to prepare and/or file my tax return(s) electronically, I consent to the transmission of my return(s) and to the disclosure of all information about the use of the system and software to the Idaho State Tax Commission.

For Tax Professional software:
By using a computer system and software to prepare and/or file my client's return(s), I consent to the transmission of my client's return(s) and to the disclosure of all information about the use of the system and software to the Idaho State Tax Commission**.**

For Business software:
By using a computer system and software to prepare and/or file this business tax return(s), I consent to the transmission of the return(s) and to the disclosure of all information about the use of the system and software to the Idaho State Tax Commission.

Driver's license/ID card expectations for individual income tax

ISTC is providing the following expectations and information:

For E-File returns:
ISTC 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 message is expected to be displayed within the software in a way to maximize the likelihood the message is read.

Statement: ISTC requires the DL/ID card number be included with the return but won't reject the return if it's not included. Provide your driver's license or identity card number when you E-File to help your refund process faster.

> **URL**: https://tax.idaho.gov/refundinfo

For printed/paper forms requesting the DL/ID Card information:

Idaho paper forms don't include ID/DL, however we expect the following URL's to be available to the taxpayer.

> Idaho Identity Theft
> **URL**: https://tax.idaho.gov/guides/protecting-your-identity/identity-theft/

> Idaho Tax Professional Hub
> **URL**: tax.idaho.gov/taxpros

Refund expectations
ISTC is providing a URL and statement for refund processing. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The message is expected to be displayed within the software in a way to maximize the likelihood the message is read.

Statement: Typical refund time frames are 7-8 weeks for e-filed returns and 10-11 weeks for paper returns. There are some exceptions. For more information, please visit ISTC website: Where's my Refund?
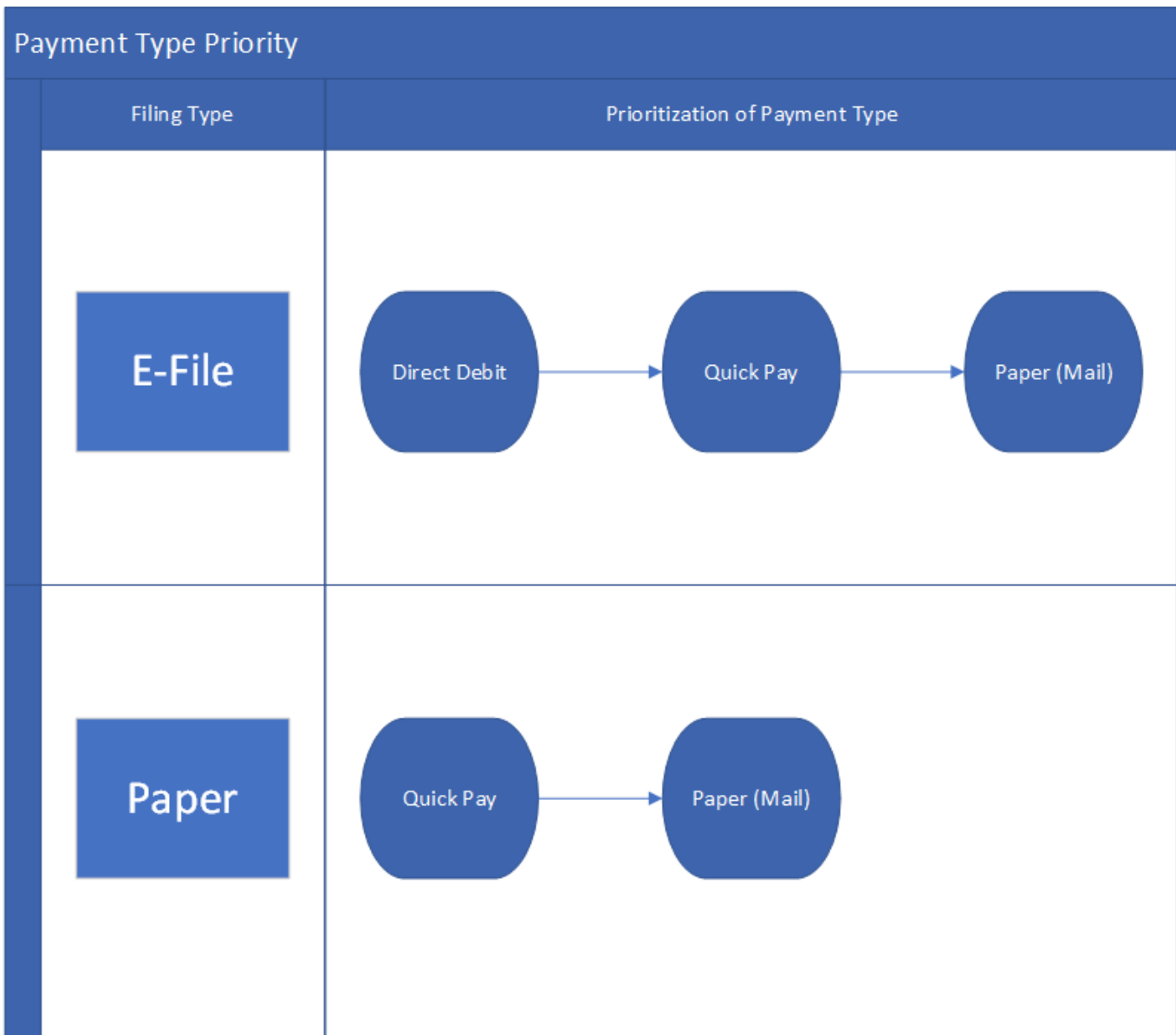**URL:** https://tax.idaho.gov/refundinfo

Taxes Due Expectations

Payment Date Consideration
Please advise the taxpayer of any inconsistency between their payment processing date and the due date of the return (i.e., warn them if the processing date is more than 10 days of the return/estimated payment due date).

Statement: Please make sure your payment processing date is not beyond the expected due date in order to avoid possible penalty.

Payment Prioritization Expectation

Payment Type Priority	
Filing Type	**Prioritization of Payment Type**
E-File	Direct Debit → Quick Pay → Paper (Mail)
Paper	Quick Pay → Paper (Mail)

- Please direct taxpayers to utilize direct debit as our preferred method of payment for E-File and Quick Pay for paper. If the taxpayer chooses the direct debit option for E-File, or Quick Pay for paper, do not show users any other options. You should provide your customers the priority option on each filing type before offering the other methods.

Direct Debit:

Statement: The date entered for payment will be the date it is expected to transfer from your account. The bank routing and account numbers you enter are for your state tax payment. This is only the payment request. It is your responsibility to review your bank statement to confirm that this transaction was successful. If you are making a direct debit payment, for the full amount of tax due, do not make a quick payment or payment by check.

We have other options available:

Quick Pay:

Statement: Quick Pay is accurate, efficient, and a fast way to make your tax payment. An SSN or EIN are the only taxpayer ID needed to make a Quick Payment for income tax, estimated, and audit payments.

URL: https://tax.idaho.gov/epay

Mail:

Statement: Payment can be made by mail, including a check or money order with the printed tax return. If paying separately from the return mailing include the **Form ID-VP** payment voucher with the payment.

Mailing addresses:

Return and payment-
IDAHO STATE TAX COMMISSION
PO BOX 83784
BOISE ID 83707-3784

Returns only-
IDAHO STATE TAX COMMISSION
PO BOX 56
BOISE ID 83756-0056

Agency questions

This section represents questions ISTC has for the software provider about their product.

1. Do you support unlinked jurisdictional returns?

    a. ☐ Yes
    b. ☐ No

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

Acknowledgments and signature

By signing this agreement, I agree to provide true, accurate, current, and complete information and my company agrees to all the requirements listed in this document. ISTC reserves the right to deny, suspend or terminate my company's ability to submit returns.

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

Authorized access to the State Exchange System

Access to the State Exchange System should be limited to those with a business need. You are allowed up to **seven** users.

Provide information for each employee you are authorizing for access to the State Exchange System. The tax type box should include all the tax types individuals are authorized to access.

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

First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types
First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types
First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types
First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types
First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types
First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types
First and Last Name	Phone Number	Email Address
	Authorized Access ☐ Substitute Forms ☐ E-File	Tax Types