

**Commonwealth of Kentucky
Kentucky Department of Revenue**



**Kentucky Tax Software Provider Registration Form
for Substitute Forms Design and/or
Tax Preparation Software**

Letter of Intent

Tax Year 2019

Contact List:

Individual/Fiduciary Income Tax: Sikitia.Snow@ky.gov & Jeremy.Sapp@ky.gov

Corporate Income Tax: Christopher.Rains@ky.gov & Sara.Satterwhite@ky.gov

Withholding Tax (K5): Laura.Congleton@ky.gov & Caitlin.Branco@ky.gov

E-Commerce Branch Manager: AudreyJ.Terry@ky.gov

Due: December 31, 2019

2019 Tax Software Provider Kentucky Department of Revenue Letter of Intent

By submitting this Letter of Intent (LOI) to the Kentucky Department of Revenue, you are agreeing to meet our standards for software provider registration, all tax preparation software, and substitute forms. Agreement and adherence to the national standards are required as a prerequisite to approval.

Failure to meet the standards or requirements set forth in the national standards and requirements form or in this LOI may result in the denial of your application or the removal of your organization as an approved software provider, and the rejection of all electronic or paper returns submitted using your products.

Please complete a registration form for each unique product your company offers. If you submit an incomplete form, your request to participate in electronic or paper submissions may be denied.

This form must be completed and submitted to the appropriate contact listed on the first page of this document no later than December 31, 2019.

The Attachment A referenced in this document is posted with the LOI on SES in the KYST.TY19.LOI folder.

[Contact Information](#) – Provide this information on Attachment A – Company Information Tab

The list you provide should include the following information:

- Company name
- DBA name
- Address
- Phone
- Email address
- FEIN
- NACTP Member Number
- Kentucky Software ID
- Product name
- EFIN and ETINS for Test and Production
- Primary and Secondary contacts
 - Regulatory/Compliance
 - Substitute Forms Design
 - 2D Barcode
 - MeF – IND, CORP, PART, ESTRST
 - Leads

[Authorized access to the State Exchange System](#) – Provide this information on Attachment A – SES Access Authorization Tab

Please provide a list of employees within your organization that you are authorizing to have access to the State Exchange System. The list you provide should include the following information:

- Company name, if different than company name at top of LOI
- First and last name of authorized individual(s)
- Email address
- Phone number
- Tax types they are authorized to access (indicate all or individual, corporate, estate/trust, payroll etc.)

NOTE: If the individuals are the same as what you've listed on the Contact Information page, please include them in this section as well.

[Type of Software Product](#) - Provide this information on Attachment A – Company Information Tab

The list will include:

- DIY/Consumer or Professional/Paid Preparer
- Web-based or Desktop

[Tax Types Supported](#) - Provide this information on Attachment A – Company Information Tab

The tax types available for the Kentucky LOI are

- Individual Income Tax
- Estate/Trust/Fiduciary Income Tax
- Corporate Income Tax
- Partnership Income Tax
- Withholding Tax (Form K-5 only)

[Rebranded Software Products](#) - Provide this information on Attachment A – Rebranded Software Products Tab

For Rebranded Products, the Kentucky Department of Revenue has the following requirements for paper forms and/or e-file ATS approval

- Rebranded Products where substantially different changes such as calculations or transmissions from a separate code base from the Software publisher’s product would require ATS testing with the Kentucky Department of Revenue. A unique software Id must be used in this situation and ATS testing is required.
- If a substantial difference does not exist, ATS testing is not required for the Rebranded Product. If a different software id is used in this this situation, we request that you notify us and complete an abbreviated ATS testing to validate the software id.

[Substitute Forms Registration](#) - Provide contact information on Attachment A – Company Information Tab

[Forms and Schedules Supported](#) - Provide this information on Attachment A – Substitute Forms List Tab and Efile Support List Tab; List any limitations on Attachment A – Limitations Tab

Use the section to list forms and schedules your company will be supporting. Please note if the form is supported for print and e-file returns or printed returns only.

Communication and Expectations

[Documents and Materials](#)

The Kentucky Department of Revenue e-file and paper form documentation will be posted/provided at the following locations:

- FTA State Secure Exchange System (SES)

[Refund Expectations](#)

To assist Taxpayers and Tax Professionals expecting refunds, the Kentucky Department of Revenue is providing a URL and/or a statement about refund processing. Industry partners should use this statement and/or URL to communicate and help set the appropriate expectations with external stakeholders. Providing this information will ensure everyone is communicating a consistent refund timing message.

Statement/URL

The Kentucky Department of Revenue takes active steps to protect taxpayers, and taxpayer dollars, from fraud and identity theft. This can increase the time it takes to review and process income tax returns and requests for refunds.

The department strives to process individual income tax requests efficiently and is committed to processing individual requests for income tax refunds within a timely manner.

Taxpayers may check their refund status online by using the *Where's My Refund?* application on the Kentucky Department of Revenue website. URL: <https://refund.ky.gov/>

Driver's license/ID card expectations

The Kentucky Department of Revenue is providing the following expectations and information:

For e-file returns:

The Kentucky Department of Revenue wants to receive the DL/ID Card Information with the tax return. It is optional for the taxpayer to provide their DL/ID card information, but the Kentucky Department of Revenue will reject e-file returns if the `PrimDrvrLcnsOrStatelssdIdGrp` in the `AuthenticationHeader` is not provided.

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

The Kentucky Department of Revenue requests the full DL/ID Card Information on the form(s).

The Kentucky Department of Revenue is providing a URL and/or 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 shown to end-users within the software in a way to maximize the likelihood the message is read.

Statement

The Kentucky Department of Revenue had added a field to the individual income tax return forms 740, 740-EZ, 740-NP, 740-NP-R that allows taxpayers to provide their driver's license or state issued ID number if they choose. While providing a driver's license or state issued ID number is *optional*, doing so may expedite return processing. The Kentucky Department of Revenue uses the driver's license or state issued ID number to screen returns for tax fraud and identity theft problems. Returns that do not include a driver's license or state issued ID number will not be scrutinized more than returns that do include a driver's license or state issued ID number.

Questions, Requirements, Standards and Recommendations

This section represents the jurisdiction specific requirements and standards for tax software providers.

Schedule KW-2

The Schedule KW-2 – Kentucky Income Tax Withheld, was created in tax year 2017 and used in tax year 2018 to report the Kentucky income tax withheld for paper-filed returns. The Schedule KW-2 will continue to be used in tax year 2019 and should be completed based on the 2019 W-2's and 1099's with Kentucky income tax withheld in an amount greater than 0. The Schedule KW-2 should be included with a mailed return instead of the income and withholding tax statements. The taxpayer must keep copies of the Kentucky income and withholding tax statements and provide them to the Kentucky Department of Revenue if requested.

The Schedule KW-2 is not used for electronic filed returns and a schema does not exist for the Schedule KW-2. All Kentucky withholding claimed on the e-filed tax return must be supported by an income and withholding tax statement using the applicable schema as has been required in past years. When a return is printed from the software package, the Schedule KW-2 should be included if there is a possibility that the return will be filed by mail instead of electronically filed.

Standards and Requirements for Confirmation of Specific Data Elements

Transferring data year-over-year that is not initially entered accurately causes issues with processing tax returns. The following items should be **confirmed** when transferred year over year.

- SSNs
- Addresses
- State driver's license and state issued ID numbers
- Employer information
- State withholding account numbers
- FEINs
- Kentucky Corp/LLET Account numbers

Specific Questions - Provide this information on Attachment A – Specific Questions Tab

Acknowledgments and signature

- I acknowledged that I have completed Kentucky LOI-Attachment A as part of this agreement and will provide it along with this signed document to the Kentucky Department of Revenue.
- I acknowledge all electronic returns received by the Kentucky Department of Revenue generated from this software will be electronically filed from the initially approved product version, or a subsequent product update.
- I acknowledge all paper returns received by the Kentucky Department of Revenue generated from this software will be printed from the approved product version, or a subsequent product update.
- I acknowledge the Kentucky Department of Revenue will be notified of any incorrect and/or missing calculation or e-file data element for any paper or electronic returns submitted to the Kentucky Department of Revenue.
- I acknowledge users/customers of this desktop product who attempt to e-file 10 or more business days after a production release will be required to download and apply the product update.

I agree to provide true, accurate, current, and complete information. By signing this agreement, my company agrees to all of the requirements listed in this document. The Kentucky Department of Revenue 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
-------------------------------------	--	--------------