Montana Withholding/Payroll Service Provider Letter of Intent

Tax Year 2024

This form must be completed and submitted to DORe-Services@mt.gov by November 1, 2024.

For any general questions about this LOI, please contact Information Governance at DORe-Services@mt.gov.

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2024 Tax Software Provider Montana Department of Revenue Letter of Intent Withholding/Payroll

Welcome to the Letter of Intent (LOI) for Withholding/Payroll. If your software company intends to submit withholding/payroll informational returns electronically, you will need to complete this form and submit it to Information Governance at DORe-Services@mt.gov.

By submitting this LOI to the Montana Department of Revenue, 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.

Important dates

The Montana Department of Revenue has important key dates to ensure we are ready for return submissions and taxpayers can file an accurate and timely tax return. Please note the following key dates:

- Initial test submissions are due by December 15, 2024.
- Final test submissions are due by January 17, 2025.
- The tax year 2024 filing deadline for all Montana withholding forms is January 31, 2025.

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	City/State issued software ID
DBA Name	NACTP Vendor ID (if applicable)	State Tax Account Number (If applicable)
Address	Product URL	Company FEIN
City	State	ZIP Code

IRS Issued Electronic Identification Numbers

List your IRS electronic identification numbers. The transmission header of the MeF FSET package has a required element transmitter with a required choice of EFIN or ETIN.

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

Contact information

List the contact information for each area identified.

Regulatory/compliance contact	Phone	Email
Primary withholding e-File contact	Phone	Email
Secondary withholding e-File contact	Phone	Email
Primary W2/1099 e-File contact	Phone	Email
Secondary W2/1099 e-File contact	Phone	Email

Substitute forms registration

Complete this section only if your product will provide substitute forms. All companies that reproduce State of Montana tax forms must complete the substitute form registration annually. Complete all information fields.

Agency substitute forms software number		
Primary withholding forms contact Required	Phone	Email
Secondary withholding forms contact Required	Phone	Email
Primary W2/1099 forms contact Required if applicable	Phone	Email
Secondary W2/1099 forms contact Required if applicable	Phone	Email

Note: If you have additional contacts, please list them by form/tax type on a separate sheet and attach it to this submission. If you are using another company's form in your software, that company will need to complete testing before your test submissions will be accepted. If you do not have a Montana Software Provider ID from the previous tax year, leave that field blank. We will send a confirmation email to provide you with a Montana Software Provider ID.

Software products and tax types supported
Check all that apply.

Type of software product supported	
Web-Based	☐
Desktop	☐

Tax types supported	e-File	Substitute forms
Montana Annual W-2 1099 Withholding Tax Reconciliation Form MW-3	☐ e-File	☐ Substitute forms
Montana Withholding Tax Payment Voucher Form MW-1		☐ Substitute forms

Filing types and methods

This section identifies the various ways returns can be filed with the Montana Department of Revenue. Please select the method(s) your company will support.

Filing form types	Check filing methods your company supports	For more information
1099	☐ File upload process ☐ Combined fed/state program	MTDOR Electronic Filing FAQ Sheet Publication 1220
W2/W2C	☐ Web service API ☐ File upload process	SSA Specifications for Electronic Filing Forms W-2 & W-2c
MW-3 Reconciliation Return	☐ Secure FTP ☐ Web service API ☐ File upload process	MTDOR Electronic Filing FAQ Sheet
Vendor Payment Service Standalone Withholding Payments	☐ Web service API	MTDOR Electronic Filing FAQ Sheet

E-File mandates or requirements

- Montana law (15-30-3315, MCA) requires partnerships with more than 100 partners to file electronically.
- Montana law (15-1-802, MCA) requires payments of $500,000 or more to be made electronically.
- Montana Senate Bill 24 (2023) requires corporations with more than $750,000 in gross receipts during a tax period to file electronically.

Electronic corrected/amended returns

The Montana Department of Revenue requires you support electronic corrected/amended returns.

Agency requirements

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

If your company files directly with the Montana Department of Revenue, it is strongly recommended to use the Web Service API for reporting. If your software is only used by third-party preparers, please use the File Upload Process.

Issue notification and resolution requirements

This section represents the Montana Department of Revenue issue notification and issue resolution standards.

Notify the agency if any forms and/or payments you support are not ready when your software is available for use. Submit this information via email to DORe-Services@mt.gov and include the date the electronic or paper product will be ready to submit.

System security requirements

The Montana Department of Revenue 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 requirements

Data breaches, security incidents, or other improper disclosures of taxpayer data that by law require reporting to the Montana Attorney General, Austin Knudsen, must also be reported to the Montana Department of Revenue. All Providers executing this agreement are subject to Federal and State data breach security laws and/or regulations noted below, including but not limited to provisions regarding who must comply with the law, definitions of "personally identifiable information", what constitutes a breach, requirements for notice, and any exemptions.

Internal Revenue Code 6103, 7213, 7213A, 7431
IRS Publication 1075

Section 15-30-2618, MCA
Section 15-31-511, MCA

Data breaches, security incidents, or other improper disclosures of taxpayer data that by law require reporting to the attorney general's office at the Montana Department of Justice must also be reported to the Department of Revenue.

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 update

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

Schema or file format requirements

Your software must follow the schema requirements or file format prescribed by the agency. Find Montana Department of Revenue schema requirements in the FTA State Exchange System.

Testing and submission requirements

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

Validation of data elements

You must validate the following pre-populated data elements:
- Federal Employer Identification Number (FEIN)
- Montana State tax account number
- Employer names
- Employer addresses
- Employer contact information
- Tax period

Software limitations

Provide any software limitations to forms or schedules you support during testing. Failure to provide this information could delay the review of your test returns.

Customer notices

This section identifies information that the Montana Department of Revenue is requiring the software providers to communicate with customers.

Disclosure and use of information language expectations

The following consent language must be added to electronic filing software to notify the user.

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 my use of the system and software to the Montana Department of Revenue.

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 my use of the system and software to the Montana Department of Revenue.

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 Montana Department of Revenue.

Agency questions

This section represents questions Montana Department of Revenue has for the software provider about their product. What refund products or payment vehicles do you offer your customer? If you partner with an entity to provide refunds (e.g., Amazon.com or other pre-paid cards), please provide the names and bank routing numbers (RTNs) of each company. Attach a separate sheet if necessary. Refund payments must be deposited with a bank. The department will not accept any payments using cryptocurrency or cyber currency (such as Bitcoin, Litecoin, Ethereum, etc.). Please answer N/A if this section does not apply to your software or services.

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.

The Montana 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

Authorized access to the State Exchange System

Access to the State Exchange System should be limited to those with a business need. The Montana Department of Revenue does not limit the number of users allowed access to our SES folders. Our requirements are that the users must be on the approved FTA user list. We request to be kept up to date on any changes in vendor personnel that would be working with us.

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	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types
First and last name	Phone	Email address
	Authorized access ☐ e-File ☐ Substitute Forms	Tax types