



ALABAMA DEPARTMENT OF REVENUE  
INDIVIDUAL AND CORPORATE TAX DIVISION

Departmental Use Only

Software Developer Letter of Intent  
and Compliance Agreement for Individual  
Modernized eFile (MeF) Returns Tax Year 2020

AL Assigned Software  
Developer Code:

By submitting this Letter of Intent (LOI) to the Alabama Department of Revenue, you are agreeing to meet our standards for software provider registration, all tax preparation software, and substitute forms.

Failure to meet the standards or requirements set forth 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.

You must complete a separate LOI 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 Individual.efile@revenue.alabama.gov no later than October 1, 2020.**

NAME OF COMPANY	PRODUCT NAME	STATE SOFTWARE ID	
DBA NAME	NACTP MEMBER NUMBER	STATE ACCOUNT NUMBER ( IF APPLICABLE)	
ADDRESS	PRODUCT ADDRESS/URL	COMPANY FEIN	
CITY		STATE	ZIP CODE

REGULATORY/COMPLIANCE CONTACT	PHONE NUMBER ( )	EMAIL ADDRESS
PRIMARY INDIVIDUAL MEF CONTACT	PHONE NUMBER ( )	EMAIL ADDRESS
SECONDARY INDIVIDUAL MEF CONTACT	PHONE NUMBER ( )	EMAIL ADDRESS
PRIMARY LEADS REPORTING CONTACT	PHONE NUMBER ( )	EMAIL ADDRESS
SECONDARY LEADS REPORTING CONTACT	PHONE NUMBER ( )	EMAIL ADDRESS

TEST EFIN	PRODUCTION EFIN
TEST ETIN(S)	PRODUCTION ETIN(S)

**Authorized access to the State Exchange System**

Please provide information for the employees you are authorizing to have access to the State Exchange System. The tax type box should include all the tax types individuals are authorized to access.

Please attach additional sheet with authorized users if necessary. The list you provide must include the information requested in the table.

**NOTE:** Even if the individuals are the same as what you've listed on the first page, please also include them here.

COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ( )
COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ( )
COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ( )
COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ( )
COMPANY NAME	FIRST AND LAST NAME	EMAIL ADDRESS	PHONE NUMBER ( )

**Type of Software Product (check only one)**

DIY/Consumer (Web-Based)

DIY/Consumer (Desktop)

Professional/Paid Preparer (Web-Based)

Professional/Paid Preparer (Desktop)

**Forms and Schedules Supported (Check All That Apply)**

**Individual Form 40 (Resident/Part-Year Return)**

- Form 40 – Individual Income Tax Return (Required)
  - Schedule A – Itemized Deductions (Required)
  - Schedule AAC – Alabama Adoption Tax Credit (Required)
  - Schedule AATC – Alabama Accountability Tax Credit (Required)
  - Schedule B – Interest and Dividend Income (Required)
  - Schedule CR – Credits For Taxes Paid to Other States (Required)
  - Schedule DC – Donation Check-Offs (Required)
  - Schedule D – Net Profit or Loss (Required)
  - Schedule E – Supplemental Income and Loss (Required)
  - Schedule DS – Dependents Schedule (Required)
  - Schedule HOF – Head of Family Schedule (Required)
  - Schedule KRCC-I Recipient’s Share of Capital Credit for Individual Taxpayers (Required)
  - Schedule OC – Other Available Credits (Required)
  - NOL-85 – Computation of Net Operating Loss (Required)
  - NOL-85A – Application of NOL Carryback or Carryforward (Required)

Form 4952A – Investment Interest Expense

**Individual Form 40NR (Nonresident Return)**

- Form 40NR – Individual Non-Resident Return
  - Schedule A – Itemized Deduction (Required)
  - Schedule AAC – Alabama Adoption Tax Credit (Required)
  - Schedule AATC – Alabama Accountability Tax Credit (Required)
  - Schedule B – Interest and Dividend Income (Required)
  - Schedule CP – Composite Payments (Required)
  - Schedule D – Profit From Sale of Real Estate, Stocks, Bonds, etc. (Required)
  - Schedule E – Income From Rents, Royalties, Partnerships, Estates, Trust, and S Corporation (Required)
  - Schedule DS – Dependents Schedule (Required)
  - Schedule HOF – Head of Family Schedule (Required)
  - Schedule KRCC-I Recipient’s Share of Capital Credit for Individual Taxpayers (Required)
  - Schedule OC – Other Available Credits (Required)
  - NOL-85 – Computation Net Operating Loss (Required)
  - NOL-85A – Application of NOL Carryback or Carryforward (Required)

Form 4952A – Investment Interest Expense Deduction

**Rebranded Software Products**

Complete this section if your product is rebranded.

In order for the software to be considered rebranded, changes cannot be made to the software requirements and output(s). As the Software company selling and/or licenses your product to a third-party, it is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). Enter the appropriate class code for the rebranded product in class code box below.

- **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	CLASS CODE	ETIN (IF APPLICABLE)	CONTACT PERSON	PHONE (    )	EMAIL ADDRESS
REBRANDED PRODUCT NAME	CLASS CODE	ETIN (IF APPLICABLE)	CONTACT PERSON	PHONE (    )	EMAIL ADDRESS
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REBRANDED PRODUCT NAME	CLASS CODE	ETIN (IF APPLICABLE)	CONTACT PERSON	PHONE (    )	EMAIL ADDRESS

Please attach additional sheets with rebranded software information if necessary.

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

- Rebranded Products [with class code 1] are required to complete an abbreviated e-file ATS/paper form approval process.
- Rebranded Products [with class code 2] are required to complete the full e-file ATS/paper form approval process.

## **Agency Requirements**

This section identifies agency requirements expectations for communicating information to users of the software product.

### **Issue Notification And Resolution Requirements**

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

### **Data Breach Reporting**

The Alabama Department of Revenue is committed to fighting stolen identity refund fraud. You must adhere to the IRS e-File Security, Privacy and Business Standards Mandated as of January 1, 2010. This mandate requires reporting security incidents as soon as possible, but no later than the next business day after the confirmation of the incident. The Alabama Department of Revenue must be notified within 48 hours if at any time it is discovered that your system (or any third party system holding or with access to your taxpayer data) has been breached or compromised exposing taxpayer personal information and/or user id information – including but not limited to SSNs, user names, and passwords. You are hereby obligated to notify the Alabama Department of Revenue within 48 hours of the discovery of the breach. Notice must be made directly to the e-File Coordinator in addition to submitting the affected accounts through the leads reporting process. Failure to notify the Department could result in your software being blocked from the electronic filing of Alabama returns.

### **Production Return Submission Requirements**

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

### **Product Update Requirements**

Users/customers of desktop products who attempt to file 10 or more business days after a production release, must be required to download and apply the product update.

### **Schema Requirements**

Your software must adhere to the schema requirements included in the authentication and return header. Agency schema information and requirements can be found on SES.

### **Testing and Submission Requirements**

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

### **System Security Requirements**

You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. This includes but is not limited to when it is on-line, off-line, at rest, and in transit. The Alabama Department of Revenue does not prescribe the security requirements for your system. Cyber security resources such as the National Institute of Standards and Technology or the Department of Defense Security Technical Implementation Guide are examples of national resources available to assist you with this process.

## **Customer Communications**

This section identifies information the Alabama 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 transmit return(s) electronically, I consent to the disclosure of all information pertaining to my use of the system and software to the Alabama Department of Revenue, as applicable by law, and to the transmission of my tax return(s).

#### **For Tax Professional software:**

By using a computer system and software to prepare and transmit my client's return electronically, I consent to the disclosure of all information pertaining to my use of the system and software to create my client's return and to the electronic transmission of my client's tax return to the Alabama Department of Revenue, as applicable by law.

#### **For Business software:**

By using a computer system and software to prepare and transmit this business return electronically, I consent to the disclosure of all information pertaining to the user of the system and software to create this business return and to the electronic transmission of this business tax return to Alabama Department of Revenue.

### **Documents and Materials**

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

- FTA State Exchange System (SES)

### **Refund Expectations**

The Alabama Department of Revenue is providing a URL and/or a statement about refund processing. Industry partners must use this statement and/or 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.

### **Statement:**

For the most up-to-date information concerning the status of your current year refund, call 1-855-894-7391 or check our website at [www.revenue.alabama.gov](http://www.revenue.alabama.gov), then click on "Where's My Refund. Return processing times vary depending on many factors, including complexity of the return and our identity verification processes. Please allow 8 to 12 weeks to receive your refund.

The Department is once again converting some tax refunds to a paper check that were requested to be delivered by direct deposit. Making this change is intended to prevent criminals from easily diverting fraudulently filed refunds to their own accounts. Avoiding potential refund fraud by sending paper checks outweighs taking the risk of sending a refund electronically to the wrong party.

### **Taxes Due Expectations**

Alabama Department of Revenue is providing a URL and/or a statement about taxes due, such as due dates and payment methods. Industry partners must use this statement and/or URL or other method prescribed by the jurisdiction 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://myalabamataxes.alabama.gov/\\_/](https://myalabamataxes.alabama.gov/_/)  
<https://revenue.alabama.gov/individual-corporate/due-dates/>  
<https://revenue.alabama.gov/individual-corporate/payment-options/>

#### **Statement:**

Pursuant to Section 41-1-20, Code of Alabama 1975, payments of \$25,000 or greater for individual taxpayers are required to be made electronically through EFT. If you need assistance with making a payment, or to change from ACH Credit to ACH Debit method payment, please call the Alabama Department of Revenue EFT Section at: 1-877-256-2447 or 334-353-7659.

### **State Driver's License/ID Card Expectations**

The Alabama Department is providing the following expectations and information:

For e-file returns:

- Alabama wants to receive the DL/ID Card Information with the tax return
- Alabama will reject e-file returns if the DL/ID Card Information is not included with the tax return

The Alabama 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 displayed within the software in a way to maximize the likelihood the message is read.

#### **Statement:**

To assist Taxpayers and Tax Professionals filing returns, Alabama is providing a URL and/or a statement regarding expectations for the DL/ID Card. Industry partners will use this statement or URL to communicate and help set the appropriate expectations with external stakeholders.

The Alabama Department of Revenue is committed to fighting stolen identity refund fraud. To that end, the Department request that taxpayer's driver license number or State Issued ID number, as well as the state that issued it, the issue date and expiration date be submitted with the return. Omitting any of this information will cause your return to be rejected and a paper return must be filed.

### **Questions, Requirements, Standards and Recommendations**

#### **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 not be transferred year over year:

- State driver's license data elements.
- State withholding account numbers.

#### **State Specific Questions**

1. What refund products or payment vehicles do you offer your customers? 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.

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**I agree to the following rules and regulations for participation  
in the Alabama Individual Modernized eFile Program:**

**Software Partner Requirements and Responsibilities**

1. You must be an approved IRS vendor to participate in the Alabama Individual Modernized eFile Program.
2. Serving as agents of the Alabama Department of Revenue, all vendors must comply with requirements as stated in Publication 4164 (Alabama Individual Modernized eFile Program: Software Developers and Transmitters Guidelines).
3. Development should be in compliance with the electronic schemas and business rule documents.
4. The department must be informed prior to a vendor testing of all software limitations. All main schedules on a return must be supported. Individual income tax products must provide the ability for their taxpayers to produce all required forms and schedules listed on page two (2).
5. All schedules needed to file a particular form must be supported in the format required by the ADOR.
6. The software vendor must support the printing of tax returns and all supporting forms to allow the user to mail their return if the return cannot be e-filed. The printed returns must be approved by the ADOR for form content and barcode approval prior to final MeF forms approval. The paper forms approval process and MeF testing may be completed simultaneously.
7. The software vendor agrees to transmit only LINKED returns for Individual FORM 40 returns.
8. If any changes (not requested by ADOR) are made to approved software you must notify the department of the changes. If necessary, testing of the new product release may be required.
9. Notify/copy ADOR of any/all messages conveyed publically to Alabama taxpayers via your product.
10. It is the taxpayer's responsibility to timely file the appropriate ADOR tax return. A vendor should not turn off the schemas or business rules to allow a return to be filed without being parsed during production. The perfection period is not an extension to file, it is a period to correct a mistake on a previously e-filed tax return.
11. All confidential taxpayer information should be secure.
12. Submit taxpayer submissions in a timely manner. Submissions should not be held unless the client and ADOR has been notified of the delay.
13. The software vendor must provide an adequate help desk to assist taxpayers or practitioners with software issues or any other problems filing their electronic return.
14. The vendor is responsible for notifying the ADOR of any errors found during production that affect the correct filing of any Individual MeF returns. An update should be provided to the customers as soon as possible and the department notified once the issue has been resolved.
15. All software products must provide the taxpayer a method to attach any and all required documentation to the electronic return when filed. For any eFile mandated tax type the software vendor does not have the authority to authorize a taxpayer to paper file a return. The software vendor must contact the ADOR for paper filing approval for any eFile mandated form type.
16. The Alabama Department of Revenue will conduct random review of all software products to verify that the requirements of the Alabama Individual eFile Program are being met. The results will be sent to the programmers for further investigation and any necessary corrections made in a timely manner.

**Testing and Approval Process**

1. Test submissions should be submitted to the department within the specified testing dates provided on a yearly basis to all software vendors. The testing time period might vary depending on the form type.

2. Test returns must be parsed before they are submitted to the ADOR. If test returns come in that are not parsed the ADOR has the right to refuse review until the issues are fixed by the vendor.

3. If any changes are made after the software has been approved, the department should be notified and a test return with the changes made needs to be resubmitted.

4. Software vendor agrees to withhold advertising Alabama's acceptance of software, and will not accept Alabama returns, until Alabama software approval has been granted.

5. The software vendor grants the ADOR the right to display the company name and website link on the approved vendor list on the ADOR website once the vendor has been approved

**Noncompliance to Agreement and Revocation of Acceptance**

***Please initial each of the following:***

- \_\_\_\_ 1. The Alabama Department of Revenue reserves the right to revoke the acceptance of a software vendor and thereby refuse any additional returns from such software vendor. Should your product's acceptance become revoked by Alabama, you agree to remove references from all public materials asserting your product's ability to service Alabama taxes after 48 hours' notice from Alabama, and to provide immediate notice to any clients in the process of filing with Alabama before ceasing Alabama services.
- \_\_\_\_ 2. The ADOR reserves the right to revoke the acceptance of an electronic originator or transmitter for just cause. Failure to comply with the guidelines set forth in Publication AL4164 is just cause.
- \_\_\_\_ 3. Any of the following can result in the revocation of an electronic return originator or transmitter acceptance into the program: (1) Conviction of a criminal offense under the revenue laws of any state or of any offense involving dishonest or breach of trust. (2) Failure to file timely and accurate tax returns, both personal and business. (3) Failure to pay personal tax liabilities or business liabilities. (4) Failure or refusal to effect corrective action as required by the Alabama Department of Revenue. (5) Other facts or conduct of a disreputable nature that would reflect adversely on the Alabama Individual MeF Program. (6) Unethical practices in return preparation. (7) Suspension by the IRS.
- \_\_\_\_ 4. All software errors which impact the correct filing of an Alabama tax return identified by the IRS, ADOR or clients must be immediately corrected and an update should be distributed to the software clients within five business days. Failure to correct any errors or issues within the time prescribed by the ADOR will result in suspension from the program.
- \_\_\_\_ 5. The ADOR reserves the right to revoke the acceptance of any software vendor (industry partner) for errors which prevent the correct filing of paper returns, barcode returns and payment vouchers. This will result in the industry partner not being able to electronically file returns until the ADOR deems the issue has been resolved. If this occurs, the software vendor should not allow their customers (taxpayer or tax preparer) the ability to print their return until the issue has been resolved.

**Acknowledgments and Signature:**

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 Alabama 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 (     )	AMEND DATE
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**Comments:**

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**Contact Information:**    **Forms 40 and 40NR**  
Individual MeF Coordinator  
Tavares Mathews  
(334) 353-9497  
tavares.mathews@revenue.alabama.gov