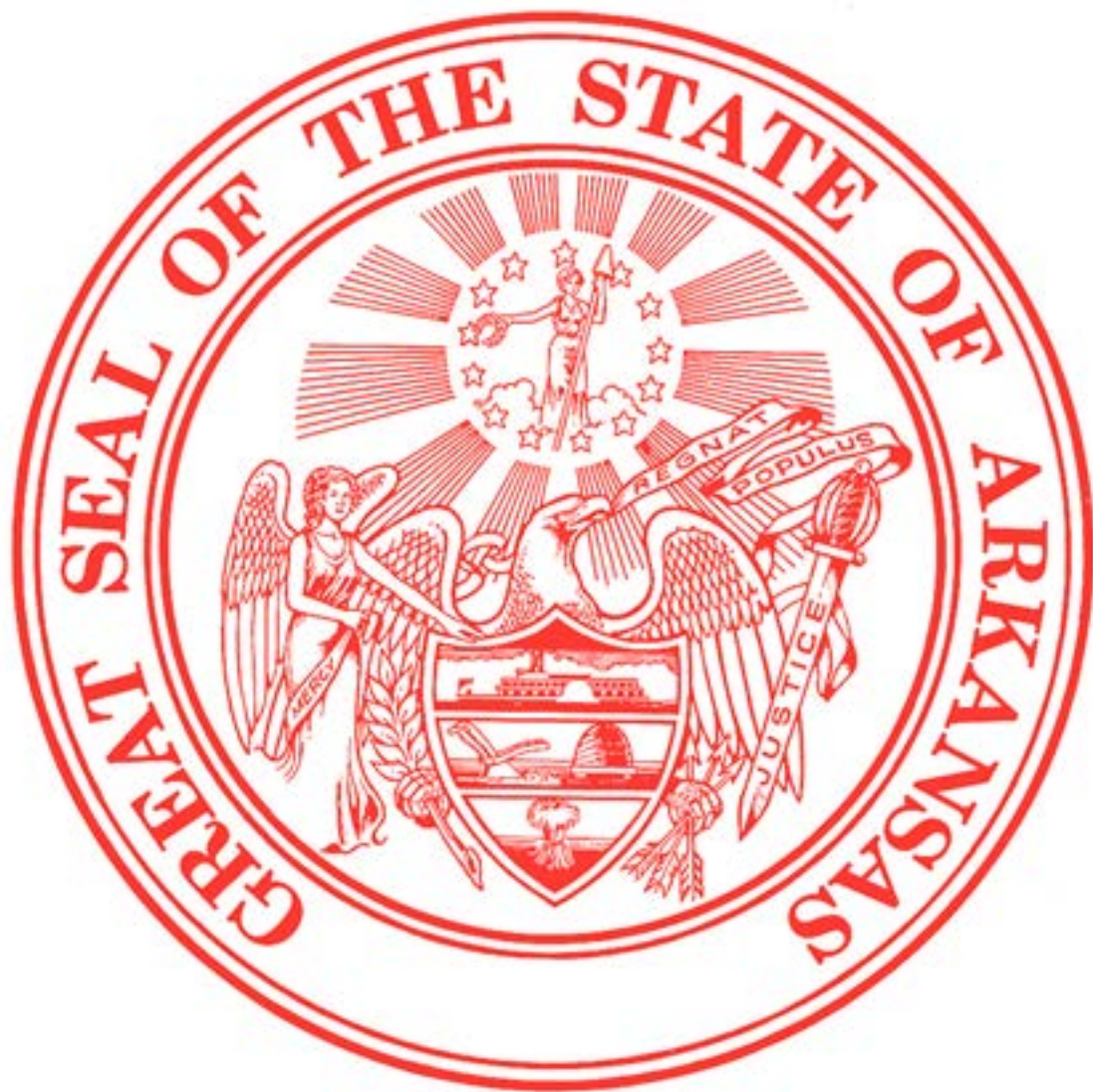


**State of Arkansas
Department of Finance and Administration
Income Tax Administration**



**Letter of Intent
Individual Income Tax**

Tax Year – 2017

(Filing Season Beginning 01-01-2018)

Table of Contents

2017 Letter of Intent (LOI) For e-File and Substitute Forms Registration	1
Support Contacts	2
Rebranded Software Products	3
National Security Summit Standards and Requirements	4
Authentication Data Elements	4
Authentication Trusted Customer Requirements	4
Information Sharing	6
Rapid Response Process	6
Safeguarding e-File/Information	7
Strategic Threat Assessment & Response (STAR)	7
National Disclosure and Use of Information Standards	7
Tax Service Provider Definitions	7
Disclosure and Use of Information Language	8
State Specifications and Communication	8
State Documents and Materials	8
State Refund Expectations	9
State Questions, Requirements, Standards and Recommendations	9
Standards and Requirements for Confirmation of Specific Data Elements	9
State Specific Question	9
Data Breach Reporting	10
State Driver’s License/ID Card Expectations	10
Agreement	11

State of Arkansas Letter of Intent Individual Income Tax Returns

**Tax Year
2017**

Complete this form to request approval from the **Arkansas Department of Finance and Administration** to provide tax preparation software for electronic and paper forms submission. By completing this form, you agree to comply with all national security summit standards and requirements in addition to the specific state requirements identified in this registration form. If your submitted form is not complete we will deny your request.

The **deadline** to submit your Letter of Intent is **October 31, 2017**. If your submitted form is received after the deadline, we will deny your request.

Complete a new registration form for each software product your company offers. ATS and Substitute form results will not be sent until a completed registration is received by the Arkansas Electronic Filing Group.

MODERNIZED EFILE (MeF): (ATS deadline is January 1, 2018.)

Select the supported Arkansas income tax form(s): (Check all that apply) AR1000F AR1000NR

SUBSTITUTE FORMS: (Substitute forms and voucher approval deadline is December 31, 2017.)

Select the supported Arkansas income tax form(s): (Check all that apply) AR1000F AR1000NR

COMPANY INFORMATION:

Company Name: _____ DBA Name: _____
 Address: _____
 City, State & Zip: _____
 Company FEIN: _____
 Website Address (URL): _____
 NACTP Member ID: _____

PRODUCT INFORMATION: (Only one product per letter of intent)

Product Name: _____

Type of Software Product: DIY/Consumer (Desktop) DIY/Consumer (Web-Based)
 Online Products: Professional/Paid Preparer (Desktop) Professional/Paid Preparer (Web-Based)

Arkansas Issued Software ID: _____
 (From previous year or if new product Arkansas will issue the new software id)

Testing ETIN(s): _____
 Production ETIN(s): _____
 Testing EFIN(s): _____
 Production EFIN(s): _____

FORMS NOT SUPPORTED:

(Check all that apply)

	MeF Forms	Substitute Forms		MeF Forms	Substitute Forms
AR1000EC	<input type="checkbox"/>	<input type="checkbox"/>	AR1000OD	<input type="checkbox"/>	<input type="checkbox"/>
AR1000D	<input type="checkbox"/>	<input type="checkbox"/>	AR1075	<input type="checkbox"/>	<input type="checkbox"/>
AR1000TD	<input type="checkbox"/>	<input type="checkbox"/>	AR1113	<input type="checkbox"/>	<input type="checkbox"/>
AR2210	<input type="checkbox"/>	<input type="checkbox"/>	AR1000DC	<input type="checkbox"/>	<input type="checkbox"/>
AR2210A	<input type="checkbox"/>	<input type="checkbox"/>	ARMS	<input type="checkbox"/>	<input type="checkbox"/>
AR1000TC	<input type="checkbox"/>	<input type="checkbox"/>	AR-RET	<input type="checkbox"/>	<input type="checkbox"/>
AR1000CO	<input type="checkbox"/>	<input type="checkbox"/>			

Support Contacts

MeF Support

ATS results and the software approval letter will be sent to the contact(s) listed below via e-mail.

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Forms Support

Arkansas forms will **not** be posted to the Arkansas draft website.

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Leads Reporting Support

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Leads Feedback Support

Primary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Secondary Contact: _____

Phone Number (United States Only): _____

E-Mail Address: _____

Customer Support

We receive multiple phone calls every year from taxpayers and tax preparers requesting the contact information for the software product their using. The information below will not be posted on our website. Our representatives will provide the caller with the information provided to us.

Taxpayer Customer Support:

Phone: _____

E-Mail Address: _____

Tax Preparer Customer Support:

Phone: _____

E-Mail Address: _____

Rebranded Software Products

Software Companies: Use this section only if this product is rebranded with the approval of the Software Publisher, who is the original creator of the software and signer of the LOI. It is the position of the STAR Working Group under the auspices of the IRS Security Summit that:

- *Rebranding where the software publisher makes all code changes to generate the rebranded software and ensures that the rebranded software meets the applicable requirements (Trusted Customer, Generation of Authentication Elements, Generate of LEADS reports, STAR Requirements, etc) does not pose any additional risk to the tax ecosystem.*
- *Rebranding where the organization who rebrands the software has the capability to make cosmetic changes including but not limited to color or font, but cannot make changes to the applicable requirements (listed above) also does not pose additional risk to the ecosystem.*

Rebranded Product Name: _____ Unique Identifier** : _____
Contact Person: _____
Phone Number (United States Only): _____
E-Mail Address: _____

Rebranded Product Name: _____ Unique Identifier** : _____
Contact Person: _____
Phone Number (United States Only): _____
E-Mail Address: _____

Rebranded Product Name: _____ Unique Identifier** : _____
Contact Person: _____
Phone Number (United States Only): _____
E-Mail Address: _____

Rebranded Product Name: _____ Unique Identifier** : _____
Contact Person: _____
Phone Number (United States Only): _____
E-Mail Address: _____

Rebranded Product Name: _____ Unique Identifier** : _____
Contact Person: _____
Phone Number (United States Only): _____
E-Mail Address: _____

***If there are more than 5 software products that have rebranded under a different name, please list them on a separate sheet and attach with your LOI submission.**

**** If available.**

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

- Rebranded Products are required to complete the full e-file ATS/paper form approval process
- Rebranded Products are required to complete an abbreviated e-file ATS/paper form approval process
- Rebranded Products are not required to complete e-file ATS/paper form approval

National Security Summit Standards and Requirements

National standards have been developed to protect taxpayers from identity theft tax refund fraud. You are agreeing to adhere to all IRS, State, and Industry Security Summit guidelines as a condition of providing tax software product(s) to taxpayers and tax professionals for individual and business income tax Modernized e-File (MeF).

Standards in this section apply to all Do It Yourself (DIY) Consumer and Professional, Paid Preparer Products, tax professional, and volunteer (VITA) products.

Note: Items highlighted in blue indicate a national security summit standard or requirement document. A comprehensive list of those documents is also provided at the end of this document.

Authentication Data Elements

Nationally identified *Authentication Data Elements* in the state e-standards schema sets have been established to identify and authenticate a taxpayer and prevent identity theft tax refund fraud (see “National Security Summit Standards and Requirements Documents”). Tax Software Providers are required to transmit all data elements included in the *state authentication data elements* when available. If you are not providing all data elements you must explain what you are not providing and why you are unable to provide them in the space provided below. Attach a separate sheet if necessary.

Authentication Trusted Customer Requirements

Nationally identified minimum *Industry Trusted Customer Requirements* have been established to authenticate the customer logging in and prevent identity theft tax refund fraud. Tax Software Providers are required to adhere to the minimum standards. You must verify that you are adhering to minimum standards in the space provided below.

For Online Do-It-Yourself software:

1. How do you use out-of-band verification practices for your customer account verification process? Please describe what you do and how it is used. Attach a separate sheet if necessary.

2. Do you meet nationally recognized standards for implementing customer account authentication by using:
 - a. The standards identified in the Minimum Requirements for Identity Authentication section of the 2018 DIY Trusted Customer Requirements? Please explain how you meet those standards. Attach a separate sheet if necessary.

Authentication Trusted Customer Requirements (Continued)

- b. An equivalent standard for identity authentication that meets or exceeds the minimum requirements? If yes, please describe your proposed process. Attach a separate sheet if necessary.

3. For the Online Do-It-Yourself software, when there is more than one account using a Primary and/or Secondary SSN this or the previous year:
 - a. Do you notify both account holders that the SSN is used within another account for the current and previous year? (This also requires including the appropriate authentication review code within the return schema when the SSN is used in another account for the current and previous year.) Or
 - b. Do you notify both account holders that the SSN is used within another account only for the current year? (This also requires including the appropriate authentication review code within the return schema when the SSN is used in another account for the current and previous year.)

For Tax Professional software:

1. Describe the process in which the new and returning tax professionals gain access to use your product. Attach a separate sheet if necessary.

2. Do you meet nationally recognized standards for implementing customer account authentication by using:
 - a. The standards identified in the Minimum Requirements for Identity Authentication section of the 2018 Tax Pro Trusted Customer Requirements? Please explain how you meet those standards. Attach a separate sheet if necessary.

Authentication Trusted Customer Requirements (Continued)

- b. An equivalent standard for identity authentication that meets or exceeds the minimum requirements? If yes, please describe your proposed process. Attach a separate sheet if necessary.

3. Do you use out-of-band verification?

- a. If yes, how do you use out-of-band verification practices for your customer account verification process? Please describe what you do and how it is used. Attach a separate sheet if necessary.

Information Sharing

Nationally identified **Information Sharing** standards for analyzing and reporting questionable activity associated with identity theft tax refund fraud have been established. You are required to provide regular leads reporting according to the information sharing requirements.

Rapid Response Process

Nationally identified **Rapid Response** procedures have been established (see “National Security Summit Standards and Requirements Documents”). When industry, states, or the IRS discover an incident or threat of significance in the tax ecosystem, the rapid response process must be activated.

Tax software providers should:

- Conduct initial analysis and immediately take steps to block or contain any threat.
- Share detailed information with the impacted states as soon as it becomes available and permitted by applicable laws, regulations, and relevant information sharing agreements.
- Initiate the rapid response team per the Rapid Response document.

Note: If the tax software provider fails to timely notify the affected state of a significant, escalating issue, their ability to submit returns to the state may be removed.

Safeguarding e-File/Information

Nationally recognized rules and standards to safeguard e-file from fraud and abuse have been established.

All Individual (1040 family) return providers must adhere to the [Safeguarding E-File Standards](#) as outlined in IRS Publication 1345.

All business return providers must adhere to the “MeF Rules Protecting Taxpayer Information” and “Safeguarding MeF Data from Fraud and Abuse” sections of [IRS Publication 4163](#). This includes sections 2.3, 2.4 and 2.5 of the publication.

Note: If the tax software provider fails to adhere to these rules and standards as published by the IRS for the respective return types submitted to the **State of Arkansas and Department of Finance and Administration**, their ability to submit such returns to the **State of Arkansas and Department of Finance and Administration** may be removed. This includes reporting security-related incidents to the **State of Arkansas and Department of Finance and Administration**.

Strategic Threat Assessment & Response (STAR)

Nationally identified [Security Control](#) standards have been established. Tax software providers must adhere to these security controls. Please provide an answer to the questions listed below. Attach a separate sheet if necessary.

1. Have you implemented the current requirements defined in the Security Control standard? At what level will your company implement the STAR security controls for the filing season? If no, please provide an explanation of your current progress and remediation plans. Please provide documentation to validate your statement.
2. Have you implemented controls beyond the first and second year’s requirements? If yes, please explain what you’ve implemented.

National Disclosure and Use of Information Standards

Nationally established language has been developed for the disclosure and use of information related to filing a tax return. This section provides the language to which tax service providers must adhere.

Tax Service Provider Definitions

In this section, “tax service provider” is defined three different ways:

- An **Electronic Return Originator (ERO)** is authorized IRS e-file Provider that originates the electronic submission of returns to the IRS.
- A **Software Developer** is an authorized IRS or state e-file Provider that develops software for the purposes of (a) formatting the electronic portions of returns according to Publication 4164 or state specifications and/or (b) transmitting the electronic portion of returns directly to the IRS or the state. A Software Developer may also sell its software.
- A **Transmitter** is an authorized IRS or state e-file Provider that transmits the electronic portion of a return directly to the IRS or the state. An entity that provides a “bump up” service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS or the state via a public switched telephone network.

Note: A tax service provider may serve its customers in more than one of these roles.

Disclosure and Use of Information Language

A tax service provider may use any tax return information provided by a taxpayer, for the current or prior tax years, for the purpose of identifying a suspicious or potentially fraudulent return that claims to be from, or related to, that taxpayer. For these purposes, "tax return information" means any and all documents or materials that the tax services provider uses in the course of the return preparation and submission process that are provided by the taxpayer or that are required by the taxing authority that the tax service provider uses in the course of the return preparation and submission.

Tax service providers must produce analytic compilations of federal and state tax return and submission information that directly relate to the internal management or support of the tax service provider's business, which must include aggregated data compilations to identify potentially fraudulent behaviors or patterns.

Tax service providers must disclose the compilations of tax information to Arkansas through IRS secure data transmission on at least a weekly basis and identify by use of federal and state submission IDs any return the preparer believes is potentially fraudulent.

In addition, if a tax service provider has a bona fide belief that a particular individual's activity, violated a state or federal law, the tax services provider must disclose that individual's tax return information to the **State of Arkansas and Department of Finance and Administration**.

The following consent language must be added to electronic filing software to notify the user of the use of this information.

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 **State of Arkansas and Department of Finance and Administration**, 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 **State of Arkansas and Department of Finance and Administration**, 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 the **State of Arkansas and Department of Finance and Administration**.*

State Specifications and Communication

State Documents and Materials

Arkansas Department of Finance and Administration e-file and paper form documentation will be posted/provided at the following locations (check all the apply))

- FTA State Exchange System (SES)
- State Website
- Other/Please Specify

State Refund Expectations

To assist Taxpayers and Tax Professionals expecting refunds, **Arkansas** 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:

- Help eliminate phone calls from Taxpayers, Tax Professionals and Industry about refunds
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

See the LOI Summary Document for Example Refund Messaging

URL: <http://www.dfa.arkansas.gov/offices/incomeTax/individual/Pages/WheresMyRefund.aspx>

Statement: Identity Theft has been a growing problem nationally and the Department is taking additional measures to ensure tax refunds are issued to the correct individuals. These additional measures may result in tax refunds not being issued as quickly as in past years.

State Questions, Requirements, Standards and Recommendations

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

Standards and Requirements for Confirmation of Specific Data Elements

Software Vendors cannot release Arkansas income tax forms in software products until approval has been received from Arkansas Department of Finance and Administration.

Arkansas income tax returns cannot be prepared nor can taxpayers receive an “early look” until all new year changes have been updated to the software product.

All software products must have a two step verification for routing and account numbers.

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
- Bank account numbers

State Specific Question

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.

2. Does this product offer Direct Debit for return payment: Partial payments Full payment Both

3. Does this product allow Direct Debit for estimated payments? Yes No

Data Breach Reporting

All software providers executing this agreement are subject to the data breach security laws and/or regulations of the **State of Arkansas and the Department of Finance and Administration** 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.

Arkansas Code Title 4 Business and Commercial Law / Subtitle 7 Consumer Protection

- Chapter 110 Personal Information Protection Act / A.C.A. § 4-110-101 – 108
- <https://arkansasag.gov/consumer-protection/identity/column-one/security-or-data-breach/>

Software providers who discover an internal or client data breach must notify the State of Arkansas within twenty-four (24) hours. The notification must include all information available with regard to the clients and/or users affected. Notifications can be sent to Arkansas Electronic Filing Section using the following contact information:

- **Phone:** (501) 682-7925 or (501)682-8393
- **Email:** arefile@dfa.arkansas.gov

State Driver’s License/ID Card Expectations

To help drive clarity for Taxpayers, Tax Professionals and Industry partners **Arkansas** is providing the following expectations regarding the Driver’s License/ID Card.

For e-file returns:

Arkansas does not want to receive the DL/ID Card Information with the tax return

Arkansas wants to receive the DL/ID Card Information with the tax return

Arkansas requires the DL/ID Card Information be included with the tax return but will not reject the e-file return

Arkansas will reject e-file returns if the DL/ID Card Information is not included with the tax return

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

Arkansas requests the full DL/ID Card Information on the form(s)

Arkansas requests the DL/ID Card Information on the form(s) be masked

To assist Taxpayers and Tax Professionals filing returns, **Arkansas** 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. Providing this information will:

- Help eliminate phone calls from Taxpayers, Tax Professionals and Industry about DL/ID Card Collection and Reporting
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

See the LOI Summary Document for Example DL/ID Card Messaging

URL: <http://www.dfa.arkansas.gov/offices/incomeTax/individual/Pages/2017WhatsNew.aspx>

Statement: The State of Arkansas is requesting additional information this filing season in an effort to combat identity tax fraud and ensure that your hard-earned tax refund goes to you. Providing information from your driver’s license or state-issued identification card will help protect your identity and could help process your return quicker. However, this is only a request. Information from your driver’s license is not required, and your return will be processed without the additional information. The information is being requested solely to help protect your identity and ensure a more-secure refund.

Agreement

I acknowledge that all e-file ATS tests submitted during the approval process are created in and originate from the actual software.

I acknowledge that all electronic returns received by the **Arkansas Department of Finance and Administration** generated from this software will be electronically filed from the initially approved product version, or a subsequent product update.

I acknowledge that all paper returns received by the **Arkansas Department of Finance and Administration** generated from this software will be printed from the initially approved product version, or a subsequent product update.

I acknowledge that **Arkansas Department of Finance and Administration** will be notified of any incorrect and/or missing calculation or e-file data element for any paper or electronically returns submitted to the **Arkansas Department of Finance and Administration**.

As the representative of the above named organization, I agree, on behalf of the organization, to comply with all requirements listed above. Furthermore, by signing this agreement, my organization is agreeing to all of the requirements listed above. The **State of Arkansas and Department of Finance and Administration** reserves the right to revoke approval acceptance of any company and thereby refuse to accept any additional returns from such software company that does not adhere to the above stated requirements.

As an approved **State of Arkansas and Department of Finance and Administration** provider, I agree to provide true, accurate, current, and complete information about my company. I understand that if I provide any information that is untrue, inaccurate, obsolete, or incomplete, the **State of Arkansas and Department of Finance and Administration** has the right to deny, suspend, or terminate my account.

SIGNATURE OF AUTHORIZED REPRESENTATIVE

DATE

PRINT NAME OF AUTHORIZED REPRESENTATIVE

TITLE

E-MAIL ADDRESS

PHONE NUMBER

To Send Electronically:

- Scan the completed and signed document and e-mail to the Arkansas Electronic Filing Section: arefile@dfa.arkansas.gov

To Fax:

- Arkansas Electronic Filing Section
(501) 682-7393