



## 2016 Kentucky Tax Software Provider Letter of Intent

Complete this form to request approval from the **Kentucky Department of Revenue** to provide tax preparation software for electronic 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.

**Note:** Please complete a registration form for each unique product your company offers.

Name of Company	Product Name	State Software ID
DBA Name	NACTP Member Number	State Account Number (if applicable)
Address	Website Address/URL	Company FEIN
City	State	Zip Code
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
Test EFIN(s)	Test ETIN(s)	
Production EFIN(s)	Production ETIN(s)	

**You must complete Attachment A identifying the forms and schedules your software will support and attach it to this document when submitting.**

# 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 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. 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.

## 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.

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. 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.
  
3. Do you meet nationally recognized standards for implementing customer account authentication by using:
  - a. The standards identified in the Identity Authentication section of the 2017 Industry Trusted

Customer Requirements? Please explain how you meet those standards. Attach a separate sheet if necessary.

- 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.
- 
4. 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.)

### **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. 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 **Kentucky Department of Revenue**, their ability to submit such returns to the **Kentucky Department of Revenue** may be removed. This includes reporting security-related incidents to the **Kentucky Department of Revenue**.

## **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 question 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 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 software providers must adhere.

### **Tax Service Provider Definitions**

In this section, “tax services 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 services 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 services 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 services provider’s business, which must include aggregated data compilations to identify potentially fraudulent behaviors or patterns.

Tax services providers must disclose the compilations of tax information to **Kentucky** 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 services 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 **Kentucky Department of Revenue**.

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 **Kentucky 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 **Kentucky 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 **Kentucky Department of Revenue**.*

## **National Security Summit Standards and Requirements Documents:**

The most recent version of national security summit standards and requirements documents referenced below are available to states through the Federation of Tax Administrators (FTA) Website for state revenue agencies, and through the State Exchange System (SES) for industry partners approved by a member state. National security summit standards and requirements documents include those addressing:

- Authentication Data Elements
- Information Sharing
- Rapid Response Procedures
- Security Control Standards
- Industry Trusted Customer

## **State Questions, Requirements, and Standards**

### **Standards and Requirements for Transferring Data Year over Year**

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**

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.

### **Data Breach Reporting**

All software providers executing this agreement are subject to the data breach security laws and/or regulations of the **Kentucky Department of Revenue**, 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.

## Signature:

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 **Kentucky Department of Revenue** 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 above stated requirements.

As an approved **Kentucky Department of Revenue** 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 **Kentucky Department of Revenue** has the right to deny, suspend, or terminate my account.

(AUTHORIZED REPRESENTATIVE) PRINTED NAME	EMAIL ADDRESS	PHONE NUMBER
(AUTHORIZED REPRESENTATIVE) SIGNATURE	DATE	PHONE NUMBER



## Kentucky Department of Revenue Individual and Business Income Tax Forms List

(8/28/2016)

<b>Type of Software Product</b> (Check all that apply)			
DIY/Consumer Product: IMF (Web-based):	(Desktop):	BMF (Web-based):	(Desktop):
Professional/Paid Preparer Product: IMF (Web-based):	(Desktop):	BMF (Web-based):	(Desktop):
<b>Type of Taxes Supported</b> (Check all that apply)			
Individual Income Tax: Linked	Unlinked	Business Income Tax: Linked	Unlinked
<b>Check the individual income tax forms supported by your software:</b> (Check all that apply.)			
<b>Individual Income Tax Forms and Schedules:</b>			
740 - Kentucky Individual Income Tax Return - Form 42A740			
740-NP - Kentucky Individual Income Tax Return Nonresident or Part-Year Resident - Form 42A740-NP			
740-NP-R – Kentucky Individual Income Tax Return – Nonresident-Reciprocal State – Form 42A740-NP-R			
740-X – Amended Kentucky Individual Income Tax Return – Form 42A740-X			
740-NP-X – Amended Kentucky Individual Income Tax Return Nonresident or Part-Year Resident – Form 42A740-NP (This is not a separate form. The 740-NP is amended by checking the amended box on the 740-NP.)			
Schedule A (740) - Kentucky Itemized Deductions - Form 42A740-A			
Schedule A (740-NP) - Itemized Deductions - Forms 42A740-NP-A			
Schedule J (740) - Kentucky Farm Income Averaging - Form 42A740-J			
Schedule KNOL (740) - Kentucky Net Operating Loss Schedule - Form 42A740-KNOL			
Schedule M (740) - Kentucky Federal Adjusted Gross Income Modifications - Form 42A740-M			
Schedule ME (740-NP) - Moving Expense & Reimbursement - Forms 42A740-NP-ME			
Schedule P (740) - Kentucky Pension Income Exclusion - Form 42A740-P			
2210-K - Underpayment of Estimated Tax by Individuals - Form 42A740-S1			
4562-K – Kentucky Depreciation and Amortization			
4972-K - Kentucky Tax on Lump-Sum Distributions - Form 42A740-S21			
8582-K - Kentucky Passive Activity Loss Limitations - Form 42A740-S18			
8863-K - Kentucky Education Tuition Tax Credit - Form 42A740-S24			
Worksheet A – Credit for Tax Paid to Other States			
Worksheet C – LLET Credit			
Form 40A102 – Application for Extension of Time to File Individual Income Tax Returns for Kentucky for Form 740/740-NP			
720SL - Extension of Time to File Kentucky Corporation/LLET Return for Form 725 - Form 41A720SL			
<b>Income and Withholding Statements</b> (Check all that apply.)			
1099-B			
1099-DIV			
1099-G			
1099-INT			
1099-MISC			
1099-OID			
1099-R			
PTE-WH (Form 740-NP)			
W-2			
W-2G			



<b>Financial Transactions Supported through Individual Income Tax Software</b> <i>(Check all that apply.)</i>				
Direct Debit of Additional Tax Due	Form 740	Form 740-NP	Form 40A102	
Direct Debit of Estimate Tax	Form 740	Form 740-NP		
Direct Deposit	Form 740			
Prepaid Debit Card	Form 740	Form 740-NP		
Form EPAY				
<b>Other:</b> <i>(Check all that apply.)</i>				
PDF Attachments (Accepting Income & Withholding statements only that are not supported by the software)				
<b>Check the business income tax forms supported by your software:</b> <i>(Check all that apply.)</i>				
<b>720 Forms and Schedules for C Corporations and Common Shared Forms</b>				
720 –Kentucky Corporation Income Tax and LLET Return – Form 41A720				
Schedule 851-K – Kentucky Affiliations and Payment Schedule – Form 41A720-S4				
4562-K – Depreciation and Amortization – Form 4562-K				
4797-K – Sale of Business Property – Form 41A720-S60				
8810-K – Corporate Passive Activity Loss and Credit Limitations – Form 41A720-S61				
8903-K - Kentucky Domestic Production Activities Deduction - Form 41A720-S9				
Schedule AN - Apportionment Factor Schedule for a Nexus Consolidated Tax Return				
Schedule CC - Coal Conversion Tax Credit - Schedule 41A720CC				
Schedule CR – Pro Forma Federal Consolidated Return Schedule – 41A720CR				
Schedule D-K – Capital Gains and Losses – Schedule 41A720D-K				
Schedule FON - Tax Credit Computation Schedule for a FON Project of a Corporation - Schedule 41A720-S56				
Schedule HH - Kentucky Housing for Homeless Families Deduction - Schedule 41A720HH				
Schedule IEIA - Tax Credit Computation Schedule for an IEIA Project of a Corporation - Form 41A720-S50				
Schedule KBI - Tax Credit Computation Schedule for a KBI Project of a Corporation - Form 41A720-S53				
Schedule KCR – Kentucky Consolidated Return Schedule – 41A720KCR				
Schedule KESA – Tax Credit Computation Schedule for a KESA Project of a Corporation – Form 41A720-KESA				
Schedule KEOZ - Tax Credit Computation Schedule for a KEOZ Project of Corporations - Form 41A720-S40				
Schedule KIDA - Tax Credit Computation Schedule for a KIDA Project of a Corporation - Form 41A720-S20				
Schedule KIRA - Tax Credit Computation Schedule for a KIRA Project of a Corporation - Form 41A720-S24				
Schedule KJDA - Tax Credit Computation Schedule for a KJDA Project of a Corporation - Form 41A720-S27				
Schedule KJRA - Tax Credit Computation Schedule for a KJRA Project of a Corporation - Form 41A720-S45				
Schedule KRA - Tax Credit computation Schedule for a KRA Project of a Corporation - Form 41A720-S35				
Schedule KREDA - Tax Credit Computation Schedule (For a KREDA Project of a Corporation) - Form 41A720-S16				
Schedule NOL Form 720 – Net Operating Loss Schedule – Schedule 41A720NOL				
Schedule O-720 – Other Additions and Subtractions to/from Federal Taxable Income - Form 41A720-O				
<b>720S Forms and Schedules for S Corporations</b>				
720S - Kentucky S Corporation Income Tax and LLET Return - Form 41A720S				
720S(K) - Kentucky Schedule K for S Corporations with Economic Development Project(s) - Form 41A720S(K)				
720S - Schedule K-1 - Shareholders Share of Income, Credits, Deductions, Etc - Form 41A720S(K-1)				
Schedule 720SD-K – Capital Gains and Losses – Schedule 41A720D-K				
<b>725 Forms and Schedules for Limited Liability Corporations</b> <i>(Check all that apply.)</i>				
725 - Kentucky Single Member LLC Individually Owned LLET Tax Return - 41A725				
Schedule 725D-K – Capital Gains and Losses – Schedule 41A725D-K				
<b>765 Forms and Schedules for Partnerships</b>				
765 - Kentucky Partnership Income and LLET Return - Form 41A765				
765(K) - Kentucky Schedule K for Partnerships with Economic Development Project(s) - Form 41A765(K)				
<b>765-GP Forms and Schedules for General Partnerships</b>				
765GP – Kentucky General Partnership Income Return - Form 41A765GP				
765GP(K) – Kentucky Schedule K for General Partnerships with Economic Development Project(s) – Form 42A765-GP(K)				

Common Business Forms					
720	720S	725	765	765GP	
					765 - Schedule K-1 - Partners Share of Income, Credits, Deductions, Etc - Form 41A765(K-1)
					Schedule 765D-K – Capital Gains and Losses – Schedule 41A765D-K
					765GP – Schedule K-1 – Partner’s Share of Income, Credits, Deductions, Etc. – Form 42A765-GP(K-1)
					2220-K - Underpayment and Late Payment of Estimated Income Tax and LLET - Form 41A720-S6
					Schedule A - Apportionment and Allocation for corporations and pass-through entities taxable both within and without Kentucky - Schedule 41A720A
					Schedule A-C - Apportionment and Allocation - Continuation Sheet for Corporations and pass-through entities taxable both within and without Kentucky - Schedule 41A720A-C
					Schedule BIO - Application and Credit Certificate of Income Tax/LLET Credit Biodiesel - Schedule 41A720BIO
					Schedule CCI - Application and Credit Certificate of Clean Coal Incentive Tax Credit - Schedule 41A720-CCI
					Schedule CELL - Application and Credit Certificate of Income Tax/LLET Credit Cellulosic Ethanol - Schedule 41A720CELL
					Schedule CI - Application for Coal Incentive Tax Credit - Schedule 41A720CI
					Schedule COGS - Limited Liability Entity Tax Cost of Goods Sold - Form 41A720COGS
					Schedule DS – Distilled Spirits Tax Credit – Schedule 41A720DS
					Schedule DS-R – Distilled Spirits Tax Credit Recapture – Schedule 41A720DS-R
					Schedule ENDOW - Notice of ENDOW Kentucky Tax Credit and Certification KRS 141.438 - Form 41A720-S86
					Schedule ETH - Application and Credit Certificate of Income Tax/LLET Credit Ethanol - Schedule 41A720ETH
					Schedule FD - Food Donation Tax Credit - Schedule 41A720FD
					Schedule LLET - Limited Liability Entity Tax - Form 41A720LLET
					Schedule LLET-C - Limited Liability Entity Tax - Continuation Sheet - Schedule 41A720LLET-C
					Schedule O-PTE - Other Additions and Subtractions to/from Federal Ordinary Income - Form 41A720S-O
					Schedule QR - Qualified Research Facility Tax Credit - Form 41A720QR
					Schedule RC - Application for Income Tax/LLET Credit for Recycling and/or Composting Equipment or Major Recycling Project - Form 41A720RC
					Schedule RC-R - Recycling or Composting Equipment Tax Credit Recapture - Form 41A720RC-R
					Schedule RPC - Related Party Costs Disclosure Statement - Schedule 41A720RPC
					Schedule RR-E - Application and Credit Certificate of Income Tax / LLET Credit Railroad Expansion - Form 41A720RR-E
					Schedule RR-I - Railroad Maintenance and Improvement Tax Credit - Form 41A720RR-I
					Schedule TCS - Tax Credit Summary Schedule - 41A720TCS
					Schedule UTC - Unemployment Tax Credit - Form 42A740-UTC
					Schedule VERB - Voluntary Environmental Remediation Tax Credit (Brownfield) - Form 41A720VERB

Economic Development Forms and Schedules					
720	720S	725	765	765GP	
					Schedule LLET(K) - Limited Liability Entity Tax for a Limited Liability Pass-through Entity with Economic Development Project(s) - Form 41A720LLET(K)
					Schedule LLET(K)-C - Limited Liability Entity Tax - Continuation Sheet - Schedule 41A720LLET(K)-C
					8874(K)-A - Kentucky New Markets Development Program Tax Credit and Certification - Form 41A720-S81
					8874(K)-B - Kentucky New Markets Development Program Tax Credit Recapture - Form 41A720-S82
					Schedule FON-SP - Tax Computation Schedule for a FON Project of a Pass-Through Entity - Schedule 41A720-S57
					Schedule FON-T - Tracking Schedule for a FON Project - Schedule 41A720-S58
					Schedule IEIA-SP – Tax Computation Schedule for a IEIA Project of a Pass-Through Entity - Form 41A720-S52
					Schedule IEIA-T - Tracking Schedule for an IEIA Project - Form 41A720-S51
					Schedule KBI-SP - Tax Computation Schedule for a KBI Project of a Pass-Through Entity - Form 41A720-S54
					Schedule KBI-T - Tracking Schedule for a KBI Project - Form 41A720-S55
					Schedule KEOZ -SP - Tax Computation Schedule for a KEOZ Project of a Pass-Through Entity - Form 41A720-S41
					Schedule KEOZ-T - Tracking Schedule for a KEOZ Project - Form 41A720-S42
					Schedule KESA-SP - Tax Credit Computation Schedule for a KESA Project of a Pass-Through Entity – Form 41A720KESA-SP
					Schedule KESA-T - Tracking Schedule for a KESA Project – Form 41A720KESA-T
					Schedule KIDA-SP - Tax Computation Schedule for a KIDA Project of a Pass-Through Entity - Form 41A720-S22
					Schedule KIDA-T - Tracking Schedule for a KIDA Project - Form 41A720-S21
					Schedule KIRA-SP - Tax Computation Schedule for a KIRA Project of a Pass-Through Entity - Form 41A720-S26
					Schedule KIRA-T - Tracking Schedule for a KIRA Project - Form 41A720-S25
					Schedule KJDA -SP - Tax Computation Schedule for a KJDA Project of a Pass-Through Entity - Form 41A720-S29
					Schedule KJDA-T - Tracking Schedule for a KJDA Project - Form 41A720-S28
					Schedule KJRA-SP – Tax Computation Schedule for a KJRA Project of a Pass-Through Entity – Form 41A720-S47
					Schedule KJRA-T - Tracking Schedule for a KJRA Project - Form 41A720-S46
					Schedule KRA-SP - Tax Computation Schedule for a KRA Project of a Pass-Through Entity - Form 41A720-S36
					Schedule KRA-T - Tracking Schedule for a KRA Project - Form 41A720-S37
					Schedule KREDA-SP - Tax Computation Schedule for a KREDA Project of a Pass-Through Entity - Form 41A720-S18
					Schedule KREDA-T - Tracking Schedule for a KREDA Project - Form 41A720-S17

**Financial Transaction for business income tax**

720	720S	725	765	765GP	
					Direct Debit of Tax Due

**Miscellaneous**

	PDF Attachments
	PTE-WH - Kentucky Nonresident Income Tax Withholding on Net Distributive Share Income - Form 40A200-PTE-WH
	720SL - Extension of Time to File Kentucky Corporation/LLET Return - Form 41A720SL
	40A102 - Extension of Time to File (Form 765-GP) Kentucky General Partnership Return - Form 40A102

**Limitations/Comments**