

STATE OF VERMONT  
DEPARTMENT OF TAXES

**Substitute Forms Policy**



Revised October 2019

## **PURPOSE**

To streamline the capture of tax return information and to provide better service to taxpayers, the Vermont Department of Taxes (hereinafter Department) has designed its tax forms to conform to requirements for scanning and imaging. The optimum service is achieved when the system processes official forms which the Department designs and issues to taxpayers and preparers.

The Department must define guidelines and requirements for companies that develop substitute forms and software programs in order to ensure that these forms are processed as efficiently as possible, customer service is maintained, and reducing delays in processing. **Taxpayers or preparers who file on unapproved forms, or who file on approved forms but have incorrect or missing account data, may be charged a \$25.00 “manual processing” fee ([See 32 V.S.A. §3204](#)).**

## **PROOFS OF DEPARTMENT FORMS**

Proofs of the Department forms will be released as far in advance of the filing period as possible, together with any additional form requirements and specifications. **Submittals based on “DRAFT” forms for non-scanned forms will not be reviewed.** Draft forms will be posted on the FTA SES website.

**Please note: The Department does not release FINALS of any forms before the IRS releases their FINAL of the corresponding form.**

## **PHOTOCOPIES**

The use of photocopied forms will delay the processing of the tax return. We strongly advise against submitting photocopied forms. Instead, please use Department-issued forms or pre-approved substitute forms.

## **DEADLINE FOR FORMS APPROVAL**

Vermont requires that all forms be submitted by designated deadlines.

Corporate & Business Income Tax – January 3, 2020

Fiduciary & Estate Income Tax – January 3, 2020

Personal Income Tax – January 3, 2020

## **EFILE MANDATES**

The Commissioner of Taxes has mandated the electronic filing of Vermont Corporate Income, Business Income, and Fiduciary Income Taxes beginning with the 2015 tax year, effective Jan. 1, 2016. These tax types will be e-filed using Modernized Efile. This mandate applies to tax practitioners who prepare more than 25 tax returns per year.

The Commissioner of Taxes has also mandated the electronic filing of the following tax types.

These tax types will be e-filed by accessing Vermont's myVtax portal at:  
<https://myvtax.vermont.gov>

- Bank Franchise Tax
- Captive Insurance Tax
- Insurance Premium Tax
- Health Care Claims Tax
- Property Transfer Tax
- Land Gains Tax
- Surplus Lines Insurance Tax
- Telephone Gross Receipts Tax
- Telephone Personal Property Tax
- Wind-Powered Electric Facility Tax
- Wholesale Cigarette and Tobacco Dealer License Application

### **SUBSTITUTE FORMS – GENERAL**

Design your forms to match the official forms as closely as possible. All data fields must be in absolute positions. We will reject forms our scanning equipment cannot read.

When reconstructing forms, be aware of the following:

- Lines of text in paragraph must break at the exact location as the official forms.
- For all fixed text, use san serif fonts (i.e. Arial, Arial Narrow). Match the font sizes of the official forms as closely as you can. Use bold fonts as they appear on the official forms.
- All substitute forms must have a high degree of legibility and a printing method that ensures no part of the form develops smears or other deterioration. Use of a laser printer is recommended. Dot matrix or similar printing will be considered if the print quality is 240 dpi (dots per inch) or greater.

### **APPROVAL REQUIREMENTS FOR SUBSTITUTE FORMS**

Any company that develops substitute tax forms or software programs for Vermont must receive approval from the Department prior to releasing software for sale or use.

Approval is required for:

- substitute tax forms using the company's own tax software;
- tax software to be used with substitute forms developed by another company; or
- substitute tax forms for other companies to use with their tax software.

We will provide companies submitting acceptable forms with written approval. Your customers and clients do not need to gain separate approval from the Department to use your approved forms and programs. However, customers will be encouraged to ask any vendor or developer for a copy of its written approval from Vermont.

## **VENDOR CODES**

Vermont requires Vendor ID Codes in two places on the forms. In most cases, both numbers identify the same company.

**Forms** - Each vendor that creates forms will use the 2-digit Vendor code assigned by the Department in place of the "00" as the last two digits in the barcode. If you need a 2-digit vendor code, please contact Ann Lane via email at [ann.lane@vermont.gov](mailto:ann.lane@vermont.gov)

**Data** - Each vendor that creates software that prints the variable data on Department- approved substitute forms will print the 4-digit ID number assigned by the National Association of Computerized Tax Processors (NACTP) on each page of the form in the bottom left corner. If you need an NACTP ID number, please complete the form at <https://www.nactp.org>

## **BARCODE - GENERAL**

All scannable Vermont tax forms have been given an 11-character alpha/numerical code which has been converted into a scannable 36 point "Code 39" barcode. The barcode is 2-3/8" long by 1/2" high and appears in the upper right-hand corner of the form with Arabic numbers beneath. Each page of a given form will be assigned a different barcode. (See sample barcode below.)

The barcode is specific not only to the form but also to the vendor that created the form. It is the responsibility of the vendor to obtain a vendor ID number for use in the barcode prior to submitting forms for approval. Each vendor who creates forms must use its own vendor code in the barcode for each tax form. (See **Vendor Codes** on page 4 for more information.)

All barcodes include the year (either tax year or year of revision as decided by the Department), form number, version, page, and vendor ID number. **The barcode is part of the blank form and does not change until the Department changes the form.** The barcode must be printed on each page of every form. All barcodes must be at least 1/2" tall and placed in the upper right-hand corner of the form. The barcode must be at least 1/2" from the top of paper and at least 1/2" from the right side of paper. There must be a 1/4" minimum clearance (blank space) to the left and bottom of the barcode.

## **BARCODE - SPECIFICATIONS**

The 11-character barcode begins with a start code, continues with nine alpha/numeric characters, and ends with a stop code. *Example:* \*191611100\* is broken down as

\* 19 161 1 1 00 \*

*	is the START CODE
19	is the YEAR the form was designed or TAX YEAR
161	is the FORM number
1	is the VERSION number
1	is the PAGE number (1 = front of form, 2 = back of form)
00	is the VENDOR number
*	is the STOP CODE

The YEAR remains the same until the Department revises the form in any subsequent calendar year.

The VERSION number will be used if the Department revises the form within the same calendar year as the year code or for vendors with two different programs producing the same form in the same year. The Department identifies scanband forms with "3" as the version

number.

The VENDOR number is assigned to any company that creates forms or software to generate substitute forms. Vendor numbers 00 and 99 are reserved for the Department.

The numerical example above converts into this barcode:



**NOTE:** Numbers beneath the barcode must have a space between each digit in Courier or Courier New 12 pt. font.

### **FORM DESIGN**

All Vermont tax forms and schedules are in portrait format. The forms were designed on a 6x10 character grid. Variable Data Fields must appear in the exact same location as the Department's official form.

**Text Fonts** - All substitute forms must have a high degree of legibility and a printing method that ensures no part of the form develops smears or other deterioration. Use of a laser printer is recommended. Dot matrix or similar printing will be considered if the print quality is 240 dpi (dots per inch) or greater.

### **VARIABLE PRINTED DATA**

#### **Font**

Use Courier or Courier New 12-point font for all data fields.

#### **Alpha Characters**

Use only CAPITAL LETTERS. Do not use mixed case.

#### **Absolute Position**

Data field must be placed in an exact location on the 10 characters per inch by 6 rows per inch grid.

### **REGISTRATION/TARGET MARKS**

Registration marks are required on every page of the form. Our scanner looks for targets. Exact placement is required.

### **PAPER AND INK**

Paper for substitute forms must be at least 20 lb. white stock and the same size as the Department's original (8 ½ x 11 unless otherwise specified). Paper of poor quality will slow the read rate during OCR and ICR processing and will not be approved.

Forms and data should be printed with black ink.

To minimize PDF file distortions please provide the following print information with your software:

For Acrobat or Reader, select the “Actual Size” option from the print dialog box. Do not select the “Fit” or “Shrink Oversized Page” options. For previous versions of Reader, select “NONE” from the page scaling menu.

### **TESTING REQUIREMENTS FOR SUBSTITUTE FORMS**

All first submittals for scanned forms must be submitted via hard copy. The following must be submitted:

Income Forms. One blank form, one full-field form, and all required samples as defined in the document “2019 Income Tax Test Cases.”

Corporate and Business Income Forms. One blank form, one full-field form and all required samples as defined in the document “2019 Corporate and Business Income Tax Test Cases.”

Fiduciary Income Forms. One blank form, one full-field form and all required samples as defined in the document “2019 Fiduciary Income Tax Test Cases.”

All other scanned forms. One blank form, one full-field form and four sample data forms with different data on each sample.

All non-scanned forms. One sample data form. **Note:** Additional samples may be requested. Pharmacy Programs Application must be submitted to VT Department for Children and Families.

#### **Definitions.**

**Blank forms** contain no variable data and should have a barcode where applicable. If a company is printing data on another company’s approved forms, no blanks are necessary.

**Full-field forms** contain information in all fields. Each field must be filled with numbers and/or letters to show the maximum field length while conforming to the specifications (i.e., a numeric field should contain numbers, not letters). In the case of “check one box,” only one box needs to be checked.

**Non-scanned forms** are typically forms without a barcode and which are not listed in either of the Scanband Specifications.

**Sample data forms** appear as if they were a filed return. Sample data forms are provided for corporate/business income and personal income forms. For all other forms (scanned and non-scanned), each sample should contain realistic data and be for a different taxpayer (do not send four samples containing the exact same information).

**Scanned forms** are forms with a barcode.

Ann Lane will be the primary contact for all forms. Please send forms for approval to:

**Delivery address** (if sending via FedEx, UPS, DHL, etc.)  
Ann Lane  
Vendor Liaison  
Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633-1401

**Mailing address** (if sending via US Mail)  
Ann Lane  
Vendor Liaison  
Vermont Department of Taxes  
PO Box 429  
Montpelier, VT 05601-0429

**Email address** (for submitting forms): [ann.lane@vermont.gov](mailto:ann.lane@vermont.gov)

**Original hard-copies must be received for first submittal review of Personal Income tax, Corporate/Business Income and Fiduciary Income Tax forms.** All other forms may be submitted for approval via email. If subsets are required, please send all forms in the subset in one package or email.

Faxed forms will not be reviewed for a first submittal. Non-scanned forms should be emailed.

Forms submitted for testing should be mailed as early as possible to allow sufficient time for analysis and response. Please allow 10 business days for this analysis. A written approval/disapproval notice will be issued for all submittals. We do this via email, so please include your email address with your submittals.

For scanned forms, approvals will be valid for one calendar year only and no subsequent alterations may be made without receiving approval from the Department.

**FINAL NOTE**

The Department is committed to providing quality customer service to all substitute forms vendors and software companies. If you have any questions or concerns about the policy, please contact:

Ann Lane  
802-828-6536  
[ann.lane@vermont.gov](mailto:ann.lane@vermont.gov)

It is critical for the proper functioning of our scanning and imaging equipment to have quality substitute forms. Therefore, your comments and/or recommendations on improving our service are encouraged and appreciated.