ASC X12/TIGERS Webinar
February 3 – 5, 2009

Terry Garber opened the meeting by explaining that TIGERS will hold webinars in place of the Trimester X12 meetings during these times of tight budgets. She further explained that the webinars will only replace the X12 meetings and emphasized the need to attend the face to face interim meetings because there is still much to do before the January rollout of the 1040 MeF program. Because of audio difficulties and the inability to conduct any webinar meetings from the hotel, there will not be any conference calls or webinars during the "face" meetings.

The next meeting will be held in Orlando, Fl from March 2 – 6. In addition, this meeting is held in conjunction with the NACTP spring meeting. Also included will be a meeting of the IRS 1040 working group.

Attendees were asked to provide a list by session of those attending the webinar to Terry Garber at Garbert@sctax.org and Donna Muccilli at donnamuccilli@cox.net. This will provide us with the most accurate accounting of attendees since multiple folks will use a single sign-in.

Terry reviewed the following agenda for the 3 day webinar meeting:

ASC X12/TIGERS Webinar Schedule

Tuesday Feb 3
Session One – 2 hrs
11 am-1 pm EST
Agenda: TIGERS schema and standards updates
1. Review of StateBusiness and StateIndividual version 1.6 schema sets (Terry Garber)
2. FinancialTransaction resolution (Terry Garber)
3. Business Rules Document (Donna Muccilli, Greg Martinez)
4. Developer and ERO Manuals (Donna Muccilli)
5. Open discussion – all participants

Tuesday Feb 3
Session Two - 2 hrs
2 pm-4 pm EST
Agenda: IRS Updates and Discussion of IRS Gateway and Schema Plans and Issues
1. IRS Update - progress/filing numbers, timetable for development and releases (Delcie Miller-ETARC-IRS)
2. Gateway, Communications, and Strong Authentication issues (Xan Ostro, IRS)
3. IRS 1040 Schema Development including Header and Acknowledgment (Terry Barrera, IRS)

Specific Issues on IRS 1040 Schema Header and Acknowledgment:

• What will be the differences between the 1040 Ack and the business return Ack?
• Will there be any new mandatory elements in either Ack, and if so, what?
• Discussion of whether the mandatory elements are meaningful to the states, and how to handle if not – and if this is unknown, discussion on the difficulty current mandatory elements cause the states
• Header issues include:
1. the format of the Preparer data
2. the format of IP addresses
3. verification of whether other elements such as filing status are or are not in the Header

Wednesday Feb 4
Session Three - 2 hrs
2 pm-4 pm EST
Agenda: Walkthrough of State Schemas: the Good, the Bad, and the Ugly
1. State review process – what we look for (Jared Silver)
2. Kansas examples (Terry Hunt)
3. Maryland examples (Penny Berman)
4. Wisconsin examples (Scott Mueller)- and other states with reviewed schemas

Thursday Feb 5
Session Four – 3 1/2 hrs
  (with 30 minute break midway)
1 pm-4:30 pm
Agenda: Fed/State Employment Taxes (FSET)
1. Brief recap of SSA discussion in Tucson (Terry Garber)
2. New Employee/New Contractor schemas (JoAnn Costa)
3. Enrollment/Data Exchange schemas and packaging (Faye Shea and Scott Mueller)
4. State Web Services Gateway (Richard Rogers)
5. Open discussion – all participants

StateBusiness and StateIndividual Version 1.6
A review of the StateBusiness and StateIndividual version 1.6 schema set was conducted. The review included changes made to the following:
StateEfileTypes
1 Deleted IPemailAddress and Ipemail indicator elements InternetProtocolType efileType because of non use

2   SubmissionType made change to allow last 7 characters to be alphanumeric
3   Corrected IPAddress pattern in InternetProtocolType in order to validate IPaddressess. Thanks to Rance and Peter for all their hard work in order to develop this pattern. The pattern handles IP4 and IP6 addresses.
4   Changed the softwareId attribute in documentAttributes attribute group to be a String10type to match the SoftwareId element in header.

Terry reminded us that the above changes will also be available in the change document in the 1.6 releases located at www.statemef.com.

Header Changes
1   IndividualReturnHeader – Changed IndividualType to add taxpayer PIN for primary and secondary filer complex types without having to add an extension which was making it difficult for coding. This method simplified the coding and makes it cleaner to maintain. There were no objections to this change, which had been submitted by Illinois DOR.

Financial Transactions
Terry reviewed the current financial transaction which has a choice gate of a return payment, refund, or information about ach credit info. Another choice is to make an estimated payment through ach debit only with up to four payments.

Some states have a desire to restrict that financial information because some states do not want financial information in the record that would not be acted upon. An attempt to develop common restrictions was unsuccessful.

During this discussion, it was noted that at the last TIGERS meeting in Tucson, it was agreed to remove estimated payments from FT and make it a separate optional element under the ReturnState root. However, before it was posted there were many states that are using the current version and by changing the schema it would not be backward compatible and cause a great deal of problems for states where currently valid returns would reject.

As a result of the discussions about the FT schema, it was noted that there are four possible solutions; they are:
1. Restrict the payment, deposit and ach credit; this can only be done if EstimatedPayments is moved.
2. Move Estimated payments to a root element and restriction
3. Keep the existing FT schema
4. Breakout each element in FT, keeping the FT as an element under ReturnState, and let states to pick and choose what works for their state. This appeared to be the preferred option, with few down sides.

In order to finalize the FT schema, Terry will "mockup" the four ideas and distribute for comments. A vote will be conducted at the Orlando meeting on the FT schema.

Business Rules Document and ERO/Deveolper's Manuals
Donna Muccilli provided a Table of Contents of recommended topics to be included in the software developer's and ERO manuals. The table of contents can be found on www.statemef.com. She also cited that Kansas, Maryland, and Wisconsin have excellent examples of these publications and encouraged other states to "borrow" as a starting point for their manuals.

Greg Martinez presented an overview of the need for business rules documents and how to transition current legacy error OR reject codes to MeF business rules. Below are highlights of the presentation. To view the presentation in its entirety, please visit the MeF website at
www.statemef.com
1 Goal of developing unified business rules is to make it easy for industry to support your state.
2 Use to catch errors that are not formatting errors.
3 Business rules are not the spreadsheets used for category based filings.
4 Error and Reject codes must be clearly worded.
5 Generally, use the IRS format for business rules.
6 Identified the difference of schema errors vs. business rules.
7 Use of XPath in error acknowledgments.

Webinar Session Two
The session two webinar began with the IRS MeF updates and Issues

Delcie Miller presented the following IRS statistics from the MeF programs:

Form Type	CUM Projected Receipts	CUM Actual Receipts	CUM % Actual vs Projected	CUM % 2009 vs 2008
1120	8,622	10,152	117.75%	123.70%
1120S	9,741	9,364	96.13%	97.51%
1120-F	N/A	9	N/A	N/A
7004	11,669	11,197	95.96%	98.50%
1065/1065-B	4,991	6,042	121.05%	117.16%
990	1,178	2,461	208.85%	170.19%
990-EZ	278	361	129.87%	120.33%
990-PF	73	107	146.45%	110.31%
990-N	284	15,352	5401.36%	5349.13%
1120-POL	N/A	0	N/A	N/A
8868	995	1,673	168.15%	173.37%
2290	337	1,475	437.53%	373.42%

720	4	6	0.00%	600.00%
8849	N/A	16	N/A	N/A

Delice also provided a status of the states which are participating in the Fed/State MeF 1120 and 1165 programs. The following states are in production for 1120 followed by the states participating in the 1065 program.

- AL, CO, FL, GA, ID, KS, MD, MI, MO, MT, NYCT, NYS, OR, PA, SC, UT and WI

- AL, GA, ID, KS, MD, MI, UT and WI

Calendar Year 2008 State Return Statistics.

State	Available	Available	Made Available
ALST	570	189	381
COST	144	50	94
FLST	317	317	0
GAST	23521	8,321	15,200
IDST	2066	386	1,680
KSST	20154	8,717	11,437
MDST	29126	14,223	14,903
MIST	3224	524	2,700
MOST	2000	655	1,345
MTST	79	5	74
NYST	51645	17,917	33,728
ORST	4436	336	4,100
PAST	3462	1,838	1,624
SCST	3670	885	2,785
UTST	894	122	772
WIST	51104	24,483	26,621
Total:	**196,412**	**78,968**	**117,444**

2009 YTD State Return Statistics.

State	Total State Returns Made Available	Corporate Fed/State Made Available	Partnership Fed/State Made Available	Corporate State Standalone Made Available	Partnership State Standalone Made Available
ALST	14	3	0	11	0
COST	16	8	0	8	0
FLST	71	71	0	0	0
GAST	617	88	27	415	87
IDST	68	30	16	22	0
KSST	868	212	134	352	170
MDST	548	99	29	215	205
MIST	6	1	5	0	0
MOST	280	75	0	205	0
MTST	24	2	0	22	0
NYST	41,650	409	211	2,167	38,863
ORST	142	28	0	114	0
PAST	138	75	1	61	1
SCST	163	40	0	123	0
UTST	17	1	0	16	0
WIST	1,210	375	277	410	148
Total:	45,832	1,517	700	4,141	39,474

IRS 1040 Working Group
The next meeting is scheduled to be held at the March Orlando TIGERS meeting. NACTP is also meeting that week in the same hotel   The IRS 1040 Working Group will be a joint session of TIGERS and NACTP on Tuesday, March 3rd 1:30 – 4:30 pm.
Please email any Working Group agenda items to Maria.T.Barrera@irs.gov by February 15th

1040 Ramp-up
A volume management strategy is expected to be emailed to the 1040 Working Group and States within the next few weeks and will be discussed at the Working Group Meeting. The goal is to start out with only 10% of all 1040 transmissions coming in through MeF, then ramp up.

In response to requests from states and industry, IRS is considering making the test system for 1040Mef available earlier than the November ATS schedule, but did not provide any details.

Fed Acks
The states asked for a clarification of the number of acks the IRS will publish in the 1040 arena. Maria (Terry) indicated that there will be only one ack for both business and individual programs, contrary to the rumor that there would be two acknowledgements.

The ack elements will include the current legacy elements with additional elements that are yet to be determined.

Steve from Idaho raised the question about ack legacy elements that states do not use and whether or not in MeF the elements will be optional. In order to make that determination, TIGERS will provide a list of current "mandatory" MeF ack elements which are currently being "plugged by the states, and should be optional in order to accommodate states needs. This topic will be reviewed again at the Orlando meeting.

Federal Header Schemas
IRS provided clarification on header issues that were raised. Their response was:
1. Format of the Preparer data – Maria asked for our preference on the preparer information in business or individual. TIGERS has asked for consolidation of the Preparer, PreparerFirm, and Originator structures.
2. Format of IP address – Xan indicated that the IRS does not validate the IP address
3. Verification of other elements – IRS will verify the uniformity of other header elements for consistency between business and individual income tax.

Freefile indicator

There will be two indicators one for English, Spanish. In addition there will be another indicator for the "affordable filing" which is the new fillable form filing.

Strong Authentication
Xan indicated that IRS is still having "bumps" with the strong authentication. Because of the existing problems, Xan indicate that the password requirement has been extended until July for the following rather than implementing the certificate mandate:
1   IRS Strong Authentication Guide Manual is too old and needs to be update with new URLs before mandating certificates
2   Determine how .net handles the binary tokens
3   Issues with EnTrust and Identitrust CRL that needs to be worked out prior to mandate strong authentication

Xan further indicated that for those states who are not using strong authentication, and before opening 1040 the IRS will revise and distribute the manual before making the strong authentication mandatory. The IRS plans to have the strong authentication mandated in July 2009. Therefore, it is planned to have the manual ready and to trading partners by June.

The IRS is still experiencing a variety of gateway error messages. The IRS is working with their contractor to stay on top of the portal issues, but most are due to strong authentication and certificates. The portal is "stabler than it has ever been."

Nine-minute Response Rule
The IRS has suspended the nine-minute rule. The rule specifies that a "request for service" must be received by the IRS within 9 minutes of creation. Until the gateway certificate (strong authentication) issues are resolve, the IRS has suspended this requirement. The nine-minute rule will go back in affect for 1040 MeF, but the IRS has yet to establish a date.

Federal 1040 Schema Release
The next release of the IRS 1040 schemas will be in March, hopefully in time for the meeting in Orlando. This will be a set that is not implemented but will be there as a starting point for 2009. Remember, states will use the IRS w-2 series and 1099 series schemas rather than developing their own sets. In addition, states have the opportunity to receive all or a portion of the federal return with the state filing so it is important to consider how the IRS return data will be viewed by your internal customers. Therefore, it is important to work with the schemas ASAP.

Load Testing by States
A question was raised about states doing load testing. Xan mentioned that they are considering ways to allow states to transmit their own test returns. Xan mentioned the most likely method would be to allow states to register as Transmitters. This would require some code on the part of the states to

utilize the Transmitter web services.

Another option would be to allow states to FTP test returns to a pickup folder. However it is implemented, the IRS will need to make sure states can not accidentally submit returns to the production system.

MTOM Format Availability
Another question was raised when MTOM format will be accepted. Xan indicated the MTOM format will be added to the ip6.1X version probably in January when the first 1040 returns are accepted. It should be noted that this will not make DIME or MIME formats invalid, but with MTOM all three formats will be accepted.

ATS
The IRS reminded attendees that ATS is open and will be available after production begins; therefore it is available year-round.

The IRS strongly urges states not yet participating in MeF, but will be for the 1040 program, to test your client now!

StyleSheets
The stylesheets for TY2008 business taxes are not yet available for distribution to the states. The IRS hopes to have a firm date on availability when we meet in Orlando.

Webinar Session Three

TIGERS Schema Review
Terry Garber announced that nearly ¾ of the states which participate in the Fed/State 1040 partnership program have yet to submit their 1040 MeF schemas for approval to the TIGERS Schema Review Committee. Our experience shows that it takes at least two reviews of each state's schema before they are approved. Therefore, it is important that all states build their schemas now and submit them for approval, especially since the 1040 Fed/State program will be launched January 2010.

In order for states to understand the TIGERS' approval process, Jared Silver reviewed the process and provided methods in which to get help. For more details on the process and elements of the review, view the PowerPoint presentation on the state MeFwebsite at www.statemef.com.

Penny Berman from Maryland reviewed the Sample State schema on StateMeF.com and MD's corp schema which can be downloaded at http://taxpros.marylandtaxes.com/efileinfo/default.asp. to assist states which haven't already begun there schema development. It was pointed out that these are excellent tools to help states get started.

Terry Hunt walked through the Kansas 1040 schemas, and Scott Mueller walked through the Wisconsin schemas. These schema sets also illustrate how the TIGERS standards should be implemented by the states.

Webinar Session Four

Terry opened the FSET session by announcing that SSA is willing to work with TIGERS on developing common schemas such as W-2s and W-3s.

Joann Costa from California EDD reviewed the state new employee and new hire schemas. This information is used for child support collections. Many of the states have a similar program. The schema is available on http://www.statemef.com under version 3.4 link. States are asked to review the schema for missing data elements to be added and make comments. Comments, etc should be submitted via the TIGERS list serve before the March meeting so that version 4.X can be finalized in Orlando.

Faye Shea presented an update of the FSET Working Group and a review of the work completed since the December meeting held in Tucson. She listed the goals of the group which included:
1. General Schema review, including alignment with MeF
2. Packaging
   o Support for FTP and Web Services
   o Allow transmission packaging to support larger service providers
   o Support for Acknowledgements
   o Support for PDF attachments
   o The Question of a Manifest
3. New Hire and Contractor Reporting
4. Enrollment and Data Exchange Schema Updates
5. Gateway update
   o Need for new service to support Data Exchange Response
   o Progress on creating a Reference WSDL for use in developing a Web Service solution
6. Accompanying documentation
   o Including Standard Error messaging

During the presentation, it was noted that the group has worked to align the 4.x version with the MeF schemas of the other tax types. However, it was noted that since FSET is not a true MeF product, that some "elements" will differ such as the elimination of the manifest. See the Working groups presentation for all the details on packaging, gateway develop and biniary attachments at www.statemef.com.

Also discussed was the exchange of data between the states and industry which is currently done by a variety of methods. In the MeF FSET arena, the

data exchange will occur electronically. As such, requirements and schemas were developed and presented during this session. The requirements are:

1. Provide ability to send separate data exchange requests
This could be required for agencies with multiple back-end systems (Today CA has 3 separate data exchange formats), or for WH data vs. UI data
2. Determine optimal schema format to allow:
Only required fields to request data to be sent to agency
Separate Request and Response elements
3. Allow for repetition of Request elements in Response – while minimizing complexity of maintenance (if the tags are changed in either it is changed for both)

In addition to the requirements, a proposal was made to add three optional elements for use by the states; they are:

- EFT, Rates, and Applied for

If Agency chooses to use the tags, implementation documentation will provide instructions on how to populate this field and what fields will be returned for each option.

The working group also recommended that there would be two schemas for the data exchange; they are:

1. RequestExchangeDataState.xsd
Contains only the elements to be sent when sending a request.

2. ResponseExchangeDataState.xsd
Includes RequestExchangeDataState.xsd as well as all possible response elements.

A review of the packaging (see presentation for XML diagram) of a return was conducted and the working group is recommending the following which was approved by the attendees:
- Support for FTP and Web Services
- Allows for Transmission packaging to support larger service providers
- Support for Acknowledgements
- Support for PDFs? If required?

The working group listed the following items as closed for release 4.X
- Packaging - folders
The working group will reopen dialog if there is a need for the gateway to handle submissions through one gateway to send to other agencies in the state. In addition, if we extend the gateway to support this, it may reopen the question of the manifest.

Items still open and need to be resolved before the release of version 4.X
- Recommendation for Standardized error messages
- Recommendation for Supporting documentation

The working group identified the following action items which need to be completed before the March meeting in Orlando:
- State Contractor Schema name too long – can't be longer than 30
- Verify persontype is consistent with other 4.x schemas in New Hire and contractor reporting
- Location of submission id on various schemas
- Working group to discuss, document both options and send with pros & cons for group vote
- Creation of 'Reference' WSDL for state use
- Documentation for implementation
- Update WSDL recommendation to reflect decisions
- Include supported services
  Name for new services
  GetResponse, GetNewResponse
- Document Mandatory vs Optional Services
  For example ChangePassword may be optional
- How to implement Gateway
- Include flowchart of how the process works
- Include 'Lessons learned'

Richard, Faye and Scott have volunteered to work on the action items, but more volunteers are needed. If you are interested in helping with this project, please send an email to Terry Garber at garbert@sctax.org.

If any state is ready to implement 4.x or working with a vendor to implement 4.X before Orlando, please contact Fay Shea or Richard for assistance before finalizing your release.