Government Task Group 2
September 24 – 28, 2007
Wilshire Grand, Los Angeles, CA
ASC x12G/TG2/2007 – 33

Terry Garber opened the meeting by welcoming everyone and reviewing the meeting agenda

Next meeting is in Scottsdale, Arizona December 3 – 7, 2007 at the Doubletree Paradise Valley Hotel, 5401 North Scottsdale Rd., Scottsdale AZ 85250. Attendees should be prepared for longer meeting times in order to complete all standards.

The planned agenda:

SEPTEMBER 24 – 28, 2007
LOS ANGELES, CALIFORNIA

Fed/State 1040 September 24, 2007 - MONDAY 9:00am – Noon

- IRS Status and Plans
- Draft Standard – Report of the Workgroups
  - Schema Structure
    - Return Structure
    - TIGERS Controlled/State Controlled
    - Namespace Issue
  - Header Schema

Fed/State 1040, continued September 24, 2007 - MONDAY 1:00pm – 5:00pm
TIGERS Officer Elections

  - Header, continued
  - Binary Attachments
  - Financial Transaction
  - Return Data State
  - IRS Schemas (efileTypes and W-2/1099)
- Approval of Standards (as modified as necessary)

Fed/State 1040, continued September 25, 2007 - TUESDAY 9:00am – noon

- File Structure and Versioning
  - Naming of .xsd schema folders and files
  - How are folders structured to contain schemas?
  - Version control – both TIGERS level and individual state level
  - Zip file structure for return
- Next Steps
  - Action Items
  - Assignments
  - Timeline

Fed/State 1120/1065 September 25, 2007 - TUESDAY 1:00pm – 5:00pm

- Release 2006V1.6 Status
- Next Release
- IRS Status Update
- Forms-Based Standard
    - Basis from Workgroups and 1040 Decisions
    - Outstanding Issues for 1120/1065
- Next Steps
    - Action Items
    - Assignments
    - Timeline

FSET September 26, 2007 - WEDNESDAY 9:00am – 5:00pm

- California Lessons Learned
- Schema Set Version 3.3
    - California change requests
    - Final Cleanup
    - Acknowledgement
    - Transmission Packaging
- Enrollment Schema
- Request/Response Schema

Motor Fuel - September 27, 2007 - THURSDAY 9:00am – Noon

- Report from Motor Fuel Uniformity
- Schema Development
- Next Steps
    - Action Items
    - Assignments
    - Timeline

Streamlined Sales Tax September 27, 2007 - THURSDAY 1:00pm – 5:00pm, Friday 9:00am - Noon

- Implementation Guide Status
- Rates &Boundaries Databases
    - Issues
    - GNIS Conversion
- Lexicon Updates
- New Schema Release
    - Clean-up Issues
    - Restructuring
    - Bulk Schemas
    - Timing
- Miscellaneous Issues

Full Electronic Return (FER) September 28, 2007 - FRIDAY 1:00pm – 5:00pm
***** NOTE – FER begins when SST is completed on Friday – may be morning**

- Version 1.4 Review
- Sample Mappings
- Fixed Schema vs Forms-Based Approach
- Next Steps
    - Action Items
    - Assignments
    - Timeline

Fed/State 1040

IRS Status and Plans

Lee Lawrence from the IRS provided the IRS 1040 MeF project update. She indicated that they have awarded the contract to IBM for this project. IBM is the same contractor that developed the 1120/1065 program so the IRS is not expecting changes to development. Currently, the team is developing the final requirements document for the vendor. Orignal schema timeframe has been to release the first schemas in the March.

In addition, the IRS created five new efiletypes to accommodate the XML development for individual income tax. They will provide the details at the December meeting in Scottsdale.

Lee also reported that the working group face-2-face meetings with industry, FTA, and states are very successful. She also plans to have minutes from these meetings posted to the statemef website. The working group meetings will continue to resolve outstanding issues; the next meeting will be held in conjunction with the TIGERS meeting in December. Details will be announced prior to that meeting.

The IRS has also created a new high-level oversight council to resolve any policy issues, etc for the 1040 project.

Lee also questioned about the need for additional state schemas within the State Package. It was determined that the File Structure Workgroup would resolve how additional state returns would be in the state package. The result is expected at the December 2007 meeting.

TIGERS has agreed to use the IRS acknowledgement schema for 1040 to maintain consistency for developers.

WorkGroup Review

Terry Garber gave an overview of tasks completed by the Workgroups. In addition, she praised and thanked all the volunteers for their hard work to ensure we stay on schedule with the IRS release date.

As a result of the work, only minor revisions were needed before adopting the following schemas as a controlled version of TIGERS standards:

ReturnHeader
Binary Attachments
ReturnHeaderState

Finalized versions of the TIGERS controlled schemas will be posted to www.statemef.com. Any changes to these schemas must be presented to TIGERS via the change request control procedure currently in place for TIGERS.

There was considerable discussion regarding the structure of the FinanacialTransaction schema due to estimated payments. Lee Lawrence provided guidance as to the new structure the IRS has designed to handle estimated payments. The conclusion was to adopt the IRS' method for the

TIGERS FinancialTransaction schema and present it for a vote at the December meeting

Transmission Packaging

Transmission packaging will be very similar to that of Fed/State 1120/1065. The issue of states needing copies of returns sent to other states was discussed but not resolved. Possible structure will look like:

\XML
\Attachments
\IRS XML
\IRS Attachements
    \IRS1
    \OtherState1
    \OtherState2

Versioning

Discussion ensued about version control and the placement either at the schema or folder level. Currently, IRS places it at the common folder package for 1120/1065. However, they are not sure how 1040 contractor will handle it. IRS suggested bringing contractor to December meeting therefore, TIGERS tabled versioning issue until December meeting.

It was decided to pull the sample schemas out of the schema set, because they caused confusion.

Possible folder structure, using Maryland as example, could be:

TIGERS
MD_Common
MD_Business
    FormXXX
    RDSXXX
    ReturnXXX
MD_Individual

IRS Schemas and EfileTypes

The group agreed to use the W-2 and 1099 schemas. However, a schema will need to be developed for the 1099Gs. It was not clear from the discussions as to whether this will be a TIGERS Standard Schema or a State Specific Schema. This is a future action item.

TIGERS will maintain a forms-based efiletypes library as a standard in addition to a snapshot in time of the IRS's efiletypes. When using efiletypes, states should always attempt to use the federal efiletypes first, then use TIGERS and if all else fails, the state may create their own only in the state specific only. EfileTypes designated in TIGERS standardized schemas cannot be changed unless the requestor submits a change request and receives TIGERS approval.

TagNames

TIGERS created 250 common tagnames for 1040. These are guidelines not a standard. The tagnames were derived from category based tagnames; only when used by multiple states. Suggested names can be added if another state also needs it. If state was forced into tag names during boildown, it is not necessary to adopt that tagname, but can create a tagname known to the state. No restriction.

Action Items: target date 10/31.

Update Best Practices Document – Donna Muccilli
Standards Document – Terry Garber
TagNames List – John Dobis
EfileTypes List – John Dobis
Lexicon - Irwin Nadel (lead, will need volunteers)
Financial Transaction Team to revise schema and post on statemef.com
Schemas Terry will revise standard schemas and documents

Unresolved Issues:

1099 G Schema

Government Subcommittee Meeting

Stephen Bouchard opened the meeting with the announcement of elections for officers for the Full Government Subcommittee. He explained that every two years the subcommittee must elect new officers. More information about the subcommittee meeting can be found at:
http://www.x12.org/x12org/meetings/minutes.cfm

Terry Garber, Chair of Government TG2, reported on the outcome of Task Group 2 elections. The new slate of officers is:

Terry Garber, South Carolina Department of Revenue – State Co-Chairperson
Greg Martinez, Intuit – Industry Co-Chairperson
Donna Muccilli, Arizona Department of Revenue was also appointed Secretary of TG2.

Fed/State 1120/1065

Release 2006v1.6 status

Andrew – Released 1.6 1120/1065 Submission from UT and PA modified 3 efiletypes. Posted on statemef.com
The group decided that there is no need for a v1.7 release but will leave open in the event of emergencies.

Release 2007v1.0

Submission to statemef and cc Terry Garber at garbert@scdor.gov

Cutoff Date --- Friday, October 12, 2007
DRAFT v1.0 release --- October 19
Official V1.0 Release -- October 26

It was agreed that the states using category based schemas will continue for at least one more year. Migration to forms-based schemas will begin with tax year 2008. The following states provided their timeframe for migration:

- Connecticut will use category for 2007 and forms based for 2008
- Pennsylvania will move to forms based 2010. Also hope to be live with 1065 category based release in 2^{nd} qtr 2008.

IRS Status

Packages are currently updated for 1120 series. There are not changes to the 1065 schemas

Test package (publication 4505) will be available on October 19, 2007 with an updated release in December.

Sharon Watson provided the following statistical updates:

Total MeF activity is 2,068,775. This is 223% of the 2006 volume.

	Accepted Returns	Projected Volume	% of Projections
1120	214,494	237,100	90.5
1120S	620,730	612,500	101.3
7004	825,215	849,900	97.9
1065/B	361,373	250,000	144.5
990/990EZ/PF	17,360	3,3501	73.07
88678	21,319	18,100	117.3
2290	835		N/A

	2006 Accepted Returns	2007 Accepted Returns	% of 2006 Volume
1120	132,894	214,494	161
1120S	386,677	620,730	161
7004	389,220	825,215	212
990/990EZ/PF	9,646	17,360	180
88678	8,995	21,319	237

MeF has accepted 1020 amended returns – 4 were TY2005 returns, 1016 were TY2006 returns. Many amended or superseded returns are claiming TETR credits

312 - Form 1065 amended returns
92 - Form 1120 amended returns
616 - Form 1120S amended returns

Total State Submission to date is 48,720 State submissions for eight states

State	Total Volume	Fed/State	StateOnly
GA	5,037	2,364	2,673
KS	4,520	2,065	2,455
MD[1]	6,506	2,685	3,823
MI[1]	212	19	193
NY[1]	18,788	5,403	13,484
PA[1]	261	3	258
WI	13,396	8,884	4,512

1-First year in program

Enrolling SystemIDs for A2A transmission is currently a manual process, however, the automated service is to rollout in November 2007 with ATS. The automated process will allow transmitter/state (who has been given the authority as MeF System Enroller) the ability to enroll or update their SystemIDs

The Automated System Enroller will be able to perform the following tasks

- o Add, update or delete a SystemID
- o Change the option from user name/password to certificate
- o Upload certificates for SystemIDs
- o Change the Services that systemID can perform
- o Add or delete the ETINs that are associated with the systemID

Strong Authentication

In order to meet security requirements from HSPD-12, IRS will require external partners to get X.509 certificates from one of several public Certificate Authorities (CAs).

IdenTrust; http://www.identrust.com/certificates/buy_aces.html
EnTrust; http://www.entrust.net/index.htm
Verisign; http://www.verisign.com/ssl/buy-ssl-certificates/index.html
ORC; http://aces.orc.com/

Certification documentation will be available within the next few weeks. The document will:

- o Explain the integration and use of the IRS-provided client code to support certificate-based authentication.
- o Provide guidance for developers with the integration
- o Include code changes needed

Strong authentication will become mandatory January 2009.

TimeOuts

Timeout issues appear to be unique to a state or software developers according to Lee. Timeout Contact is Martin Cuffle martin.cuffle@irs.gov. Lee advised that we let IRS know right away about timeouts; don't delay- because there are times when the IRS doesn't even know that the problem exists.

Submission Reconciliation

IRS is also aware that submission reconciliation for the states is problematic. This is an action item for IRS to develop another service so that a state can query a specific submission.

Statistic Data from IRS

States confirmed that they want to continue to receive statistical data on volume by state, types, etc. as this aids states in developing marketing strategies and reconciling submissions. IRS has agreed to continue to provide the data to the states.

WSDL and Acknowledgements

Maryland questioned when WSDL and Acknowledgement (ACK) Schema will be ready? IRS indicated that the ACK is available at irs.gov with only minor changes which includes "alerts". Lee also indicated that changes will be coming for the 1040 acknowledgements. TIGERS will be advised as changes are made.

The WSDL had only one minor change which is an optional item and will be posted to irs.gov according to Lee.

A question was also raised about acks schemas for each tax type. IRS believes there will only be ack schema for all tax types, but it will depend on how the 1040 contractor designs the product. Items of interest, like acks, will be discussed at the 1040 IRS Working Group meetings in December. Lee encourages states to submit discussion items and ideas to this working group prior to the scheduled meetings.

1120/1065 Forms Based Standards

TIGERS approved, as a standard, two separate return structures for 1120/1065. They accommodate the filing of simple corporate or partnership return as well as a consolidated/combine corporate filings. The structures can be found on www.statemef.com

TIGERS also agreed and approved the following changes to BusinessHeader:

- Remove ReturnID since submission ID in manifest
- Adding Original Submission ID and Submission Date
- CoreHeader extended for filer and business representative
- StateEIN is customizable – to validate – tailor type and length up to 20 currently.
- Business Representative – replaces partner/officer
- Title is mandatory element
- Name is parsed into firstname, middleinitial, lastname
- AuthorizedThirdParty – remains in Business Representative unless IRS changes.
- Add EINReason in SubsidiaryReturn

Financial Transaction Schema will be changed to conform to IRS' schema. With the changes, the schema was approved as a standard for 1120/1065.

EfileTypes

TIGERS will maintain separate category and forms-based efiletypes libraries – StateefileTypes wll be forms-based for both business and individual. StateBusinessefileTypes will still be available for Category based.. It was determined that when using efile types in forms based, states should use IRS efiletypes first; then TIGERS efiletypes and if all else fails, create own.

TagNames

TagNames are being developed for 1120. These are guidelines not a standard. The tagnames were derived from category based tagnames; only when used by multiple states. Suggested names can be added if another state also needs it. If state was forced into tag names during boildown, it is not necessary to adopt that tagname, but can create a tagname known to the state. No restriction.

FileName

Clarification was provided for the file name. The standard is **submissionID.xml** submissionID is the actual submission identification number not to be confused with "submissionID" literal.

Packaging:

Transmission packaging is essentially the same for both forms-based and category-based for 1120/1065. Since the IRS does not open the state returns, it is agnostic as to whether the state schemas are forms-based or category-based.

Versioning

Discussion ensued about version control and the placement either at the schema or folder level. Currently, IRS places it at the common folder package for

1120/1065. However, they are not sure how 1040 contractor will handle it. IRS suggested bringing contractor to December meeting therefore, TIGERS tabled versioning issue until December meeting.

In the meantime, for states releasing corp/partnership the standards for folder structures is:

- Business
  - ST2007v1.0
  - TIGERS V1.4
    - Common
    - StateBusiness
- Business
  - XXCommon (XX denotes state abbreviation; three characters for NYC)
  - ST1120
    - FormXXX.xsd
    - ReturnXXX.xsd
  - ST1120S
    - FormXXX.xsd
    - SchedXXX.xsd
    - ReturnXXX.xsd

1120/1065 Action Items
Target date 10/31.

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Fed/State Employment Tax (FSET)

California EDD presented the “lessons learned” from their FSET implementation. The slide show will be made available to TIGERS.

Review of Version 3.3 was conducted and approved for publishing with the following changes:

- Increase Amounts to 12 digit – this will happen automatically with the use of AmountType rather than individual restrictions
- Restore the header element ReturnQuarter rather than the element Quarter.

Payment Schema

FSET payment schema needs review in order to simplify and conform to Financial Transaction Schema for 1120/1065 and 1040 projects. When revision is underway, Intuit has requested that the schema support an individual taxpayer payment as well as the batch/bulk payment option. However, current payment schema will remain in place due to several states in production. Sunset date for current FSET payment schema will be determined at a later date.

California requested that two liability elements, however, since the current liability amount is repeatable, the request was rescinded.

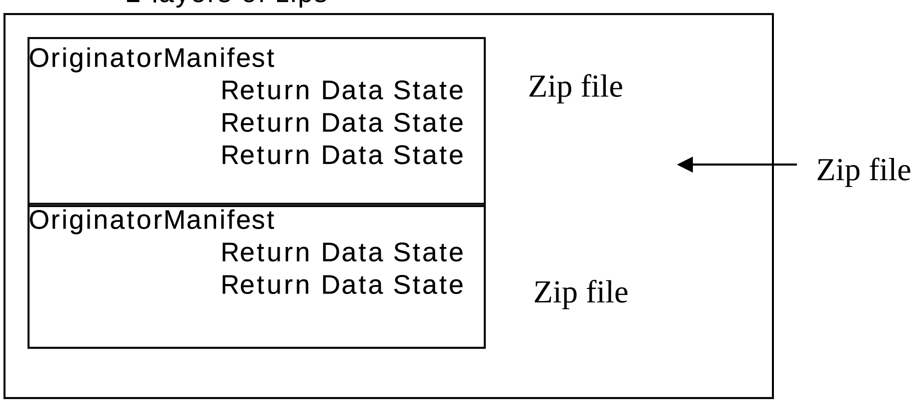
Chris Peterson from EFTPS provided an update on the July implementation of the transaction set enrollment and payments developed with Intuit. He indicated EFTPS is exploring using transaction set with states and practitioners.
TIGERS objective is to harmonize payment structures between IRS and EFTPS to reduce vendor struggles with two different structures.

Return Data State
In order to align with other fed/state programs it was decided that the header schema will delete the submission ID in the future, but will remain unchanged at this time because there is no manifest in FSET at this time.

Versioning
Version number will be add as an attribute to the root – ReturnDataState in release 3.4

Transmission
A draft transmission manifest was developed for web services as seen in the diagram below.

2 layers of zips



Current originheader will be used in version 3.4, but will need some revision to turn into OriginatorManifest. Scott Mueller has agreed to work on this. Scott will present the revision at the December meeting for discussion and approval.

Enrollment
Preston Barnett reviewed the batch enrollment schema. It was decided to keep a separate enrollment schema from the filing schema. Preston will also add Contact information for payments and filers to the schema as requested by the group. The EnrollmentDataState will be posted for comments prior to the December meeting.

Intuit also noted that the individual enrollment for payments has not been defined. Suggestion was made to adopt 941 schema which allows taxpayers to enroll thru a third party, such as the Intuit product, rather than going to each state's portal to enroll. This item is open for discussion at the December meeting.

Service Agreements/Power of Attorney
TIGERS agreed not to allow a POA as a binary attachment in the enrollment schema at this time. States will have to handle physical requirements in business rules.

Agent Data Exchange
Once an employer is enrolled with a state, this transaction would allow service providers to request data concerning the emplyer. If allowed, agency would confirm such items as FEIN, State EIN, Status of the Employer, Business Short name, mailing instructions, tax rate, type of rate, and rate on file. Also included is checkbox for EFT required, deposit frequency, penalty type and whether if the agency has POA on file. Need to add "delete" client, Account Status.

It was also agreed upon that if a service provider is not authorized to get information that a reject with error code of "not authorized to release information to your service" would be returned to the provider.

Preston will make just a few changes, and the draft schemas will be posted for review.

Motor Fuel
In order to report to the Motor Fuel Uniformity Committee, TIGERS needs:
- Draft of schema for January's Meeting
- Final schema for June's Meeting.

Schema Development
MeF Header Structure can be adapted to for use in Motor Fuel with minor changes. Also with a few modifications, the General Information Schema from Motor Fuel can be incorporated into the MeF Header. Changes will be made and presented at the December TIGERS meeting.

FinacialInformation
The current MeF financial information schema will not meet the needs for motor fuel since a number of the existing elements are not used in Motor Fuel. Once the new structure is completed, a determination will be made as to whether or not motor fuel will need to design a specific payment schema.

Schedule Types
Doreen Warren will work with Larry Hanson to revise the ProductTypes, ProductCodeTypes and QantityTypes as discussed and will present at the December meeting. In addition, Larry will create a Schedule Schema or complex type for the following reports:
- SupplierType
- TerminalOperator
- Distributor
- Retailer
- Carrier

Issue for the Motor Fuel Uniformity Committee to determine:
1. Can we limit a filing to a single filing period?
2. Limit a submission to either original or amended, but not both.
3. Same filer with multiple periods
4. Single Tax Period

Streamlined Sales Tax

There is still confusion over the upcoming conversion from FIPS codes to GNIS codes for named places. Terry and Jonathan will try to get someone knowledgeable on GNIS codes to present to the group in December.

Terry Garber suggested breaking up the complex SSTPTransmission schema into three parts, for Registration, SER, and Information Report, so that each can be maintained separately. While the group did not approve the idea, they were willing to look at a prototype in December.

There is some funding available to make changes to the Registration system. Chief among the requests is a preference to have data on Principals or Officers. The group reviewed and prioritized the list of outstanding Change Requests for Registration,

Full Electronic Return

Reviewed Version 1.4 of Full Electronic Return (FER). Terry Garber reviewed Forms-based approach versus Master schema. Although master schema approach is working for FER, a discussion took place about aligning FER with the MeF, especially for common schemas such as FinancialTransaction. However, no decision will be made until Industry weighs in. Sales tax attendees did not want to be tied to IRS namespace or the inclusion of income oriented IRS efileTypes.xsd.

One possibility discussed was a “plug-in” framework, where a common schema structure could hold the current master FER, a state’s forms-based schemas, or even an expanded SER for Streamlined. Prototypes using this approach will be developed for the December meeting.