

**2
0
0
0**

**T
A
X
A
B
L
E**

**Y
E
A
R**

Connecticut

Department of Revenue Services
25 Sigourney Street
Hartford CT 06106



Federal/State Electronic Filing Handbook



IP 2000(19)
Issued: 11/00

Table of Contents

I.	Introduction	4
II.	Highlights for Tax Year 2000.....	5
III.	Calendar	5
IV.	Contact Names and Phone Numbers	6
V.	The Federal/State <i>e-file</i> Program.....	7
	How the Federal/State <i>e-file</i> Program Works.....	7
	Who May Participate.....	8
	The Application and Acceptance Process.....	8
	Connecticut Testing	9
	Publications.....	10
VI.	The Filing Process	
	What Can be Electronically Transmitted.....	11
	What Cannot be Electronically Transmitted.....	11
	Form CT-8453 Instructions	12
	Attachments to Form CT-8453.....	13
	Corrections to Form CT-8453	14
	The Transmission Process	14
	Connecticut State Acknowledgments.....	15
VII.	Error Resolutions	18
VIII.	Refund Returns.....	19
IX.	Balance Due Returns.....	20
X.	Responsibilities of EROs and Transmitters.....	21
XI.	Reminders.....	23
XII.	<i>e-file</i> Checklist.....	24
XIII.	Appendix.....	25

I. Introduction

January 2001 will begin the 7th year of the Connecticut Federal/State Electronic Filing Program (e-file). The Connecticut Department of Revenue Services (DRS) will again offer tax preparers the ability to electronically file Connecticut resident income tax returns. DRS will be accepting refund, zero balance due, and balance due returns beginning January 12, 2001. Connecticut's *e-file* program is a part of the Federal/State *e-file* Program operated by the Internal Revenue Service (IRS).

The Informational Publication 2000(19), *Connecticut Federal/State Electronic Filing Handbook*, for individual income tax returns, 2000 taxable year, (hereinafter referred to as the *Connecticut Handbook*), is designed to be used as a companion to the Internal Revenue Service Publication 1345. Since most functions of the Connecticut *e-file* Program are the same as the Federal *e-file* Program, this handbook highlights the special and unique features of the Connecticut program. All rules and regulations governing tax preparers, transmitters, and originators of returns put forth by the IRS are in effect for the Connecticut DRS. The procedures and requirements for the Federal/State *e-file* Program are outlined in Publication 3112, The IRS *e-file* Application Package.

DRS requires all participants to be accepted into the Federal Program in order to participate in the State *e-file* Program. DRS recommends that all participants study Publication 1345 prior to reading the *Connecticut Handbook*. Where the IRS provides detailed instructions on hardware, transmission procedures, policies, etc., these same requirements apply to the Connecticut program.

DRS is looking forward to your participation in our program.

II. Highlights for the Tax Year 2000

- DRS will now accept an approved IRS 5 digit self-selected PIN as the electronic signature on the state tax return. The electronic signature will eliminate the need for **Form CT-8453**. See Page 12 for further details.
- Electronic Return Originators (EROs) are no longer required to mail the **Form CT-8453** to the DRS. EROs are required to retain the completed **Form CT-8453** with all attachments for a period of 3 years.
- Personal Property tax credit is increased from \$425 to \$500.
- New reduced tax rate tables for single filers.
- Personal Property tax credit table change for single filers.

III. Calendar

For Tax Period January 1, 2000, to December 31, 2000

Begin IRS/State Acceptance Testing.....	November 7, 2000
Deadline for the initial testing of Connecticut Returns	January 4, 2001
Begin transmitting returns to IRS/DRS.....	January 12, 2001
Last date for timely filed returns	April 17, 2001
Last date for extended filing of state returns	October 15, 2001
Last date for retransmission of rejected returns	October 18, 2001

IV. Contact Names and Phone Numbers

State of Connecticut *e-file* help desk

DRS will operate a Help Desk for electronic transmitters/preparers who are experiencing problems. The Help Desk is to be used *exclusively* by electronic transmitters and preparers. These numbers should **not** be provided to taxpayers.

For questions and/or comments relating to Connecticut's *e-file* program, contact Jason Purslow, *e-file* coordinator at (860) 297-5979, Fax (860) 297-4757 or e-mail: jason.purslow@po.state.ct.us

For questions related to the processing of the **Form CT-8453**, call (860) 297-4713 or Fax (860) 297-4757.

For any additional information, visit the DRS web site: www.drs.state.ct.us

Internal Revenue Service *e-file* Help Desk

Connecticut/Rhode Island District Office

For questions or comments relating to the IRS *e-file* program, Call (860) 756-4617 and speak to the Electronic Tax Administrator.

IRS Web site: www.irs.gov

Tax Assistance for Taxpayers

The DRS Refund Information Line provides taxpayers with information about their refunds. The Refund Information Line is available 24 hours a day (touch-tone phones). Taxpayers should be advised to confirm acknowledgment of their *e-file* return with their practitioner or transmitter before calling to check on the status of their refund.

FOR AUTOMATED REFUND INFORMATION, PLEASE CALL CONN-TAX:

(800) 382-9463—From within Connecticut

(860) 297-5962—From anywhere

To obtain refund status information taxpayers must know the:

- Social Security Number
- Amount of Refund (Dollars and Cents)

Taxpayers should allow three weeks for processing of an *e-file* return before calling the automated refund line to inquire about the status of a refund check.

V. The Federal/State *e-file* Program

In 1994, the Connecticut Department of Revenue Services (DRS) joined with the Internal Revenue Service to participate in the joint Federal/State *e-file* Program. Tax year 1994 was a pilot program year for the DRS for the transmission of both federal and state data electronically. Our pilot year proved to be successful with over 1,600 returns transmitted by participants from DRS and the Internal Revenue Service (IRS).

DRS began offering the Federal/State *e-file* Program statewide beginning with tax year 1995. Connecticut processed over 17,000 returns that year. Our first year was very challenging but overall proved to be a tremendous learning experience.

Connecticut's *e-file* program has continued to grow and has become one of DRS's most successful programs. Continued participation by our ERO and practitioner community helped DRS pass its goal of receiving over 200,000 returns for tax year 1999. While the program has expanded rapidly, we feel by continuing to strive to offer a quality product, our program will continue the tremendous growth it has seen in the last six years.

How the Federal/State *e-file* Program Works

DRS will allow tax preparers and transmitters already accepted in the IRS *e-file* Program to participate in the State *e-file* Program. Our joint program allows for filing of the federal return and state return at the same time. Both returns are transmitted to the IRS's Andover Service Center using approved software. The IRS, after acknowledging to the transmitter acceptance of the federal return with state data, will make the state data available for retrieval by DRS. After the state data has been retrieved, DRS will then process the information received.

DRS will acknowledge to the transmitter receipt of all returns retrieved from the IRS. Transmitters should be able to retrieve the Connecticut acknowledgments within two days from the time acknowledgments are received from the IRS.

Note: Electronic filing is a taxable computer and data processing service in the State of Connecticut. Therefore, if you charge a separate fee for the electronic filing of a return, you must register with the Connecticut DRS and charge the appropriate sales tax.

Who May Participate

Federal/State *e-file* for Connecticut returns is available to all participants who have been accepted in the Federal *e-file* Program and transmit returns to the IRS Andover Service Center. The application process for the Federal/State *e-file* Program is outlined below in the Application and Acceptance Section.

The Application and Acceptance Process

The Application Process

In order to participate in the joint Federal/State *e-file* Program, participants must apply to the IRS by submitting Form 8633, Application to Participate in the *e-file* Program. The deadline for a new Form 8633 is December 1, 2000, however, revisions to any Form 8633 may be sent in year round.

No additional application form is necessary for the Connecticut Department of Revenue Services.

However, if you are new to Connecticut Electronic Filing and your address is not in Connecticut, please notify us of your intent to send Connecticut electronic returns before your first transmission. Send a copy of IRS Form 8633 and the IRS Andover Service Center acceptance letter to:

Connecticut Department of Revenue Services
Jason Purslow, *e-file* Coordinator
PO Box 2964
Hartford, CT 06104-2964

Or fax your information to us at (860) 297-4757.

Note: The previously mentioned information is required only once but MUST be received before returns are transmitted. Please provide DRS with any changes to this information.

Federal Publication 1345 specifies the application process and requirements for federal participation. The IRS's definition of the various categories of electronic filers (Electronic Return Originator, Transmitter, or Software Developer) will apply for Connecticut *e-file* purposes under the Federal/State Program.

The Acceptance Process

DRS will recognize the federal acceptance process for the 2000 tax year. Acceptance into the federal program allows an ERO, Transmitter, or Preparer automatic acceptance into the Connecticut program. However, DRS will conduct suitability checks on all applicants for the joint Federal/State *e-file* Program and will notify any applicant who is ineligible to participate.

Applicants must:

- Have timely and accurately filed all applicable State of Connecticut personal and business tax returns;
- Have no current tax delinquency with DRS (although DRS may conditionally accept applicants with outstanding tax liabilities if they file or pay the taxes in question before filing electronic returns); and
- Not have been suspended or rejected from the program in a prior year. Suspension or rejection is permanent until corrective action is taken and reinstatement is approved by the IRS and DRS.

The EFIN and ETIN are assigned by the Internal Revenue Service through the Andover Service Center. The DRS will use the same EFIN and ETIN as the IRS in the Federal/State *e-file* Program.

These numbers will be used in the acknowledgment system to identify preparers and transmitters.

Connecticut Testing

Preparers, electronic return originators, and transmitters are **not required** to participate in the Connecticut Software Testing Program.

Software developers **are required** to pass Connecticut testing before releasing their software. Preparers, EROs and transmitters may contact DRS to verify that a software company has passed Connecticut testing, or check the DRS Web site for approved software developers, at **www.drs.state.ct.us**.

Publications

The following publications describe the process of the Federal/State *e-file* Program:

INTERNAL REVENUE SERVICE PUBLICATIONS

Publication 1345, Handbook for Electronic Return Originators of Individual Income Tax Returns

Publication 1345A, Filing Season Supplement for Electronic Return Originators

Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns

Publication 1436, Test Package for Electronic Filing of Individual Income Tax Returns

Publication 3112, The IRS *e-file* Application Package

Publication 1545, The Electronic Filing Logo Guideline for Effective Use

CONNECTICUT DEPARTMENT OF REVENUE SERVICES PUBLICATIONS

IP 00(19), Connecticut Federal/State Electronic Filing Handbook

Connecticut Electronic Filing Information for Software Developers

Connecticut Electronic Filing Test Package

VI. The Filing Process

What Can Be Electronically Transmitted

The Connecticut portion of an electronic return will consist of data transmitted electronically and supporting paper documents. In total, an electronic return contains the same information as a comparable return filed entirely on paper documents.

The following forms and schedules may be transmitted electronically:

- **Form CT-1040**, *Connecticut Resident Income Tax Return*
- **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*

Note: Supporting Federal Return and Schedules are required for all electronically filed returns.

What Cannot be Electronically Transmitted

In addition to the tax returns listed in Publication 1345 as excluded from federal *e-file* for the 2000 tax year, the following documents and forms will not be acceptable for electronic filing on the 2000 Connecticut return.

- **Form CT-1040X**, *Amended Connecticut Income Tax Return For Individuals*
- Prior Year Returns - any return not for tax year 2000.
- Non-calendar year returns.
- Corrected returns.
- A **Form W-2** with the state employer identification number missing.
- **Form CT-1040 NR/PY**, *Connecticut Nonresident or Part-Year Resident Income Tax Return*.
- Returns on which the filing status on the Connecticut return does not match the filing status on the federal return.
- Returns on which the federal Adjusted Gross Income (AGI) reported on the Connecticut return does not match the AGI reported on the federal return.
- Taxpayers subject to federal alternative minimum tax (federal **Form 6251**).
- Returns accompanied by **Form CT-8379**, *Nonobligated Spouse Claim*.
- Returns accompanied by **Form CT-1040 CRC**, *Claim of Right Credit*.

Form CT-8453 Instructions

DRS has instituted a major change in the signature process for the taxable year 2000. If the taxpayer elects to use the IRS's self-selected PIN for *e-file*, and the IRS accepts it, the DRS will now accept this PIN as the electronic signature for the state tax return. By adopting this PIN alternative, the DRS has effectively removed the need for **Form CT-8453**. EROs will be required to keep all the attachments as outlined on Page 13.

If your client does not elect to utilize the IRS's self-select PIN option, the Electronic Return Originators (EROs) are no longer required to mail **Form CT-8453** to the DRS. EROs are required to retain the completed **Form CT-8453** with all attachments for a period of 3 years. **Form CT-8453**, *Income Tax Declaration for Electronic Filing by Individuals*, is used to verify the information on an electronically transmitted **Form CT-1040** or **Form CT-1040EZ**, to provide the taxpayer's consent to directly deposit any overpayment, and to authorize the ERO to transmit through a third party transmitter. The ERO should verify that all sections of **Form CT-8453** are complete and all supporting documents, as specified in the section entitled Connecticut Section of the Electronic Return, are attached. **Form CT-8453** is included in the appendix of this publication

IRS DCN

Enter the federal Declaration Control Number in the appropriate boxes at the top right hand portion of the document.

Taxpayer Information

The mailing label from the taxpayer's return received from DRS or typed taxpayer entity information should be provided in this section. Make any necessary changes on the label if it is used.

Part I – Tax Return Information

Enter necessary information from Connecticut **Forms CT-1040** or **CT-1040EZ**. **Use whole dollar amounts.** Make certain that the information entered on **Form CT-8453** corresponds with the information transmitted in the electronic return.

Part II – Direct Deposit of Refund (optional)

Enter the taxpayer's direct deposit of refund information here. The ERO is required to verify account information. See the back of **Form CT-8453** for account verification requirements. If the taxpayer wants the refund directly deposited, be sure the corresponding box for Line 9, Part III is checked. See Page 19 for more information about refunds.

Part III – Declaration of Taxpayer

After the return has been prepared and before the return is transmitted, the taxpayer (and spouse, if joint return) must verify the information on the **Form CT-8453** and sign and date the document. The preparer/transmitter must provide the taxpayer with a copy of the document.

Preparers and EROs are prohibited from allowing taxpayers to sign a blank Form CT-8453.

Part IV – Declaration and Signature of ERO and Paid Preparer

EROs and paid preparers are required to complete all information requested in Part IV of the **Form CT-8453**. It is not necessary to complete the paid preparer section if the ERO is also the paid preparer. Instead, check the paid preparer box in the ERO section.

Attachments to Form CT-8453

The following forms should be attached to the front of Form CT-8453

- State copies of W-2, W-2G, 1099, CT-4852, CT-594 forms, and Casino Winning Statements with Connecticut withholding.

The following forms should be attached to the back of Form CT-8453

- Copies of other state's return if claiming credit for income tax paid to another state. If credit is claimed for income taxes paid to more than two other qualifying jurisdictions, additional copies of Schedule 2, Form CT-1040 must be completed and attached to **Form CT-8453**.
- The Individual Use Tax Worksheet, if required.
- Other informational documents not covered above and supporting material voluntarily included by the taxpayer.
- Supporting documents and schedules requiring signatures, if applicable (as described in IRS Publication 1345). Neither the federal nor state returns need to be attached to the back of the **Form CT-8453** since they are sent electronically.

Note: The ERO is required to maintain the Form CT-8453 and all attachments for a period of three (3) years. DO NOT mail this document to the DRS.

Procedures for Retaining Form CT-8453

Unless the taxpayer has an IRS accepted PIN signature, the ERO shall maintain all signed **Forms CT-8453** and attachments for a period of three years from the due date of the return, or the date the return was filed, whichever is later. If, for any reason, the ERO is unable to retain **Forms CT-8453** or ceases his/her business, all **Forms CT-8453** currently being maintained by the ERO should be forwarded to DRS. Please contact the DRS at following number to receive instructions:

(860) 297- 4713 – Ask for the e-file Help Desk

There may be certain occasions that arise in which DRS will request the ERO to forward the **Form CT-8453** signature document (and all attachments). EROs must comply with the request within five (5) business days from the date of the request. All requested documents should be sent to the address below.

Department of Revenue Services
Jason Purslow, *e-file* Coordinator
PO Box 2964
Hartford, CT 06104-2964

If the ERO cannot produce the original Form CT-8453 or any of its attachments, credit for the tax withheld may be disallowed, and may result in suspension from the program.

Note: Each year DRS will request a percentage of **Forms CT-8453** and/or conduct site visits for monitoring purposes.

Corrections to Form CT-8453

If the ERO makes changes to the electronic return after the taxpayer has signed the **Form CT-8453** but before the data has been transmitted, the ERO must have the taxpayer complete a corrected **Form CT-8453**, if either of the following conditions apply:

- Federal Adjusted Gross Income on Line 1 differs from the amount on the electronic return by more than \$100.
- Connecticut refund or balance due changes by more than \$7.

Non-substantive changes are permissible on the **Form CT-8453**, provided the person making the correction initials the changes.

The Transmission Process

Since the Connecticut electronic return will be transmitted with the federal return, the transmitter must follow all electronic transmitting procedures, communication requirements, and technical specifications required by the IRS, as defined in Publication 1345.

The Connecticut data package is transmitted to the IRS Andover Service Center with the federal return data. A transmitter who resides outside the area supported by the Andover Service Center must have his/her EFIN accepted by any service center outside the center designated to support his/her location. A revised Federal Form 8633 must be completed in order to transmit Connecticut returns to another service center.

Participants in the Federal/State *e-file* Program must confirm with their software developer or direct transmitter that the software has the capability of processing and transmitting the Connecticut data along with the federal data.

Reject Codes Received from the Andover Service Center

If a federal return is rejected due to errors, the accompanying state return will also be rejected. Publication 1345A will provide a list of all reject codes. Form 8453, informs taxpayers that their return may be rejected due to errors on their state return and, consequently, their federal return may be delayed. If the error is one that can be corrected and the record processed, both return records may be retransmitted to the Internal Revenue Service. If a state return cannot be corrected, the filer has the option of retransmitting the federal return data and filing the state return by mail. **A state return cannot be filed electronically without the federal return.**

Connecticut State Acknowledgment

The Connecticut acknowledgment is designed to inform transmitters that the Connecticut return data has been retrieved and is being processed by DRS. The Connecticut acknowledgment system is a separate system from the federal acknowledgment system. **DO NOT** assume that an acknowledgment from the IRS is a guarantee of receipt by DRS.

Design Plan for Connecticut Acknowledgment System

DRS will acknowledge receipt of the State data packet from the IRS through a third party acknowledgment system. Acknowledgments are posted on a daily basis upon return retrieval from the IRS.

DRS has contracted with StAck (State Acknowledgment Service) to serve as the agent for transmission of electronic acknowledgments. StAck operates as a

third party value-added network for the distribution of state acknowledgments. StAck will provide a secure electronic mailbox service to receive state electronic acknowledgment records generated by the Federal/State *e-file* Program and distribute the acknowledgments to the appropriate transmitter mailbox.

Each transmitter must establish a mailbox with StAck through which he/she will download information to his/her system. The software developers will design the software to receive and process the acknowledgment file.

Under normal processing conditions, the Connecticut acknowledgment file should be available to a transmitter within two working days of the time the federal acknowledgment is received from the IRS.

Transmitters who transmit for EROs and Preparers must notify them at the time of receipt of the Connecticut acknowledgment. Transmitters are encouraged to regularly inquire on the status of returns transmitted.

How Transmitters Sign Up for the Connecticut Acknowledgment System

To make arrangements to participate in the acknowledgment program, transmitters should contact StAck at the following number: (828) 349-5750 or visit the StAck web site at www.state-ack.net.

Before contacting StAck to set up a mailbox, please check with your software company to determine if they will be retrieving your acknowledgments and providing them for you.

If you have any questions regarding the Connecticut Acknowledgment System, please feel free to contact our *e-file* Help Desk.

Checking the Connecticut Acknowledgment File

Once an electronic return has been acknowledged by the DRS, transmitters are required to notify their EROs of acceptance within five (5) business days after receipt of acknowledgment from the DRS.

A Connecticut acknowledgment indicates that the return has been received and will be processed. The taxpayer is to be advised to wait at least three (3) weeks from the date of acknowledgment before inquiring about his/her return. A Connecticut indicator on the Federal acknowledgment is **NOT** a Connecticut acknowledgment for the state return.

Reject Codes Specific to the Connecticut Return

The following information identifies the reject codes on the Connecticut acknowledgment:

- 001 Invalid Form or Format**
- 003 Not Current Taxable Year**
- 004 Duplicate Return**
- 005 Non-Calendar Year Return**
- 012 Subject to Alternative Minimum Tax**
- 014 Invalid Processing Year (DCN Year)**
- 015 Schedule 2 (line 49A) Invalid Jurisdiction Code**
- 016 Schedule 2 (line 49B) Invalid Jurisdiction Code**
- 017 Invalid Transmitter ID (ETIN)**
- 018 Invalid ID (EFIN)**
- 019 Unauthorized Software/Version**

How to Handle a Rejected Return

If the electronically filed Connecticut return is rejected, the ERO must submit a paper tax return to DRS.

1. Staple the signed **Form CT-8453** to the back of the Connecticut Resident Income Tax return
2. Staple the W-2 forms and other attachments to the front of the Connecticut Resident Income Tax return.
3. In red ink, clearly write the DCN at the top of the Connecticut Resident Income Tax return.

Mail all materials to:

State of Connecticut
Department of Revenue Services
PO Box 2964
Hartford CT 06104-2964

The taxpayer is not required to sign the paper copy of **Form CT-1040** or **Form CT-1040EZ** if all appropriate signatures are included on the signature document. DRS will process properly submitted paper returns on a priority basis.

The ERO is responsible for notifying the taxpayer that the return was filed with DRS on paper.

Repeated rejection of transmissions could cause the IRS to rescind the electronic filing privileges of an ERO.

VII. Error Resolution

Errors may be identified on Connecticut returns when they enter the tax processing cycle at DRS. These errors will be handled through the DRS error resolution process and all returns received will be processed. Some errors that might be identified are duplicate returns, duplicate Social Security Numbers, computation errors, debt offsets on refunds, etc. Should errors occur on the Connecticut return, in most cases DRS will communicate directly with the preparer. Transmitters will not be given information about the tax return other than acknowledgment of receipt by DRS through the acknowledgment system.

Handling Problems

The Connecticut DRS will operate a Help Desk for electronic transmitters/preparers who are experiencing problems. For assistance with problems relating to the electronically filed Connecticut return:

Phone (860) 297-5979 – Ask for the *e-file* Help Desk

A taxpayer should not be given the telephone number for the Electronic Filing Help Desk. This telephone line is reserved for use by business entities that have been accepted into the electronic filing program. To check the status of a refund, taxpayers may call CONN-TAX, the DRS automated telephone system. (See Page 6).

VIII. Refund Returns

Taxpayers may elect to have their refunds directly deposited by completing Part II of the **Form CT-8453**. (Instructions are on the back of Form CT-8453.) If the direct deposit option is not chosen, the refund check is mailed to the taxpayer. DRS is not responsible when a financial institution refuses a direct deposit. If a refund cannot be directly deposited into an account, DRS will issue a paper check. Taxpayers may choose to have all or parts of their refund applied to their 2001 estimated tax, or donate it to funds designated on the return.

Refund Anticipation Loans

DRS does not encourage the use of refund anticipation loans, which are sometimes offered by tax preparers, because many state refunds are "offset" to satisfy obligations owed to the state or another qualifying entity.

Refund Delays

While most refunds will be issued in 4 days, taxpayers may confirm the acknowledgment of the Connecticut returns with their practitioner or transmitter and are advised to wait at least three (3) weeks from the date of the acknowledgment before calling or writing DRS to inquire about the status of a refund check.

If a taxpayer and/or spouse owes money to DRS or another agency, the amount owed may be deducted from the refund. This debt will delay the processing of the taxpayer's refund because all claims against the refund must be resolved before a refund check can be processed. This same policy applies to a paper return.

Delays in refunds claimed on receiving a federal refund will not impact the time required to receive a Connecticut refund.

IX. Balance Due Returns

DRS will accept balance due or zero liability returns for the 2000 filing season. Preparers must inform their taxpayer clients of the procedures for payment of Connecticut balance due returns as outlined below.

Preparers must also inform their clients that payment must be made by April 17, 2001, to avoid penalty and interest

Making Payments for Balance Due Returns

Taxpayers who owe additional Connecticut income tax may pay the balance due either at the time of electronic filing or at a later date. Payment is due on or before April 17, 2001, to avoid penalty and interest. The payment will be considered timely if the date shown by the U.S. Postal Service cancellation mark is on or before April 17, 2001. Taxpayers have the following balance due payment options:

A. To pay by credit card:

- **By telephone:**

Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829) and follow the instructions. You will be prompted to use your touch-tone telephone key pad to enter the Connecticut Jurisdiction Code: **1777**. When you call, you will be informed of the convenience fee. The charge is 2.5% of what you are paying. You may elect to cancel the transaction. At the end of the call, you will be given a confirmation number which you should keep for your records:

OR

- **On-line:**

Visit: www.officialpayments.com. Select Payment Center. You will need to enter the Connecticut Jurisdiction Code: **1777**. You will be informed of the convenience fee. The charge is 2.5% of what you are paying. You may elect to cancel the transaction. At the completion of the transaction, you will be given a confirmation number which you should keep for your records.

The taxpayer's payment is effective on the date the charge is made.

B. To pay by check:

Preparers must provide **Form CT-1040V**, *2000 Connecticut Electronic Filing Payment Voucher*, to clients filing balance due returns electronically. **Form CT-1040V** should show on Line 1 the total amount due. For proper credit, Form CT-1040V must be enclosed with the taxpayer's check or money order. Please advise clients that this is **NOT** estimated tax.

X. Responsibilities of EROs and Transmitters

Electronic Filers must maintain a high degree of integrity, compliance, and accuracy in order to continue to participate in the Federal/State *e-file* Program. They must also abide by the following requirements.

Compliance

All electronic filers must comply with the requirements and specifications set forth in IRS Publications 1345, 1345A, and 1346, the *Connecticut Handbook*, and the Connecticut e-file Record Layout Specifications for Individual Income Tax Returns (Tax Year 2000). Failure to comply with all requirements and specifications regarding the electronic portion and the non-electronic portion of the return will result in being suspended from the program.

The following are reasons for suspension from the program:

- Continued failure to retain **Form CT-8453** and/or attachments;
- Failure to supply DRS with **Form CT-8453** and/or attachments upon request;
- Use of unapproved software;
- Rejection of transmitted returns;
- Other facts or conduct of a disreputable nature that would reflect adversely on the program; or
- Purposeful submission of fraudulent returns.

Every attempt will be made by DRS to assist participants in resolving problems. However, repeat offenders will be suspended from the program.

Timeliness of Filing

Transmitters must ensure that electronic returns are filed in a timely manner. The receipt date of the electronic transmission by the IRS will be considered the filing date for a Connecticut return, if the federal return is acknowledged as accepted by the IRS.

Further, transmitters should confirm acknowledgment of the state return by the DRS before considering the state portion received.

The related **Form CT-8453 MUST** be signed prior to the return being transmitted.

Deadline for Filing

DRS will accept electronically filed Connecticut returns which have been submitted for transmission to the IRS Andover Service Center through October 15, 2001. Any Connecticut returns submitted after October 15, 2001, must be filed as paper documents. To avoid a penalty, a taxpayer who wishes to file a return electronically after April 17, 2001, must file **Form CT-1040 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for*

Individuals, on or before April 17, 2001. **Form CT-1040EXT** only extends the time to file a final return; it does not extend the time to pay income tax or individual use tax. Penalty and interest is or will be assessed on any tax not paid by the original due date.

Responsibility to Your Clients

Preparers are entrusted with the task of filing a client's tax return and assume the responsibility of ensuring that the return arrives at DRS. In the event the electronic return fails to arrive at its destination, preparers **must** file a paper return for their clients.

EROs must provide taxpayers with copies of their signed **Form CT-8453**, all accompanying documents and their 2000 **Form CT-1040** or **Form CT-1040EZ**. The preparer should advise the taxpayer:

- To retain copies of all materials;
- That if an amendment of the return is necessary, it must be filed on paper; and
- To use the IRS self-select PIN program. If the IRS approves the PIN, DRS will accept the PIN as the electronic signature for the state tax return, eliminating the need for **Form CT-8453**. EROs will be required to keep all attachments as outlined on Page 13.

If a return shows a balance due, the ERO must inform the taxpayer of their payment options and provide them with a computer generated **Form CT-1040V**, *2000 Connecticut Electronic Filing Payment Voucher*. See Page 20 for more information on making payments.

Upon request of the taxpayer, the ERO must provide the taxpayer with the Declaration Control Number (DCN) and the date the electronic portion of the tax return was acknowledged as accepted by the IRS and DRS.

Changes on the Return

If the ERO or taxpayer wishes to make any changes after the return has been accepted and acknowledged, the taxpayer must file an Amended Return (**Form CT-1040X**) through the paper document filing process.

Advertising Guidelines

Advertisements, whether in the form of signs, newspaper advertisements, radio or television commercials, etc., should not imply any special relationship with DRS. The use of improper advertising is grounds for suspension from the program. Acceptance into the Electronic Filing Program by DRS does not imply endorsement by DRS of the quality of the services provided to the electronic filer.

Fraudulent Returns

Any returns suspected to be fraudulent should be referred to the Connecticut DRS Collection & Enforcement Division at 860-566-4914.

XI. Reminders

- The address on the Connecticut *e-file* return must be the correct mailing address for the taxpayer because Connecticut resident income tax refunds are mailed directly to the taxpayer unless they are direct-deposited. If an incorrect address is used, the taxpayer's refund will be delayed.
- The taxpayer should be given **Form CT-1040V**, *2000 Connecticut Electronic Filing Payment Voucher*, if there is a balance due on the tax return. Taxpayers should be informed that payments are due on or before April 17, 2001, and that they can pay by check or credit card. Refer to Page 20 for additional information.
- Copies of the *e-file* return should not be attached to **Form CT-1040V**. The voucher should be remitted to DRS with only the check attached.
- Encourage your clients to use the IRS self-select PIN program. If the IRS approves the PIN, DRS will accept the PIN as the electronic signature for the state tax return, eliminating the need for **Form CT-8453**. EROs will be required to keep all attachments as outlined on Page 13.
- **Please do not remit Form CT-8453 to the DRS. EROs are required to retain Form CT-8453 and all attachments in their files for a period of three (3) years. All Forms CT-8453 sent to DRS will be returned to the ERO.**
- **If the ERO cannot produce the original Form CT-8453 with all attachments when requested, credit for the tax withheld may be disallowed and may result in suspension from the program.**

XII. e-file Checklist

- Double check to see if the Connecticut forms and attachments needed are transmittable.
- Verify that taxpayer wants to use the IRS self-select PIN program. If IRS accepts PIN, Form CT-8453 does not need to be completed.
- Complete Form CT-8453.
- Make sure that the name(s) and Social Security Number(s) are printed correctly on Form CT-8453.
- Use only whole dollar amounts.
- Have the taxpayer(s) sign all documents requiring original signatures.
- Attach all state copies that show Connecticut state withholding for W-2, 1099, CT-4852, CT-594 forms, Casino Winning Statements, and supporting schedules to Form CT-8453.
- Electronically transmit the STATE and FEDERAL information at the same time.
- Give the taxpayer copies of all forms that apply to them.
- Confirm the IRS acknowledgment.
- Confirm the Connecticut acknowledgment.
- **Retain Form CT-8453 along with any supporting documents as part of your permanent records for a period of 3 years. DO NOT mail Form CT-8453 to DRS.**

XIII. APPENDIX

- Form CT-8453, *Income Tax Declaration for Electronic Filing by Individuals*
- Form CT-1040V, *2000 Connecticut Electronic Filing Payment Voucher*