

2020 Tax Software Provider Letter of Intent

Due November 15, 2020

Complete this form to request approval from the **Virginia Department of Taxation (Virginia Tax)** to provide tax preparation software for electronic and paper forms submissions. Completion of this form means you are agreeing to meet our standards and requirements for software provider registration, all tax preparation software and substitute forms. Failure to meet these standards and requirements set forth in this Letter of Intent may result in the denial of your application or the removal of your organization as an approved software provider and the rejection of all electronic and paper returns submitted using your products.

Email the completed form to: vendors@tax.virginia.gov. If your submitted form is not complete it cannot be processed. You will be required to submit a completed amended form which could cause a delay in your participation with Virginia Tax.

Note: You must complete a separate Letter of Intent for each unique product that your company offers.

Name of Company		Primary Product Name		State Software ID	
Product Address / URL		NACTP Member ID		Company FEIN	
Address		City	State	Zip Code	
If you have more than one product name list your other product name(s) here:					
Primary Individual MeF Contact		Phone		Email Address	
Secondary Individual MeF Contact		Phone		Email Address	
Primary Business MeF Contact		Phone		Email Address	
Secondary Business MeF Contact		Phone		Email Address	
Primary Fiduciary (Estate/Trust) MeF Contact		Phone		Email Address	
Secondary Fiduciary (Estate/Trust) MeF Contact		Phone		Email Address	
Primary Leads Reporting Contact		Phone		Email Address	
Primary Leads Feedback Contact		Phone		Email Address	
Test EFIN(s)			Test ETIN(s)		
Production EFIN(s)			Production ETIN(s)		

Rebranded Software Products Section

Complete this section if your product is rebranded. In order for the software to be considered rebranded, changes cannot be made to the software requirements and output(s). It is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). Enter the appropriate class code for the rebranded product in the class code box below.

Class Code 1: Software products sold or licensed to a third-party user with the ability to make cosmetic changes but an inability to modify calculations within the software.

Class Code 2: Software products sold or licensed to a third-party user who has the ability to alter calculations within the software.

Virginia Tax has the following e-File approval requirements for rebranded products:

- Class Code 1 rebranded products may be required to complete an abbreviated e-File ATS approval process.
- Class Code 2 rebranded products are required to complete the full e-File ATS approval process and a separate LOI is required.

* Attach a separate sheet if there are more than three rebranded products.

Rebranded Product Name	Class Code	Primary Contact	Phone	Email Address
Rebranded Product Name	Class Code	Primary Contact	Phone	Email Address
Rebranded Product Name	Class Code	Primary Contact	Phone	Email Address

Substitute Forms Section

Virginia Tax requires software companies to support **print versions** of any form or schedule that is **supported within e-File**.

State Substitute Form Vendor Number

Primary Individual Forms Contact	Phone	Email Address
Secondary Individual Forms Contact	Phone	Email Address
Primary Business Forms Contact	Phone	Email Address
Secondary Business Forms Contact	Phone	Email Address
Primary Fiduciary (Estate/Trust) Forms Contact	Phone	Email Address
Secondary Fiduciary (Estate/Trust) Forms Contact	Phone	Email Address

Virginia Specific Questions Section

1. Individual Income Tax Providers – What refund products or payment vehicles do you offer your customers? If you partner with an entity to provide refunds (e.g. Amazon or other prepaid cards), provide the names and bank routing numbers (RTNs) of each company. Attach a separate sheet if necessary.
2. Do you require your users/customers to download and apply product updates to continue to electronically file and/or print tax returns with your software? Explain the timeline and process for this once an update is available for your product.

Authorized Access to State Exchange System

Provide a list of individuals who you are authorizing to access the State Exchange System. Even if the individual is listed on Page 1, list them below as well; otherwise access will not be granted. If you wish to request additional authorized users attach a list.

Name	Email Address	Authorized Access e-File Forms	Tax Type(s) Individual Business Fiduciary (Estate/Trust)
Name	Email Address	Authorized Access e-File Forms	Tax Type(s) Individual Business Fiduciary (Estate/Trust)
Name	Email Address	Authorized Access e-File Forms	Tax Type(s) Individual Business Fiduciary (Estate/Trust)
Name	Email Address	Authorized Access e-File Forms	Tax Type(s) Individual Business Fiduciary (Estate/Trust)
Name	Email Address	Authorized Access e-File Forms	Tax Type(s) Individual Business Fiduciary (Estate/Trust)

Software Product Details Section

Responses to the following five questions are required to process your Letter of Intent. Otherwise Virginia Tax will consider your Letter of Intent to be incomplete. You will be required to submit a completed amended form.

It is assumed that the below four responses apply to all supported tax types. If there are exceptions, list them in the e-File Software Limitations Section on Page 6.

1.) Type of Software Product(s)

DIY / Consumer (Web Based)

Professional / Paid Preparer (Desktop)

DIY / Consumer (Desktop)

Professional / Paid Preparer (Web Based)

2.) Calculation Engine(s) Supported

One software product with one calculation engine.

All software products use separate calculation engines.

These software products share the same calculation engine: _____

3.) Does your software support unlinked state returns? (e-File Software Only)

Yes

No

4.) What is the method used to provide paper forms to users?

Product produces own software generated forms

Product re-uses Fillable PDFs from the Virginia Tax website (i.e. web forms)

Other Method: _____

5.) Will you support the Taxes Paid to Other State (TPOS) schema for this filing season for Individual Income Tax?

Yes

No

Supported Forms and Schedules Section

Place a checkmark in the box next to each form to indicate that your software product supports the Virginia return/schedule/feature within your software. The forms listed are forms that Virginia Tax requires to be submitted for review and approval.

Virginia Tax **requires** software companies to support **print versions** of any return or schedule that is **supported within e-File**.

If the software product only supports a basic version of tax return and does not support the more complex schedules, place an "N/S" in the e-File column to indicate the schedule is "Not Supported" within the product.

INDIVIDUAL INCOME TAX

VA Forms & Schedules	Virginia Description	e-File	Print
760(CG)	Individual Resident Tax Return – Substitute Form		
Schedule INC/CG	Substitute Form for Reporting Withholding		
760ADJ	Schedule of Adjustments		
760ADJS	Supplemental Schedule of Adjustments for Forms 760 and 763		
Schedule A	Itemized Deductions		
760C	Underpayment of Estimated Tax by Individuals, Estates, and Trusts		
760F	Underpayment of Estimated Tax by Farmers and Fisherman		
760PY	Part-Year Resident Income Tax Return		
760PY ADJ	Schedule of Adjustments		
760PY ADJS	Supplemental Schedule of Adjustments for Form 760PY		
760PY Sch. of Income	Schedule of Income		
763	Non Resident Income Tax Return		
763ADJ	Schedule of Adjustments		
763-S	Special Nonresident Claim For Individual Income Tax Withheld		
765	Unified Nonresident Individual Income Tax Return		
Schedule CR	Credit Computation Schedule		
Schedule FED	Schedule of Federal Information		
Schedule L	Schedule for List of Participants (per 765)		
Schedule OSC	Credit Paid to Another State		
Schedule VAC	Schedule of Contributions – 529 Savings Plans, ABLENow and Voluntary Contributions		
Schedule VACS	Supplemental Contributions Schedule for the Virginia 529 and ABLENow Savings Plans		
760ES	Individual Income Estimated Income Tax Payment Voucher (Sent with Return)		
760ES	Individual Income Estimated Income Tax Payment Voucher (Sent as a Stand-Alone Payment)		
760IP	Individual Automatic Extension Payment Coupon		
760-PMT	Individual Return Payment Coupon		
760-PFF	Individual Return Payment Coupon – Farmer/Fisherman/Merchant Seamen		
CU-7	Consumer's Use Tax Return For Individuals		
502FED-1	Virginia Partnership-Level Federal Adjustments Report (New in TY20)		

INDIVIDUAL INCOME TAX – CHECKBOXES & FEATURES

	e-File	Print		e-File	Print
Binary / PDF Attachments			Head of Household		
1099-G Retrieval Indicator			Name or Filing Status Change		
Address Change Indicator			Overseas When Due		
Amended Return / Amended Reason Codes			Paid Preparer's / Preparer's Information		
Authorization to Discuss with Preparers			Payment by Bank Debit		
Deceased Return			Payment by Credit / Debit Card		
Dependent on Another's Return			Qualifying Farmer / Fisherman /		
Form 1310			Merchant Seaman		

WAGE STATEMENTS

Forms	Description	e-File	Print	Forms	Description	e-File	Print
W-2	Wage & Tax Statement			1099-G	Certain Government Payments		
W-2G	Certain Gambling Winnings			1099-INT	Interest Income		
1099-B	Income from Broker / Barter Exchange			1099-MISC	Miscellaneous Income		
1099-DIV	Dividends & Distributions			1099-OID	Original Issue Discount		
1099-K	Payment Card & 3 rd Party Network Transactions			1099-R	Income from Retirement / Pensions / Annuities , etc.		
VK-1	(VA Form) Owner's Share of Income & Virginia Modifications & Credits			1099-NEC	Nonemployee Compensation		

FIDUCIARY INCOME TAX

VA Forms & Schedules	Virginia Description	e-File	Print
770	Estates, Trusts & Unified Nonresidents Tax Return		
770ES	Estimated Fiduciary Tax Payment Voucher (770)		
770IP	Automatic Extension Payment Voucher (770 & 765)		
770-PMT	Return Payment Coupon (770)		
502FED-1	Virginia Partnership-Level Federal Adjustments Report (New in TY20)		
FIDUCIARY INCOME TAX – CHECKBOXES & FEATURES			
Binary / PDF Attachments			
Amended Return / Amended Reason Codes			
Charitable Remainder Trust			
Grantor Trust			
Qualifying Farmer / Fisherman / Merchant Seaman			

CORPORATION INCOME TAX

VA Forms & Schedules	Virginia Description	e-File	Print
500	Corporation Income Tax		
500A	Corporation Allocation and Apportionment of Income Schedule		
500AB	Schedule of Related Entity Backs and Exceptions		
500AC	Schedule of Affiliated Corporations Consolidated and Combined Filers		
500ADJ	Schedule of Adjustments		
500ADJS	Supplemental Schedule of Adjustments		
500AP	Modified Apportionment Schedule (VEDP Companies)		
500C	Underpayment of Estimated Tax by Corporations		
500CP	Corporation Automatic Extension Payment Coupon		
500CR	Credit Computation Schedule		
500EC	Electric Cooperative Modified Net Income Tax Return		
500EL	Electric Suppliers Corporation Minimum Tax and Credit Schedule		
500ES	Corporation Estimated Income Tax Payment Voucher		
500FED	Schedule of Federal Line Items		
500HS	Home Service Contract Provider Tax Computation Schedule		
500MT	Electric Cooperatives Minimum Tax and Credit Schedule		
500NOLD	Corporation Application for Refund-Carryback of NOL		
500T	Telecommunications Companies Minimum Tax and Credit Schedule		
500V	Corporate Income Tax Payment Coupon		
502FED-1	Virginia Partnership-Level Federal Adjustments Report (New in TY20)		
CORPORATION INCOME TAX – CHECKBOXES & FEATURES			
	e-File	Print	
Binary / PDF Attachments			Combined Return
Amended Return / Amended Reason Codes			Consolidated Return
Certified Company Apportionment			Home Service Contract Provider Tax Liability Computation

PASS-THROUGH ENTITY

VA Forms & Schedules	Virginia Description	e-File	Print
502	Pass-Through Entity Return of Income and Return of Nonresident Withholding Tax		
502A	Multistate Pass-Through Entity Allocation and Apportionment of Income		
502ADJ	Schedule of Adjustments		
502ADJS	Supplemental Schedule of Adjustments		
502FED-1	Virginia Partnership-Level Federal Adjustments Report (New in TY20)		
502FED-2	[Name TBD] (New Paper only form in TY20)		
502V	Pass-Through Entity Tax Payment Voucher		
502 VK-1	Owner's Share of Income and Virginia Modifications and Credits		
502 SVK-1	Supplemental Schedule of Owner's Share of Virginia Modifications		
VK-1 Consolidated	Reporting of Multiple Owners' Shares of Income and Virginia Modifications and Credits		
502W	Pass-Through Entity Withholding Tax Payment Voucher		
PASS-THROUGH ENTITY – CHECKBOXES & FEATURES			
Binary / PDF Attachments			
Amended Return / Amended Reason Codes			
Certified Company Apportionment (with 500AP)			
Home Service Contract Provider Tax Liability Computation (with 500HS)			

e-File Software Limitations Section

Specify any other software limitations related to the Virginia Forms and Schedules that exist beyond the Forms and Schedules Supported section (Pages 4 – 5).

If the software does not support all checkboxes, additions, subtractions, deductions, credits, contributions, etc. - list what is not supported for a particular form / schedule / feature. Furthermore, if there were any exceptions to your responses in the Software Product Details Section (Page 3), list them below in the right-hand column.

#	Form / Schedule / Feature / Checkbox	Description of Limitation for e-File Product
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

State Specifications and Communication

State Documents and Materials

Virginia Tax e-File and paper form documentation will be uploaded to the following locations:

- FTA State Exchange System (SES) – All e-File and substitute forms
- Website: www.tax.virginia.gov – Other paper web forms and payment forms

State Refund Expectations

To assist Taxpayers and Tax Professionals expecting refunds, Virginia Tax is supplying a URL to our "Where's my Refund" online program. Software companies are required to use this information to communicate and help set appropriate expectations with external stakeholders. Providing this information will:

- Help eliminate phone calls from Taxpayers, Tax Professionals and Industry about refunds
- Ensure that Taxpayers and Tax Professionals receive the appropriate message

Virginia Tax Refund URL: <https://www.tax.virginia.gov/wheres-my-refund>

State Tax Due Return Expectations

To assist Taxpayers and Tax Professionals with tax due returns, Virginia Tax is supplying a URL that provides a variety of payment methods for the individual income tax. Software companies should utilize this information to provide flexibility to external stakeholders when choosing a payment method.

Virginia Tax Due Payments URL: <https://www.tax.virginia.gov/individual-income-tax-payment-options>

State Requirements, Standards and Recommendations

Virginia Special Statement / Notice

Virginia Tax is committed to providing secure, efficient and accurate returns processing to all who are required to file a tax return in Virginia. Virginia Tax places high standards on itself, its filers, and its software providers to deliver on this commitment to our Virginia taxpayers.

To meet this commitment, Virginia Tax has implemented tracking tools that help us to review how each software provider is performing, adhering to Virginia Tax specific requirements laid out in this LOI, and meeting the tax preparation needs of Virginia taxpayers. Software providers who actively support Virginia Tax e-File programs during tax year 2020 will receive feedback detailing the results of this annual review by no later than July 31, 2021.

Virginia Tax will continue providing annual guidance as to the minimum standard requirements that a software provider must meet to be eligible to participate and support Virginia Tax's e-File programs.

Important Notice

By signing and submitting this Letter of Intent you are agreeing to meet the requirements laid out below. Virginia Tax reserves the right to decline, decertify, revoke or limit approval or acceptance of any software provider's product and thereby refuse to accept any additional returns from such product that does not adhere to the specified standards and requirements.

Should your product be decertified by Virginia Tax, you agree to remove references asserting your product's ability to service Virginia taxes from all public materials within 48 hours notice from Virginia Tax, and to provide immediate notice to any clients in the process of filing with Virginia Tax before ceasing Virginia services.

Virginia Tax agrees to:

- Perform a suitability review upon receiving a completed Virginia Letter of Intent and notify the software provider of the results of the review within 10 business days.
- Publish on the Virginia Tax website Virginia forms in early release to ensure that software providers have adequate development time and complete all required testing and approvals through Virginia Tax.
- Publish substitute forms guidelines / documents on the FTA Secure State Exchange System (SES).
 - Virginia Substitute Forms Guidelines and Standards for Formatting, Content and Approval
 - 760CG Documents: Form Package, Test Package, and Exact Positioning Specifications
 - 1D Barcode Detail Documents
 - Spec Tables for all Substitute Forms
 - Check Digit Calculator
- Publish the preliminary schemas and business rules on the SES.
- Publish final e-File Guides and special specifications and a scenario based testing regimen within the e-File Software Test Packages on the SES.
- Publish final schemas and business rules on the SES.
- Make available to the Electronic Return Originator (ERO) acknowledgment of acceptance or rejection of taxpayer returns within 2 business days of the return being made available from the IRS.
- Begin ATS e-File testing with the opening of the IRS' ATS testing in early November.
 - Initial test submissions will be acknowledged within 3-5 business days of receipt.
 - Subsequent re-test transmissions will be reviewed, acknowledged and feedback will be provided within 5 business days.
 - Virginia Tax requests that by February 15, 2021 – software providers reach a testing status of "Ready For Review" (passed all Schema / Business Rules) for their e-File submissions.

Virginia Tax agrees to: (cont'd)

- Commence annual paper forms testing. All other forms will be performed on a continuous cycle.
 - Initial test submissions will be reviewed and acknowledged with feedback within 5 days of receipt.
 - Subsequent re-test submissions will be reviewed and acknowledged with feedback in 7-10 business days.
- Notify the software provider immediately when errors within their software are adversely affecting the processing of Virginia returns.
- Classify software errors as critical or non-critical. This applies to both errors found by Virginia Tax and errors identified by the software provider.

Software Provider agrees to:

- Notify Virginia Tax immediately when errors in their software affect Virginia taxpayers as well as respond to Virginia Tax immediately when contacted about potential errors in their software that may affect Virginia taxpayers.
 - Critical errors will be resolved within 3 to 5 business days.
 - Non-critical errors will be resolved within 5 to 10 business days.
 - Notify Virginia Tax when the problem is resolved.
 - Provide timely software updates and technical support to their Virginia customers.
 - If software provider is unable to resolve a critical error within specified timeframe, Virginia Tax may temporarily suspend accepting and processing returns until the error is resolved.
- To the extent that a critical error is found that negatively impacts Virginia taxpayers and is directly and solely caused by the tax preparation software, the software provider will immediately notify Virginia Tax and all affected taxpayers to find appropriate solutions and mitigate the impact of the error.
- Notify customers of minimum computer and print settings needed when submitting forms and payments either electronically or on paper for processing purposes.
- Abide by the following testing standards.
 - Prior to the opening of IRS' e-File the software provider will provide Virginia Tax with either a "beta" version (ex. CD), access to their online tax preparation program, provide a specified list of screenshots, or provide a demonstration of the product that allows the review of user screens, interview questions, messaging, final submission screens and printing substitute forms.
 - Work directly with Virginia Tax staff to satisfy testing requirements in a timely fashion.
 - Submit ATS and paper forms test returns within the test timeframes detailed in the section above. Exceptions may be considered on a case by case basis.
 - Create tax returns that incorporate all the criteria detailed within each test scenario provided by Virginia Tax.
 - Not transmit returns before successfully completing all required testing and approval has been issued.
 - Software providers with previous history of issues with their products in Virginia may be required to perform a more rigorous testing methodology to validate the adequacy of their product.
 - While every effort will be made to be flexible during the testing window, Virginia Tax reserves the right to decertify the participation of a software provider if testing is inadequate, not completed timely or continues to be a strain on Virginia Tax testing resources.
- Develop substitute tax forms in accordance with the Virginia Substitute Forms Guidelines and Standards for Formatting, Content and Approval and the 760CG Exact Positioning Specifications issued by Virginia Tax and agrees to:
 - Submit all required computer generated Virginia forms to Virginia Tax for testing and approval.
 - Not allow forms to be printed from software until fully approved by Virginia Tax.
- Adhere to all specifications in Virginia publications:
 - Virginia e-File Guides
 - Virginia Substitute Forms Guidelines and Standards for Formatting, Content and Approval
 - 760CG Exact Positioning 2D Barcode Specifications (Individual income tax only)
 - Virginia Tax Form Instructions
- Adhere to schema requirements included in the authentication and return headers.

Software Provider agrees to: (cont'd)

- Implement appropriate security measures to protect taxpayers and their information in your system. This includes but is not limited to when it is online, offline, at rest and in transit. Cyber security resources such as the National Institute of Standards and Technology or the Department of Defense Security Technical Implementation Guide are examples of national resources available to assist you with this process.
- Withhold advertising Virginia's acceptance of their software, and will not accept Virginia returns, until Virginia Tax's certification is complete.
- Appropriately and timely respond to changes requested by Virginia Tax throughout the filing season to include providing a projected implementation date for agreed upon changes.
- Not use any branding logo or trademarks of Virginia Tax without the expressed written consent.
- Withhold messaging that insinuates Virginia Tax is not open for testing submissions when software has not been approved, when in fact is Virginia is actively reviewing test submissions.
- Retrieve the acknowledgments within 2 business days of Virginia Tax's transmission of those acknowledgements and will send to the taxpayer within one business day.
- Acknowledge product review results for individual income tax DIY products within 10 business days.
- Ensure all ATS tests during the approval process are created in and originate from the actual software.
- Ensure that all electronic returns received by Virginia Tax that are generated from this software will be electronically filed from the initially approved product version, or a subsequent product update.
- Ensure that all paper returns received by Virginia Tax that are generated from this software will be printed from the initially approved product version or a subsequent product update.
- Notify Virginia Tax of any incorrect and/or missing calculation or e-File data element for any paper or electronically returns submitted to Virginia Tax.
- Require users of this product who attempt to e-File 10 or more business days after a production release to download and apply the product update.

Standards and Requirements for Transferring Data Year over Year

Validating information that is pre-populated ensures the information is reviewed for accuracy by the customer. Virginia Tax is requiring the following pre-populated information be validated:

- State driver's license data elements
- State withholding account numbers
- Locality codes

The following item should not be transferred year over year:

- Direct deposit direct debit bank routing and transit number and account number

Data Breach Reporting

All software providers executing this agreement are subject to the data breach security laws of Virginia Code Section 18.2 – 186.6 and/or regulations of the Virginia Office of the Attorney General including but not limited to provisions regarding who must comply with the law, definitions of "personally identifiable information," what constitutes a breach, requirements for notice, and any exemptions.

For more information see [Virginia Data Breach Notification](#). In addition to the provisions above, the software provider must immediately notify Virginia Tax if the software provider knows or reasonably suspects that any confidential information involving Virginia taxpayers has been subject to unauthorized access or disclosure.

State Driver's License / State ID Card Data Expectations

At this time Virginia taxpayers are not required to provide their Driver's License / State ID information when completing their Virginia Individual income tax returns; however, they are strongly encouraged to provide it. When the information is provided, Virginia Tax requires the software provider to pass the information to Virginia via the return.

- **For e-Filed returns** – always pass the Driver's License / State ID information in the appropriate schema element. Refer to the Individual e-File Guidelines for details.
- **For printed/paper returns** – always print the full Driver's License / State ID information on the paper return. Do not mask or truncate the information.

Communication:

To assist taxpayers and tax professionals in filing returns, Virginia Tax is providing a URL regarding expectations for the Driver's License / State ID information. Industry partners will use this information to communicate and help set the appropriate expectations with external stakeholders. Providing this information will:

- Help eliminate phone calls from taxpayers, tax professionals and industry about Driver's License / State ID data collection and reporting
- Ensure that taxpayers and tax professionals receive the appropriate message

Virginia Tax Driver's License URL: <https://www.tax.virginia.gov/refund-fraud-prevention>

Signature

- The signed and completed agreement must be received by Virginia Tax by **November 2, 2020**.
- Email the completed Virginia LOI to: vendors@tax.virginia.gov

As the representative of the above named organization, I agree, on behalf of the organization, to comply with all requirements laid out in this document. Furthermore, by signing this agreement, my organization is agreeing to all of the requirements laid out in this document. Virginia Tax reserves the right to revoke approval of any company and thereby refuse to accept any additional returns from such software company that does not adhere to above stated requirements.

As an approved Virginia Tax software provider, I agree to provide true, accurate, current, and complete information about my company. I understand that if I provide any information that is untrue, inaccurate, obsolete, or incomplete, Virginia Tax has the right to deny, suspend, or terminate my company's ability to submit returns.

AUTHORIZED REPRESENTATIVE PRINTED NAME	AUTHORIZED REPRESENTATIVE EMAIL ADDRESS		Amended
AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER	DATE	