



# **SBT e-file**

**Michigan Department of Treasury**

## **Michigan Single Business Tax e-file Specifications and Software Developer Guide**

**[www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile)**

# **2004**

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## SECTION 1 Introduction

### 1.1 General Information and Software Requirements

Thank you for your interest in the Michigan Department of Treasury's (Treasury) Single Business Tax Electronic Filing (SBT e-file) Program. This publication provides you with information on how to participate as a software developer in the SBT e-file Program and with the file specifications to develop software.

*In an effort to optimize operational efficiency and improve customer service, the Michigan Department of Treasury made several tax processing changes. A major part of this effort was to mandate electronic filing for SBT returns.*

*Software developers producing software for professional tax preparers will need to support e-file for all Michigan SBT forms that are included in their tax preparation software package. Therefore, all eligible SBT returns prepared using software must be e-filed through Treasury's Internet Portal.*

Draft SBT forms are available on our Web site at [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile). They are made available to help software developers understand field locations and should not be used as draft forms in designing software to print the Michigan forms.

The forms to be used for forms design or photocopying will continue to be distributed to software companies through Treasury's Forms and Print Management Section, and will be posted in a secure area on Treasury's Web site when they are available.

Please note that most tax forms cannot be finalized until the Legislature has recessed the fall session. This generally occurs in mid-December. Until the Legislature adjourns, there may be law changes that would affect the SBT forms and require changes to the file specifications and test package.

The proposed software must:

- Compute the 2004 Michigan SBT forms and schedules, and pass the SBT testing process.
- Produce the Michigan SBT forms in both paper and electronic formats as specified by Treasury.
- Have the option to compress the file prior to transmission to Treasury, if transmission capability is part of the software package.
- Have the option to send up to 999 returns in one file, if transmission capability is part of the software package.
- Retrieve acknowledgments from Treasury and make available to the Electronic Return Originator (ERO) or transmitter.

If your software will allow the user to be the transmitter it must do one of the following:

- Include at least two Treasury test scenario returns which will be used by transmitters during the transmitter testing process, or
- Provide instructions on how to create and send a test transmission containing at least 2 Treasury test scenario returns.

**It would also be helpful if the following instructional information was included in the appropriate location(s) in the software .**

- SBT annual returns requiring payment are eligible for e-file. There are two payment options available for those returns requiring payment.

**Electronic Funds Transfer (EFT).** Information on the EFT process as well as the EFT Debit Application (form 2248) and EFT Credit Application (form 2328) are available on Treasury’s Web site at [www.michigan.gov/biztax](http://www.michigan.gov/biztax) payments. *Fax your completed application to (517) 636-4356. Please allow 4 weeks for processing.*

**Paper Payment Voucher.** If the taxpayer chooses to mail their payment, they must include form SBT-V SBT E-FILE ANNUAL RETURN PAYMENT VOUCHER with the payment. *Copies of federal and Michigan returns or schedules should not be mailed to Treasury.*

- *Annual returns are due on or before the last day of the 4<sup>th</sup> month after the end of the filer’s tax year. For fiscal year filers the beginning date year should coincide with the tax year form. For example:*

<i>File Period</i>	<i>File Period</i>	<i>Tax Year</i>	
<u><i>Beginning Date</i></u>	<u><i>Ending Date</i></u>	<u><i>Form Filed</i></u>	<u><i>Due Date</i></u>
<i>January 2005</i>	<i>December 2005</i>	<i>2005</i>	<i>April 30, 2006</i>
<i>September 2004</i>	<i>August 2005</i>	<i>2004</i>	<i>December 31, 2005</i>
<i>January 2004</i>	<i>December 2004</i>	<i>2004</i>	<i>April 30, 2005</i>
<i>February 2003</i>	<i>January 2004</i>	<i>2003</i>	<i>May 31, 2004</i>

## **1.2 Treasury Contacts**

### **For Software Developers and Transmitters Only**

For help with the SBT e-file program, software developers and transmitters may contact the Alternative Filing staff between the hours of 8:00 a.m. and 5:00 p.m., EST, Monday through Friday, except state holidays. When leaving a phone message, give as much detail as possible so that Alternative Filing staff can research your question and have the answer ready when they call you back. Speak clearly and spell any difficult names.

The Alternative Filing staff is not able to provide return status information or address specific taxpayer account issues. Should an error occur on the Michigan return during mainframe processing, Treasury will communicate directly with the taxpayer through the Department’s regular error resolution process. Treasury’s Customer Contact staff will, however, discuss return situations with the preparer if the appropriate authorization box has been completed on the return.

This contact information is **for software developers and transmitters only** and enables Treasury to provide better service to the SBT e-file program participants.

Contact: Scott Bunnell or Nancy Agostini  
Phone: (517) 636-4450  
(517) 636-4999 (TTY Only)  
Fax: (517) 636-4443  
Email: [MIefile2D@michigan.gov](mailto:MIefile2D@michigan.gov)  
Include the words "SBT e-file" in the subject line.  
Mailing Address: Alternative Filing Programs  
Michigan Department of Treasury  
P. O. Box 30058  
Lansing, Michigan 48909

You may also visit our Web site at: [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile) for more information.

### **For Taxpayers**

**Internet** – [www.michigan.gov/bustax](http://www.michigan.gov/bustax)

Treasury is providing Self-Service to customers via the Web. From the comfort of your home or office, you have the ability to:

- Check if your return has been received
- Check if your refund has been issued and when
- Ask Treasury a question
- Check estimated payments
- Request copies of returns filed
- *View your Single Business Tax e-file Customer Service Number (CSN)*

Note: To get return information using the "Internet Services" options, you must have the filer's Federal Employee Identification number, (FEIN) or TR number, month and tax year ending, gross receipts and organization type.

### **CUSTOMER CONTACT CENTER**

For those taxpayers that cannot receive Internet service, call the SBT Customer Contact staff at (517) 636-4700.

Deaf, hearing or speech-impaired persons may call (517) 636-4999.

## **1.3 Highlights and Important Information for Tax Year 2004**

- *The SBT e-file system will be unavailable from 4:00 a.m. to 5:15 a.m. for daily maintenance. If you attempt to transmit a file during this period, you will receive a message stating that the system is unavailable and to try again later.*
- Available on our Web site at: [www.MIfastfile.org](http://www.MIfastfile.org) is our feature **E-file Alerts**. E-file Alerts will provide updates and important information throughout the year.

- *Michigan has added a Preparer's Notes element in the schema for the SBT return. The purpose of this element is to capture additional descriptive information which is not specified in form instructions and that does not have a predefined line. Information should be identified by the form and line number. This field may also be used for information the preparer would like to communicate to Michigan.*
- *To ensure that payments are correctly applied to the account, only the 9-digit Federal Employer Identification Number, (FEIN) or Treasury assigned TR number should appear in the "Federal Employer Identification Number" box on the SBT-V form 4055. This information must be correct to ensure correct posting of the annual payment.*
- **C-8000D SBT Recapture of Capital Acquisition Deduction** requirements for reporting multiple dispositions as one entry: *For all dispositions the Date Acquired must be the same and Date Sold or Date Transferred must be the same. All dispositions that have variable dates must be listed separately.*

Updated: 9/13/04

- **Foreign Addresses:** *If the return has a foreign address, enter the address in the address line(s). The City, State and Zip Code fields must be left blank.*
- Registration changes (name, address, phone number, filing date, etc.) must be made by calling (517) 636-4660 or submitting, a Notice of Change or Discontinuance.
- The tax rate for the calendar year ending 2004 is 1.9%. We do not expect the rate to change for 2005. The 2005 rate should be available in December 2004.
- *Please refer to the following instruction booklet for related information that will be of help when developing your software program.*  
*[Single Business Tax Instruction Booklet](#)*

New 10-4-04

- *Submitting the test scenario information in all caps will reduce the amount of time needed to complete the compare portion of testing.*

New 12-08-04

- *Test scenarios must be in order from 38-1000000 - 38-8000000 in the XML file. Tests not submitted in order will produce incorrect compare data.*

#### 1.4 Key Dates

Deadline for Submitting SBT e-file New Application (Profile)	None
Begin Software Testing for 2004	Mid-Late October 2004
Begin Transmitter Testing for 2004	Mid-Late October 2004
Begin Transmitting Live Returns	Late January 2005
SBT e-file unavailable - <i>changeover to new tax year</i> (Test returns may still be submitted.)	Mid-Late January 2005

New 12-08-04

**1.5 SBT e-file Publications and Forms**

3919	SBT e-file Specifications and Software Developer Guide
3920	SBT e-file Test Package for Software Developers
3921	SBT e-file Transmitters' Handbook
SBT-V	SBT E-File Annual Return Payment Voucher

**1.6 State of Michigan Holiday Schedule**

2004-2005 Holiday Schedule

Labor Day

Veterans' Day

Thanksgiving

Christmas Eve

Christmas

New Year's Eve

New Year's Day

Martin Luther King Jr.'s Birthday Observed

Presidents' Day

Memorial Day

Independence Day

**1.7 Program Compliance**

Treasury will ensure transmissions are in compliance with the requirements outlined in this publication and the SBT e-file Transmitters' Handbook (Transmitters' Handbook).

If after acceptance, a transmitter/software developer has production problems, Treasury reserves the right to suspend that transmitter/software developer until the problems are resolved to Treasury's satisfaction.

## SECTION 2 SBT e-filing Program

### 2.1 General Information

The Michigan SBT e-file Program was developed to provide Michigan taxpayers with the opportunity to use Internet technology to file Single Business Tax Returns. In addition to refund returns we will also accept SBT e-file returns requiring payment.

The following 2004 forms are eligible for SBT e-file:

C-8000	SBT Annual Return
C-8000C	SBT Credit for Small Businesses and Contribution Credits
C-8000D	SBT Recapture of Capital Acquisition Deduction
C-8000G	SBT Statutory Exemption/Business Income Averaging
C-8000H	SBT Apportionment Formula
C-8000ITC	SBT Investment Tax Credit
C-8000KC	SBT Schedule of Shareholders and Officers
C-8000KP	SBT Schedule of Partners
C-8000S	SBT Reductions to Adjusted Tax Base
C-8009	SBT Allocation of Statutory Exemption, Standard Small Business Credit, and Alternate Tax for Members of Controlled Groups
C-8010AGR	SBT Adjusted Gross Receipts for Controlled Groups
C-8020	SBT Penalty and Interest Computation for Underpaid Estimated Tax
C-8030	SBT Notice of No SBT Return Required
C-8043	SBT Statutory Exemption Schedule
C-8044	SBT Simplified Return
3307	SBT Loss Adjustment Worksheet for the Small Business Credit

Information from the following 2004 federal forms may be included, *but is not required* when filing the C-8000, C-8044 or C-8030:

- U.S. 1120 and Schedules A and E (Corporations)
- U.S. 1120A (Corporations)
- U.S. 1120S and Schedules A, D and K (S-Corporations)
- U.S. 1040 and Schedules C, D and E (Individuals)
- U.S. 1065 and Schedules A and K (Partnerships)
- U.S. 1041 and Schedule D (Fiduciaries)
- U.S. 4797, Sales of Business Property
- 8825, Rental Real Estate Income and Expenses of a Partnership  
or S Corporation



When the following forms are included, the SBT return can be e-filed, but the forms listed below must be mailed.

- 4 Application For Extension For Time To File  
Michigan Income Tax Return

SBT e-file is not available to taxpayers that file the following forms or meet the following conditions:

Taxpayer has not previously filed a paper SBT return with Treasury

C-8008 SBT Affiliation Schedule – Consolidated Filing

C-8022 SBT Farmland Preservation Tax Credit

C-8000X SBT Amended Return

C-8044X SBT Amended Simplified Return

C-8000MC SBT Miscellaneous Credits

1366 Insurance Company Annual Return for SBT and Retaliatory Tax

*Returns for years 2001 and before*

*Returns requiring payment for 2002*

## 2.2 Signature Alternative

Returns are signed using an electronic signature composed of shared secrets as follows:

- Business FEIN
- Treasury-assigned Customer Service Number (CSN)
- Gross receipts or adjusted gross receipts from the most recently filed original SBT return

Treasury will provide active SBT taxpayers who have filed form C-8000, C-8030\* or C-8044 in the last two years with their Customer Service Number (CSN) in time to file their SBT return(s) in January 2005. *The CSN is eight digits comprised of one alpha character and seven numbers. The letters “I” and “O” are not used. Treasury will mail letters in early January containing the CSN to new SBT accounts and existing SBT accounts that are eligible for but have not yet taken advantage of e-file. The CSN is used for all SBT annual return e-filings.*

12-08-04

\*Filed by registered taxpayers.

## 2.3 Definitions

### Electronic Return Originator (ERO) or Preparer

An ERO is the person or firm that constructs the return information for the taxpayer for the purpose of electronically filing a tax return.

### **Transmitter**

*A transmitter is the business or individual that electronically sends the file of return data to Treasury. **In most cases the software developer will be the transmitter.***

*Preparers who are sending returns to the software developer who will in turn transmit them to Treasury, **do not need** to apply to be a transmitter.*

To be a transmitter you must:

- Apply to Treasury by submitting an SBT e-file New Application (Profile) request, which is available on-line at [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile).
- Pass the Treasury qualifications review and be accepted as outlined in the SBT e-file Transmitters' Handbook.

### **2.4 Record Retention**

Copies of all materials furnished to or by the taxpayer shall be retained by the ERO for the statutory period. In addition, the ERO must be able to provide to the taxpayer or Treasury, upon request, a printed copy of any filing made through the ERO.

## SECTION 3 SBT e-file Application (Profile)

### 3.1 General Information

An organization or individual interested in participating as a transmitter or software developer must submit an SBT e-file New Application (Profile) request to Treasury. The on-line application is available on our Web site: [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile). Applications are processed within 1-2 business days. An acceptance letter containing a user ID and password to e-file SBT return(s) will be mailed within one (1) week. It is the responsibility of the transmitter to keep this information secure. Applications may be submitted at any time throughout the year.

Note: If the Web Server is down, you will not be able to access the SBT e-file program.

In future years, participants who have been previously accepted by Michigan do not need to resubmit an application. If there is a change in the information on file, participants should submit the updated information by using the Update Profile screen on our Web site.

Failure to apply will preclude participation in the program.

### 3.2 Transmission Software Developers

*Developers producing and including the transmission capability in their software need to:*

- *Apply to Treasury by submitting an SBT e-file New Application (Profile) request, which is available on-line at [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile).*
- *Develop XML file transmission software. The test file in XML must contain:*
  - *transmission data*
  - *at least two SBT returns created with approved software or the sample SBT XML file available on our Web site*
  - *transmission end data*
- *Test their transmission capabilities as outlined in the Transmitters' Handbook.*
- *Adhere to the requirements outlined in Section 3 of the Transmitter's Handbook if functioning as a transmitter.*

When the developer is not functioning as the transmitter, but allowing the preparer/ERO to function as the transmitter the preparer will need to:

- Apply to Treasury by submitting an SBT e-file New Application (Profile) request, which is available on-line at [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile).
- Test their transmission capabilities as outlined in the Transmitters' Handbook.
- Adhere to the requirements outlined in Section 3 of the Transmitters' Handbook.

Developers obtaining the transmission portion of the software from another company will need to:

- Apply to Treasury by submitting an SBT e-file New Application (Profile) request, which is available on-line at [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile).

- Test as a transmitter as outlined in the Transmitters' Handbook, and test as a developer.
- Adhere to the requirements outlined in Section 3 of the Transmitters' Handbook if functioning as a transmitter.

Developers producing only the transmission portion of the software and not functioning as the transmitter will need to:

- Apply to Treasury by submitting an SBT e-file New Application (Profile) request, which is available on-line at [www.michigan.gov/sbtefile](http://www.michigan.gov/sbtefile).
- Develop XML file transmission software. The test file in XML must contain:
  - Transmission data
  - At least two SBT returns or the sample SBT XML file available on our Web site
  - Transmission end data
- Test their transmission capabilities as outlined in the Transmitters' Handbook.
- Adhere to the requirements outlined in Section 3 of the Transmitters' Handbook if functioning as a transmitter.

## **SECTION 4 Acknowledgment System**

### **4.1 General Information**

Treasury will provide two types of acknowledgments. The first is a confirmation that the file transmission was successful. This confirmation is issued almost immediately after the transmission is complete. The second is an acknowledgment for each live return record included in the file. This acknowledgment is available within 1-2 business days after successful transmission of a file.

Please refer to Section 5 of the [Transmitters' Handbook](#) for more information on the acknowledgment system.

## **SECTION 5 File Specifications (Schema)**

### **5.1 Schema and Draft Michigan SBT e-file Forms**

The schema and accompanying forms are published as separate items on Treasury's Web site.