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

This meeting was held in conjunction with the FTA Technology Conference and NACTP Annual Meeting.

Next TIGERS meeting - ASC X12 meeting held in Pittsburgh PA - September 21-27, 2008.

American Institute of Certified Public Accounts (AICPA) requested that all states consider offering the ability to accept unlinked returns as well as accepting Amended return.

As of this meeting only West Virginia, Idaho and Oklahoma are considering not accepting unlinked returns.

The following states plan to not accept amended returns on MeF:
OK IL, MN, MS, and Washington DC.

The TIGERS MeF Standards document handout was made available able at the meeting; however, the most current version is always available within a few weeks of our meetings.

IRS 1040 Status
David Williams provided an overview of the situation at the IRS regarding the launch of the 1040 series in the MeF environment. He suggested that they are facing a lot of challenges, they don't know what the new administration will do, they are examining their entire portfolio of modernization projects, and they don't have a definite date when they will have an answer

What they do know, now that first round design is completed, is that they will have a lot more legacy interfaces from MeF 1040 than they had anticipated, so that the project will cost considerably more than initially estimated. Bottom line is that they have enough money to get started, and probably to do Phase I, but not to complete the project.

Reaction was really split. A number of folks urged them to keep to the schedule, and at least get started, for two reasons: 1) we have the funds to build our part now, and if we put off a couple of years, that money may vanish; and 2) if Phase I is a success, and is getting built on schedule, it will be much easier to persuade Congress to give IRS the funds for Release II.

There were also some voices who told IRS not to even start if they can't finish. The one reasonable concern was that there was a likelihood that this would extend the number of years that both states and industry would have to support both EMS and MeF systems in parallel, which is additional cost. However, there were some of the old nay-sayers who were stating that EMS is not broken- it works well, so why should we be in any hurry to replace it.

Evidently IRS is having to review its entire modernization portfolio, not just MeF, so they aren't sure how long it will take. In the meantime, TIGERS is keeping on – the worst would be that they decide to keep to the schedule, and we have fallen behind."

Any input to how this affects your state or company business plan should be directed to Carol McLaughlin at 1040mef@irs.gov.

Carol McLaughlin provided an update on 1040 working team and development.
The next 1040 working group meeting in DC there is also a call-in 9am – noon. Sept 4, 2008. This meeting will cover transition issues, volume, system issues and messaging, and draft schemas that have been distributed, etc. Carol will send the call-in number via email. Please email 1040mef@irs.gov if you haven't received the meeting information or if you have questions about development questions, etc.

A new webpage with project status and FAQs will be coming soon on IRS.gov

Schedule
May 2008 distributed draft schemas
June 2008 additional schedules and business rules
Also mapped legacy 1040 error codes legacy to 1040 MeF business rules

Fall 2008
Plan to distribute TY2008 schemas and business rules which include 1040 and 21 additional forms, schedules, etc.

The IRS is interested in feedback on the schemas. All feedback should be sent to 1040mef@irs.gov.

States need to update the Progress tracking report that is listed on statemef.com
Also send any changes to deployment and contacts spreadsheet also listed on statemef.com.

The IRS 1040 Status Presentation is also available on statemef.com

Recap 1.4 schema changes
Terry reviewed the schema changes made since the New Orleans meeting. These changes can be found on the schema change log on statemef.com. One change that was adopted was the Extended Taxpayer PIN; however this option may need to be re-addressed as the IRS develops their schema. This is an item to watch. These few changes indicate that the TIGERS schemas are more stable than before.

Header IRS revisions proposed optional elements
Delcie Miller reviewed new additions to the IRS spreadsheet for adoption. IP routing Transit and depositor account number were questions by industry and states as to whether or not they are worthwhile. Carol will take this issue back to the legacy group for comment. The meaningful elements are IP email, address, date, time and timezone. Pending additional information from the IRS, TIGERS will determine whether or not the IP data should be added to the state header information.

A motion was made to make changes to the stateeFileType "InternetProtocolType" to gather IP information.

It was seconded by Maryland with a request to combining date, time and timezone into one element and that the IPtype is optional and if it is used, then the elements are required.

An overwhelming majority agreed to add this to the state header. These elements are optional so it is backward compatible so states do not need to add this to current packages. As always, it is suggested to add it to new versions.

It was decided that states will capture consortium indicated in their forms data area rather than be included in the state header.

Currently TaxYear in the header is mandatory in the state header schema as it is in the IRS header. For some taxes such as streamline and motor fuel, these taxes are filed on a monthly or quarterly basis; therefore these groups have asked that TaxYear be made optional. The motion was made to make TaxYear optional; however, other options were offered.

One suggestion is to move TaxYear to the extension header so that it can be mandatory for individual income while other tax types can ignore if tax year is not meaningful.

Idaho suggested that we keep as is and have other tax types plug in a year.
Another suggestion was to make it a choice gate with taxperiodbegindate and taxperiodenddate however this would not work for corporate returns.

It was suggested that we keep TaxYear in the header until the other tax types to come up with a solution.

Another issue regarding the originator element was discussed. Currently the originator is mandatory which follows the IRS hierarchy, which doesn't work with the 'home-user" community. Also the EFIN will be in the manifest and be validated by the IRS. However, type defines the originator such as online filer. The vote was to leave this element as is.

Jurate disclosure code is used to determine which disclosure statement is being used with a code.   States will have to determine whether or not to use codes in the state data area.

Submission ID format – it was identified that the IRS accepts alpha characters in the submission ID. Terry Garber asked for comments on whether or not TIGERS should adopt

this provision for states. The group has agreed to make the adjustments to state systems to accept alpha characters.

StateeFileTypes – proposed changes
A request was made to change the US address elements from optional to mandatory for example AddressLine1, city, state and zip. A suggestion is that AddressLine1, city state and zip be mandatory elements. A motion to accept this change was presented with the majority in favor of the change.

A request to change foreign address optional elements is changed to mandatory in order to harmonize with the IRS. The elements are: AddressLine1 and County. The vote was to adopt IRS standard.

BusinessType will remain unchanged.

Financial Transaction – Proposed Revision
Streamline sales tax has asked that we accommodate bulk payments for streamline sales tax using ACH credit. Currently, ACHCredit which is not supported by MeF like it is ACHEntityDetailType of FSET today. In order to accommodate this request, a choice gate has been added to include ACHCredit under StatePayment.
A lengthy discussion ensued because ACHcredit is just a notice of an event that takes place outside the filing of the return. The request is made so that the taxing agency could match up filings with bulk payment information.

A proposal was made to allow states to restrict the FinancialTransaction as needed, which is a direct deviation of the standard; however, by allowing the restriction the ACHCredit element could be put in the FinancialTransaction. This would also help those states which already in schema development or production and for future and backward compatibility.

A vote to allow restrictions within the FinancialTransaction.xsd was overwhelming approved. No opposition was sited to adding ACHCredit in the FinancialTransaction.xsd as long as restriction was approved.

TIGERS 1099- Review state versions.
A review of draft 1099G, 1099MISC and W-2G were reviewed. These will need to be posted to statemef.com for comparison to the state's forms and comments and approvals. Please make comments/approvals to the designated person on statemef.com

Packaging Recap
A review of what is included in the packaging was conducted. It was confirmed that what was agreed upon in New Orleans is now standard. However, because TIGERS did not post the agreed standards timely, some states didn't get their schemas approved. Since it is considered a minor change, the review team has recommended that the packaging be updated and to resubmit schemas for approval.

One adjustment was made to the package at the top level folder to accommodate alpha characters and longer SubmissionIDs. String18 will be replaced with String50.

Sample State Schema
Penny Berman from Maryland presented the sample state schema that she developed. It was developed on the current standards and best practices and a great template for all states to follow.

Penny, Thank you, your dedication and the hours spent developing the schema makes it such a useful tool for all of us.

IRS 1120/1065 Status
Carol McLaughlin provided the following updates for the federal 1065 and 1120 MeF programs:

- Reminder to states which want to go into production, you must notify the IRS to switch the state from test to production status.
- Volumes of IRS forms were reviewed. The IRS is about 138% higher in volume than expected for 1120. Also 148% higher on the 1120S than expected.
- The following mailboxes are going to be shut down as listed below:
  a. Etec.MAILBOX@IRS.GOV = 8/31/2008
  b. 1120@IRS.GOV – 10/31/2008
  c. 1065MEF@IRS.GOV = 10/31/2008
  d. any questions should be directed to 1-866-255-0654.

New extension period for Partnership returns TY 2008 will be 5 months from 6 months.

IRS MeF 1120/1065 Schedule:
8/22/2008 - Schemas and business rules posted
11/3/2008 - ATS
12/29/2008 - Last day of MeF processing for processing year 2008.
1/5/2009 - MeF production begins for 1120/1065
1/5/2009 - Strong Authentication is in place and passwords are no longer accepted.
Several states are reminded to get your certificates NOW because it takes time to get the certificate and get past your budgets. Kansas and Oregon are up and running the certificates if help is needed.

Carol also reviewed when the IRS publications will be available. Most are available after September.

Total fed/state state volume was 141,961 compared to 55,000 last year.   Note, that half of all returns were delivered as unlinked returns.

The IRS 1120/1065 Status Presentation is also available on statemef.com

Since Internet information would not need to be captured from 1120/1065 returns, it was determined that the InternetProtocolType does not need to be in the common header so that it applies across Tax Types. No opposition was noted on this adoption and will be implemented in version 1.5 along with the minor changes to the efiletype (Capital F) and lowercamelcase for attribute.

It was also recommended that the version number dictates when a revision takes affect. Submission ID will be changed across tax types even in category-based schemas.

Currently, versions 1.4 and 1.5 (when released) are in place.

Another discussion ensued about when a release is sunset or how to manage the versioning with cutoff dates, etc. The outcome of the discussion was: for Tax Year 2007 stay with the version the state is using; for Tax Year 2008 the state could decide to continue using 1.4 or choose to go with 1.5. Also any changes requested to the TIGERS schema set would use June 30 as a cut off date for changes. If changes occur after June 30 then those changes go into effect for the following tax year.

Version 1.5 will be published by August 31, 2008. Since the changes to the FT are not backward compatible the version that will be available for 8/31/2008 it will be version 2.0.

FSET Status
Versions 3.3 and 4.0 schemas were reviewed. It was determined that California is using 3.3, and 3.4 will probably go away since no state is using it. Version 4.0 is assigned for use by Arizona and for other states that are moving to A2A and XML conversions.

Illinois will continue to use versions 1.4 and Florida, Connecticut and Wisconsin will use version 2.1 until they convert to XML.

A review of "allcountrytypes" was conducted to include US as one of the country codes. The group agreed to adopt this code in order to accommodate ADP's need to identify the country in their database.

A request was made to add an element to the address type to combine state and foreign address to accommodate AD'Ps need until they can further purify their database. It was decided that the ADP representative should follow up with their IT group to clean their records so that they could adopt version 4.0.

A recommendation was made to review header common at the next meeting to determine if any adjustments are needed to align FSET with the other tax types. In addition, the Employee and Contractor elements can move from version 3.3 to 4.0 with only minor modifications.

The Enrollment and Data Exchange schemas were reviewed after the New Orleans meeting which resulted in only one correction: change RequestClientId to RequestClientID. With this correction, Enrollment and Data Exchange schemas are ready for use in version 4.0.

Scott Mueller from Wisconsin will develop and present his suggestions of "types of request" for the Data Exchange at the next meeting – Pittsburgh, PA from September 21 – 27.

The Gateway Team made a presentation of the proposed generic gateway. The entire presentation can be found at statemef.com. Please send all comments/ideas/concerns about the generic gateway to TIGERS listserv or Terry Garber at Garbert@sctax.org.
Some of the highlights of the gateway include:
- Transmission Payload
    - Single layer zip file
    - No manifest
    - Top layer XML
    - MTOM standard
- Security
    - Certificate based
    - Pass credentials with every access
    - Easy of implementation
- Environment
    - Three gateways
        - Production
        - Testing
        - Development

The gateway would be transmission-based rather than submission ID like the IRS. Acknowledgements would be passed by submission.

The W-2 inclusion has yet to be resolved. The following are action items for the next meeting:
A review of the w-2 schema is needed
A review of SSA's required format is needed,
How will we reject a W2 record?

Is the control number a unique number in which all employers are required to use.

The meeting adjourned at noon.