

The seal of the Missouri Department of Revenue is a large, circular emblem in the background. It features a central shield with a scale of justice, a sword, and a plow. The shield is surrounded by a wreath of stars and the text "DEPARTMENT OF REVENUE" at the top and "STATE OF MISSOURI" at the bottom. The date "MDCCCXX" (1820) is also visible.

**Missouri Department of Revenue
Electronic Return File Specifications
Individual Income Tax Returns
Tax Year 2010**

Final

1-7-11

INFORMATION FOR SOFTWARE DEVELOPERS

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SECTION 1: INTRODUCTION

The Missouri Department of Revenue (MODOR) accepts electronically filed Individual Income Tax returns. This program is in conjunction with the Internal Revenue Service's (IRS) existing Electronic Filing System.

The Missouri return will be transmitted to the IRS with the taxpayer's federal data. The MODOR will then retrieve the State information from the IRS.

The purpose of this guide is to assist the software developer in preparing the tax data for electronic filing. Other publications from the MODOR and the IRS will explain the policies and procedures that will be a part of this program.

File specifications, layouts, and testing procedures follow the standards defined by the NACTP (National Association of Computerized Tax Processors). Developers who are not members of the NACTP are encouraged to review these standards. More information is available at: www.nactp.org.

SECTION 2: OVERVIEW OF 2010 CHANGES (*Please read carefully*)

All changes will have 'New Field' or 'Modified Field' and the date of the change in the far left hand column. If only the form line number is changed, the field will not be bolded; only actual field changes which include re-numbering will be bolded.

- 1. The worksheet for state and local income taxes on Part 2 of Form MO-A (Fields 330-365) has been eliminated for tax year 2010.**
- 2. MO-A Part 3, Field 070/075, Fields changed to be Line 6Y or 6S multiplied by 65% (increased from 50%).**
- 3. MO-A Part 3, Field 240/245, Fields changed to be Line 4 or 5 multiplied by 65% (increased from 50%).**
- 4. New Fields 255 through 285 added for Military Pension Exemption on MO-A Part 3.**
- 5. Form MO-A, Part 3, Modified Field 290, Total Pension Exemption to include Public Pension, Private Pension, Social Security, and Military Pension.**
- 6. Form MO-L, Modified Field 030, Removed increase to standard deduction for real estate taxes.**
- 7. Generic Record, Field 305-5, Removed School District Code and Appendix B.**

SECTION 3: CONTACT PERSONNEL

State E-File Coordinator: Katy Werdehausen
Phone: (573) 522-4300
Fax: (573) 526-5915
E-Mail: Katy.Werdehausen@dor.mo.gov

Secondary Contact: Bryce Arnold
Phone: (573) 526-3474
E-Mail: Bryce.Arnold@dor.mo.gov

State website : www.dor.mo.gov

SECTION 4: ACKNOWLEDGEMENT SYSTEM

Missouri will participate in the Fed/State acknowledgment system. State acknowledgment files will be produced and transmitted to the IRS through the EMS (Electronic Management System). In compliance with this change, Missouri will use the 120 byte acknowledgment record. A full set of file specifications for state acknowledgments is included in the 2010 MO Record Layouts.

The Missouri acknowledgment system is designed to inform transmitters that the Missouri return has been retrieved and is being processed by the MODOR.

Upon receipt of the Missouri return from the IRS, the MODOR will generate an acknowledgment record for retrieval by transmitters through the IRS.

Transmitters are encouraged to retrieve their acknowledgment records regularly. Transmitters should notify their EROs of the return's acceptance within five (5) working days after obtaining the acknowledgment.

NOTE: All transmitters will be allowed to perform state testing to ensure they can access and retrieve the state acknowledgment records.

SECTION 5: MISSOURI LIST OF EXCLUSIONS FROM FILING ELECTRONICALLY

1. Returns and schedules excluded by the IRS in Publication 1345, Section 18
2. Amended returns
3. MO-1040 with any miscellaneous credits (Form MO-TC)
4. MO-1040 with an Enterprise Zone Income Modification
5. MO-1040 with entry on Line 28:
 Recapture of Low Income Housing Credit (Form 8611)
6. MO-CR with more than two states per taxpayer
7. If a taxpayer files a MO-1040 with a filing status of Married Filing Combined, but wishes to file a MO-PTS separately, it is recommended that the taxpayer file using a paper form. This situation would occur if the taxpayers were married but lived separately for the entire year (ex. One spouse was confined to a nursing home or managed care facility).

SECTION 6: GENERAL INFORMATION

The MO-1040 is the tax return document that will be accepted electronically.

Please note the following items:

1. Missouri will accept legacy test returns beginning on Nov. 15, 2010. The testing system will be available through August 31, 2011.
(Note: The beginning test date is subject to IRS availability and is subject to change. Notification will be given if the beginning test date changes. Testing outside the Fed/State retrieval system will be made available if necessary).
2. Please support all schedules, forms, and occurrences. It is important to customers and to the State of Missouri that customers are provided with a full range of services. **(Note: If not supporting all forms, schedules, and occurrences, please inform the State of Missouri before the first test transmission).**
3. A copy of the IRS's record layouts has not been included in this guide. This information is included in 'State Records' of the Internal Revenue Service Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns.
4. Data fields that do not require entry may be filled with spaces or zeros. Numeric fields should be zero filled and alphanumeric should be spaces.
5. Only whole dollar amounts should be entered on the MO-1040 return. When entering amounts (such as W-2s) where multiple amounts may need to be entered as a total, add the amounts together then round the total.
6. Percentage fields using the 12 character (11 numeric) fields will use the positions 9 through 11. No decimal point will be entered.

EXAMPLES:	100%	=	00000000100	49%	=	00000000049
	27.43%	=	00000000027	10.5%	=	00000000011
	7%	=	00000000007	6.2%	=	00000000006

Note: Paper returns do allow for decimal places. If rounding figures on the Missouri return and schedules will significantly alter the tax or deduction, it is recommended that the taxpayer file a paper return.

7. When entering a return for a single taxpayer or a return with only one income, enter the amounts in the Y-Yourself fields only.

8. Do not attach forms or schedules for which the taxpayer does not qualify or which is not to their advantage (Ex. MO-PTS which exceeds maximum income or calculates to zero).
9. Special instructions for Form MO-PTS and Form MO-CRP: If MO-CRP Field 025 is Status '6' (Low Income Housing, Line 7, Status F.), MO-CRP Field 035 (Line 8) cannot exceed 40% of MO-PTS Field 065 (Total Household Income, MO-PTS Line 8).
10. Federal Data – A complete copy of the federal data must be included for use by MODOR. This information must be provided in the unformatted state records. The federal data should be identical to the IRS data with the exception of four characters. For these characters, a state record character should be substituted for the corresponding IRS value. The characters are as follows:

<u>IRS CHARACTER</u>	<u>SUBSTITUTION CHARACTER</u>	<u>ASCII HEX</u>	<u>EBCDIC HEX</u>
****	!!!!	21212121	5A5A5A5A
[{	7B	CO
]	}	7D	DO
#	\$	24	5B

Each of the unformatted state records will provide 60 lines, each of which is 80 bytes in length. All 60 lines should be used before another unformatted state record is added. Any unused space within the 80-byte data line should be filled with blanks.

The federal data may be formatted using the IRS formatting requirements for variable length records or the IRS formatting requirements for fixed length records. A flag in alphanumeric field #305 will indicate the format utilized. The values are as follows:

- 'V' – Variable format
- 'F' – Fixed format

To construct the federal data, the MODOR will emulate the IRS procedures. After the data in the 80 byte 'form data lines' of the unformatted record has been expanded and joined into records, the end result should be identical to the IRS data records.

The IRS will permit a maximum of nine unformatted state records to be included with a return. If the taxpayer's federal data requires more than nine records, the return is not acceptable for Missouri electronic filing.

The IRS Summary Record does not have to be placed in the unformatted state record. If it is included, it will not be edited or processed by the MODOR.

Please refer to 'Federal/State Electronic Filing Specifications' of the Internal Revenue Service Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns for a description of the unformatted state record.

11. Missouri will request a separate test for online systems. If the provider supports both a preparer product, retail product, as well as an online system, only one return will be required to be transmitted for the online test. This return should have the 'Online' indicator (Field 049) set. **It is requested that the provider contact Missouri with a release date for the online product.** Upon notification, Missouri will provide a link to the provider's website from the State website.
12. Missouri will support filing of 'State-Only' returns. For various reasons, it may be necessary for the State return to be sent separate from the Federal return. **Missouri requests that a copy of the Federal return be included in the unformatted record.**
13. If the Missouri Itemized Deductions calculate to be less than the Missouri Standard Deduction, the Missouri Standard Deduction should be used on the Missouri return. The MO-A should not be populated in the unformatted record.
14. Include all W-2's associated with the tax return in the Unformatted record, whether the income is Missouri or from another state. This is especially important on State Only returns, which may involve taxpayers filing in multiple states.
15. Have sufficient edits to verify Withholding Payments, Estimated Payments, and Extension Payments. Many errors occur due to amounts being entered incorrectly or on the wrong line.
16. If the Filing Status is Married Filing Separate, the Spouse SSN (not filing) should not be included in Generic Record 055.
17. If a return has a Net Operating Loss (NOL) Carry-Forward from the Federal Return which creates a Negative FAGI, the NOL should be listed in the Part 1 Additions of the MO-A, Line 2Y or 2S.
18. Software developers should take all possible measures to validate the identity of software users in order to prevent fraudulent electronic tax returns. This should be taken into account for preparer's software and especially for online products. The department does not wish to delay issuing of refunds by check or by direct deposit to legitimate taxpayers. Therefore, an indicator has been added to

designate if a refund is being deposited into a RAL (Refund Anticipation Loan) account. It is also requested that RAL Bank Account numbers and Routing/Transit numbers be provided to the department if possible. It is very important for the software community, the IRS, and states to work together to prevent fraudulent returns. Also, it is requested that Generic Record Field 035 (Bank Account Number) be left justified and back filled with spaces. The department recommends that online systems should not allow the user to file multiple states online as State Only returns.

Appendix A

<u>County Code</u>	<u>County</u>	<u>County Code</u>	<u>County</u>
ADAI	ADAIR	JACK	JACKSON
ANDR	ANDREW	JASP	JASPER
ARKA	ARKANSAS	JEFF	JEFFERSON
ATCH	ATCHISON	JOHN	JOHNSON
AUDR	AUDRAIN	KANS	KANSAS
BARR	BARRY	KENT	KENTUCKY
BART	BARTON	KNOX	KNOX
BATE	BATES	LACL	LACLEDE
BENT	BENTON	Lafa	LAFAYETTE
BOLL	BOLLINGER	LAWR	LAWRENCE
BOON	BOONE	LEWI	LEWIS
BUCH	BUCHANAN	LINC	LINCOLN
BUTL	BUTLER	LINN	LINN
CALD	CALDWELL	LIVI	LIVINGSTON
CALL	CALLAWAY	MACO	MACON
CAMD	CAMDEN	MADI	MADISON
CAPE	CAPE GIRARDEAU	MARE	MARIES
CARR	CARROLL	MARO	MARION
CART	CARTER	MCDO	MCDONALD
CASS	CASS	MERC	MERCER
CEDA	CEDAR	MILL	MILLER
CHAR	CHARITON	MISS	MISSISSIPPI
CHRI	CHRISTIAN	MONI	MONITEAU
CLAR	CLARK	MONR	MONROE
CLAY	CLAY	MONT	MONTGOMERY
CLIN	CLINTON	MORG	MORGAN
COLE	COLE	NEBR	NEBRASKA
COOP	COOPER	NEWM	NEW MADRID
CRAW	CRAWFORD	NEWT	NEWTON
DADE	DADE	NODA	NODAWAY
DALL	DALLAS	OKLA	OKLAHOMA
DAVI	DAVISS	OREG	OREGON
DEKA	DE KALB	OSAG	OSAGE
DENT	DENT	OTHE	OTHER
DOUG	DOUGLAS	OZAR	OZARK
DUNK	DUNKLIN	PEMI	PEMISCOT
FRAN	FRANKLIN	PERR	PERRY
GASC	GASCONADE	PETT	PETTIS
GENT	GENTRY	PHEL	HELPS
GREE	GREENE	PIKE	PIKE
GRUN	GRUNDY	PLAT	PLATTE
HARR	HARRISON	POLK	POLK
HENR	HENRY	PULA	PULASKI
HICK	HICKORY	PUTN	PUTNAM
HOLT	HOLT	RALL	RALLS
HOWA	HOWARD	RAND	RANDOLPH
HOWE	HOWELL	RAY	RAY
ILLI	ILLINOIS	REYN	REYNOLDS
IOWA	IOWA	RIPL	RIPLEY
IRON	IRON	SALI	SALINE

<u>County Code</u>	<u>County</u>
SCHU	SCHUYLER
SCOL	SCOTLAND
SCOO	SCOTT
SHAN	SHANNON
SHEL	SHELBY
STCH	ST CHARLES
STCL	ST CLAIR
STFR	ST FRANCOIS
STCT	ST LOUIS CITY*
STCO	ST LOUIS COUNTY*
STGE	STE GENEVIEVE
STOD	STODDARD
STON	STONE
SULL	SULLIVAN
TANE	TANEY
TENN	TENNESSEE
TEXA	TEXAS
VERN	VERNON
WARR	WARREN
WASH	WASHINGTON
WAYN	WAYNE
WEBS	WEBSTER
WORT	WORTH
WRIG	WRIGHT