Missouri Department of Revenue
Software Developer's Guide
Corporate (MO-1120/MO1120S)
Partnership (MO-1065)
MeF
Tax Year 2013
Draft
10-18-13

Information for Fed/State Corporate and Partnership Development

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Section 1:   Introduction

The Missouri Department of Revenue (department), in conjunction with the Internal Revenue Service (IRS), accepts Corporate MO-1120 Income Tax, Corporate MO-1120S and Partnership MO-1065 returns along with corresponding forms and schedules. The transmission method is a Web Service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data will be formatted using Extensible Markup Language (XML). Authorized E-File providers, also known as Electronic Return Originators (ERO's) can submit returns to the IRS MeF system for federal and state return processing. State returns can be submitted as a federal return with a state return attached, called a "Fed/State" return, or as a state return, known as a "Unlinked" submission. Each return (Fed/State or Unlinked) must be in a separate submission. Multiple submissions may be contained in a single message payload. Software developers must test with the department and receive approval prior to submitting live Fed/State or Unlinked returns.

Section 2:   Corporate Changes for Tax Year 2013

- **New Tax Credits on Form MO-TC for 2013**
  - o **SEC Sporting Events Credit**
  - o **SPC Sporting Contribution Credit**
  - o **MWC Missouri Works Credit**
  - o **CIC Children in Crisis changed to CFC Champion for Children**

- **New Trust Fund on Form MO1120**
  - o **Pediatric Cancer Research Trust Fund – Charitable Code 18**

- **Added option "2A" to AllocationMethod on SchMOMS and SchMOMSS**

- **In SchMOMSS and SchMOMS schema: Moved ThreeFactorApportionment before SingleFactorApportionment due to changes on form.**

- **Changed names on several nodes on SchMOMS due to names referencing Part1/Part2. These are identified in document Missouri Schema Changes.xls in MO schema package.**

- **Removed AllocationSchedule from SchMONJD.**

Section 3:   Contact Personnel

<u>Primary</u>:

State E-File Coordinator

Katy Werdehausen
Phone   (573) 522-4300
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E-Mail   Katy.Werdehausen@dor.mo.gov

<u>Secondary</u> :

Bryce Arnold
Phone   (573) 526-3474
E-mail   Bryce.Arnold@dor.mo.gov

E-File Unit
Phone   (573) 751-8150
E-Mail   ElecFile@dor.mo.gov

Missouri Department of Revenue website - www.dor.mo.gov

Electronic filing information - http://www.dor.mo.gov/tax/electronic/

Mailing Address :

    Missouri Department of Revenue
    P.O. Box 543
    Jefferson City MO 65105-0543
    Attn : Electronic Filing Unit

Section 4: Acceptance and Participation

1. Missouri will accept returns electronically from IRS approved software providers. Software providers will work in a cooperative partnership effort with the department.

2. Software providers should make the following information available to the department for participation:
   - Software developer company name
   - Address
   - Primary contact name
   - Secondary contact name
   - Primary/Secondary telephone number
   - Primary/Secondary fax number
   - Primary/Secondary e-mail addresses

Section 5: Developer's Responsibilities

Developed software must:

- Adhere to all federal and state procedures, requirements and specifications. These requirements are specified in IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters.*

- Successfully complete all testing.

- Be developed in accordance with statutory requirements and department return preparation instructions.

- Provide accurate Missouri Corporate tax returns in correct electronic format.

- Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate, or invalid return information.

- Software provider must be available to correct any software errors, which may occur after production begins, and work with the department to follow up on any processing issues that may arise during filing season. If software providers need to re-release corrected software it should be done in a timely manner and proper notification should be made to all customers.

Section 6: Software Acceptance, Testing and Approval

1. The department plans to accept test 1120/1120S returns beginning November 12, 2013. Testing for the 1065 is scheduled to begin on December 2, 2013. The

testing system will be available throughout 2014. The beginning test date is subject to change. Notification will be given if the beginning test date changes. Testing outside the Fed/State system (direct testing with Missouri) will be made available if necessary.

2. The department test package will consist of the following publications:

   - Missouri XML Schema

   - PDF copies of state test returns

3. Please support all schedules, forms, and occurrences. It is important that customers are provided with a complete range of services. (NOTE: If not supporting all forms, schedules, and occurrences, please inform the department before the first test transmission.)

4. Edits and verification, or Business rules, are defined in Section 11 of this document. Developers must closely follow the requirements for each field to insure proper data formatting.

5. The department will provide test results in a timely manner, usually within 24 hours of receipt. A software provider who successfully tests will receive a written verification upon completion of testing.

Section 7: Acknowledgement System

1. The department will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record will be in a format approved and agreed upon by the IRS, state agencies, transmitters, and software developers.

2. Transmitters and software developers should allow 5 working days to receive the State acknowledgement before contacting the department.

Section 8: General Information

1. The department will support the following forms and schedules:

Corporate

   - Form MO-1120 (Missouri Corporate Income Tax Return)
   - Schedule MO-MS (Corporation Allocation and Apportionment Schedule)
   - Schedule MO-NBI (Non-Business Income Schedule)
   - Schedule MO-FT (Franchise Tax Schedule)
   - Schedule MO-C (Dividends Deduction Schedule)
   - Schedule MO-TC (Miscellaneous Income Tax Credits)
   - Form MO-1120S (Missouri S Corporation Return)

- Schedule MO-MSS (S Corporation Allocation and Apportionment Schedule)
- Form MO-NDJ (Small Business Deduction For New Jobs)
- Schedule MO-NRS (S Corporation Non-Resident Schedule) **Must be sent as a PDF attachment**

Partnership
- Form MO-1065 (Missouri Partnership Return)
- Form MO-NRP (Non-Resident Partner)
- Form MO-MS (Corporation Allocation and Apportionment Schedule)

2. The department will accept the following return types:

- Fed/State: An original federal return submitted with one original state return.

- Unlinked: A state return not submitted with an original Federal return, or submitted by a Corporation filing for multiple states, or a state return which may have a different due date than the Federal return. (Note: Other conditions may warrant filing of Unlinked returns.)

3. Send data elements only if they contain data values. Do not send empty data elements (i.e., zero financial fields, unused elements, etc.).

4. Decimal places for ratios and percentages:

- Ratios and percentages will use a single position in front of the decimal and up to 8 decimal places unless otherwise specified. Examples:
100% = 1.00000000
37.3% = .37333333

5. Exclusions from Corporate Electronic Filing include:
- Returns prior to tax years accepted in MeF platform

- Amended returns

- Returns with more than 10 tax credits reporting on form MO-TC

6. Returns with financial fields should be formatted as whole dollars only (No decimal points or cents should be included).

Section 9: Schemas and Transmission Specifications

1. The department will use the Missouri 1120 Schema, developed by states in partnership with the IRS and software developers. A copy of the Schema is included with the test package.

2. Software developers should apply data from the spreadsheet or tax forms to the appropriate data element from the XML schema.

3. All XML data must be well formed.

4. Packaging of data and transmission payload must be in the proper format.

5. Returns filed in XML format with SOAP attachments allow for binary attachments to the submission. These attachments could consist of signature documents, balance sheets, statement records, credit certificates, or other types of documentation. The allowed file type for attachments is file extension .PDF. The file order of attachments and procedures must follow the IRS requirements for binary attachments as found in IRS publication 4163. The department will allow for binary attachments to the state return.

7. Send data elements only if they contain data values. Do not send empty data elements (i.e., zero financial fields, unused elements, etc.).

8. Other packaging and guidelines:

• A submission contains either a federal return or a state return

• Each submission must be a separate file.

• Each federal return must be submitted in the agreed upon IRS XML format.

• Each state return must be submitted in the XML format specified and agreed upon by IRS, state agencies, transmitters, and software developers.

• Each state return must include a complete copy of the federal return as submitted to the IRS and any attachments associated with that federal return.

• If the IRS rejects a Fed/State submission, the state will not receive the state return portion. The Fed/State submission must be re-submitted.

• Each submission must be in Zip archive format.

• No nesting of Zip archive files or returns will be allowed. (i.e. one submission, one zip.)

• The SOAP message itself must not be compressed or zipped.

• The message must contain a header, a body, and an attachment. See Modernized E-File Logical ICD Model for message layout and message technical specifications.

• ERO's and transmitters must be approved with the IRS in order to submit Fed/State or Unlinked returns.

- The department will produce an acknowledgement of acceptance or rejection for each state submission. The transmitter may then retrieve the department's acknowledgement from the IRS.

- PDF names, including extensions, must be provided in the "AttachmentLocation" element. The PDF name file must exactly match the name provided.

- StateSubmissionType in manifest must be "MO-1120", "MO-1120S" or "MO-1065".

Section 10: Rejections/Business Rules

Rule #	Business Rule	Reject?	Rejection Message
001	The state return must validate against the current version of the state schema for its tax year.	Yes	The state return does not validate against the current version of the state schema for its tax year. Actual message may vary depending on the location of the invalid data.
002	A federal return must be attached to the state return submission.	Yes	There was not a valid federal return attached to this submission
003	If MO-1120 Lines 9 and 10 are not equal, a Schedule MO-MS must be submitted	Yes	If Form 1120 Line 10 is not equal to Line 9, then an MO-MS must be supplied with this return.
004	If there is a value on MO-1120, Line 16, a Schedule MO-FT must be submitted.	Yes	If Line 16 of the 1120 is filled with data, then an MO-FT must be supplied with this return.
005	Submission Type must be MO-1120, MO-1120S or MO-1065	Yes	The Submission Type in Manifest is not accepted
006	Income Tax end dates must not be more than 30 days past the submission date of the e-filed return.	Yes	The income tax end date is greater than 30 days of the submission date.
007	If corporation is filing a consolidated federal and consolidated Missouri return, the ConsolidatedMOBox checkbox must be checked. If checked, schedule J, an Income Tax Statement and Form MO-22 must be completed and attached. All subsidiaries doing business in Missouri will need to complete a separate MO-1120 and MO-FT for their individual franchise tax along with a balance sheet. Each subsidiary must check box D on MO-1120 for franchise tax only.	No	
008	If corporation is filing a consolidated federal and separate Missouri return, the ConsolidatedFedSepMOBox checkbox must be checked. If checked, a proforma federal return and	No	

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	a copy of the Income Tax Statement must be completed and attached. All subsidiaries doing business in Missouri will need to complete a separate MO-1120 and MO-FT for their individual franchise tax along with a balance sheet. Each subsidiary must check box D on MO-1120 for franchise tax only.		
009	**TaxYearBeginDate and TaxYearEndDate on Form MO-1120/MO-1120S must be completed if return is income and franchise or income only.**	**No**	
010	**FranchiseYearBeginDate and FranchiseYearEndDate on Form MO-1120/MO-1120S must be completed if return is income and franchise or franchise only**	**No**	
011	**BalanceSheetDate on Form MO-1120/MO-1120S must be completed if filing for franchise tax**	**No**	
012	**FranchiseUnderTenMillion on Form MO-1120/MO-1120S should only be checked if filing for franchise tax and assets or apportioned assets are $10,000,000 or less.**	**No**	
013	**One of the following must be checked on Form MO-1120/MO1120S:** **FranchiseAndCorporation** **StateCorporationOnly** **FranchiseOnly**	**No**	
014	**If MissouriModifications on Form MO-1120S is "true", Lines 1-15 and page 2 must be completed.**	**No**	
015	**If NonresidentShareholder on Form MO-1120S is "true", Lines 1-15 and Form MO-NRS must be completed.**	**No**	
016	**If IncomeOtherSources on Form MO-1120S is "true", Form MO-MSS must be completed.**	**No**	

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