



2009 Maryland Personal EMS e-File Test Package

*for Tax and Transmission Software Developers who
develop software for Maryland personal resident and
nonresident income tax returns using the Federal/State
EMS System*

November 2009

Revenue Administration Division
Annapolis Maryland 21411

Peter Franchot, Comptroller

Maryland Electronic Filing Acceptance Testing Tax Year 2009

CHANGES FOR TAX YEAR 2009

Maryland begins accepting test returns in November 2009 in conjunction with IRS PATS testing.

Software Vendors may submit test returns until the IRS EMS system shuts down in October 2010, however, the Maryland e-File help desk will not assist with reject code analysis associated with testing for tax year 2009 or approve any vendor for tax year 2009 after May 31, 2010.

To comply with new banking rules, we ask you to indicate on the tax return if the state refund is going to an account outside the United States. If you indicate this is the case, do not enter the routing and account number, as the direct deposit and direct debit option is not available to you. We will send a paper check if a refund and require either a paper check or credit card payment if a balance due.

GENERAL INFORMATION

Maryland will post acknowledgments to the Fed/State Acknowledgment System.

There are a total of 9 dependents in the generic record. The Dependents First Name, Dependents Last Name, Dependents SSN, and Dependent Regular fields are required for the dependent exemption(s) to be allowed. Please use an Addendum form only to list dependents in excess of 9.

Maryland will accept Fed/State IRS imperfect returns and acknowledge EROs (“E” – for accepted imperfect returns, “R” – for rejected imperfect returns).

Personal income tax returns are due by April 15th. If the return is for a fiscal year taxpayer, they are due on the 15th day of the fourth month following the

close of the fiscal year. **If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed the next business day.**

If you **both file and pay electronically** (credit card, direct debit/electronic funds withdrawal), your return is due by April 15th. **However, you have until April 30th to make your electronic payment** (If you file electronically and pay by check, your payment is due by April 15th).

Acknowledgments will be sent from the state in a 120 byte fixed format to the Fed/State Acknowledgment System for both testing and production. Returns that fail the Maryland validation program and are rejected then retransmitted, must include code 247 in field 0735, 0740 or 0745 of the retransmitted Maryland Form 502 generic record, or in field 0905, 0910 or 0915 of the retransmitted Maryland Form 505 generic record.

The Maryland base returns, Form 502 and Form 505 will be transmitted in the generic record. All other supporting forms will be transmitted in the unformatted record.

Maryland will not support Form 123 or Form 503, please transmit Form 502 instead.

IRS and Maryland will accept ITIN/SSN Mismatch Returns (returns filed with an ITIN – Individual Taxpayer Identification Number where the associated W-2 form shows wages reported under a different social security number). However, a return filed with an ITIN (900-70-0000 – 999-88-9999) **cannot** claim EIC (earned income tax credit) or REIC (refundable earned income tax credit).

The returns transmitted for testing must always be identified with the social security numbers indicated for each test return in this package (**400-00-7200** through **400-00-7219**). If you wish to test your software for additional conditions during testing or during production you can do so – but you must use test SSNs **400-00-7230** through **400-00-7299**. Using the test SSNs associated with test scenarios in this package for conditions other than the PATS scenarios may result in rejects as we are looking for certain conditions/forms with the test SSNs in the test package.

The Maryland Software ID assigned to your software by the State e-File Office must be present in both your test transmission and live production.

New tax software companies must contact the Maryland e-File office to obtain a software identification number.

You may transmit test returns as many times as you wish using only the designated test social security numbers provided by Maryland. However, the entire set of test returns **MUST BE SUBMITTED** (in SSN sequence) as a batch and acknowledged as accepted before final software approval is given.

In addition to transmitting test returns for approval, the following non-electronic documents must be submitted for approval:

1. EL101 Maryland Income Tax Declaration for Electronic Filing and instructions.
2. EL102 Income Tax Payment Voucher and instructions.
3. A copy of the acknowledgement received by you for your final test.
4. A copy of the Maryland PIN Disclosure Statement provided to taxpayers from your Online Software Product (Online Software Providers Only).

The above documents must be faxed to the **Attention of Mr. Jones at 410-974-2274**.

When you have transmitted the entire test package error free in one batch transmission in SSN sequence, and have submitted all required non-electronic documents for approval, please contact the Maryland Electronic Filing Unit Help Desk at 410-260-7753. **Do not transmit any live returns until you have received receipt of final approval.**

The state of Maryland reserves the right to suspend testing at any time for good cause. Reasons for suspension include lack of progress in testing, failure to comply with instructions and continued failure to meet state specifications and requirements. Such suspension would be subject to appeal. Problems may be brought to the attention of the Maryland Electronic Filing Help Desk at 410-260-7753.

SPECIAL NOTES

The following test scenarios were developed without benefit of **final** IRS forms. If you have trouble developing the test returns using the information

provided in the test scenarios, please contact the Maryland Electronic Filing Help Desk.

The “*2009 Maryland Personal EMS e-File Handbook*” should be used for general system instructions. Also, refer to final file specifications and record layouts provided to you in addition to the e-File Handbook to determine the data validations and error rejection codes.

WHO MUST TEST?

The Maryland electronic filing program requires that **all tax software developers and transmission software developers** successfully perform the testing within this test package before being accepted as electronic filers for tax year 2009. Fed/State transmitters and filers are not required to test. External testing with software developers will coincide with IRS PATS testing scheduled to begin November 2009. Software companies must notify the Maryland Electronic Filing Unit Help Desk at 410-260-7753 prior to submitting their first test for approval to proceed.

The purpose of testing prior to live processing for Software Developers ensures that they can transmit the correct format and retrieve and process state acknowledgments.

WHAT IS TESTED?

Personal State & Local Income Taxes for Full or Part -Year Maryland Residents – Return Type 502

For approval, your software must at minimum support: Form 502, Form 502CR, Form W-2, Form 1099R, Form W-2G, Form 1099G/MD, part-year residency, direct deposit and direct debit for full or partial payment of a balance due. We hope that you will consider supporting our optional forms as well: Form 502INJ, Form Addendum, Form 502UP, and Form 500CR.

This test package contains eight (8) Maryland Resident return type 502’s with a variety of attachments and schedules.

For Tax Software Developers and Transmission Software Developers, the eight (8) test returns must be submitted together and in SSN sequence.

If your company plans to support any of our optional forms such as Form 502INJ, Form 502UP, or Form 500CR, they are included in test #5 and #8. For test approval, we will ignore any error code generated by our edit program due to a missing form on test #5 or #8 that is expected by the MD test system but you do not support.

If your company supports “State Only” filing, please transmit **test #1** as a State Only filing.

Personal Income Taxes for Nonresident Individuals – Return Type 505

This test package contains five (5) Maryland return type 505’s with a variety of attachments and schedules.

For *Tax Software Developers and Transmission Software Developers*, the five (5) test returns must be submitted together and in SSN sequence.

If your company supports “State Only” filing, please transmit **test #9** as a State Only filing.

Online Filing of Tax Returns

For online filing testing, all test returns need to be submitted, even if your software has already been approved for Regular Fed/State filing. For Resident Online testing you will need to submit eight (8) returns, and for Nonresident Online testing you will need to submit five (5) returns.

For test purposes the MDPIN numbers for ONLINE testing are:

SSN MDPIN (5 digit federal self selected number or KEEPEL101)

400-00-7200	KEEPEL101
400-00-7202	55555
400-00-7203	KEEPEL101
400-00-7204	55555
400-00-7206	55555
400-00-7207	55555
400-00-7209	KEEPEL101
400-00-7211	55555

400-00-7213	55555
400-00-7214	55555
400-00-7215	55555
400-00-7216	KEEPEL101
400-00-7217	KEEPEL101

ONLINE FILING CONSENT to DISCLOSURE and PERJURY STATEMENT

Taxpayers who file a Maryland electronic return using Online Tax Software (either packaged or available online), must be given the option of either signing their return electronically or via the paper EL101 Form. To sign electronically, the taxpayer may use the same five digit self selected PIN they used to sign their Federal return.

Online software must include the following statement and provide it to the online taxpayer upon completion of the Maryland return prior to electronic transmission:

Before electronically filing your return, you must read and agree to the Maryland “Tax Return Signature” presented below. This legal agreement allows the state of Maryland and “name of Software Company” to process your return electronically.

Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

I consent to allow my Intermediate Service Provider, Transmitter, or Electronic Return Originator (ERO) to send my return to the state of Maryland and to receive the following information from the state of Maryland: 1.) acknowledgment of receipt or reason for rejection of transmission; 2.) refund offset; 3.) reason for any delay in processing or refund; and, 4.) date of any refund.

I am signing my Maryland Tax Return by entering the same five digit Self-Select PIN that I used for my federal return filing.

MARYLAND TEST SCENARIOS

Maryland Test Scenario # 1

SSN 400-00-7200

Mr. **James Student** resided in Caroline County, Maryland. **James** files as a Dependent taxpayer. **James** has income between \$8,950 and \$9,350, therefore considered non-taxable for Maryland purposes. He is filing to receive a refund of Maryland taxes withheld. His W-2 Form indicates state withholding for two different states, Maryland and Delaware, Delaware has state and local withholdings.

James would like his refund to be direct deposited into his savings account.

Transmit a Maryland Form 502 and a Form W-2.

Maryland Test Scenario # 2

400-00-7202

Ms. **Amberly Voss** resided in Allegany County, Maryland. **Amberly** files as a Single taxpayer.

Amberly's net income is below Maryland minimum filing requirements, but she is taxable because her gross business income is above Maryland minimum filing requirements.

Amberly had Maryland lottery winnings in 2009. She paid estimated payments during the year and she does not itemize deductions. A portion of her overpayment should be applied to 2010 estimated tax and the remaining balance of her refund should be direct deposited into her checking account.

Transmit a Maryland Form 502 and a Form W2-G.

Maryland Test Scenario # 3

400-00-7203

Stephanie Gross resided in Baltimore County, Maryland. She files as a Widower and has 2 dependent children under 19 year old – one with health care and one without health care. Stephanie also has 1 other dependent.

Stephanie was laid off her job for a short period of 2009 and received unemployment income. **Stephanie** has Earned Income Tax Credit (state and local) and Poverty Level Credit (state and local) or Refundable Earned Income Tax Credit. Her income is less than \$40,000 and her filing results in a balance due.

Stephanie will submit a partial payment of her balance due by direct debit of her savings account on 04/30/2010.

Transmit a Maryland Form 502, a Form W-2 and a Form 1099G.

Maryland Test Scenario # 4

400-00-7204 and 400-00-7205

Jeffrey and Jennifer Hardesty resided in St. Mary's County, Maryland and file a joint return.

Jeffrey is a Military Resident (home of record Maryland) with only Military income. **Jennifer** worked two jobs in Maryland – both with Maryland withholding.

Their filing results in a balance due.

Transmit a Maryland Form 502 and three Form W-2s.

Maryland Test Scenario # 5

400-00-7206

Meghan Hardy moved from Pennsylvania to Prince Georges County, Maryland in the middle of the tax year and is filing a part-year resident return. She files as Head of Household with 4 dependents.

Meghan's Maryland AGI is greater than \$1,000,000.

Meghan's filing results in a balance due > \$500 which she is paying in full by direct debit from her checking account on 4/15/2010. Underpayment (UP) interest was developed.

Transmit a Maryland Form 502, two Form W-2s, and one Form 502UP.

Maryland Test Scenario # 6

400-00-7207

Chase Boater resided in Anne Arundel County, Maryland. He files as Married Filing Separate. He is over 65, has two dependents: his child is under 19 years old and he has one other dependent, who is over 65.

Chase worked three jobs and his Maryland adjusted gross income is between \$150,000 and \$200,000 (his itemized deductions are reduced). He is claiming Tax Credits for Income Taxes paid to two (2) other states.

Chase requests his refund to be direct deposited into his savings account.

Transmit a Maryland Form 502, three Form W-2s, and two Form 502CRs.

Maryland Test Scenario # 7

400-00-7209 and 400-00-7210

Joseph and Katrina Bible resided in Queen Anne's County, Maryland and file a joint return. **Joseph** is over 65 and retired with one 1099R to report and one W-2. **Joseph** is entitled to the maximum pension exclusion.

Katrina is under 65 and retired in July 2009 from the State of Maryland. **Katrina** has a state pickup addition modification from her one W-2 and a state pickup subtraction modification from her one 1099R.

Joseph and Katrina's Maryland AGI is between \$150,000 and \$200,000 and they are taking the standard deduction.

Their filing results in a balance out.

Transmit a Maryland Form 502, two W-2s, and two 1099Rs.

Maryland Test Scenario # 8

400-00-7211 and 400-00-7212

Carl and Kitty Kat resided in Montgomery County, Maryland and file a joint return with 5 dependents.

Their Maryland AGI exceeds \$1,000,000. **Carl** is claiming a Long-Term Care Insurance Credit on the 502CR of \$320 as he is under 40 years old and Part F – Preservation and Conservation Easements of \$10,000 on their 502CR. They are claiming a Part L - Biotechnology Investment Incentive Tax Credit on the 500CR. **Carl and Kitty** each have W-2's with Maryland withholding. **Carl** is an injured spouse and files a 502INJ.

They request their refund to be direct deposited into their checking account.

Transmit a Maryland Form 502, two Form W-2s, one Form 502INJ, and one Form 502CR and one Form 500CR.

Maryland Test Scenario # 9

400-00-7213

Mary Nonresident is a New York resident and resided there all year. She files as Head of Household and has dependent children.

Mary has one Maryland W-2, which contains State Pickup in Box 14. Her AGI Factor is greater than .0000 and less than 1.000.

She is claiming Earned Income Credit and Refundable Earned Income Credit or Poverty Level Credit.

Mary's submitting a partial payment of her balance due by direct debit from her checking account on 04/30/2010.

Transmit a Maryland Form 505, one Form 505NR and one Form W-2.

Maryland Test Scenario # 10

400-00-7214

Dora Single resided in New Jersey and her filing status is Single . She worked in New Jersey, but had Maryland withholding in error.

Dora's AGI factor is .0000. She expects a full refund of the Maryland taxes withheld in error and requests her refund to be direct deposited into her savings account.

Transmit a Maryland Form 505 and one Form W-2.

Maryland Test Scenario # 11

400-00-7215

Tyler Dependent is a Delaware resident who worked in Ocean City, Maryland during the summer. **Tyler** is a Single filer and his Maryland income is below Maryland filing requirements. He has one Maryland W-2 with Maryland withholding. His AGI factor is 1.000. He expects a full refund of the Maryland withholding.

Transmit a Maryland Form 505 and one Form W-2.

Maryland Test Scenario # 12

400-00-7216

B F Goodrich is a Single taxpayer residing in Minnesota.

B F's net income is below Maryland filing requirements, but his income is taxable as his business **gross** income is above Maryland filing requirements. He has Maryland additions to income. His AGI Factor is 1.000.

His filing results in a balance due which he will pay by direct debit from his checking account.

Transmit a Maryland Form 505 and a Maryland Form 505NR.

Maryland Test Scenario # 13

400-00-7217 and 400-00-7218

Ryde and Fallon Quiksilver resided in Colorado and file a Joint Maryland return. **Fallon** has wage income in Colorado. They have a business loss in Maryland which results in their MD adjusted gross income on Line 8, Form 505NR, being a negative number. They have adjustments to income from their federal return in Column 1 and Column 3. They itemized their deductions, and their filing results in a balance out.

Transmit a Maryland Form 505, a Maryland Form 505NR and a Form W-2.