



2010 Maryland Personal MeF eFile Test Package

*for Tax and Transmission Software Developers who
develop software for Maryland Personal Resident and
Nonresident Income Tax Returns using the Federal/State
MeF System*

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Revenue Administration Division
Annapolis, MD 21411-0001

Peter Franchot, Comptroller

Maryland MeF Electronic Filing Acceptance Testing Tax Year 2010

WHAT IS MODERNIZED EFILE (MeF)?

The Modernized eFile (MeF) system replaces the current Federal/State tax return filing technology with a modernized, Internet-based electronic filing platform. MeF uses the widely accepted Extensible Markup Language (XML) format. This industry standard is used when identifying, storing and transmitting data rather than the proprietary data transmission formats used by the older Legacy eFile process. Currently MeF is successfully processing electronically filed tax returns for corporations and partnerships.

Once fully implemented, elimination of the current Legacy eFile program is imminent.

WHICH PERSONAL TAX FORMS WILL MeF SUPPORT FOR TAX YEAR 2010?

502	502SU	502CR	502INJ
W-2	1099R	1099G	502UP
505	505NR	510 SCH K1	588

WHO MUST TEST?

The Maryland eFile program requires **all tax software developers** to perform successful testing within this test package before being accepted as a MeF eFiler for tax year 2010 which begins in January 2011. External testing with software developers will coincide with IRS ATS testing. Software companies must receive prior approval before submitting their first test returns by contacting the Maryland eFile Help Desk by telephone 410-260-7753 or email at efil@comp.state.md.us.

WHY TEST?

The purpose of testing is to ensure, that Tax Software Developers prior to live processing:

- returns should meet Maryland MeF schema and business rules;
- have fewer validation and math errors;
- required fields will post to Maryland's master file;
- are able to retrieve and process state acknowledgments; and
- that filers understand and are familiar with the mechanics of electronic filing

WHAT IS TESTED?

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

This test package contains eight (8) Maryland Resident Personal (502) returns with a variety of attachments and schedules.

Tax Software Developers, the eight (8) test returns must be submitted together in one batch.

If your company plans to support any of our optional forms, Form 502INJ, Form 502UP or Form 588, they are included in Tests #2, 5, 6 and 8.

To receive approval, your software must at minimum support: Form 502, Form 502SU, Form 502CR, Form W-2, Form 1099R, Form 1099G/MD, part-year residency, direct deposit and direct debit for full or partial payments of a balance due. We hope you will consider supporting our optional forms: Form 502INJ, 502UP and Form 588.

Return Type 505-Maryland Non-Resident Personal Income Taxes for Full or Part-Year Individuals

This test package contains five (5) Maryland Non-Resident Personal (505) returns with a variety of attachments and schedules.

Tax Software Developers the five (5) test returns must be submitted together in one batch.

For approval, your software must at minimum support: Form 505, Form 505NR, Form 502CR, Form W-2, Form 1099R, Form 1099G/MD, part-year residency, direct deposit and direct debit for full or partial payments of a balance due. We hope you will consider supporting our optional forms: Form 502INJ, 502UP, Form 588 and Form 510 Schedule K-1.

WHEN TO TEST?

A tax software developer ready to begin testing must call the eFile Help Desk at 410-260-7753. The eFile Help Desk will assist with all preparations necessary to begin testing.

New tax software companies must contact us to obtain a software identification number.

GENERAL INFORMATION

Personal income tax returns are due April 18th, 2011. If the return is for a fiscal year, 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 18th. **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 18th).

Maryland does not support Form 503, please transmit Form 502.

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). Maryland will accept Fed/State IRS imperfect returns.

The Maryland Software ID assigned to your software by the State eFile office must be present in both your test transmissions and live production returns.

For approval, the following non-electronic documents must be faxed to **Attention Mr. Jones at 410-974-2274** or emailed at efil@comp.state.md.us.

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

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 testing 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
400-00-7218	KEEPEL101

ONLINE FILING CONSENT to DISCLOSURE and PERJURY STATEMENT

Any taxpayer electing to file a Maryland Mef eFile return using Online Tax Software (either packaged or available online), must be given the option of either signing their return electronically or by the paper form EL101. To sign electronically, the taxpayer will use the same five digit self selected PIN 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.

REVIEWING ACKNOWLEDGEMENTS AND CORRECTING TEST RETURNS

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 as a batch error free and acknowledged as accepted before final software approval.

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

SOCIAL SECURITY NUMBERS TO USE FOR TESTING

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 – however, 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 ATS scenarios may result in rejects as we are looking for certain conditions/forms with the test SSNs in the test package.

FINAL TRANSMISSION

When you have transmitted the entire test package error free in one batch transmission and have faxed all required non-electronic documents for approval, you will be sent notification of final approval by email and mail. If you have any questions regarding final approval, please contact us. **Do not transmit any live returns until you have received this final approval.**

SUSPENSION

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. Any problem(s) may be brought to the attention of the Maryland eFile Help Desk.

SPECIAL NOTES

The following test scenarios were developed without the 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 eFile Help Desk.

The “*2010 Maryland Personal MeF eFile Handbook*” should be used for general system instructions. You may also refer to final file specifications and record layouts provided you, in addition to the MeF eFile Handbook to determine data validations and error rejection codes.

MARYLAND TEST SCENARIOS

Test Scenario # 1

SSN 400-00-7200

Madd Maax resided in Caroline County, Maryland. **Madd** files as a dependent taxpayer. **Madd** has income below minimum filing requirements, therefore is considered non-taxable for Maryland purposes. He is contributing to the Developmental Disabilities Waiting List Fund on line 38. His W-2 Form indicates Maryland withholding. He is filing to receive a refund of Maryland taxes withheld.

Madd would like his refund direct deposited into his savings account.

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

Test Scenario # 2

SSN 400-00-7202

Mona Lisa resided in Allegany County, Maryland and files as a single taxpayer.

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

Mona paid estimated payments during the year and is taking the standard deduction. A portion of her refund should be applied to 2011 estimated tax and the remaining balance will be direct deposited between her checking and savings account.

Transmit a Maryland Form 502 and Form 588.

Test Scenario # 3

SSN 400-00-7203

Daniel Boone resided in Baltimore County, Maryland. Daniel is filing as a widower and has 2 dependent children under 19 years old – one with health care and one without health care and is authorizing Maryland to share his tax return information with the Medical Assistance program.

During the year, **Daniel** was laid off his job for a short period and received unemployment income. **Daniel** has Earned Income Tax Credit (state and local), Refundable Earned Income Tax Credit and/or Poverty Level Credit (state and local). His income is less than \$40,000 and he's taking the standard deduction.

Daniel will receive a refund.

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

Test Scenario # 4

SSNS 400-00-7204 and 400-00-7205

Romeo and Juliet Louvers resided in St. Mary's County, Maryland and file a joint return.

Romeo is a military Maryland resident with only military income. **Juliet** worked in Maryland. **Romeo** served overseas and claims subtraction “P”. They are taking the standard deduction.

Their filing results in a balance due. They will submit a partial payment of their balance due by direct debit from their checking account on 04/18/2011.

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

Test Scenario # 5

SSN 400-00-7206

Bleu Angels moved from Pennsylvania to Prince Georges County, Maryland in the middle of the tax year and is filing as a part-year resident. She files as Head of Household with 2 dependents.

Bleu’s Maryland AGI is greater than \$1,000,000. She is taking the itemized deduction. **Bleu’s** filing results in a balance due > \$500 which she is paying in full by direct debit from her savings account on 4/30/2011. Underpayment (UP) interest was developed.

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

Test Scenario # 6

SSNS 400-00-7207 and 400-00-7208

Happy Daze resided in Anne Arundel County, Maryland. **Happy** files as Married Filing Separately. He is over 65, has two dependents: his child is under 19 years old and the other dependent is over 65.

Happy worked two jobs. He is claiming Tax Credits for Income Taxes paid to another state. He is taking the itemized deduction. He prefers to receive his 1099G/MD Income Tax Refund statement electronically.

Happy requests direct deposit of his refund to be split between his one checking and two savings accounts.

Transmit a Maryland Form 502, Form 588, two Form W-2s, and Form 502CR.

Test Scenario # 7

SSNS 400-00-7209 and 400-00-7210

Sir and Clementine Winston resided in Queen Anne's County, Maryland and file a joint return. **Sir** is over 65 and retired with a 1099R and W-2. **Sir** is entitled to the maximum pension exclusion allowed.

Clementine is under 65 and has a state pickup in box 14 of her W-2.

They are taking the standard deduction.

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

Test Scenario # 8

SSNS 400-00-7211 and 400-00-7212

Soddam and Gamora Falls resided in Montgomery County, Maryland and file a joint return with 5 dependents.

Their Maryland Taxable income exceeds \$1,000,000. **Soddam** is claiming a Long-Term Care Insurance Credit on the 502CR of \$330 as he is under 40 years old. Each taxpayer is claiming a \$5,000 Preservation and Conservation Easement credit on Part F of their 502CR. They both have W-2's with Maryland withholding. **Soddam** is an injured spouse and they file a 502INJ.

They are claiming the standard deduction.

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.

Test Scenario # 9

SSN 400-00-7213

Cherrie Blossom is a full year New York resident. She files as Head of Household and has dependent children.

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

She is taking the standard deduction. She has subtractions on line 23 with 4 letter codes.

She is claiming Earned Income Credit (state and local) and Refundable Earned Income Credit and/or Poverty Level Credit (state and local).

Cherrie will receive a refund.

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

Maryland Test Scenario # 10

400-00-7214

Ann A. Polis resided in New Jersey and files Single. She worked in New Jersey, but had Maryland withholding in error.

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

She is taking the standard deduction.

Transmit a Maryland Form 505, Form 588, and Form W-2.

Test Scenario # 11

SSN 400-00-7215

Mac A. Damia is a Delaware resident who worked in Ocean City, Maryland during the summer. **Mac** is filing Head of Household and is over 65 years old. His Maryland income is below the Maryland filing requirement. He has one W-2 with Maryland withholding. His AGI factor is 1.000.

He requests a full refund.

Transmit a Maryland Form 505 and Form W-2.

Test Scenario # 12

SSNS 400-00-7216 and 400-00-7217

Johnnie B. Good is a Married Filing Separate taxpayer residing in Minnesota.

Johnnie's net income is below Maryland filing requirements, but his income is taxable because his business gross income is above the Maryland filing requirement. He has Maryland additions to income. His AGI Factor is 1.000.

Johnnie's taking the standard deduction.

His filing results in a balance due which he will pay by direct debit from his checking account on 04/30/11.

Transmit a Maryland Form 505 and Form 505NR.

Test Scenario # 13

SSNS 400-00-7218 and 400-00-7219

Sonny & Cher Singers resided in Colorado and they file a joint return. **Sonny** has wage income in Colorado. In column 3, they have some non-

Maryland income, non-Maryland losses on lines 6 and 10, and on line 16 and adjustment to income from their federal return. **Cher's** a PTE member and the PTE paid non-resident taxes on her behalf, which is shown on line 46.

Sonny and Cher are taking the itemized deduction.

Transmit a Maryland Form 505, 505NR, Form 510 Schedule K-1 and Form W-2.

Test #14
400-00-7202

Mona Lisa is submitting a TY2011 estimated payment using Form 502D - Maryland Personal Declaration of Estimated Income Tax.

Transmit (1) Maryland Form 502D with a debit request.

Test #15
400-00-7211 and 400-00-7212

Soddam and Gamora Falls are submitting a TY2011 estimated payment using Form 502D - Maryland Personal Declaration of Estimated Income Tax.

Transmit (1) Maryland - Form 502D with a debit request.

Test #16
400-00-7206

Bleu Angels is submitting a request for extension to file on Form 502E - Maryland Application for Extension to File Personal Income Tax Return.

Transmit (1) Maryland Form 502E.

Test #17
400-00-7209 and 400-00-7210

Sir and Clementine Winstor are submitting a request for extension to file with a payment on Form 502E - Maryland Application for Extension to File Personal Income Tax Return.

Transmit (1) Maryland Form 502E with debit request.