



2011 Maryland Business Modernized Electronic Filing (MeF) Test Package

*for Tax and Transmission Software Developers who develop
software for Maryland corporation and pass-through entity tax
return/reports using the Federal/State MeF System*

October 2011

Revenue Administration Division
Annapolis Maryland 21411

Peter Franchot, Comptroller

GENERAL INFORMATION

This publication describes the Maryland State Acceptance Testing System procedures for software developers participating in the Maryland Fed/State 1120/1065 MeF e-File Program using currently accepted Maryland schema versions.

WHO MUST TEST

All tax software developers and transmission software developers participating in the Maryland Fed/State 1120/1065 MeF e-File Program must test.

Fed/State transmitters are not required to test.

Software companies must call 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 is to ensure that the software adheres to Maryland business rules, to ensure successful transmission and receipt of acknowledgements.

WHEN TO TEST

MARYLAND testing is tentatively scheduled to begin in early November 2011 for tax year 2011, but is subject to IRS system availability and is subject to change. Software Developers may submit tax year 2011 test returns through 2012, until the IRS MeF test system shuts down, however, **the Maryland e-File help desk will not assist with the reject code analysis associated with testing or approve any developer after May 31, 2012 for tax year 2011.**

After May 31, 2012 all help desk resources will be dedicated to program modification and testing for tax year 2012 programs.

WHAT IS TESTED

The corporate e-File test package will consist of documentation of any special test conditions as well as copies of the state test returns, and will be made available to all Software Developers indicating the desire to support Maryland corporate e-File.

For approval, your software must at a minimum support: Form 500, Form 500A, Form 500CR, Form 500DM, Form 500MC, Form 500UP and Form 510. We hope that you will consider supporting our optional forms as well: Form 500D, Form 500E, Form 510D, Form 510E, Form 510 Schedule K-1, Form 502H, and 502S.

This test package contains twelve (12) Maryland Business returns with a variety of attachments and schedules.

If your company is only supporting the minimum forms required, do not send Form 502H in test # 1 or tests # 9 through # 12.

Software approval will be based on the forms supported but support of all forms is strongly encouraged.

Software Developers should contact the Maryland e-File Help Desk prior to testing and again after they have successfully tested and retrieved their acknowledgement.

TRANSMITTING TEST FILES

Returns must be transmitted through the IRS MeF system for federal and state return processing. Both Fed/State returns and State Only returns can be submitted through the Fed/State system, both requiring federal return attachments as required. Each return (Fed/State or State Only) must be in a separate submission. Multiple submissions may be contained in a single message payload.

TEST ACKNOWLEDGMENT

Maryland will post acknowledgments to the MeF Fed/State Acknowledgement System and will follow the IRS acknowledgment schema for both testing and production. Maryland acknowledgments can include up to 100 detail messages.

MARYLAND SCHEMA AND FORMS SUPPORTED

Software Developers will use the Fed/State 1120/1065 forms based schema which has been developed by states in partnership with the IRS and Software Developers, as well as the Maryland forms based schema/spreadsheet.

Edits and verification or business rules are defined for each field or data element. The state spreadsheet will include information on field type, field format, length, if it is reoccurring, and the business rule or other edits of the field. Developers should apply data from the state spreadsheet and tax forms to the appropriate data element in the XML schema. All XML data

must be well formed.

Maryland's State Specific schema supports the forms below; software developers are not required to support all of the forms that Maryland accepts electronically. Any form with an asterisk (*) is considered optional at the discretion of the software developer.

Maryland Form 500 – Corporation Income Tax Return

Maryland Form 500A- Maryland Calculation of Corporate Modified Income

Maryland Form 500D* - *Corporation Declaration of Estimated Income Tax*

Maryland Form 500E* - *Application for Extension to File Corporation Income Tax Return*

Maryland Form 500CR – Business Tax Credits

Maryland Form 500DM – Maryland Decoupling Modification

Maryland Form 500MC – Report of Maryland Multistate Manufacturing Corporation

Maryland Form 500UP – Underpayment of Estimated Income Tax by Corporations and PTEs

Maryland Form 510 – Pass-Through Entity Tax Return

Maryland Form 510D* - Pass-Through Entity Estimated Tax

Maryland Form 510E* - Application for Extension to File PTE Income Tax Return

Maryland Form 510 Schedule K-1* - Maryland Pass -Through Entity Member's Info

Maryland Form 502H* - Maryland Deduction for Preservation of Historical Property

Maryland Form 502S* - Sustainable Communities Tax Credit

PDF FORMS AND DOCUMENTS

Additional documents that corporate e-File software **must** produce:

- Maryland Form EL101B – Signature Document
- Maryland Form EL102B – Payment Voucher for filers with a balance due.

Maryland requires that certifications, supporting and signature documents be transmitted to Maryland electronic filing as a PDF document. Please use the Reference Document ID attribute to link the attachment to the appropriate location on the return. All PDF attachments

must be listed in the binary attachment portion of the return. There is a list of suggested naming conventions in the 2011 Maryland Business MeF eFile Handbook.

SOFTWARE DEVELOPER RESPONSIBILITIES

If the Software Developer is not acting as the ERO, the Software Developer is responsible for providing acknowledgements to the ERO within two days after receipt of acknowledgement. Failure to do so could lead to suspension from the Maryland Program.

Software errors which cause electronic returns to be rejected that surface after testing has been completed should be quickly corrected to ensure that EROs have the ability to timely and accurately file their electronic returns. Software updates related to software errors should be distributed promptly to users together with any documentation needed.

APPROVAL OF e-FILE SOFTWARE

To receive final approval, the Software Developer must transmit **ALL** the test returns, at one time without any error. Next, the Software Developer must send to Maryland, a copy of the acknowledgment forwarded to inform the taxpayer whether the return was accepted or rejected **by the State** and on the method required for retransmission of the correct return. A Software Developer who successfully completes the state testing process will receive two written verifications, one by email and one by mail upon completion of testing.

The returns transmitted for testing must always be identified with the test FEIN and the Maryland SoftwareID indicated for each test return in this package. If you wish to test your software for additional conditions during testing or during production you can do so – but you must use test FEINs. Using the test FEINs associated with test scenarios in this package for conditions **other than** the scenarios could result in rejects as we are looking for certain conditions/forms with the test FEINs in the test package. If you wish to test your software for additional conditions please use FEINs 11-0000015 through 11-0000050.

The Maryland 1120 Software ID assigned to your software by the State e-File Office and the Software Developer EFIN assigned by the IRS must be present in your test transmission as well as in live production.

New tax software companies **must** contact the Maryland e-File Helpdesk at 410-260-7753 to obtain an 1120 Software Identification number.

You may transmit test returns as many times as you wish as long as you use the designated test FEIN numbers provided by Maryland.

When you have transmitted the entire test package error-free, 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.

At the same time the software is submitted for approval the following non-electronic documents must be submitted for approval:

1. EL101B Income Tax Declaration for Business Electronic Filing
2. EL102B Income Tax Payment Voucher and instructions.
3. A copy of the acknowledgement received by you for your final test.

The above documents must be faxed to **Attention: Mr. Van Jones - 410-974-2274**.

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 can 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 any trouble developing the test returns using the information provided in the test scenarios, please contact the Maryland Electronic Filing Help Desk.

The “*Maryland Corporate e-File Handbook*” should be used for general system instructions. Also refer to current release of Maryland schema, validations and data elements available at www.marylandtaxes.com

MARYLAND TEST SCENARIOS

Maryland Test Scenario # 1

FEIN 11-0000001

File a Maryland Corporation return Form 500. The Maryland modified income is fully taxable (apportionment factor = 100%) which is explained on Schedule A. There is a Maryland Film Production Employment Tax Credit Part U of the 500CR. There is a Heritage Structure Rehabilitation Credit using Form 502H. The return results in an overpayment to be applied to the following year's estimated tax.

Forms to include with this return:

Form 500
Form 502H
Form 500CR Part U
Form 1120

Maryland Test Scenario # 2

FEIN 11-0000002

File a Maryland Corporation return Form 500 using fiscal year. The Maryland apportionment factor is .300000. There is a DP subtraction modification from the Form 500DM. The return results in a balance due which includes interest and/or penalty from underpayment of estimated Maryland income tax, Form 500UP.

Forms for this return include:

Form 500
Form 500A
Form 500DM
Form 500UP
Form 1120

Maryland Test Scenario # 3

FEIN 11-0000003

File a Maryland corporate return, Form 500, which indicates a negative taxable income. There is an addition modification on line 2g using addition code DM. Corporation is a multi-state manufacturer with more than 25 employees.

Forms for this return include:

Form 500
Form 500A
Form 500DM
Form 500MC
Form 1120

Maryland Test Scenario # 4

FEIN 69-0000001

File Maryland Pass Through Entity return, Form 510, for a S Corporation with only resident individual members on line 1a. The return results in an overpayment, which will be refunded into the checking account via direct deposit.

Forms for this return include:

Form 510
Form 510 Sch B
Form 1120S

Maryland Test Scenario # 5

FEIN 69-0000002

File a Maryland Form 510 return for a S Corporation. There are two nonresident members both with negative distributive share of income. There is no refund or balance due.

Forms for this return include:

Form 510
Form 510 Sch B
Form 1120S

Maryland Test Scenario # 6

FEIN 69-0000003

File a return for an S Corporation filing Maryland Form 510 with one nonresident individual member and one nonresident entity member as indicated on lines 1b and 1 c. The return results in a balance due of tax plus interest and penalty from Form 500UP.

Forms for this return include:

Form 510
Form 510 Sch B
Form 500UP
Form 1120S

Maryland Test Scenario # 7

FEIN 69-0000004

File a Maryland Pass-Through Entity return, Form 510. This is the first time filing for this entity. There are two individual nonresident members with an apportionment factor of 100%. The return will result in a balance due which will be paid via direct debit.

Forms for this return include:

Form 510 (includes schedule B)
Form 1120S

Maryland Test Scenario # 8

FEIN 69-0000005

File a Maryland Pass -Through Entity return, Form 510 for a partnership. There are nonresident individual members and nonresident entity members. There is a Electric Vehicle Recharging Equipment Tax Credit on Form 500CR Part V. The distributive or pro rata share of the credit for each member will be listed in Schedule B in addition to the share of income and share of taxes paid. The return results in a balance due.

Forms for this return include:

Form 510
Form 500CR Part V
Form 1065

Maryland Test Scenario # 9

FEIN 11-0000004

Transmit any corporation's extension that includes a debit request.

Forms for this return include:

Form 500E with debit

Maryland Test Scenario # 10

FEIN 69-0000006

Transmit any partnership's extension that includes a debit request.
Forms for this return include:
Form 510E with debit

Maryland Test Scenario # 11
FEIN 11-0000005

Transmit any corporation's declaration that includes a debit request.
Forms for this return include:
Form 500D with debit

Maryland Test Scenario # 12
FEIN 69-0000007

Transmit any partnership's declaration that includes a debit request.
Forms for this return include:
Form 510D with debit