

OKLAHOMA TAX COMMISSION - TAX YEAR 2015 SOFTWARE DEVELOPER LETTER OF INTENT

Complete One Sheet
per Product

This document is created and required for computerized tax processors, software producers, and others who develop substitute copies of and, if applicable electronically file, Oklahoma Tax Commission (OTC) forms.

Select the tax types supported by your software for electronic filing (MeF).

Individual Income Tax:

- 511 - Resident
 511NR - Part-year and Nonresidents

Business:

- | | |
|--|--|
| <input type="checkbox"/> 512 - Corporation filing Separate | <input type="checkbox"/> 513 - Fiduciary Resident |
| <input type="checkbox"/> 512 - Corporation filing Consolidated | <input type="checkbox"/> 513NR - Fiduciary Nonresident |
| <input type="checkbox"/> 512-S - Small Business Corporation | |
| <input type="checkbox"/> 514 - Partnership | |

Company Information:

Company Name:		
DBA (if other than company name) or Legal Name:		
Mailing Address	Address:	
	City:	
	State:	
	Zip:	
FEIN:		
Website Address (URL):		
Software ID: (include all numbers used in your live transmissions)		
Software Name:		
NACTP Member ID:		
OK Code: (enter your self-assigned number if not a NACTP member)		
Type of Software Package:	<input type="checkbox"/> Professional	Personal Use Product <input type="checkbox"/> Online <input type="checkbox"/> Desktop
EFIN(s)	Test:	
	Production:	
ETIN(s)	Test:	
	Production:	

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E-File Contact Information:

Primary Contact Name:	
Email Address:	
Telephone Number:	
Fax Number:	
Secondary Contact Name:	
Email Address:	
Telephone Number:	
Fax Number:	

Substitute Forms Contact Information:

Primary Contact Name:	
Email Address:	
Telephone Number:	
Fax Number:	
Secondary Contact Name:	
Email Address:	
Telephone Number:	
Fax Number:	

As a duly appointed representative of _____ I hereby state my intent to abide by the policies, procedures and guidelines published by the Oklahoma Tax Commission concerning the development and production of substitute tax forms which are produced in any way.

As a tax services provider, I agree to the Additional Disclosure Requirements on page 5.

I further agree that the Oklahoma Tax Commission may include the name of this company in various public information material designed to inform tax practitioners and the public about vendors of computerized tax processing services and substitute tax forms who have agreed, complied, or failed to comply with the policies, procedures, and guidelines published by the Oklahoma Tax Commission. I have read, understand, and intend to abide by the guidelines established by the Oklahoma Tax Commission.

Representative Signature

Title

Printed Name

Date

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State Specific Information Addendum

Substitute Form Information:

Support Oklahoma 2-D Barcode?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If Yes, for.....	<input type="checkbox"/> Individual Income Tax	<input type="checkbox"/> Business Income Tax

Electronic Filing Information: (Attach additional schedules, as needed)

Does the software support PDF attachments for individual income tax? (Support of PDF attachments is mandatory for business income tax.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Agreement Statements:

In order to assist with fraud detection and prevention, OTC requests information about the business practices of our vendor partners offering personal use online products.

1. Do you use out-of-band verification practices for your customer verification process?..... Yes No

a) Out-of-band verification is sending an email or text to the customer with a PIN. Through a user interface, the customer enters the PIN, which is validated through the software before allowing the customer to continue with the process.

2. Do you meet nationally recognized standards for implementing identity authentication by using:

a) The standards identified in the Identity Authentication section of this agreement Yes No

b) An equivalent standard for identity authentication that meets or exceeds the minimum requirements Yes No

Please describe your proposed process for agency review:

Federal Limitations:

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State Limitations:

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Other Information:

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State Forms Supported:

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GUIDELINES FOR SUBSTITUTE OKLAHOMA TAX COMMISSION FORMS

I agree that this company will:

1. Develop substitute tax forms or products that produce tax forms in accordance with the guidelines issued by the Oklahoma Tax Commission.
2. Submit substitute tax forms to the Oklahoma Tax Commission for review and written approval before releasing any substitute tax forms or any products that produce such forms to customers, or clients, and resubmit after any changes if requested.
3. Promptly correct errors in the company's products and substitute tax forms and provide the Oklahoma Tax Commission with proof that the company has corrected the errors.
4. Identify all substitute forms by the company identification number shown below, and place the company identification number on each form as prescribed by the Oklahoma Tax Commission.

INSTRUCTIONS FOR ELECTRONIC FILING OF INCOME TAX RETURNS

NOTE: All products will be tested.

You may download test returns from our website at www.tax.ok.gov.

Before Transmitting Test Results

1. You will need to submit Form D-106: *2015 Software Developer Letter of Intent*. See Instructions for Submitting the Letter of Intent below.
2. When we are open for testing, you will receive confirmation via email that we have received your information. Once you have received your confirmation you may then transmit your test results.
3. Please remember to update your software for the legislative changes. The Legislative Update can be found on the Oklahoma Tax Commission website, www.tax.ok.gov, under the Tax Professionals link.

We will correspond with you by email concerning any errors. When you complete your testing and have been approved, you will receive an email stating you have passed.

Note: In order to e-File prior year returns you must pass such prior year's testing.

INSTRUCTIONS FOR SUBMITTING THE LETTER OF INTENT

Submit Form D-106: *2015 Software Developer Letter of Intent* before submitting forms for approval or transmitting test returns for ATS. Submit form by:

Email:

Primary contact: Communications Division communications_division@tax.ok.gov

Secondary contact: Darin Majors dmajors@tax.ok.gov

Mail:

Oklahoma Tax Commission
Attn: Communications Division - Forms Approval
2501 North Lincoln Blvd.
Oklahoma City, OK 73194

Questions:

Call (405) 521-3637
Darin Majors - Substitute Forms
Joan Korthanke - Efile Coordinator

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ADDITIONAL DISCLOSURE REQUIREMENTS

In this section, "tax services provider" is defined as a:

Electronic Return Originator (ERO): An ERO originates the electronic submission of a tax return through IRS or state e-file after the taxpayer authorizes the electronic filing of the return.

Online Filing Provider: An Online Filing Provider allows taxpayers to self-prepare returns by entering return data directly into commercially available software downloaded from an Internet site and prepared off-line, or through an online Internet site, or loaded from physical media onto a desktop computer or mobile device.

Software Developer: An Authorized IRS or state e-file Provider that develops software for the purposes of (a) formatting the electronic portions of returns according to Publication 4164 or state specifications and/or (b) transmitting the electronic portion of returns directly to the IRS or the state. A Software Developer may also sell its software.

Transmitter: An Authorized IRS or state e-file Provider that transmits the electronic portion of a return directly to the IRS or the state. An entity that provides a "bump up" service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS or the state via a public switched telephone network.

A tax services provider may serve its customers in more than one of these roles. A tax services provider may use any tax return information provided by a taxpayer, whether in and for the current year or for prior years, for the purpose of identifying a suspicious or potentially fraudulent return from or related to that taxpayer. For these purposes, tax return information means any and all documents or materials provided by the taxpayer or required by the taxing authority that the tax services provider uses in the course of the return preparation and submission.

Tax services providers shall produce analytic compilations of federal and state tax return and submission information that directly relate to the internal management or support of the tax services provider's business, which shall include aggregated data compilations to identify potentially fraudulent behaviors or patterns. The analytic compilation shall employ any tax return information provided by the taxpayer.

Tax services providers shall disclose the compilations of tax information to the OTC through IRS secure data transmission on at least a weekly basis and identify by use of federal and state submission IDs any return the preparer believes is potentially fraudulent.

In addition, if a tax services provider has a bona fide belief that a particular individual's activity, discovered by data mining a statistical compilation, violated criminal law, the tax services provider shall disclose that individual's tax return information to the OTC.

MINIMUM REQUIREMENTS FOR IDENTITY AUTHENTICATION

The following minimum requirements for the target audience will be incorporated in agency e-filing agreements for certification and will be verified by optional post-launch reviews:

New Customer Standard

- Provide set up for username – no specific format requirement.
 - o Include helpful tips – such as do not use email address, SSN, First and Last Name, etc.
- Require use of a password.
 - o All customers will be provided messaging on the importance of a strong password (at least 8 characters, upper, lower case, digit and special char) as an important step for protecting their identity.
 - o Implement a 15 minute interval after lockout feature with no more than 10 unsuccessful login attempts.
 - o Password must be at least eight characters.
 - Including all of the following:
 - At least one uppercase character (A-Z).
 - At least one lowercase character (a-z).
 - At least one digit (0-9).
 - At least one special character (punctuation).

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New Customer Standard (continued)

- Customer must set up three security questions (If the company does not support out-of-band and will be using the security questions as one of the choices in the minimum “Returning Customer Standards” below):
 - Question and answer provided by the customer or established by industry.
 - Do not use questions that have readily available answers.
 - Do not use questions that have answers that are shared with others or are available to others.
- Customer is required to enter an email address.
- Customer is provided an option to enter a cell phone number.
- Email Address Verification (see Filing Expectations):
 - The preferred method is for industry partners to implement out-of-band verification.
 - Out-of-band verification is sending an email or text to the customer with a PIN. Through a user interface, the customer enters a PIN which is validated through the software before allowing the customer to continue with the process.
 - If an industry partner does not have the technical ability to implement out-of-band for new customers, the industry partner shall make their best effort to verify the email address.

Returning Customer Standard

For Processing Year 2016, Industry will:

- Provide messaging to all returning customers on the importance of a strong password (at least 8 characters, upper, lower case, digit and special char) and given the opportunity to change their password as an important step for protecting their identity.
- Implement a 15 minute interval after lockout feature with no more than 10 unsuccessful login attempts.
- Ensure that the customer has previously entered an email address.
- Ensure that the customer has the opportunity to add a cell phone entry.
- Is the IP address or device ID recognized from previous login?
 - If yes, continue to next step.
 - If no, successful completion of one of the following is required before proceeding:
 - Out-of-band verification **OR**
 - Answer randomly selected security question.
- Do the security questions on record meet the New Customer standards? (Not applicable if the company is choosing to use alternate authentication methods based on the below options, and such authentication is successful.)
 - If yes, continue to next step.
 - If no,
 - Customer must update security questions to meet the New Customer standard.
- Is the customer indicating they have a new email address?
 - To change an email address, customer must successfully complete one of the following:
 - Out-of-band verification to original email or cell phone with a notification sent to the old email address or cell with instructions on what to do if they didn't change their email address **OR**
 - Answer randomly selected security question.
- Has there been account activity within 90 days?
 - If yes, continue to next step.
 - If no, AND the customer is NOT using a trusted/proven device or IP Address, successful completion of one of the following is required before proceeding:
 - Out-of-band verification **OR**
 - Answer randomly selected security question.
- In cases of increased system risk based on identified facts and circumstances determined collaboratively by Industry, agencies and IRS (needs to be flexible):
 - Customers may be required to successfully complete one of the following before proceeding:
 - Out-of-band verification **OR**
 - Answer randomly selected security question.
- Prior to filing, Industry will complete Email Address Verification (see Filing Expectations).
 - The preferred method is for industry partners to implement out-of-band verification.
 - Out-of-band verification is sending an email or text to the customer with a PIN. Through a user interface, the customer enters the PIN, which is validated through the software before allowing the customer to continue with the process.
 - If an industry partner does not implement out-of-band for New Customers, the industry partner shall make their best effort to verify the email address.

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Filing Expectations

- Determine if more than one account is using a Primary and/or Secondary SSN.
 - o If the SSN is used in multiple accounts, at least one of the following actions must apply to all related accounts:
 - Notify account holder(s) that the Primary and/or Secondary SSN is used within another account
OR
 - Notify account holder(s) that the Primary and/or Secondary SSN is used within another account
AND Implement Additional Authentication measures prior to filing to validate the authenticity of one or more of the related accounts.
 - o All account holders have the opportunity to report the situation to the right authorities if they suspect improper use of the SSN.
- A data element provided by the vendor will be used to indicate the level of email verification performed for each filed return. Tax agencies may request acknowledgement of the use of out-of-band within the e-filing agreement (see Agreement Statements) and may use out-of-band capability and the indicators in the process of examining the internal analytics of the return.
- The following schema data element indicators will be used to report the level of contact verification that occurred during the filing process:
 - o Email Address Verification (Element name Email_Address_Ind)
 - 0 = Can't send email
 - 1 = Bounced email
 - 2 = Delivered email – one-way
 - 3 = Successful out-of-band (text or email)
- To reduce the occurrences of multiple fraudulent returns, Industry will ensure that, at the point of filing, there are no more than two resident returns filed with a single federal return.