DEPARTMENT OF FINANCE

DEVELOPER'S GUIDE

MODERNIZED E-FILE GUIDE
FOR SOFTWARE DEVELOPERS AND
ELECTRONIC RETURN ORIGINATORS
CITY OF NEW YORK
GENERAL CORPORATION TAX AND
UNINCORPORATED BUSINESS TAX
TAX YEAR 2014

OCTOBER 2014

V1.0

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1.0 INTRODUCTION

The New York City Department of Finance is continuing to participate in the Fed/State 1120/1065 Corporation/Partnership Tax e-File program and the Fed/State 1040 Individual program, under the IRS Modernized e-File (MeF) architecture. We also participate in the Fed/State 1041 Fiduciary Filer program.

The NYC Department of Finance is offering tax return e-filing for corporations, partnerships, and individuals subject to General Corporate Tax or Unincorporated Business Taxes (excluding combined filers and fiduciary filers). The program covers:

- Corporations for Tax Years 2012 through 2014 (note: Tax Year 2011 returns or earlier will no longer be accepted)
- Partnerships for Tax Years 2012 through 2014 (note: Tax Year 2011 or earlier returns will no longer be accepted)
- Individuals (unincorporated business tax filers) for Tax Years 2012 through 2014 (note: Tax Year 2011 returns will no longer be accepted)
- Estates and Trusts for Tax Years 2013 and 2014
- Estimated payments for all tax types for Tax Year 2014

Electronic Returns Originators (EROs) authorized by the IRS to e-File federal Corporation, Partnership, and Individual taxes are also authorized to e-File Corporation and Unincorporated Business Tax returns for New York City filers. New York City does not require EROs to provide copies of their IRS acceptance letters to the City.

Taxpayers electing to electronically file their New York City Tax returns should also electronically pay the balance due on the electronic return. New York City will accept ACH debit, ACH credit, or FedWire transactions for payment. However, International ACH Transactions (IATs) will not be accepted. The information necessary to initiate the payment transaction must be included with the return data upon filing. (Payment can also be made via voucher or online using our NYCeFile application.) See *Section 7.0 Payment Handling and Acceptance* for more information.

1.1 WHAT'S NEW FOR TAX YEAR 2014?

New York City has added three new forms to our MeF program. In addition, we continue to make small schema changes each year, in keeping with our goals of improving processing efficiency and increasing the number of error-free returns received electronically.

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1.1.1 Additional E-Fileable Tax Forms

The following tax forms can be e-filed starting in TY2014:

- NYC-245 – Activities Report of Corporations
- NYC-3360 – General Corporation Tax Report of Change in Tax Base Made by IRS and/or NY State
- NYC-115 – Unincorporated Business Tax Report of Change in Taxable Income Made by IRS and/or NY State

1.1.2 Removal of "Attached" xml Schedules

We have dropped four of the five "Attached" xml Schedules from our schema. The following are no longer being used:

- ScheduleDedIndAttribSubCap.xsd
- ScheduleDedDirIndAttrbInvstInc.xsd
- Schedule3LAltTaxCalc.xsd
- ScheduleAddbkFedDomProdActDed.xsd

1.1.3 Incorporation of Worksheets into Primary Forms

Related to the removal of most of the attached xml schedules, we have incorporated certain worksheets into the primary form:

- NYC-3L and NYC-3A: the Alternative Tax Worksheets have been incorporated as schedules on the respective forms.
- NYC-3A: the Affiliations Schedule is now part of the primary form.

1.1.4 Consolidation of NYC-200V Payment Vouchers

We have eliminated the separate NYC-200V-1127 and NYC-200V-Excise payment vouchers. Any taxpayer can use the modified NYC-200V Payment Voucher to pay a balance due via check or money order.

Note: While there is currently no requirement that estimated payments be made electronically, New York City strongly urges taxpayers to pay via ACH Debit, ACH Credit, or FedWire.

1.2 Exclusions From Business Tax e-File

In most instances, NYC follows the IRS guidelines for MeF exclusions (refer to *IRS Publication 4164*).

NYC will allow a taxpayer to file their NYC return electronically even if they are filing an IRS business tax form that the IRS does not accept for e-filing, e.g., 1120-RIC. In this instance, the

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submission must be sent "unlinked" and the appropriate IRS form must be attached to the filing as a PDF file.

In addition to the IRS guidelines, returns meeting the following criteria may not be e-filed with New York City:

- As in previous years, New York City will not accept e-filed returns for a corporation or partnership with a pending EIN; however, unincorporated businesses may include partners with "applied for" or foreign IDs.
- General Corporate Tax and Unincorporated Business Tax returns filed for a tax liability period beginning prior to January 1, 2012.
- Tax filers wanting to pay balance due amounts via ACH with funds from a foreign bank.

1.3 TY2014 Preparer Mandate

New York City's preparer mandate has not changed. A preparer is covered by this mandate if he or she:

- Prepared more than 100 original New York City General Corporation Tax or Unincorporated Business Tax documents in calendar year 2014, including tax documents for prior periods; and
- Used tax software to prepare one or more corporation tax documents in calendar year 2014.

For more information on New York City's preparer mandate, please see http://www.nyc.gov/html/dof/html/pdf/10pdf/mandatory_efile.pdf

1.4 2014 Tax Year e-File Calendar

New York City TY2014 General Corporation and Unincorporated Business Tax e-filing calendar follows the IRS calendar.

Tax return period	January 1, 2014 through December 31, 2014
Software testing period for TY14	November 3, 2014 – April, 2015
E-File return acceptance period	January 7, 2014 through December 31, 2016

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2.0 ACCEPTANCE AND PARTICIPATION

2.1 PARTICIPATION REQUIREMENTS

Tax Preparers and Return Transmitters must have a valid electronic filer identification number (EFIN) issued by the IRS. To obtain an EFIN or electronic transmitter identification number (ETIN), you must apply and be accepted as an Authorized IRS e-file provider by the IRS. For more information on the application process, refer to *Publication 3112, IRS e-File Application and Participation*. The quickest way to receive an EFIN or ETIN is to apply online. To apply or for more information, go to the link below:
http://www.irs.gov/taxpros/article/0,,id=109646,00.html

Note: A separate Business Tax e-File application is not required for New York City.

Tax professionals and transmitters authorized to e-file federal tax returns and who are using software approved by the IRS and New York City Department of Finance can e-file New York City General Corporate Tax (GCT), Unincorporated Business Tax (UBT), and Unincorporated Business Tax-Individual (UBTI) returns for Administrative Code Section 11-688 filers. A corporation (self-filer), acting as an ERO, can prepare and e-file the return itself, without going through a paid preparer.

2.2 RESPONSIBILITIES OF DEVELOPERS AND EROS

All participants in the NYC program must comply with the procedures, requirements, and specifications in IRS Publication 4164: Modernized e-File Guide for Software Developers and Transmitters and set forth in the handbook.

Authorized *Electronic Return Originators* (EROs) must:

- Use IRS and New York City approved tax software
- Identify the paid preparer, if there is one, in the appropriate field
- Fulfill the signature requirement and have the authorized corporate officer sign as appropriate

Authorized *Software Developers* must:

- Allow “linked” and “unlinked” state returns
- Allow re-transmissions of rejected and then corrected returns
- Correct any software errors identified during production

2.2.1 CONFIDENTIALITY

Developers must conform to all IRS security requirements. For more information on the IRS security requirements, see the link below.

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http://www.irs.gov/pub/irs-pdf/p4557.pdf

2.2.2 PENALTIES

New York City's Administrative Code Section 11-688 and Section 11-4017 prescribe penalties for violation of confidentiality of taxpayer information requirements.
http://www.nyc.gov/html/dof/downloads/pdf/08pdf/adcodes.pdf

2.2.3 ADVERTISING STANDARDS

An Authorized IRS e-File Provider must comply with the advertising and solicitation provisions of 31 C.F.R. Part 10 (Treasury Circular No. 230, http://www.irs.gov/uac/Advertising-Standards). This circular prohibits participation in or the use of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive, or unfair statement of claim. A Provider must adhere to all relevant Federal, State, and local consumer protection laws relating to advertising and soliciting.

The guidelines in the IRS Revenue Procedure must be followed for the New York City program as though references to Internal Revenue Service were references to the New York City Department of Finance, New York City or the City and references to the FMS or Treasury Seals were references to the New York City Seal. This publication can be found via the link below.

http://www.irs.gov/pub/irs-pdf/p3112.pdf

2.3 COMPLIANCE REQUIREMENTS

Software Developers must:

- Immediately correct software errors identified by the IRS or New York City Department of Finance and distribute updates of their software packages to their clients. Failure to correct any errors or issue timely releases may result in suspension from the program.
- Notify New York City of any software errors identified during the filing season.
- Include the Taxpayer PIN, as entered by the taxpayer on the Signature Authorization Form, with the xml submission.
- Determine whether a payment is an IAT. If the payment is an IAT, the return may not be e-filed.
- Ensure their software supports electronic payment options and any electronic funds withdrawal information – payment effective date and routing/account numbers.
- Ensure their software supports the printing of the tax return and all supporting forms so if the return cannot be e-filed, it can be mailed to the NYC Department of Finance. See *Information Bulletin No. 9, Guidelines and Specifications for the Reproduction of New York City Tax Forms by a Third Party* on the Department of Finance website.

  http://www.nyc.gov/html/dof/downloads/pdf/06pdf/infobull_9.pdf

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3.0 SCHEMAS AND SPECIFICATIONS

The IRS has structured tax return data into a series of schemas. A schema is an XML document that specifies the data elements, structure, and rules for each form, schedule, document, and/or attachment (Note: New York City has business rules in addition to rules defined by schema. See Business Rules and Error Codes for more information.) Unless otherwise noted, XML schemas must be used as defined by the IRS at http://www.irs.gov. Most of the **required** elements are in the return header schema and should not be overwritten by the users.

The header schema contains the identifying information for the entity filing the return, the name of the officer signing the return, preparer information, and the preparing firm's information. TIGERS standard schemas specifically for business income tax are contained in the sub-folder StateBusiness. StateBusiness contains two schemas – BusinessReturnHeaderState and BusinessReturnOtherHeaderState – that are controlled by TIGERS and may not be altered in any way by the states. Please refer to the New York City e-file website to download our schemas.

3.1 SCHEMA VERSION NUMBERING

The version number includes the tax year and the version number for which the schema and business rule document applies. The version initial is case sensitive. The version number of MeF business rules that are invoked for the MeF XML schemas will always have the same version number as the schema version, thereby, providing a mechanism that aligns the various versions of schemas with their applicable business rules.

Below is the sample Schema Version numbering:

```
<ReturnState stateSchemaVersion="NYCBusiness2014v1.0"
xsi:schemaLocation="http://www.irs.gov/efile BusinessReturnNYC3L.xsd"
xmlns="http://www.irs.gov/efile" xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">
```

3.2 LINKED AND UNLINKED RETURNS

New York City will support "linked" and "unlinked" state returns. A State submission can be linked to the IRS submission by including the Submission ID of the federal return in the State manifest. If the State submission is linked to an IRS submission (also referred to as a Fed/State return), the IRS will check to see if there is an accepted IRS submission under that Submission ID. If there is not an accepted federal return, the IRS will deny the State submission and a deny acknowledgement will be sent.

The Department of Finance will make every effort to process an e-filed return once it is acknowledged. However, if the e-file return contains an error(s), identified after the return is acknowledged, the return may require manual review.

Note: The NYC-1127 should be filed unlinked; New York City does not require a copy of the taxpayer's Federal 1040 form with the submission.

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3.3 Types Of Submissions And Receipts

MeF will accept two kinds of submissions: (1) IRS (federal) submissions and (2) State submissions. (For this program, generic references to "state" include New York City.)

Each return must be enclosed in a separate submission but multiple submissions may be contained in a single message.

If there is an accepted federal return under that Submission ID, then MeF will validate certain elements on the State submission and provide the submission to the participating state. If the State return is ***not*** linked to a previously accepted federal return (also referred to as a State Stand-Alone Return), then MeF will validate certain elements of the submission. If the IRS does not deny the State return, it will provide the State submission to the participating state regardless of the Federal return.

Both Federal and State returns must be in XML format. The Federal returns must conform to the IRS valid schema versions. New York City returns must conform to the New York City GCT/UBT Schema. A copy of the Federal return, consolidated and pro forma must be included in the New York City submission.

NOTE: New York City does not accept or request a copy of the filer's New York State business tax return.

3.3.1 State Submission Denied By MeF

If the State submission (linked or unlinked) is "denied" by MeF, MeF will send a receipt to the transmitter indicating the State submission is denied and will not be available for the state. In this case, the state will not know that the transmitter has sent a State submission to MeF.

3.3.2 State Submission Acknowledged By State

If the State submission is not denied by MeF, MeF will provide the State submission for the state to retrieve, but MeF will not create a receipt for the transmitter. NYC will retrieve the State submission from MeF and send a "receipt" back to MeF stating that we received the transmission. NYC will then validate the XML data and apply the business rules to the return. A receipt indicating accept (ACK) or reject (NAK) will be sent back to the IRS for the transmitter of the submission.

3.3.3 Re-submission of State Rejected Return

If a submission is rejected (NAK) by NYC, the submission error can be corrected and the return re-submitted via MeF. However, if a submission has been accepted (ACK), subsequent returns from the same taxpayer for the same tax period will be treated as duplicates, unless the "amended return" checkbox is marked.

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3.4 ZIP FILE AND XML FILE NAMING CONVENTIONS

3.4.1 ZIP FILE NAMING CONVENTION

.ZIP file names must be unique. They should be the concatenation of the following three data values:

- Vendor Efin: 6 digits
- Julian date of when the file was submitted to the IRS: 7 digits (YYYYDDD)
- Followed by 7 characters:
  - A sequence number that must be unique for each package to the IRS on the same day; or
  - An extension of the Julian date; or
  - 7 unique digits; can be a combination of numbers and letters

Here is an example where a vendor with EFIN 208358 processed three returns, sequentially numbered 0000001, 0000002, 0000003, on March 1, 2014 and another three returns sequentially numbered 0000001 through 0000003 on March 5, 2014, these six returns would have the following zip file names, respectively:

20835820140910000001
20835820140910000002
20835820140910000003
20835820140950000001
20835820140950000002
20835820140950000003

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3.4.2 XML File Naming Conventions

.XML files should be tagged with the exactly the same name as the .ZIP file as detailed in the previous section. The ZIP file should contain separate directories for IRS and NYC data and Federal and City returns must be stored in the appropriate directories. Both .XML files must be tagged with the .ZIP file name.

Example. For the ZIP file 20835820100600000001, it should contain at least two subdirectories: IRS and XML where the IRS folder contains a subdirectory named XML. The folder structure can be depicted as follows:

```
20835820100600000001
    IRS
        XML
            20835820100600000001.XML ← Federal return
    XML
        20835820100600000001 ← NYC return
```

Example of the Folder Structure

The file paths for these two XML returns are:

NYC XML Return: \20835820100600000001\XML\20835820100600000001.xml

IRS XML Return: \20835820100600000001\IRS\XML\20835820100600000001.xml

3.5 Attaching Non-XML Documents

A separate "Binary Attachment XML document" must be created for each PDF and included in the submission data. The PDF must be included in the attachment folder of the submission zip. Please refer to *IRS Publication 4164 for Binary Attachment Submissions and Guidelines*. http://www.irs.gov/pub/irs-pdf/p4164.pdf

Attaching non-XML documents (PDF files) is different than attaching XML documents.

To attach a PDF file, the following steps must be performed:

- Create the PDF file.
- Create a Binary Attachment XML document in the submission data that describes the PDF file (see sample below).

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- Create references, if any, from the element(s) to which the PDF file is attached to the Binary Attachment XML document.
- If the PDF file is to be attached to an element for a line, form, or schedule, create a reference from the element to the Binary Attachment XML document.

  Please note: The reference is created from the element to the Binary Attachment XML document, not to the PDF file. If no reference is created to the Binary Attachment XML document, then the PDF file is considered to be attached to the submission. References to PDF files are needed only when the IRS specifies the conditions under which the reference must be created and the reference locations within return data where the reference must exist.
- Include the number of binary attachments in the submission in the binaryAttachmentCount attribute, which is used to indicate the number of binary attachments in the return of element ReturnHeader.
- Include the PDF file in the submission ZIP file that constitutes the submission.

Note: The ERO or taxpayer can create the PDF file with any tool available. To create the Binary Attachment XML document, the ERO needs to know the name of the PDF file and a brief description of (the contents of) the file. The ERO creates one Binary Attachment XML document for each PDF file included in the submission. There is a one-to-one relationship between the PDF file and the Binary Attachment XML document that describes it.

The ERO or taxpayer provides the name of the PDF file, including the extension, in the AttachmentLocation element and provides a brief description in the Description element of the Binary Attachment XML document. The schema for the Binary Attachment document is defined in the file named BinaryAttachment.xsd.

Below is a sample binary attachment XSD.

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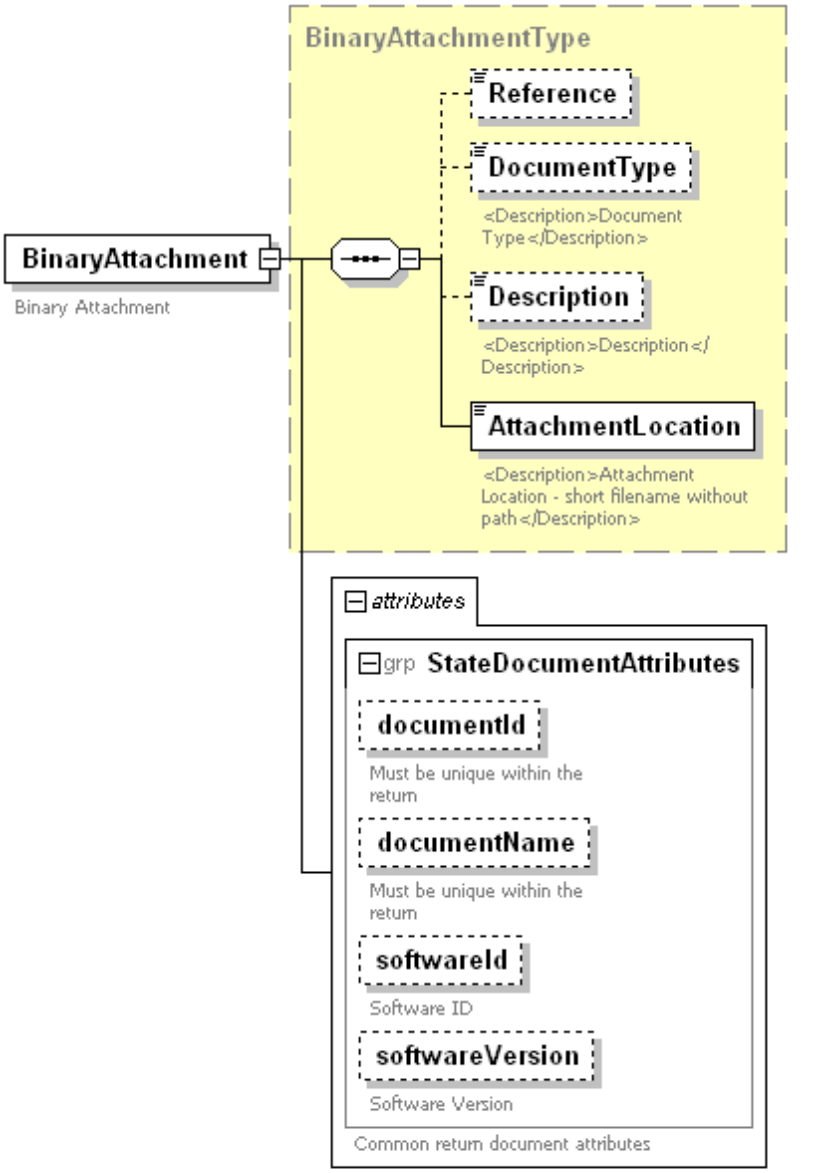
BinaryAttachmentType
Reference
DocumentType
<Description>Document Type</Description>
BinaryAttachment
Binary Attachment
Description
<Description>Description</Description>
AttachmentLocation
<Description>Attachment Location - short filename without path</Description>
attributes
grp StateDocumentAttributes
documentId
Must be unique within the return
documentName
Must be unique within the return
softwareId
Software ID
softwareVersion
Software Version
Common return document attributes
Generated by XmlSpy
www.altova.com

3.6 EMBEDDED AND ATTACHED SCHEDULES

3.6.1 EMBEDDED SCHEDULES

NYC Department of Finance has several generic embedded schedules as part of our schema to allow for "rider" type of information to be submitted electronically, directly in line with each particular field where supporting data is requested or required.

We have identified ten generic schedules which are embedded throughout the schema:

ScheduleGen1 (Description, Amount)

ScheduleGen2 (Amount, Reason)

ScheduleGen3 (Address, Amount)

ScheduleGen4 (Business Name, EIN)

ScheduleGen5 (Address, Nature of Business)

ScheduleGen6 (Business Name, EIN, Address, QSSSReturnReqOrFiled)

ScheduleGen7 (Business Name, EIN, Description, Amount)

ScheduleGen8 (Nature of Interest, Address, Borough, Block, Lot number)

[ScheduleGen9 – obsolete]

ScheduleGen10 (Shareholder Name, EIN/SSN, Amount, Indebtedness, Paid)

ScheduleGen11 (Taxpayer Name, Description)

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These generic schedules are embedded in the schema using the complex efile types:

```
<xsd:element name="NYSFranchiseTaxOthers" type="sInt16Type" minOccurs="0">
<xsd:annotation>
        <xsd:documentation>
                <LineNumber>B5a</LineNumber>
                <Description>NYS Franchise Tax and other income taxes, including MTA
surcharge, deducted on federal return</Description>
        </xsd:documentation>
    </xsd:annotation>
</xsd:element>
<xsd:element name="NYSFranchiseTaxOthersSched" type="ScheduleGen1Type" minOccurs="0">
    <xsd:annotation>
        <xsd:documentation>
                <LineNumber>B5aSch</LineNumber>
                <Description>NYSFranchiseTaxOthersSched</Description>
        </xsd:documentation>
    </xsd:annotation>
</xsd:element>
```

A list of all the embedded generic schedules can be found on the NYC website.

3.6.2 Attached Schedules

In addition to the embedded schedules, we have one attached schedule for the more complex scenarios of supporting data where a worksheet might be needed to determine the correct value:

Schedule4SaltTaxCalc.xsd

Instructions for its use can be found on the NYC website.

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4.0 SUPPORTED TAX FORMS

4.1 FORMS THAT CAN ONLY BE SUBMITTED IN XML FORMAT

The table below lists E-File General Corporation Tax (GCT) and Unincorporated Business Tax (UBT and UBTI) forms supported for Tax Year 2014 in XML format.

FORM NUMBER	FORM DESCRIPTION
NYC-3L	General Corporation Tax Return – Long Form
NYC-3A	Combined General Corporation Tax Return
NYC-399	Schedule of New York City Depreciation Adjustments
NYC-399Z	Depreciation Adjustments for Certain Post 9/10/01 Property
NYC-400	Declaration of Estimated Tax by General Corporations
NYC-400B	Declaration of Estimated Tax by Banking Corporations
NYC-4S	General Corporation Tax Form – Short Form
NYC-4SEZ	General Corporation Tax Form
NYC-EXT	Application for Automatic 6-Month Extension of Time to File Business Income Tax Return
NYC-EXT.1	Application for Additional Extension
NYC-204	Unincorporated Business Tax Return for Partnerships
NYC-204EZ	Unincorporated Business Tax Return for Partnerships
NYC-5UB	Partnership Declaration of Estimated Unincorporated Business Tax
NYC-202	Unincorporated Business Tax Return for Individuals
NYC-202EIN	Unincorporated Business Tax Return for Estates and Trusts
NYC-202S	Unincorporated Business Tax Return for Individuals – Short Form
NYC-5UBTI	Declaration of Estimated Unincorporated Business Tax
NYC-1127	Return for Nonresident Employee of the City of New York
NYC-245	Activities Report of Corporations
NYC-3360	General Corporation Tax Report of Change in Tax Base Made by IRS and/or NY State
NYC-115	Unincorporated Business Tax Report of Change in Taxable Income Made by IRS and/or NY State

Note: As part of the NYC-1127 submission, a PDF of the New York State individual return is required. The submission will be rejected if this PDF is missing. The required PDF should be named: **1127_NYState_Rtn**.

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4.2 Required Forms That Can Only Be Submitted as PDF Attachments

The table below lists NYC tax forms that can only be accepted as ".pdf" attachments:

Form Number	Form Description
NYC-221	Underpayment of Estimated Unincorporated Business Tax
NYC-222	Underpayment of Estimated Tax by Corporation

4.3 Forms That Can Be Submitted in XML Format or PDF Attachments

The following tax forms can be accepted as either ".pdf" attachments or xml format.

Form Number	Form Description
NYC-Att-S-Corp	Calculation of Federal Taxable Income for S Corporations
NYC-NOLD-GCT	Net Operating Loss Deduction Computation for General Corporations
NYC-NOLD-UBTP	Net Operating Loss Deduction Computation for Unincorporated Businesses (Partnerships)
NYC-NOLD-UBTI	Net Operating Loss Deduction Computation for Unincorporated Businesses (Individuals, Estates and Trusts)
NYC-9.5	Claim for REAP Credit Applied to General Corporation Tax and Banking Corporation Tax
NYC-9.6	Claim for Credit Applied to General Corporation Tax
NYC-9.7	UBT Paid Credit For General Corporation Taxpayers
NYC-9.8	Claim for LMREAP Credit Applied to General Corporation Tax and Banking Corporation Tax
NYC-9.10	Claim for Biotech Credit
NYC-114.5	Claim for REAP Credit Applied to Unincorporated Business Tax
NYC-114.6	Claim for Credit Applied to Unincorporated Business Tax
NYC-114.7	UBT Paid Credit For Unincorporated Business Taxpayers
NYC-114.8	Claim for LMREAP Credit Applied to Unincorporated Business Tax
NYC-114.10	Claim for Biotech Credit

Riders of full-form Fed 1120, Fed 1065 or Fed 1040 forms will also be accepted as .pdf attachments, as will other riders as required, based on the NYC tax form instructions.

If the taxpayer wishes to file any other New York City tax form for TY2014, they can submit a paper return or use NYC-e-Services at the following link:

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http://www.nyc.gov/html/dof/html/forms_reports/business_forms.shtml

4.4 Naming PDF Attachments

For PDF attachments, the tax preparation software must provide the taxpayer the ability to enter a meaningful name. The following table provides a few examples. Names are limited to 20 characters.

Note: PDF file names can utilize upper or lower case characters, or a combination of the two.

Condition	Binary Attachment Title
If a pro forma 1120 is being filed with NYC, attach a copy of the Federal 1120.	FED-1120-Full
If the taxpayer is including an explanation or other rider, attach. Note: There are two options for naming these attachments: 1) Include one PDF for each rider or other attachment, or 2) Attach one PDF containing *all* attachments for the primary form; see example, right	NYC-3L-Attachments
UBTI taxpayer includes a copy of their Federal Schedule C only	FED-Sched-C
NYC-114.7 UBT Paid Credit for Unincorporated Business Taxpayers	NYC-1147-Paid-CR

A list of preferred PDF file naming conventions can be found at this link:

http://www.nyc.gov/html/dof/downloads/pdf/btef-2014/naming_conventions_2014.pdf

4.5 Information for UBTI Filers

4.5.1 Federal Schedule C Requirement

Individuals filing Unincorporated Business Tax returns electronically should include a copy of their Federal 1040 return, preferably in XML format. However, New York City's primary goal is in obtaining a copy of the relevant Federal Schedule C (s) for these sole proprietors. To that end, NYC will accept a PDF of the Schedule C(s) in lieu of the entire Federal 1040 form, if the taxpayer prefers and the software allows.

4.5.2 No Joint Filing Status for UBTI Taxpayers

Each taxpayer must file for his or her own business, regardless of their Federal filing status. See below for various filing scenarios. All these scenarios presume the Federal filing status is Married Filing Joint (MFJ):

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SITUATION	FEDERAL FILING	NEW YORK CITY FILING
Scenario 1	One Schedule C is included with the Fed 1040 filing; the SSN on the Schedule C belongs to the primary taxpayer.	Only the primary taxpayer should file form NYC202.
Scenario 2	One Schedule C is included with the Fed 1040 filing; the SSN on the Schedule C belongs to the spouse.	Only the spouse should file form NYC202.
Scenario 3	Two Schedule Cs are included with the Fed 1040 filing; the SSN on Schedule C #1 belongs to the primary taxpayer; the SSN for Schedule C #2 belongs to the spouse.	The primary taxpayer and the spouse should each file separate NYC202 forms, each for his or her own business.
Scenario 4	Multiple Schedule Cs are included with the Fed 1040 filing, two or more belonging to the primary taxpayer, and two or more belonging to the spouse.	The each taxpayer should aggregate their own businesses, and each should file one separate NYC202 form with the aggregated amounts.

For all scenarios, a copy of each Federal 1040 Schedule C must be included with the filing, either in xml or PDF format.

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5.0 SOFTWARE ACCEPTANCE, TESTING AND APPROVAL

The following information must be provided to the New York City Department of Finance prior to submitting test transmissions.

- Software vendor company name
- Company address
- Primary contact person (name, telephone number, email address)
- Secondary contact person (name, telephone number, email address)
- Software ID that will be included in the TIGERS header field <SoftwareId>
- New York City forms supported for Tax Year 2014
- Are you in production with New York State?

Contact Business Tax e-File for more information.

All software must be tested using the New York City test packages. Click here to download the New York City Software Vendor Test Packages for Tax Year 2014.

Software Developers will be given confirmation by telephone and email from the New York City e-File Coordinator when software has been successfully tested and approved. Only approved software may be released and distributed by the developer.

The test package includes:

- Version number of schema
- New York City specific XML schema
- New York City spreadsheet of required data elements
- PDF copies of NYC test returns
- Spreadsheets of any special test conditions

Developers must validate the New York City return data (XML) against the New York City schema and include edits and verifications based on the business rules provided for each element. The city spreadsheet will include information on field type, field format, length, if it can be negative, if it is recurring, and the business rule or other edits and verifications for each field.

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6.0 Errors And Edits

6.1 Error Categories · Business Rules

Rejected transmissions are due to non-adherence to the schema and certain New York City processing requirements. These rules are specific in defining the location of the error. Below are general categories. See NYC's Error Codes document for specific error code numbers.

Error	Explanation
Multiple Document	More than the required number of primary documents is included in the tax return.
Missing Document	A tax return document is required but was not included in the tax return. (Primary or required attachment.)
Data Mismatch	The data in two fields should be the same but is not. For example, a value that should be carried from a schedule elsewhere on the return does not match its source.
Duplicate Condition	The tax return or the transmission file was previously received and accepted (ACK) by NYC.
Math Error	The result of a computation is incorrect.
Incorrect Data	Data violates a business rule even though it is syntactically correct. That is, the data values for elements must conform to the format specified and the data type and can only contain values allowed for them in the schema.
Missing Data	Data is not provided for a required field.
Database Validation Error	Data provided does not match the IRS database or the data provided should be presented in the IRS database but is not. For example, the Electronic Filing Identification Number (EFIN) in the Return Header must be listed in the MeF database and in accepted status.
XML Error	The data violates Schema specification. The return and transmission documents must conform to the version of the XML schema they specify.
System Error	A return encounters a problem with the IRS system that prevents the return from being processed electronically.

6.2 Edits And Verifications

Please refer to the New York City Department of Finance website to download our Schemas, Business Rules, and Error Codes.

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6.3 NYC Non-Schema Edits and Business Rules

6.3.1 Transmission Business Rules – NYC Forms

The table below lists the New York City primary tax forms and valid form filing combinations.

Primary Form	3L	4S	4SEZ	204	204EZ	202	202S	202EIN	3A
NYC Supporting forms									
9.5	X								X
9.6	X								X
9.7	X								X
9.8	X								X
9.10	X								X
114.5				X		X		X	
114.6				X		X		X	
114.7				X					
114.8				X		X		X	
114.10				X		X		X	
NOLD-GCT	X	X	X						X
NOLD-UBTP				X					
NOLD-UBTI						X		X	
Att-S-Corp	X	X	X						X
399	X	X		X		X		X	X
399Z	X	X		X		X		X	X
Fed Forms									
1120	X	X	X						X
1120S	X	X							
1120F	X	X							
1065				X	X				
1065B				X					
1040						X	X		
1041								X	

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Note: The following forms are considered "standalone" and cannot be filed with any other forms:

FORM NUMBER	FORM DESCRIPTION
NYC-400	Declaration of Estimated Tax by General Corporations
NYC-400B	Declaration of Estimated Tax by Banking Corporations
NYC-EXT	Application for Automatic 6-Month Extension of Time to File Business Income Tax Return
NYC-EXT.1	Application for Additional Extension
NYC-5UB	Partnership Declaration of Estimated Unincorporated Business Tax
NYC-5UBTI	Declaration of Estimated Unincorporated Business Tax
NYC-1127*	Return for Nonresident Employee of the City of New York
NYC-245	Activities Report of Corporations
NYC-3360	General Corporation Tax Report of Change in Tax Base Made by IRS and/or NY State
NYC-115	Unincorporated Business Tax Report of Change in Taxable Income Made by IRS and/or NY State

*The 1127 submission must include the New York State Individual tax return as a PDF attachment or it will be rejected.

Additional form filing errors:

RULE/VALIDATION	ERROR CATEGORY
One primary form must be included in the filing. See table above for list of primary forms.	Missing document
Certain forms can only be filed with specific primary forms. See table above for list of valid form filing combinations.	Invalid form filing combination
Certain forms can only be accepted as PDF attachments. See *Section 4.2 Forms That Can Only be Submitted by Attachment*.	Invalid document type

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6.3.2 Transmission Business Rules – Federal Forms

If filing a NYC tax return with a requirement to include the Federal 1120, 1120S, 1120F, 1065, 1065B, 1040 or 1041 return, the attached Federal document should be in xml format. If the requirement is to include both a pro forma 1120 and a Federal 1120-full, then the pro forma should be in xml format and the Fed-1120 full should be attached as a PDF. NYC will accept any Federal 1120 (not listed above) as either xml or a PDF attachment.

Rule/Validation	Error Category
Federal return required	Missing document
Both pro forma and consolidated federal returns required	Missing document

6.3.3 Payment Business Rules (ACH Debit/Credit/Fedwire)

Rule/Validation	Error Category
Payment amount cannot be greater than the balance due amount on return	Incorrect data

6.3.4 Signature Business Rules

Rule/Validation	Error Category
Signature is required (TaxpayerPIN)	Missing data

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7.0 PAYMENT HANDLING AND ACCEPTANCE

7.1 PAYING A BALANCE DUE

Businesses and individuals electing to electronically file their New York City General Corporate Tax return or their Unincorporated Business Tax (partnership or individual) should also electronically pay the balance due. NYC will accept ACH debit, ACH credit, and Fedwire payments. Alternately, the taxpayer can choose to file their return electronically but pay via paper check or money order (see *Payment by Voucher*, below).

The information necessary to initiate the transaction must be included with the return data when the return is filed. Partially paid or unpaid liabilities on an e-filed return will be billed when the return is processed. A balance due on an e-filed extension will not be billed but should be paid in full when the extension is filed, either electronically or via the NYC-200V.

Important note: Because the routing transit number and bank account number may not be changed once a return or extension has been transmitted and accepted, preparers and EROs must stress to taxpayers the importance of supplying the correct information.

The electronic funds payment information provided by the taxpayer to the Department of Finance will be used only for the specific tax payment as authorized by the taxpayer.

Note that NYC does not accept International ACH Transactions (IATs). A taxpayer wishing to pay via IAT should be instructed to submit a paper return instead.

Developer's note: NYC does not use the EstimatedPayment element of the TIGERS FinancialTransaction. Instead, each estimated payment must be submitted separately using the StatePayment element.

7.2 PAY BY ELECTRONIC FUNDS WITHDRAWAL (ACH DEBIT)

If a tax return has a balance due and the taxpayer chooses to pay this amount using electronic funds withdrawal, the following rules apply:

- The software should not allow the preparer to enter a requested settlement date that is before the submission date, or more than 15 months beyond the due date.
- If the return is e-filed before the due date, a requested settlement date up to and including the due date, may be specified.
- If a return is e-filed on or after the due date, the requested settlement date must equal the submission date. The withdrawal will be processed on the date we receive your return.

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- An e-filed return with a requested payment settlement date beyond the due date will be accepted; however, the return will be considered to be filed based on the requested payment settlement date, not the date received.
- The bank account number and the routing transit number of the financial institution from which the withdrawal is being made must be included. (The routing number is the nine-digit number at the bottom of a check.) An e-filed return with an invalid routing number will be rejected.
- An ACH payment cannot be made from a foreign bank, i.e., not an IAT transaction.
- PaymentAmount on the FinancialTransaction should not be zero.
- An ACH payment must be less than $10 million.

7.3 Pay By Electronic Funds Transfer (ACH Credit or FedWire)

For electronic funds transfers, the payment date is the date that the ACH credit or FedWire is sent to the Department of Finance's bank.

Note that while ACH debits are taken when the return is filed, ACH credits and FedWire transfers must take place first, before the return is filed. If the taxpayer is paying via FedWire, they cannot submit the return until the FedWire transaction is complete and they have obtained the Trace Number, which must be entered on the return.

Please see the NYC Department of Finance website for a copy of the ACH Credit Record Layout or the FedWire Record Layout.

As a reminder, ACH credits may not be from a foreign bank, i.e., not an IAT transaction.

7.4 Account Numbers

Payment Method	NYC Dept of Finance Account Number	Routing Number
ACH Credit	9355930443	021000322
Fedwire	9355930443	026009593

7.5 Payment by Voucher

If the taxpayer chooses to pay their Balance Due via paper check or money order, they must complete and mail the NYC-200V and enclose their payment.

These forms should be produced when the return is completed. The software must populate all the fields, except the amount of the payment. The payment voucher should also include an electronic scan line. See Bulletin 9 for specifications. The voucher should be sent to NYC with the enclosed payment and nothing else attached. There is no need to write any additional

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information on the form, attach a copy of the return, or attach a letter of explanation. The effective date of the payment will be the postmark date.

Special note: If the taxpayer is filing electronically but paying the Balance Due via paper check or money order, the <PaymentEnclosed> tags should **not** be included in the submission xml, or, if included, the amount should be zero.

7.6 Rules for Direct Deposit of Refunds

New York City is allowing direct deposit of refunds. Software vendors should use the TIGERS FinancialTransaction schema for the necessary direct deposit information.

7.7 Other Payment Issues

The payment amount should not be greater than the balance due amount on the return.

7.7.1 Partial Payments

The New York City Department of Finance strongly recommends full payment at the time the return is e-filed. However, partial payment will be accepted. The taxpayer will be billed for the remainder amount owed with associated interest and penalties when the return if fully processed.

As a reminder, the extensions (e.g., NYC-EXT and NYC-EXT.1) are requests extending the due date to file returns. The taxpayer can be charged late filing and late payment penalties if the extension is not filed on time and properly estimated.

7.7.2 Post-Dated Payments

Money will not be withdrawn from any account before the date specified. If a weekend or bank holiday is designated, the payment will not be withdrawn until the next business day. The ACH settlement date cannot be more than 15 months beyond the due date.

7.7.3 Confirmation of Payment

The copy of the e-filed return that includes the electronic funds authorization and the bank statement that includes a New York City tax payment line item are the filer's confirmation that payment has been made.

Note: Once the e-filed return is accepted, the designated payment date cannot be changed and the payment cannot be cancelled.

7.8 Signature Requirements For E-Filed Returns

Signature Authorization Form:

- Taxpayers must complete the appropriate Signature Authorization Form and retain it with their files. Each tax type has its own specific form: NYC-579-BCT, NYC-579-GCT,

NYC-579-UBT, NYC-579-UBTI, NYC-579-EIN and NYC-579-EMP. *Do not include this form with the electronic submission.*

- The software vendor must ensure that their software enables printing of these Signature Authorization Forms.

- Taxpayer PIN:
  - Taxpayers must enter a Taxpayer PIN on the Signature Authorization Form. The software vendor must ensure that their software allows the taxpayer to enter a self-selected PIN and guide the taxpayer in providing their PIN to authorize the filing.
  - The Taxpayer PIN should be passed to NYC along with submission xml:
    - For GCT and UBT returns, the xsd path for TaxpayerPIN is: ReturnHeaderState/BusinessRepresentative/TaxpayerPIN
    - For UBTI returns, the xsd path for TaxPayerPIN is: ReturnHeaderState/Filer/Primary/TaxpayerPIN

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8.0 Additional Resources

8.1 Contacts and Telephone Numbers

Visit the Department of Finance website, www.nyc.gov/finance, for additional information.

8.1.1 New York City Resources

New York City Resources	Contact Information
Email contact	Contact Business Tax e-File
Corporation Tax Information	www.nyc.gov/finance
Inquiries for the hearing and speech impaired	Contact Business Tax e-File

8.1.2 IRS Resources

IRS Resources	Contact Information
IRS e-Filing Help Desk	1-866-855-0654
IRS Business Tax Inquiries	1-800-829-4933
IRS Website	www.irs.gov
IRS Forms and Publications	http://www.irs.gov/formspubs/index.html?portlet=3
IRS Modernized e-File User Guides and Publications	http://www.irs.gov/Tax-Professionals/e-File-Providers-&-Partners/Modernized-e-File-(MeF)-User-Guides-&-Publications

8.1.3 Other Resources

Other Resources	Contact Information
Federation of Tax Administrators (FTA)	http://www.taxadmin.org
Fed/State Requirements	http://www.statemef.com

8.2 New York City Publications

NYC Tax Publications link:

Information Bulletin No. 9: Guidelines and Specifications for the Reproduction of New York City Tax Forms by a Third Party

http://www.nyc.gov/html/dof/downloads/pdf/06pdf/infobull_9.pdf

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8.3 INTERNAL REVENUE SERVICE PUBLICATIONS

IRS Publication Link: http://www.irs.gov/formspubs/index.html

- *Publication 1345*, Handbook for Authorized IRS e-File Providers of Individual Income Tax Returns.
- *Publication 3112*, IRS e-File Application and Participation. Contains information about the roles of software developers, transmitters and electronic return originators. IRS has standardized the information for all e-file programs.
- *Publication 4162,* Modernized e-File Test Package for Forms 1120/1120-S/1120-F/7004. Contains the instructions and test case scenarios for software developers and transmitters to use for Assurance Testing System (ATS) of 1120/1120S. This publication also contains the instructions and test scenarios for Form 7004, Application for Automatic Extension of Time to File Corporation Income Tax Return.
- *Publication 4163,* Modernized e-File Information for Authorized IRS e-File Providers for Business Returns. Contains specific information applicable to 1120, 1120S, and 7004 e-file programs only.
- *Publication 4164,* Modernized e-File Guide for Software Developers and Transmitters. Contains the communication procedures, transmission formats, business rules, and validation procedures to be used by software developers and transmitters to develop software for filing 1120/1120S returns and 7004 extensions.
- *Publication 4505,* Modernized e-File Test Package for Forms 1065/1065B. Contains the instructions and test case scenarios for software developers and transmitters to use for Assurance Testing System (ATS) of 1065/1065B.

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