



2015

Personal Income Tax

Software Developer's Guide

A Guide for Form Vendors and Software Developers
of Massachusetts *Forms 2, 2-G & 3*

Tax Year 2015
Processing Year 2016

Note: This document based on **2015** forms

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Preface

This document is designed to help those individuals tasked with analyzing certain Commonwealth of Massachusetts, Department of Revenue (DOR) income tax forms in order to develop software used in the preparation and filing of those forms. The Software Developers guide is best used in conjunction with the published forms and instructions; it is not a substitute for those documents.

Enclosed are the specifications used to create 1 dimensional barcodes so that DOR will be able to read them. The Data Specifications section has information geared towards validating data. The Changes to Massachusetts Income Forms and Schedules section talks about changes made from the previous years forms and instructions. As this is a “living” document, you will find a Document Revision section that gives a brief outline of the changes made since its last publication. Also, a contact list is provided for anyone needing technical assistance. Note: these contacts can not offer any help in dealing with specific taxpayer issues. Follow this link for phone numbers of the various DOR help lines:

http://www.mass.gov/?pageID=dorterminal&L=3&L0=Home&L1=Tax+Professionals&L2=Help+%26+Resources&sid=Ador&b=terminalcontent&f=dor_help_direct&csid=Ador

1 Dimensional Barcode layout

The 1-D barcode of twelve characters plus leading and trailing asterisks is described here. (The Asterisks are not part of the 1-D value, but part of the Code 39 characteristics).

112233345555

| Field | Name | Characters | Value | Misc. |
|-------|-------------|------------|---|---|
| 1 | State ID | 2 | "MA" | |
| 2 | Year | 2 | "15" | |
| 3 | Form ID | 3 | Standard MASSTAX values. | See Table 1 for complete list of Form IDs |
| 4 | Page Number | 1 | Page number for form or schedule. | Physical page |
| 5 | Vendor ID | 4 | Four digit company ID assigned by NACTP | See Table 2 for complete list of Vendor codes |

The following are the **1-D parameters**:

- 1) Code 39 symbology
- 2) Twelve characters (not including the start and stop asterisk)
- 3) 2.5:1 wide narrow ratio
- 4) Height one inch
- 5) Length 2 1/2 inches.
- 6) An alphanumeric version of the 1-D barcode must appear in the exact position specified on the record layout. (see pdf for exact positioning)
- 7) "X" dimension (the narrowest bar and/or space) must be at least 1.5 pts (approximately 20 mils or 3/144 ")
- 8) Each bar in the barcode must be solid. Streaks in the barcode are unacceptable.
- 9) A 1/4" quiet zone around the barcode must be maintained (for 2003 the bottom edge can have one print line (approximately 3/16") of space below it). The top left anchor is the only exception.

The following barcode represents a potential 1-D barcode for the 2002 Form 1 (DOR hand-printed version).

MA020011M001

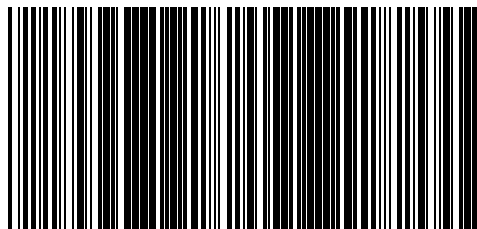


Table 1: Form ID

The Form ID column of the chart below is used in the Form ID section of the 1 Dimensional Barcode layout above.

| <u>Form</u> | <u>Form ID</u> | <u>Page No</u> |
|--------------------|-----------------------|-----------------------|
| Form 2 | 002 | |
| Form 3 pg 1 | 007 | 1 |
| Form 3 pg 2 | 007 | 2 |
| Form 3 pg 3 | 007 | 3 |
| Form 3 pg 4 | 007 | 4 |
| Form 3 pg 5 | 007 | 5 |
| Form 3 pg 6 | US7 | 1 |
| Form 3 pg 7 | US7 | 2 |
| Form 3 pg 8 | US7 | 3 |
| Form 3 pg 9 | US7 | 4 |
| Form 3 pg 10 | US7 | 5 |
| Form 2G | 028 | |
| Schedule 3K-1 | 3K1 | |
| Schedule B\R | BRE | |
| Schedule RFC | RFC | |
| Schedule LP | LPC | |
| Schedule EOAC | EOA | |
| Schedule FAF | FSH | |

Table 2: Vendor list with NACTP assigned vendor code

| Vendor Codes by Company Name | |
|---|------|
| 1099 Express | 1129 |
| 1099 Pro | 1094 |
| AA Services | 1098 |
| Aatrix Software, Inc | 1048 |
| Access Indiana | 1047 |
| Accounting and Computer Technology | 1133 |
| Accountware | 1049 |
| AD Computer Corp | 1118 |
| ADP, Inc | 1050 |
| Advantage Payroll Tax | 1084 |
| Alerio | 1127 |
| Alpine Data | 1011 |
| American Management Systems. Inc | 1012 |
| AME Software Products, INC. | 1090 |
| Anexsys | 1143 |
| Arthur Andersen | 1014 |
| ATX Forms | 1015 |
| Automation Technology Computing, Inc. | 1146 |
| Back to Basics | 1016 |
| Block Financial | 1017 |
| Business Software | 1018 |
| CCH Inc | 1019 |
| Ceridian Tax Services | 1051 |
| CFS Tax Software, INC. | 1086 |
| CPA Software | 1021 |
| C & S Technologies | 1096 |
| Comerford & CO, CPAs | 1106 |
| Compco Assoc | 1141 |
| Computerized Planning Systems | 1142 |
| Cougar Mountain Software | 1130 |
| Creative Solutions | 1022 |
| D & P Payroll | 1132 |
| D.A. Bailey & Sons Publishing Co., Inc. | 1052 |
| DPC, INC | 1137 |
| DPJ Software | 1144 |
| Data Technology Group | 1053 |
| Deloitte & Touche Tax Technologies | 1023 |
| Drake Enterprises | 1024 |
| Dunphy Systems, Inc | 1025 |
| EASI | 1105 |
| EG Systems | 1139 |
| ExacTax | 1026 |
| EZ Laser Software Division of Rahill, LLC | 1087 |
| Federal Liaison Services (FLS) | 1027 |
| Federation of Tax Administrators | 1028 |
| FileSafe, Inc. | 1126 |
| Fileyourtaxes.com | 1115 |

| | |
|----------------------------------|------|
| FinSys, Inc | 1134 |
| Fleet | 1078 |
| FormsPlus Software | 1123 |
| Freedom Group | 1140 |
| FreeTaxPrep.com | 1081 |
| Gardenville Community Center | 1055 |
| GaylerSmith | 1083 |
| Go Direct Mailing Services, Inc. | 1119 |
| Golden Rule Computer Systems | 1136 |
| GovConnect | 1110 |
| Grant Wood A.E.A. | 1131 |
| GTR Data, INC. | 1088 |
| H & R Block | 1029 |
| HD Vest | 1080 |
| Harbor Central.com | 1074 |
| Hatley Computer Company | 1056 |
| IDMS | 1107 |
| Imaging Business Machines | 1111 |
| Internet Tax Group | 1079 |
| Interpay | 1070 |
| Intuit | 1030 |
| J & M Business Service | 1138 |
| Jackson Hewitt Tax Service | 1031 |
| Jackson Insurance | 1073 |
| Lacerte Software Corp | 1032 |
| Lackner Group, Inc. | 1147 |
| LexisNexis | 1128 |
| Logicon | 1082 |
| MasterTax | 1122 |
| Medlin Accounting Shareware | 1092 |
| Micro Vision Software | 1057 |
| Microsoft | 1033 |
| Mitre Corp | 1072 |
| MYOB US | 1112 |
| NationTax Online | 1077 |
| Nelco | 1034 |
| Newport Wave , INC. | 1100 |
| No Limit Systems, LP | 1113 |
| NP Systems | 1104 |
| Orrtax | 1035 |
| PayChex | 1124 |
| Paycor | 1121 |
| PayCycle | 1114 |
| PC Software Accounting | 1089 |
| PDP Tax Service | 1036 |
| Parsons Technology | 1058 |
| Petz Enterprises, Inc. | 1037 |
| Plenary Systems, Inc. | 1097 |
| Price Waterhouse LLC | 1059 |
| PrimePay | 1148 |

| | |
|-------------------------------------|------|
| PRO Business | 1060 |
| RefundsNow/Republic Bank and Trust | 1116 |
| Rhodes Computer Software | 1038 |
| RIA | 1062 |
| Ron Callis CPA | 1063 |
| Sage BestSoftware | 1117 |
| Saxon Tax Software | 1076 |
| Second Story Software | 1064 |
| Spokane Computer, Inc. | 1093 |
| Stallion Software | 2601 |
| tax agency of New Mexico | 1135 |
| STF Service Corp | 1039 |
| Storen Tax Serice | 1145 |
| SunGard Bi Tech | 1125 |
| Suran Systems | 1108 |
| Tax Accounting Systems | 1103 |
| Taxbyte, Inc | 1041 |
| Tax Form Library | 1065 |
| Taxlink, Inc | 1066 |
| Tax Masters/Household Bank, FSB | 1042 |
| TaxShop | 1071 |
| Tax Simple, Inc. | 1067 |
| Taxware Systems | 1068 |
| Taxworks by Laser Systems | 1043 |
| Teamstaff, Inc/DSI Payroll Services | 1091 |
| TFP Data Systems | 1095 |
| TK Publishing, Inc | 1044 |
| Tri Tech Software Dev Corp | 1069 |
| Universal Software Solutions | 1102 |
| Universal Tax Systems, Inc | 1045 |
| VT State Housing Authority | 1085 |
| Versatile Group | 1099 |
| Vertex, Inc. | 1120 |
| Visual Forms | 1100 |
| AD Computer Corp. | 1118 |

Vendor Codes by Assigned Number

| | |
|---|------|
| Alpine Data | 1011 |
| American Management Systems. Inc | 1012 |
| Arthur Andersen | 1014 |
| ATX Forms | 1015 |
| Back to Basics | 1016 |
| Block Financial | 1017 |
| Business Software | 1018 |
| CCH Inc | 1019 |
| CPA Software | 1021 |
| Creative Solutions | 1022 |
| Deloitte & Touche Tax Technologies | 1023 |
| Drake Enterprises | 1024 |
| Dunphy Systems, Inc | 1025 |
| ExacTax | 1026 |
| Federal Liaison Services (FLS) | 1027 |
| Federation of Tax Administrators | 1028 |
| H & R Block | 1029 |
| Intuit | 1030 |
| Jackson Hewitt Tax Service | 1031 |
| Lacerte Software Corp | 1032 |
| Microsoft | 1033 |
| Nelco | 1034 |
| Orrtax | 1035 |
| PDP Tax Service | 1036 |
| Petz Enterprises, Inc. | 1037 |
| Rhodes Computer Software | 1038 |
| STF Service Corp | 1039 |
| Taxbyte, Inc | 1041 |
| Tax Masters/Household Bank, FSB | 1042 |
| Taxworks by Laser Systems | 1043 |
| TK Publishing, Inc | 1044 |
| Universal Tax Systems, Inc | 1045 |
| Access Indiana | 1047 |
| Aatrix Software, Inc | 1048 |
| Accountware | 1049 |
| ADP, Inc | 1050 |
| Ceridian Tax Services | 1051 |
| D.A. Bailey & Sons Publishing Co., Inc. | 1052 |
| Data Technology Group | 1053 |
| Gardenville Community Center | 1055 |
| Hatley Computer Company | 1056 |
| Micro Vision Software | 1057 |
| Parsons Technology | 1058 |
| Price Waterhouse LLC | 1059 |
| PRO Business | 1060 |
| RIA | 1062 |
| Ron Callis CPA | 1063 |
| Second Story Software | 1064 |

| | |
|---|------|
| Tax Form Library | 1065 |
| Taxlink, Inc | 1066 |
| Tax Simple, Inc. | 1067 |
| Taxware Systems | 1068 |
| Tri Tech Software Dev Corp | 1069 |
| Interpay | 1070 |
| TaxShop | 1071 |
| Mitre Corp | 1072 |
| Jackson Insurance | 1073 |
| Harbor Central.com | 1074 |
| Eastman Kodak | 1075 |
| Saxon Tax Software | 1076 |
| NationTax Online | 1077 |
| Fleet | 1078 |
| Internet Tax Group | 1079 |
| HD Vest | 1080 |
| FreeTaxPrep.com | 1081 |
| Logicon | 1082 |
| GaylerSmith | 1083 |
| Advantage Payroll Tax | 1084 |
| VT State Housing Authority | 1085 |
| Stallion Software | 2601 |
| CFS Tax Software, INC. | 1086 |
| EZ Laser Software Division of Rahill, LLC | 1087 |
| TFP Data Systems | 1095 |
| GTR Data, INC. | 1088 |
| PC Software Accounting | 1089 |
| AME Software Products, Inc. | 1090 |
| Teamstaff, INC./ DSI Payroll Services | 1091 |
| Medlin Accounting Shareware | 1092 |
| Spokane Computer, INC. | 1093 |
| 1099 PRO | 1094 |
| C & S Technologies | 1096 |
| Plenary Systems, Inc. | 1097 |
| AA Services | 1098 |
| Versatile Group | 1099 |
| Visual Forms | 1100 |
| Newport Wave, Inc. | 1101 |
| Universal Software Solutions | 1102 |
| Tax Accounting Systems | 1103 |
| NP Systems | 1104 |
| EASI | 1105 |
| Comerford & CO, CPAs | 1106 |
| IDMS | 1107 |
| Suran Systems | 1108 |
| Business Software, INC. | 1109 |
| GovConnect | 1110 |
| Imaging Business Machines | 1111 |
| MYOB US | 1112 |
| No Limit Systems, LP | 1113 |

| | |
|---|------|
| PayCycle | 1114 |
| Fileyourtaxes.com | 1115 |
| RefundsNow/ Republic Bank and Trust | 1116 |
| Sage BestSoftware | 1117 |
| AD Computer Corp. | 1118 |
| GO Direct Mailing Services, Inc. | 1119 |
| Vertex, Inc. | 1120 |
| Paycorp | 1121 |
| Master Tax | 1122 |
| FormsPlus Software | 1123 |
| PayChex | 1124 |
| SunGard Bi Tech | 1125 |
| FileSafe, Inc. | 1126 |
| Alerio | 1127 |
| LexisNexis | 1128 |
| 1099 Express | 1129 |
| Cougar Mountain Software | 1130 |
| Grant Wood A.E.A | 1131 |
| D & P Payroll Service | 1132 |
| Accounting and Computer Technology | 1133 |
| Finsys, INC | 1134 |
| State of NM | 1135 |
| Golden Rule Computer Systems | 1136 |
| DPC, Inc | 1137 |
| J&M Business Service | 1138 |
| EG Systems | 1139 |
| Freedom Group | 1140 |
| Compco Associates | 1141 |
| Computerized Planning Systems | 1142 |
| ANEXSYS | 1143 |
| DPJ Software | 1144 |
| Storen Tax Service | 1145 |
| Automation Technology Computing, Inc | 1146 |
| Lackner Group, INC | 1147 |
| PrimePay | 1148 |
| BVS Corp | 1149 |
| Independent Systems and Programming, Inc. | 1150 |
| Reynolds and Reynolds | 1151 |
| Watauga Medical Center | 1152 |
| VB Systems | 1153 |
| HJP Associates, INC. | 1154 |

Portable Document Format - PDF Files

Please include this setting in all instructions to the user for printing a tax return. When saving a form in PDF format, the ADOBE reader defaults to fit or shrink to printable area. When this happens, the 1D barcode can become unreadable. There is a setting in the PDF specifications that can be set in each file that will force the document to print without being shrunk. When using PDF files to save and/or print tax returns, the following PDF Viewer Preferences or properties must be set by the vendor application:

PrintScaling = None

Duplex = Simplex.

The standard Adobe Reader when installed, defaults to Page Scaling set to “shrink to printable area” causing all documents to be scaled. This causes two problems: 1.) 1D barcodes become unreadable and 2.) Fixed location printing is shifted and also becomes unreadable.

Setting the PrintScaling property to none will override the local setting and force the document to print without scaling.

Setting the Duplex property to Simplex will override local settings and force the documents to be printed single sided.

These settings are explained in section 8.1, Viewer Preferences, page 577 of the following manual:

PDF Reference sixth edition Adobe®
Portable Document Format Version 1.7 November 2006
Adobe Systems Incorporated

This document can be found at:

http://www.aiim.org/documents/standards/pdf/Pdf_reference_1-7.pdf

The following are excerpts from that manual.

PrintScaling The page scaling option to be selected when a print dialog is displayed for this document. Valid values are None, which indicates that the print dialog should reflect no page scaling, and AppDefault, which indicates that applications should use the current print scaling. If this entry has an unrecognized value, applications should use the current print scaling. Default value: AppDefault. Note: If the print dialog is suppressed and its parameters are provided directly by the application, the value of this entry should still be used.

Duplex - The paper handling option to use when printing the file from the print dialog. The following values are valid:

Simplex - Print single-sided

DuplexFlipShortEdge - Duplex and flip on the short edge of the sheet

DuplexFlipLongEdge - Duplex and flip on the long edge of the sheet

Changes to forms and schedules for 2015

General

See specific form booklets for detailed line item instructions. The instructions and forms can be found on the DOR web site. Also consult the DOR web site for late legislative updates. New schedule added for 2015, Schedule FAF – Farming and Fisheries Credit

Form 2

Farming and Fisheries Credit.(see TIR 14-13)

Form renumbered accordingly

The form is now 4 pages.

Tax rate change to 0.0515

Form 2G

None

Schedule B/R

None

Form 3

Farming and Fisheries Credit.(see TIR 14-13). Line 47J

Schedule 3K-1

Farming and Fisheries Credit.(see TIR 14-13) Line 5J

The Refundable Film, Refundable Dairy, Refundable Conservation, Refundable Community Investment and Total Credits all were moved to the second page.

Schedule LP

None

Schedule RFC

Note: This schedule is still required for filers of these forms. Only Corporate filers no longer require this schedule. See Massachusetts Department of Revenue web site for more information. Line 5 has been removed.

Schedule EOAC

None

Schedule FAF

Please submit as many as necessary to fulfil your filing requirements.

Data Specifications

General

See Technical Information Release TIR-04-30 for information on Electronic Filing requirements for Fiduciary and Partnership Taxpayers. Failure to abide by the aforementioned provisions set forth in TIR 04-30 may result in the assessment of penalties.

All forms and schedules are to have dollar amounts as "Whole Dollar" only.

Name and Address data

Having correct and complete name and address data is always a concern with the department.

Please refer to 'Postal Addressing Standards' document at

<http://pe.usps.gov/cpim/ftp/pubs/Pub28/Pub28.pdf>

If the address is a foreign address, include the text FC in the State field and zeros in the ZIP field.

See '2011 Personal Income Tax Software Developer's Guide' – Taxpayer Registration Rules for examples.

Timestamp

There are times when a taxpayer's return is created over a period of time. If the return is printed at different times, sometimes an update will not be reflected in the document that the department receives. This can become problematic when data flows from one page to another. To be sure that the department has the most up to date and complete return, the print date and time should be printed on the bottom of every page of every document of the return. Date format is discretionary upon the vendor. The location is to be at row 61, beginning at column 15. There must not be a user option to shut the timestamp off. No printing is allowed below row 61. Printing below row 61 has a negative impact on reading the forms and schedules.

Vendor Reserved

For internal purposes, the vendor may choose to print company name, an identification number, control number, version number, etc. on the form or schedule. Row 61 between columns 45 and 75 may be used for this purpose. When trying to research a problem, some vendors have found this information helpful.

Form 2

TIR 03-11 required fiduciaries filing Form 2 with total Part A, Part B, and Part C net taxable income (as defined in G.L. c. 62, § 2(b)) of \$50,000 or more to pay electronically, as of January 1, 2004; this threshold was to be lowered to \$30,000 and the requirement that such returns be filed electronically was to be added as of January 1, 2005. The Commissioner hereby postpones the change in threshold; the threshold at or above which fiduciaries must pay electronically remains \$50,000. In addition, the Commissioner postpones the requirement that fiduciary returns above the threshold be filed electronically. Fiduciaries who are at or above the \$50,000 threshold (total Part A, Part B, and Part C net taxable income on Form 2) must continue to use electronic means to make any payments to the Department. Chapter 262 of the Acts of 2004 (chapter 262) modified the tax treatment of trusts, effective for taxable years beginning on or after January 1, 2005, by imposing the tax on income for certain trusts at the beneficiary level, rather than at the trust level. While income included in the gross income of a beneficiary by reason of Internal Revenue Code sections 652 or 662 will be taxed at the beneficiary level, trusts with accumulated income or capital gains will continue to file Form 2 and pay taxes on the trust income at the trust level. See TIR 04-23 for more information on chapter 262 and the changes in taxation of fiduciaries.

The Period, that is the year beginning and ending date, must not span more than 12 months.

For returns prepared by someone other than the taxpayer, Preparer Name, phone & either PTIN/SSN or EIN must be included prior to printing the return.

The size of the Account Number field is 11 bytes in length.

Credits must be documented as required. That is, a certificate number or a supporting schedule must accompany certain credits or else the credit will be disallowed. EDIP and EOAC credit line (line 44) is now two check boxes with the dollar amount the sum of both amounts. If EDIP is checked, then the EDIP Certificate number MUST be included. If EOAC is checked, Schedule EOAC MUST be included.

If the taxpayer has a credit recapture, the total dollar amount is entered on line 39, as well as the requisite bubbles filled in.

See TIR-10-11 for details on the Additional Tax on Installment Sales.

Form 2-G

The Period, that is the year beginning and ending date, must not span more than 12 months.

For returns prepared by someone other than the taxpayer, Preparer Name, phone & either PTIN/SSN or EIN must be included prior to printing the return.

Schedule B/R

Legal Domicile is a 2 byte field that is the 2 character USPS State abbreviation.

The Beneficiary and Remaindermen fields are on the same line as Legal Domicile.

Form 3

Annual partnership information returns (Forms 3) are required under G.L. c. 62C, §§ 6 and 7.

Partnerships must also submit Schedules 3K-1, explaining each partner's distributive share, to the Department and to each partner.

The Department of Revenue announced in TIR 03-11 the requirement that, as of January 1, 2005, partnerships at or over the partnership E-file income threshold or loss threshold, or with 25 or more partners, must submit all Forms 3 and Schedules 3K-1 to the Department by electronic means. The partnership income threshold is reached when the partnership has, in one tax year, (1) \$50,000 or more in gross income, including (but not limited to) gross receipts from a trade or business, gross income from the sale or rental of real or tangible personal property, or from royalties, interest, or dividends; or (2) \$100,000 or more received from the sale of stock and securities. The partnership loss threshold is reached when the partnership has, in one tax year, (1) \$50,000 or more in ordinary loss from trade or business activities; or (2) \$100,000 or more in losses from the sale of stock and securities.

The Period, that is the year beginning and ending date, must not span more than 12 months.

For returns prepared by someone other than the taxpayer, Preparer Name, phone & either PTIN/SSN or EIN must be included prior to printing the return.

Additional tax associated with an installment sales. See TIR-10-11 for details.

Credits found on Form 3 represent the GROSS amount of each credit that is associated with the Partnership. Certificate numbers are the original numbers assigned to the Partnership. EDIP and EOAC credit line (line 47c) is now two check boxes with the dollar amount the sum of both amounts. If EDIP is checked, then the EDIP Certificate number MUST be included. If EOAC is checked, Schedule EOAC MUST be included.

All 10 pages are required. Take special note of the 1D barcode values for pages 6 through 10 in Table 1.

Schedule 3K-1

The Name and SSN are required for each partner.

Credits must be documented as required. That is, a certificate number or a supporting schedule must accompany certain credits or else the credit will be disallowed.

The credits on the 3K-1 are the Partner's share (if any) of the credits accumulated by the Partnership. New certificate numbers must be assigned to the Partner's share of the credit. The Partnership has the responsibility of getting the new certificate numbers and getting that information to the Partner. Certificate Numbers are not found on the 3K-1. (They must be included when filing the tax return of the Partner) EDIP and EOAC credit line (line 5c) is now two check boxes with the dollar amount the sum of both amounts

Schedule LP

This schedule must be included in the return or the Lead Paint Credit will be disallowed.

Multiple schedules may be submitted as required.

The license number of the contractor who performed the de-leading must be included.

There is a limit of \$1,500 credit per de-leaded dwelling per year.

Schedule RFC

This schedule must be included in the return or the Refundable Film Credit will be disallowed.

Multiple schedules may be submitted as required.

Schedule EOAC

This schedule must be included in the return or the Economic Opportunity Area Credit will be disallowed.

Multiple schedules may be submitted as required.

Making Payments - Form 2 only

See below, "Other Resources": Computer-Generated Payment voucher. Also, to make online payments (preferred method), including scheduling payments, taxpayers should visit The Massachusetts Department of Revenue's secure web page www.mass.gov/dor/payonline

Vendors should include the above url, with appropriate text encouraging online payments, on the top half of the paper Payment Voucher. If appropriate, where vendor software discusses payments, please include text and the url above in order to encourage online payments.

Vendor requirements for passing certification testing

DOR does acknowledge that not every vendor can maintain the same level of sophistication in terms of what types of tax scenarios its software can handle. DOR takes a fiduciary responsibility to the taxpayers in certifying a vendor as acceptable. DOR does expect vendors to provide the highest possible quality in the areas of appearance, functionality and accuracy in delivering their product to the market place.

See Massachusetts Department of Revenue Publication 'Handbook for Reproduction of Non-Scannable Department of Revenue Forms' Section 1.3 for guidance regarding who needs to pass certification testing. To paraphrase: Any company that develops and uses substitute Massachusetts Department of Revenue forms **MUST** get approval from the Department. If the company develops substitute tax forms using its own tax software; develops tax software programs to be used with substitute tax forms developed by another company; or, develops substitute tax forms for other companies to use with their tax software.

The company must have forms reviewed annually prior to release of the substitute forms. For those vendors passing certification, they must provide a copy of their DOR Approval letter to tax practitioners or other vendors who sell the products of tax software developers who design substitute tax forms. (See also, Section 1.4 of 'Handbook for Reproduction of Non-Scannable Department of Revenue Forms')

If a company chooses to release software to their customers (tax payer or tax practitioner) prior to being approved by the DOR, the company must adhere to the following criterion:

- A watermark with the text of "**DRAFT FORM: DO NOT FILE**" must be printed across all pages of the form(s)

- The watermark must be printed in black only

- The watermark must be at least tall enough to encompass two printed lines

- The watermark must be located such that the taxpayer name and address are obliterated. For forms where there is no name and address area, the vendor may place the watermark anyplace common sense would dictate.

- The consumer must not have a way to shut off the watermark feature

- The software must prohibit returns created with unapproved software from being filed electronically

- Once approved, a software patch should remove any watermarks and filing prohibitions.

Vendors are encouraged to submit test samples early to avoid approval delays. DOR will make every effort to review and approve forms within 10 days of receipt. See contact list to learn where to submit test forms.

Each page has a unique 1-D barcode that the imaging recognition software uses to identify each page.

Fixed (exact) Positioning

DOR requires exact positioning for all data elements on all forms and schedules for certification. Certification status will be posted on the DOR's web site at

<http://www.mass.gov/dor>

All optical scanner enabled forms are required to have anchors. The anchors must be placed in accordance with the department's exact positioning requirements for that form. Each form must contain the exact number of tax data fields, taxpayer ID fields, line items, optical mark fields and keying symbols as the state issued form. The location of all OCR-readable fields must appear in the exact location as specified in the record layout. Those returns not following the exact positioning requirements will be given a lower priority than those following the requirements. DOR has an Imaging based automatic data capture system in place. Image based technology requires exact positioning for data to be captured

Text

- Vendors may limit descriptions for captions and lines required by the official form or schedule to one print line on the substitute form or schedule by using abbreviations and contraction and by omitting articles and prepositions. The substitute schedule must retain sufficient key words, however, to permit ready identification of the caption, line or item. See Massachusetts Department of Revenue Publication 'Handbook for Reproduction of Non-Scannable Department of Revenue Forms' Section 3 for more information.
- Text found on the transparent films and online grids are for illustration purposes only. Vendors are encouraged to be as brief or verbose as space and reason permits.

Anchors

- Four anchors, one in each corner, must be present on all pages.
- Anchors must be in the exact same location on all pages and must be in the exact location specified in the transparent films sent to each vendor.
- Each anchor must consist of an angle bar formed by the intersection of one horizontal and one vertical line. Line thickness should be 3 points (3/72"). Line length should be 1/4".
- No solid, filled (black) area should be with 2cm (approximately 3/4") of any anchor.

Data Entry Keying marks

- Data Entry keying symbols must be produced where applicable. If you are unable to reproduce an arrow, you may substitute a bullet.

Optical Mark Fields

- A single upper case "X" must be used to indicate a response in an optical mark field.
- No underlining or enclosing of optical mark fields.
- One blank character space must immediately proceed and follow an optical mark field.
- If a field is not applicable, it must be left blank.

Negative Amounts

- Negative amounts or losses must be preceded by a minus sign ("-").
- Use of parentheses or "X" boxes (as found on the official Department produced version of the forms) is not acceptable.
- Language regarding the use of "X" boxes must not be printed on the substitute forms.

Dollar Amounts

- Punctuation is prohibited in money amount fields. No Dollar signs (\$), commas (,) or decimal points (.).
- Text is prohibited in money amount fields. Do not allow “None” or any such message to be keyed into a money amount field. Empty fields should be left blank.

Signature Area

- Taxpayer signature and paid preparer information and signature area must be formatted in the same manner as the official Department form.
- Underlining is permitted only in the area allotted for the taxpayer’s, spouse’s and paid preparer’s signatures.

Privacy Act Notice

- “Privacy Act Notice available upon request” verbiage must appear on page 1 of the return. The verbiage should appear where indicated on the transparent films provided to the vendors. If need be, the verbiage may be printed elsewhere, provided that it not interfere with any OCR fields. The Privacy Act Notice must be made available to the software user by the software developer. It may be presented in either printed “hard-copy” or software “soft-copy” formats.
- The text of the Privacy Act Notice is as follows:

Under the authority of 42 U.S.C. sec. 405© (2) ©(i), and M.G.L. c. 62C, sec. 5, the Department of Revenue has the right to require an individual to furnish his or her Social Security number on a state tax return. This information is mandatory. The Department of Revenue uses Social Security number for taxpayer identification to assist in processing and keeping track of returns and in determining and collecting the proper amount of tax due. Under M.G.L. c. 62C, sec. 40, the taxpayer’s identifying number is required to process a refund of overpaid taxes. Although tax return information is generally confidential pursuant to M.G.L. c. 62C, sec. 21, the Department of Revenue may disclose return information to other taxing authorities and those entities specified in M.G.L. c. 62C. secs. 21, 22 or 23 and as otherwise authorized by law.

The department's acceptance criteria are as follows.

- Can we read the 1-D barcode?
- Is the 1-D barcode correct per page?
- Is the 1-D barcode correctly sized and located?
- Using the transparent films provided to the vendors, do anchors and fields on the test samples line up to the films, within REASONABLE tolerances?
- Transparent films will only be supplied upon request.

Submitting test data

- Exact positioning tests may be submitted via email.
- Beginning with the first submission, and going back and forth between the department and the vendor until final approval, a cover sheet must be provided that gives a quick view of what is being submitted and the most up to date status. DOR will return the cover sheet and update as required. When testing has been completed successfully, the cover sheet will be returned as a final confirmation to what has been accepted by the department.
- Vendors are free to format their own cover sheets as they see fit. Included must be contact information, forms and schedules being submitted and which testing is to be performed.

See appendix A for samples of a cover sheet in use.

Non-Image enabled forms with anchors and a 1-D barcode

Schedule BC – Brownfields Credit is an example; there is no 2D barcode, nor is there a “grid” layout of the schedule. The department wants to be able to name the document when we encounter it. We do that using the 1-D barcode and the anchors.

- 1 Code: 39 symbology
- 2 12 characters
- 3 Ratio: 2.5:1 wide narrow
- 4 Height: 5/16 inch
- 5 Length: 2 ½ inches
- 6 “X” dimension (the narrowest bar and/or space) must be at least 1.5 pts (approximately 20 mils or 3/144 “)
- 7 Each bar in the barcode must be solid. Streaks in the barcode are unacceptable.
- 8 Quiet zone restrictions are relaxed.
- 9 Margin restrictions are relaxed for the anchors and 1D barcode
- 10 Print area restrictions are relaxed for the anchors and 1D barcode
- 11 See Anchors (above) for those characteristics. The exception is location.
- 12 The top left corner of the 1D barcode is on Bottom of Row 1, Left of Column 15
- 13 Top Left anchor's top left corner is on Top of Row 4, Left of Column 7
- 14 Top Right anchor's top right corner is on Top of Row 4, Right of Column 79
- 15 Bottom Left anchor's bottom left corner is on Bottom of Row 63, Left of Column 7
- 16 Bottom Right anchor's bottom right corner is on Bottom of Row 63, Right of Column 79

Massachusetts DOR Contact List

Kara Tempesta
ISO 3rd floor – Scannable Forms Acceptance
200 Arlington St.
Chelsea MA 02150
Tempestak@dor.state.ma.us
617-887-5172

Backup:
Donald McColgan
ISO 3rd floor – Scannable Forms Approval
Backup
200 Arlington St
Chelsea MA 02150
mccolgand@dor.state.ma.us
617-887-5624

NOTE:

*It is imperative that all **SCANNABLE** fiduciary & partnership tax form samples be sent to the address at the immediate left hand side. All **SCANNABLE** fiduciary & partnership tax form samples sent to this address are prioritized.*

*Any **SCANNABLE** fiduciary & partnership tax form sample that is sent to any other Mass DOR mailing address will be subject to delays in form testing/approval*

Creaghan Trainor
Publishing Services – Forms Design
100 Cambridge St.
Boston MA 02210
trainorc@dor.state.ma.us
617-626-2812

NOTE:

*It is imperative that all **NON-SCANNABLE** fiduciary & partnership tax form samples be sent to the address at the immediate left hand side. All **NON-SCANNABLE** fiduciary & partnership tax form samples sent to this address are prioritized.*

*Any **NON-SCANNABLE** fiduciary & partnership tax form sample that is sent to any other Mass DOR mailing address will be subject to delays in form testing/approval*

These contacts can not offer any help in dealing with specific taxpayer issues. Follow this link for phone numbers of the various DOR help lines:
http://www.mass.gov/?pageID=dorterminal&L=3&L0=Home&L1=Tax+Professionals&L2=Help+%26+Resources&sid=Ador&b=terminalcontent&f=dor_help_direct&csid=Ador

Communication

The preferred method is via e-mail. It falls upon the sender of the email to include their own backup person as a 'CC' recipient. The subject line should include (at a minimum) the vendor id number and reason for the communication such as 'Schedule HC question' or 'Testing clarification'. Do not include any personal information such as social security number of you or any customer or client.

To: smith@xyz.com

Cc: jones@xyz.com;
Tempesta, Kara <tempestak@dor.state.ma.us>;
McColgan, Donald; mccolgand@dor.state.ma.us.

Subject: RE: Vendor 1234 - XYZ Corp of America. Schedule C question.

Other resources:

The National Association of Computerized Tax Processors (NACTP) website <http://www.nactp.org/>. The 'Computerized Industry Standards' document is particularly helpful.

Federation of Tax Administrators (FTA) website <http://www.taxadmin.org/>. The 2-D Barcode Standards document is a good starting point for those vendors taking their first steps into 2-D barcode technology.

Massachusetts Department of Revenue website <http://www.dor.state.ma.us/>. Refer to the site map to help find draft and final versions of the latest forms and schedules as well as other helpful information.

Information relevant to the production of payment vouchers and extensions, including scan-line specifications and sample forms, can be found in the '2012 Payment Voucher and Extensions Software Developer's Guide' and '2012 Tax Payment Voucher and Extension Forms' (see <http://www.mass.gov/dor/tax-professionals/software-developers/paper-1d-and-2d-barcode/>)

United States Postal Service website <http://www.usps.com/>. Please refer to the 'Postal Addressing Standards' document at <http://pe.usps.gov/cpim/ftp/pubs/Pub28/Pub28.pdf>

Taxpayers can obtain an ITIN by completing and filing Form W-7, which is available at the Internal Revenue Service website www.irs.gov or by contacting the IRS at (800) 829-1040.

TIR 08-11: An Act Relative to Tax Fairness and Business Competitiveness. The act institutes "Unitary Combined Reporting" for multi-state corporations and also adopts business entity classification rules that broadly conform to the Federal "check-the-box" rules. Although the act is for tax years beginning on or after January 1, 2009, how it affects 2008 filings has yet to be determined. Please check the Massachusetts Department of Revenue website frequently for the most up-to-date information on this matter. TIR 09-18 has information related to the filing requirements of the unitary returns.

(Note: website addresses current as of 07/27/2009)

Document Revisions

Updates to this document will be posted to DOR's Web site <http://www.mass.gov/dor> on Friday afternoons. Please check for updates over the weekend or on Monday mornings to ensure that you have the most current document.

This page is included to track changes between published revisions of this document.

| Rev Number | Date | Revision |
|-------------------|-------------------|---|
| 2015-1.0 | 10/05/2015 | Begin updated for annual changes |
| | | Form 2 Page 2 Line 22 & 38: tax rate change to 0.0515 |
| | | Form 3 page 5 Farming and Fisheries Credit is new. |
| 2015-1.1 | 10/27/2015 | Added TIR 14-13 reference for Farming and Fisheries Credit |
| | 10/28/2015 | Form 2 is now a 4 page form. |
| | | Added Farm and Fisheries Credit to Form 2, Form 3 & Schedule 3K-1 |
| | | Schedule FAF – Farming and Fisheries Credit schedule added |
| | | |
| 2015-2.0 | 12/21/2015 | Removed DRAFT |

Appendix A

Initial Submission

Massachusetts Department of Revenue

Mrs. Kara Tempesta

200 Arlington St

Chelsea MA 02150

(617) 887-5172

tempestak@dor.state.ma.us

or

Mr. Donald McColgan

mccolgan@dor.state.ma.us

(617) 887-5624

XYZ Corp of America Vendor # 1234

Product: Awesome Software 4U

Contact: Mr. Stanley Smith

2 Main St

Anytown, OR 10102

(123) 222-1234

smith@xyz.com

or

Mr. James Jones

(123) 222-1233

jones@xyz.com

| Forms and Schedules | Tests to be performed | | | | Results / Action |
|---------------------|---|----|------------|------------------|--|
| | √ = To be tested P = Successful test | | | | Successful Result, Error, Retest, Did Not Submit, Accepted Form |
| | Exact Positioning | 1D | 2D data | Not supported | |
| Form 1 | √ | √ | | | |
| Schedule B | √ | √ | | | |
| Schedule C | √ | √ | √ | | |
| Schedule D | √ | √ | √ | | |
| Schedule E | | | | √ | |
| Schedule CB | √ | √ | √ | | |
| Schedule INC | | | | | D.N.S. |
| Schedule X/Y | | | | | D.N.S. |
| Schedule Z/DI | | | | | D.N.S. |
| Form 1NRPY | | | | | D.N.S. |
| Schedule NTSL/NR | | | | | D.N.S. |
| | | | | | |
| Notes | Development is incomplete. Schedules with a DNS status will be submitted next week. - Stan | | | | |

Test Results

Massachusetts Department of Revenue

Mrs. Kara Tempesta

200 Arlington St

Chelsea MA 02150

(617) 887-5172

tempestak@dor.state.ma.us

or

Mr. Donald McColgan

mccolgan@dor.state.ma.us

(617) 887-5624

XYZ Corp of America Vendor # 1234

Product: Awesome Software 4U

Contact: Mr. Stanley Smith

2 Main St

Anytown, OR 10102

(123) 222-1234

smith@xyz.com

or

Mr. James Jones

(123) 222-1233

jones@xyz.com

| Forms and Schedules | | Tests to be performed | | | | Results / Action |
|---------------------|--|--|----|------------|------------------|--|
| | | √ = To be tested P = Successful test | | | | Successful Result, Error, Retest, Did Not Submit, Accepted Form |
| | | Exact Positioning | 1D | 2D data | Not supported | |
| Form 1 | | P | P | | | Success Exact / 1D |
| Schedule B | | P | √ | | | Success Exact / Error 1D |
| Schedule C | | P | P | √ | | Success Exact & 1D Error 2D (see report) |
| Schedule D | | P | P | P | | Accepted |
| Schedule E | | | | | √ | |
| Schedule CB | | √ | √ | √ | | Did Not Submit |
| Schedule INC | | | | | | D.N.S. |
| Schedule X/Y | | | | | | D.N.S. |
| Schedule Z/DI | | | | | | D.N.S. |
| Form 1NRPY | | | | | | D.N.S. |
| Schedule NTSL/NR | | | | | | D.N.S. |
| Notes | | Schedule B – 1D barcode value had 2007 year, should be 2008 | | | | |
| | | Schedule CB did not accompany the test package as indicated - Kara | | | | |

Resubmission

Massachusetts Department of Revenue

Mrs. Kara Tempesta

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Chelsea MA 02150

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or

Mr. Donald McColgan

mccolgan@dor.state.ma.us

(617) 887-5624

XYZ Corp of America Vendor # 1234

Product: Awesome Software 4U

Contact: Mr. Stanley Smith

2 Main St

Anytown, OR 10102

(123) 222-1234

smith@xyz.com

or

Mr. James Jones

(123) 222-1233

jones@xyz.com

| Forms and Schedules | | Tests to be performed | | | | Results / Action |
|---------------------|--|--|----|------------|------------------|--|
| | | √ = To be tested P = Successful test | | | | Successful Result, Error, Retest, Did Not Submit, Accepted Form |
| | | Exact Positioning | 1D | 2D data | Not supported | |
| Form 1 | | P | P | √ | | |
| Schedule B | | P | √ | | | Retest 1D |
| Schedule C | | P | P | √ | | Success Exact & 1D Error 2D (see report) |
| Schedule D | | P | P | P | | Accepted |
| Schedule E | | | | | √ | |
| Schedule CB | | √ | √ | √ | | |
| Schedule INC | | | | | | D.N.S. |
| Schedule X/Y | | | | | | D.N.S. |
| Schedule Z/DI | | | | | | D.N.S. |
| Form 1NRPY | | | | | | D.N.S. |
| Schedule NTSL/NR | | | | | | D.N.S. |
| Notes | | Schedules CB is attached this time. Retest 1D value for Sched B. We are still looking at Sched C error report. 2D test for Form-1 is included. DNS are still on track for submission next week. - Stan | | | | |

Final Results

Massachusetts Department of Revenue

Mrs. Kara Tempesta

200 Arlington St

Chelsea MA 02150

(617) 887-5172

tempestak@dor.state.ma.us

or

Mr. Donald McColgan

mccolgan@dor.state.ma.us

(617) 887-5624

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Product: Awesome Software 4U

Contact: Mr. Stanley Smith

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| Forms and Schedules | | Tests to be performed | | | | Results / Action |
|---------------------|--|---|----|------------|------------------|--|
| | | √ = To be tested P = Successful test | | | | Successful Result, Error, Retest, Did Not Submit, Accepted Form |
| | | Exact Positioning | 1D | 2D data | Not supported | |
| Form 1 | | P | P | P | | Accepted |
| Schedule B | | P | P | P | | Accepted |
| Schedule C | | P | P | P | | Accepted |
| Schedule D | | P | P | P | | Accepted |
| Schedule E | | | | | √ | |
| Schedule CB | | P | P | P | | Accepted |
| Schedule INC | | P | P | P | | Accepted |
| Schedule X/Y | | P | P | P | | Accepted |
| Schedule Z/DI | | P | P | P | | Accepted |
| Form 1NRPY | | P | P | P | | Accepted |
| Schedule NTSL/NR | | P | P | P | | Accepted |
| | | | | | | |
| Notes | Have a successful filing season - Kara | | | | | |
| | | | | | | |