



# Part 1 - 2017 Personal Income Tax Software Developer's Guide

A Guide for Form Vendors and Software Developers  
of Massachusetts Forms 1 & 1-NR/PY

Tax Year 2017  
Processing Year 2018

**DRAFT**

Note: This document is based on 2017 forms

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Because of sizing issues, the data layouts are a separate document.

## Preface

This document, parts one and two, 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 and 2 dimensional barcodes so that DOR will be able to read them. Part two of this document outlines the order and type of data expected in the various 2 dimensional barcodes.

The Data Specifications section of part 1 has information geared towards validating data. The Changes to Massachusetts Income Forms and Schedules section of part 1 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/dor/dor-directory.html>

## Introduction

The Department of Revenue will be accepting 2-D barcodes on the Massachusetts Resident Income Tax return Form 1 with Schedules B, C, CB, D, DI, E, CMS, CRS, EC, EOAC, HC, INC, LP, RFC, SC & X/Y and Massachusetts Nonresident Income Tax return Form 1 NR/PY with Schedules B, C, CB, D, DI, E, CMS, CRS, EC, EOAC, HC, INC, LP, RFC, SC, X/Y & NTSL-NR for tax year 2017. New schedules for 2017 include schedules M-2210 and 8379.

*It is mandatory that all software created personal income tax returns include a 2D barcode on each 2D enabled form or schedule. (See table 1) Failure to produce a 2D barcode on third party returns may result in taxpayers having their returns rejected and the imposition of penalties for noncompliance.*

See Technical Information Release TIR-04-30 & TIR-09-18 for information on Electronic Filing requirements for Income Tax Taxpayers. TIR-09-18 has very important information for those taxpayers filing a composite return. Composite Returns are to be filed on Form MA NRCR; the exception being professional athletes who may still file using the Form 1 NRPY. Also, TIR 11-13 Electronic Filing Required By Certain Tax Preparers, which modifies TIR 4-30 & TIR 5-22.

All vendors must use the transparent films and the attached tables to determine field sizes and locations. Do not use the "Red" DOR published forms for anything more than general information. The "Red" forms have more text requirements than the vendor version. Also, a physically larger data area to accommodate handwriting means smaller data field length than the films. This significantly changes the appearance relative to the vendor version of the forms.

The software must advise taxpayers to review their entire return for accuracy and completeness, paying close attention to:

- Carryover of data from schedules to the form especially if a schedule was added to the return subsequent to the initial return being prepared
- Social Security number correctness
- Name and Address information correctness
- If name and address has changed from the prior filing season, the name and address changed box must be checked

The Department experiences problems with taxpayer address information being incorrectly presented; specifically, the misuse, of the "Care-of" data field. Please review Taxpayer Registration Rules outlined later in this document; which include samples. These samples may be used to help taxpayers understand what the Department expects on the address line items.

The software must ensure that Name, Address and Social Security information is present prior to printing the return<sup>1</sup>.

Also, the software must contain a brief explanation of what a 2-D barcode is and inform taxpayers that any changes made to a return after printing will not be reflected in the 2-D barcode unless they print a new return. Handwritten changes on computer-generated returns are not acceptable and will be given lowest priority within the data workflow. Failure to print a new return after making changes will severely impact DOR processing and introduce errors.

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<sup>1</sup> Rules governing the fields associated with name and address can be found in the section labeled as Taxpayer Registration Rules.

The software must ensure the timely update of 2D encoded data especially in the scenario of multi-pass data entry<sup>2</sup>. Form M-4868 & Schedule D-IS is not included in the 2 Dimensional barcode solution; if required, these forms must be included in the documentation sent to the Department as part of the annual income tax filing.

Our electronic filing specifications have not changed; they still include the W-2 and 1099 forms. If the taxpayer prints the return, the Schedule INC should print. If printing and mailing the Schedule INC, W2 & 1099 forms must not be mailed. The taxpayer should retain those documents with their other tax records. If the return is sent electronically, the W-2 and/or 1099 forms should be in the same format as have been sent to the Department in the past<sup>3</sup>.

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<sup>2</sup> See Quality Assurance section later in this document.

<sup>3</sup> See the electronic filing specification document for more information on ELF requirements.

## Quality Assurance

The software must ensure that printed data and encoded data in the 2-D barcode are an exact match. Any updates to data must be reflected in the 2D barcode prior to a return being printed. This becomes especially important when a return is updated after its initial creation. Changes to any document within a return must flow to every other area of the return, as appropriate. For example, a W2 arriving late to the taxpayer could necessitate an update to the Schedule INC, Form 1 and Schedule CB. A substantial increase in income could negate a Schedule CB credit eligibility.

This example also serves to illustrate the importance of reprinting and subsequently filing an updated return in its entirety. In the example, if a new schedule CB was not reprinted and submitted to the Department, the return would fail our validation process requiring a “Post Audit” review of the return. To help identify this type of scenario, the print date and time should be produced at the bottom of each 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.

For their own 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 to be helpful. No printing is allowed below row 61. Printing below row 61 has a negative impact on reading the forms and schedules.

## 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 2D barcode becomes 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.) 2D 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. Simplex printing is a requirement for 2D bar coded returns.

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.adobe.com/content/dam/Adobe/en/devnet/acrobat/pdfs/pdf\\_reference\\_1-7.pdf](http://www.adobe.com/content/dam/Adobe/en/devnet/acrobat/pdfs/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

### Attachment Inventory

The inventory fields are in place to help the Department to verify document integrity. If the income tax return contains two Schedule Cs, then our recognition software will count two. We are also able to validate against misidentified forms and schedules. As a last resort, we will request submission from the taxpayer who is truly missing forms and schedules. In the event that any given 2-D barcode cannot be read, the schedule inventory for the return is repeated in every barcode.

In the 2-D layouts found in part two of this document, field 10 represents an inventory - physical page count for the return. For example, if the return only consists of a Form 1 and one Schedule INC, then the count would be 4: Form 1 pages 1, 2 and 3 and 1 Schedule INC. Another example would be Form 1 and two Schedule Cs which yields a value of 7 in field 10: Form 1 pages 1, 2 and 3 and Schedule C front and back twice.

In the Form 1 and Form 1 NRPY 2-D barcode, fields 11 through 19 show a breakdown of what is included in the taxpayer's return. Most often, field 11 would be one (1), meaning there is one Form 1 in the return; field 12 could be either zero (0) or one (1); field 13 could be zero (0) or whatever the number of Schedule C's which were included in the return.

To reiterate for clarity, field 10 counts the number of sides of every piece of paper that has taxpayer data on it. However, fields 11 through 19 count the number of a given form type that is included in the return. Field 19 counts those form types NOT expressly represented in Fields 11 through 18. Field 19 should not include any worksheets (for example AGI calculation) nor should explanatory or overflow attachments be included. It should include any form or schedule (Massachusetts or Federal or Other State's) to be mailed to DOR as part of the return being filed.

Field number 18, in the Form 1 & NRPY specification documents, counts the number of Schedule X/Y & Schedule DI being filed.

### Multiple Instances of the Same Schedule

If three Schedule C forms were sent as part of the return, then the first instance of the Schedule C would have a value in field 11 of 1 and field 12 of 3. The second Schedule C would have a value in field 11 of 2 and field 12 of 3; and lastly, the third Schedule C would have a value in field 11 of 3 and field 12 of 3. If only one Schedule INC was supplied, then the value in field 11 and field 12 would both be 1.

## General Specifications

Alphanumeric Data	Only 1 space between characters for word separation Left justified
Numeric Data	Whole dollar only, Rounded, Right justified Use whole dollar format
Negative Numbers	Leading dash (-), floating
Unused Data	No Zero fill, No Blank fill
Paper size	8 1/2" x 11"
Orientation	Portrait
Printing	Single-Sided 12 Point 10 Pitch Courier Upper Case only text 1/2 inch margin – sides, top and bottom Choose Print Scaling value of "None" via Adobe
Lines per Vertical inch	6 (1/16 <sup>th</sup> of an inch)
Characters per Horizontal inch	10 (1/10 <sup>th</sup> of an inch)
Paper weight	20 lb Bond minimum (non-recycled)
Paper Color	White
Print Color	Black
Print area Horizontal – first	Row 4
Print area Horizontal – last	Row 63
Print area Vertical – first	Column 6
Print area Vertical – last	Column 81
Prohibited	Shading Screens in the text area Reverse Characters (white on black background) Rotated text (Landscape printing) Logos and Seals No Dollar signs in Numeric fields No Commas in Numeric fields No Decimal Points No Pennies No parentheses to represent Negative numbers No text in Numeric fields (such as "None")

The Department realizes that some specifications, such as paper and ink, are beyond the control of vendors. However, these specifications are critical to the successful implementation of the product and should be communicated to your customers.



## PDF417 Suggested Specifications<sup>4</sup>

Encode type	Normal PDF417
DPI	300 dpi
Pixel shaving	ON
Code word count	Variable
Encryption	
Error Correction Level	4
Mils	10.0
Data Columns	Variable
Module Aspect Ratio	2.00 : 1
Data Rows	Variable
X Dimension	3
Location	Reserved area top right corner of the forms
Reserved space	3.75" x 1.5"
Max Characters	1500
Field Delimiter	Carriage Return
End of File Delimiter	"*EOD*"

1. PDF 417 has error detection and correction capabilities. The more error correction is used, the less data can be communicated in the barcode. With respect to data capture, you either get 100% or nothing. Complete barcode read failures are very uncommon. The tax Application Programming Interface (tax API) sets parameters for correction/detection. These parameters should be observed and not altered.
2. Based on the experience of previous filing seasons of 2-D barcode use, and due to the low level of deterioration of tax returns (compared to high media-abuse environments) the error correction level in the current market-provided DLL is set to level 4.
3. A general rule that can be used to determine if a printer is capable of producing a 2-D barcode is if the printer can produce a graphic such as a tax agency seal or business logo, then the printer should be capable of producing a 2-D barcode that can be scanned.
4. Pixel shaving is a technique that produces higher-quality barcodes when printed on lower-quality equipment like inkjet printers. Pixel shaving will result in improved read rates. In the DLL, pixel shaving will always be turned on.
5. Increasing the x (horizontal) dimension of the barcode elements from the minimum of 7.5 mils to the maximum of 25 mils will produce the most readable barcodes, especially on low quality ink/bubble jet printers. Whenever possible, software vendors will create a barcode that uses the largest possible x element value for the given space.
6. Users are advised that stretching or scaling the barcode (via copying the paper media or the like) changes its integrity and worsens readability; it should not be employed.
7. 2-D barcodes should never be rotated. Rotating a 2-D barcode increases processing difficulty and introduces the risk of errors. Since PDF-417 barcodes are read in both the x (horizontal) and y (vertical) directions on a portrait page, rotating them from their natural position can render the barcode unusable.

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<sup>4</sup> Also see Tax Forms Processing – 2D Barcoding Standards: Section 3 as found at WWW.NACTP.ORG.  
11/13/2017

8. Unless otherwise noted in Part 2, any line item left unanswered or having a value of zero (blank, no data, nul or 0) should not have a value on the printed page or in the 2D barcode. An inspection of the 2D barcode (raw data) should look something like this, which represents 2 consecutive line items having no data values. <CR><CR><CR>

## 1 Dimensional Barcode layout

The 1-D barcode of thirteen characters plus leading and trailing asterisks is described here<sup>5</sup>.

\*1122333445555\*

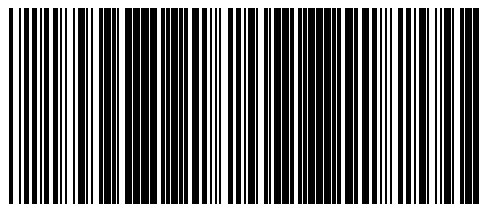
Field	Name	Characters	Value	Misc.
1	State ID	2	"MA"	
2	Year	2	"17"	See also Table 1
3	Form ID	3	Standard MASSTAX values.	See Table 1 for complete list of Form IDs
4	Page Number	2	Page number for form or schedule.	Physical page
5	Vendor ID	4	Company ID assigned by NACTP to Form Creator	

The following are the 1-D parameters:

1. Code: 39 symbology
2. Thirteen characters<sup>6</sup>
3. Ratio: 2.5:1 wide narrow
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<sup>7</sup>
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 (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). The following sample is here for sizing considerations.

MA020011M001



<sup>5</sup> The Asterisks are not part of the 1-D value, but part of the Code 39 characteristics.

<sup>6</sup> This does not include the start and stop asterisk

<sup>7</sup> See pdf for exact positioning. This is generally to the right of the form name.

**Table 1: Form ID**

The Form IDs below are used in both the 1-D barcode and the 2-D barcode header section.

<b>Form</b>	<b>Form ID</b>	<b>1D Field 4 value</b>	
Form 1	001		
Form 1 NRPY	006		
Schedule B	010		
Schedule C	011		
Schedule CB	026		
Schedule D	012		
Schedule DI	SDI		
Schedule D-IS	027	Not 2D enabled	
Schedule E	013 →	Schedule E-1	01
		Schedule E-2	02
		Schedule E-3	03
		Schedule E Summary pg 1	04
		Schedule E Summary pg 2	05
		Schedule E Summary pg 3	06
Schedule EC	SWC		
Schedule EOAC	EOA		
Schedule HC	029 →	Schedule HC pg 1	01
		Schedule HC pg 2	02
		Schedule HC pg 3	03
		Schedule HC-CS	04
Schedule INC	INC		
Schedule LP	LPC		
Form M-2210	653		
Form 8379	227		
Schedule NTSLNR	021		
Schedule RFC	RFC		
Schedule RNR	RNR	Not 2D enabled	
Schedule SC	CSC		
Schedule TDS	TDS	Not 2D enabled	
Schedule X/Y	SXY		
Schedule BC	BRC	Brownfields not 2D enabled	
Schedule FAF	FSH	Not 2D enabled	
Schedule CRS	648		
Schedule CMS	647		
Payment Vouchers & Extensions		Note: The year field is "PV"	
Form-1PV	001	MAPV00101vvvv	"vvvv" is the
Form-2PV	002	MAPV00201vvvv	Vendor ID code
Form 8736	003	MAPV00301vvvv	
Form 4868	004	MAPV00401vvvv	
Form 355PV	005	MAPV00501vvvv	
Form 355-SPV	006	MAPV00601vvvv	
Form 355-7004	007	MAPV00701vvvv	
Form 355-7004 Misc	011	MAPV01101vvvv	
Form M-990T-7004	012	MAPV01201vvvv	
Estimates		Note: The year field is "PV"	
Form-1 ES	008	MAPV00801vvvv	
Form-2 ES	009	MAPV00901vvvv	
Form-355 ES	010	MAPV01001vvvv	

## Data Specifications

### General

Pending legislation may affect some line items. See instructions on the DOR web site for any last minute updates.

Failure to produce a 2D barcode on third party returns may result in taxpayers having their returns rejected and the imposition of penalties for noncompliance. Those vendors whose software allows the user to choose to print the 2D barcode or not, should default to “print”.

Vendors should not allow taxpayers to print a return which was created using software unapproved by the department. The taxpayer should be directed to “Download the latest software patch prior to printing or submitting their return”. Submitting a return using unapproved software may result in the taxpayer having their returns reject and the imposition of penalties for noncompliance.

Until a vendor has been approved, include watermarks across every page of the return stating “DRAFT” “DO NOT FILE” “DOWNLOAD THE LASTEST PATCH PRIOR TO SUBMITTING THIS RETURN”. Watermarks should be removed as part of the approved software production release.

All forms and schedules are whole dollar only.

To allow the paid preparer or taxpayer to verify that their printer can produce the 1D barcode, 2D barcode and anchors, the Department suggests that the software providers include a test page containing a 2D barcode, 1D barcode & anchors. Together, with appropriate instructions and text explaining what the barcodes are and why they are important, the Department hopes to avoid rejecting returns or imposing penalties for cases were barcodes are missing.

For those returns prepared by someone other than the taxpayer, identifying fields Preparer Name, phone, and PTIN/EIN are mandatory. The software geared towards professionals, must insure that paid preparer information has been entered prior to printing.

The value of accurate taxpayer name and address information is self-evident and as important is consistency. To that end, attached below are Standard Addressing abbreviations that are to be used when formatting the data for BOTH print and 2D encoded address fields.

Apartment, Suite, and Room numbers should be placed in the Apartment Number field. Acceptable values are numeric digits and alpha letters. DO NOT include the “Apt.” prefix, pound signs (#), dashes or any other special characters. Please discontinue the practice of concatenating street address and apartment number values. When printing, the apartment number should be a separate field on the form.

## Taxpayer Registration Rules

The following rules are for both the PRINTED data and the ENCODED data in the 2-D barcode. In the event that this guide does not address a specific scenario, please refer to the 'Postal Addressing Standards' document at <http://pe.usps.gov/cpim/ftp/pubs/Pub28/Pub28.pdf>

- . Alpha characters must be in upper case only.
- . Use no punctuation or symbols. If a fraction is part of the street address, enter a forward facing slash (/) as needed. Note: this is the ONLY symbol that may be used in the taxpayer name and address area. *Hyphens and Apostrophes are also prohibited.*
- . Do NOT include titles or ranks such as DR, MD, ENSIGN, SGT etc.
- . Use Roman Numerals (alpha character) for numeric suffixes.
- . Never allow a space in a name field except as a prefix to JR, SR, II etc.
- . The SSN must be nine digits (no dashes).
- . An address of a Post Office Box is formatted in the following manor:  
PO BOX #####. All capital letters, one space between the "O" of "PO" and the "B" of Box, one space after the "X" in BOX, and as many digits as needed for the box number.
- . Use standard abbreviations for the suffix of the street name (included below).
- . Additional address field is a supplemental field used for "in care of" name and additional address information as needed.
- . If there is an Apartment, Suite or Room number in the address, that information should be placed in the Apartment Number field. Do not include the "APT" prefix or any characters other than numbers or letters.<sup>8</sup>
- . In example 4, the address is the address of "Lenny Lawyer" NOT the taxpayer. In this example we are interested in the address of where any correspondence is to be sent.
- . If the foreign county uses a zip code, include it in the ZIP field. If not, leave the ZIP field blank
- . Print Example 1 and 2 illustrates the order in which DOR will print the Address fields on an envelope. When we have no data for a field, we omit printing that line.
- . ZIP code can be 9 or 5 digits (no dash).

<b>Print Example 1</b>		
<b>Data</b>	<b>Field Names</b>	<b>Print Order on the Envelope</b>
DAVID ADAMS	Taxpayer Name	DAVID ADAMS
LIZ ADAMS	Spouse Name	LIZ ADAMS
1 BADGER PL	Street	C/O WI CHEATEM HOWE
BOSTON MA 02126	City State ZIP	DIVISION OF TAXATION
C/O WI CHEATEM HOWE	Care of Line 1	1 BADGER PL
DIVISION OF TAXES	Care of Line 2	BOSTON MA 02126
<b>Print Example 2</b>		
<b>Data</b>	<b>Field Names</b>	<b>Print Order on the Envelope</b>
PAT OCONNOR	Taxpayer Name	PAT OCONNOR
1 MAIN ST	Street	C/O WILLIAM WILLIAMS
BOSTON MA 02128	City State ZIP	1 MAIN ST
C/O WILLIAM WILLIAMS	Care of Line 1	BOSTON MA 02128

<sup>8</sup> APT and SUITE verbiage is included in example 3 and example 4 for clarity only.

The following examples map data to field names in the 2D Layout:

<b>Example 3</b>		<b>Example 4</b>	
JOE CAMPUS	Taxpayer Name	BILL BLAST	Taxpayer Name
APT 1202	Apartment No	C/O LEN LAWYER	Care of Line 1
14 HARVARD ST	Street	SUITE 1123A	Apartment No
BOSTON MA 02127	City State Zip	121 SAMUELS AV	Street
		BOSTON MA 02128	City State Zip
<b>Example 5</b>		<b>Example 6</b>	
PATRICK CLARK	Taxpayer Name	ENRIQUE LOPEZ	Taxpayer Name
LONDON WIP 691 Q	City	SANTANA 12	City
UK (ENGLAND)	Foreign Country	CI (CHILE)	Foreign Country
<blank>	State	PO BOX 478	Street
<as needed>	Zip		
12543 ROYAL CT	Street		
<b>Example 7</b>		<b>Example 8</b>	
PIERRE ROY	Taxpayer Name	FELIX UNGER	Taxpayer Name
PARIS	City	COPENHAGEN	City
FR (FRANCE)	Foreign Country	DA (DENMARK)	Foreign Country
75008	Foreign Postal	<blank>	State
99 RUE DE LIBERTAD	Street	<as needed>	Zip
		C/O GENERAL DELIVERY	Care of Line 1
<b>Example 9</b>		<b>Example 10</b>	
SEAN BROWN	Taxpayer Name	PATRICK ROY	Taxpayer Name
DUBLIN 1	City	C/O BILLS ACCOUNTING	Care of Line 1
EI (IRELAND)	Foreign Country	12 RUE SHERBROOKE	Street
TEA LTD	Care of Line 1	MONTREAL	City
77 EDEN QUAY	Street	QUEBEC	Foreign State
		CA (CANADA)	Foreign Country

**Note:** “Foreign State” and “Foreign Country” are used for mailing addresses outside of the United States. The “Foreign State” field can hold province, county or state as needed. The Foreign Country should be represented as the 2 character code in both print and the 2D barcode. See Appendix C for Foreign Country Table.

- Military “APO” or “FPO” addresses
  - Enter “APO” or “FPO” in the first three positions of the city field
  - DO NOT enter the name of the city for “APO” and “FPO” addresses; and
  - Enter two-digit state code in the state field:

State Code	ZIP code range
AA	34000 – 34099
AE	09000 – 09999
AP	96200 – 96699 and 98700 – 98799

  - In the state field, use the standard two-digit abbreviation for the state or United States possessions. (see below)
  - If foreign address, enter country beginning in the state field

## Standard Abbreviations

Air Force Base	AFO	Apartment	APT	Avenue	AV
Boulevard	BL	Building	BLD	Circle	CIR
Court	CT	Department	DEP	Drive	DR
East*	E	Highway	HWY	Lane	LN
North*	N	Northeast*	NE	Northwest*	NW
Number	NO	Parkway	PKY	Place	PL
Post Office Box	PO BOX	Road	RD	San	SN
South*	S	Southeast*	SE	Southwest*	SW
Space	SP	Square	SQ	Street	ST
Suite	STE	Terrace	TER	Unit	UN
Way	WY	West*	W		

**\*abbreviate only when used as a direction**

## State or U.S. Possessions Abbreviations

Alabama	AL	Alaska	AK	American Samoa	AS
Arizona	AZ	Arkansas	AR	California	CA
Colorado	CO	Connecticut	CT	Delaware	DE
District of Columbia	DC	Federated States Micronesia	FM	Florida	FL
Georgia	GA	Guam	GU	Hawaii	HI
Idaho	ID	Illinois	IL	Indiana	IN
Iowa	IA	Kansas	KS	Kentucky	KY
Louisiana	LA	Maine	ME	Maryland	MD
Marshall Islands	MH	Massachusetts	MA	Michigan	MI
Minnesota	MN	Mississippi	MS	Missouri	MO
Montana	MT	Nebraska	NE	Nevada	NV
New Hampshire	NH	New Jersey	NJ	New Mexico	NM
New York	NY	North Carolina	NC	North Dakota	ND
Northern Mariana Islands	MP	Ohio	OH	Oklahoma	OK
Oregon	OR	Palau	PW	Pennsylvania	PA
Puerto Rico	PR	Rhode Island	RI	South Carolina	SC
South Dakota	SD	Tennessee	TN	Texas	TX
Utah	UT	Vermont	VT	Virgin Islands	VI
Virginia	VA	Washington	WA	West Virginia	WV
Wisconsin	WI	Wyoming	WY		

### Form 1

Adjusted Gross Income (AGI) and Total Income from US form 1040 allows negative values.

If the taxpayer or spouse is deceased, prefix the First Name field with the following text as appropriate. The text should be in all capital letters and, if need be, part of the first name would be truncated. Lastly, there is a space after the “F” in the word “OF” and the “R” in the word “OR”

- ‘EST OF’ for primary taxpayer if deceased (always)
- ‘EST OF’ for spouse if primary is also deceased (filing status “Joint” only)
- ‘OR’ for spouse if primary deceased and spouse NOT deceased (filing status “Joint” only)
- ‘OR EST OF’ for spouse if primary is NOT & spouse IS deceased (filing status “Joint” only)



In cases where a Decedent's Return is to be filed, the Claimant's Name must appear in the "Care-Of" line of the Address.

When filing a "Joint" return, the spouse's social security number must be present. When filing "Married Filing Separate" the spouse's social security number must be present. Additionally, (2017 forward), the spouse's name must be present as well.

In cases where the taxpayer/spouse has no social security number, they must complete and file Form SS-5 and obtain their SSN before completing their tax return. Form SS-5 is available at [www.socialsecurity.gov](http://www.socialsecurity.gov), from the taxpayer's local Social Security Administration (SSA) office or by contacting the SSA at (800) 772-1213. If the taxpayer is a nonresident or resident alien who does not have and is not eligible to obtain an SSN, they must apply for and obtain an Individual Taxpayer Identification Number (ITIN). Taxpayers can obtain an ITIN by completing and filing Form W-7, which is available at [www.irs.gov](http://www.irs.gov) or by contacting the IRS at (800) 829-1040. We no longer accept NRANRANRA or APPAPPAPP as a valid SSN.

Line 8 has part A & B, which represents Unemployment and Mass State Lottery winnings.

If a deduction is not being taken on Line 13, the number of children MUST be zero or blank.

Care must be taken when programming the Rental Deduction amount, as the amount must be half the total rent for the year to a MAXIMUM of \$3,000.

Include the FULL Federal Penalty amount in line 34c. The Mass Healthcare Penalty is calculated as (Taxpayer Penalty + Spouse Penalty) – Federal Penalty. The aggregate Massachusetts Penalty may NOT be less than zero. The Federal Healthcare Penalty is on page 3.

In the event the taxpayer is eligible to take the "No Tax Status" designation, the remainder of the form MUST still be completed.

If the Earned Income Credit is not being taken, the number of children MUST be zero or blank. EIC allows for 3 or more children. See instructions for BOTH IRS (Federal) and Massachusetts State income tax for changes in thresholds to the EIC calculation.

In order to do the EIC calculation, the number of children must be included. Zero is a valid number. However, blank is not. When it is blank, the EIC is negated.

In order to take EIC, the number of children must be included (0, 1, 2 or 3); the US amount must be included (within limits for the number of children); and the final EIC amount (again, within limits) must be included. Also, the Schedule DI must be included listing the qualifying child(ren) with the EIC radio button filled.

If any of the 3 elements is not there, the EIC is disallowed. If the Schedule DI is not filled out properly, the EIC is disallowed.

If the EIC is NOT something the taxpayer intends on taking, then all 3 fields (number of EIC children, US amount & EIC amount) should be left blank. New for 2017, some taxpayers whose filing status is Married filing Separate will be allowed the credit. Details are in Appendix D.

If the taxpayer so chooses, an optional tax rate of 5.85% may be chosen. Field 29 on page two of the Form-1 must be filled in for this rate to be used. The default rate (currently 5.1%) will be used if the optional rate is not filled in.

## Form 1NRPY

Total Income and Adjusted Gross Income (AGI) from US form 1040 allows negative values.

For those vendors allowing Composite Returns to be filed using their software, the following applies: Composite return filers must file using Form MA NRCR and the form must be filed electronically. Any composite return filed on paper and mailed to the department will be destroyed. Any payments will be credited to the taxpayer account. The return will be considered to be not filed until such time as it is accepted via the electronic filing system. See Technical Information Release TIR-09-18 for more information. There is only one exception: that being professional athletes, who may still file using the Form 1 NRPY, and are not bound by the E-file mandate.

If the taxpayer or spouse is deceased, prefix the First Name field with the following text as appropriate. The text should be in all capital letters and, if need be, part of the first name would be truncated. Lastly, there is a space after the "F" in the word "OF" and the "R" in the word "OR"

- 'EST OF' for primary taxpayer if deceased (always)
- 'EST OF' for spouse is primary is also deceased (filing status "Joint" only)
- 'OR' for spouse if primary deceased and spouse NOT deceased (filing status "Joint" only)
- 'OR EST OF' for spouse if primary is NOT & spouse IS deceased (filing status "Joint" only)

In cases where a Decedent's Return is to be filed, the Claimant's Name must appear in the "Care-Of" line of the Address.

When filing a "Joint" return, the spouse's social security number must be present. When filing "Married Filing Separate" the spouse's social security number must be present. Additionally, (2017 forward), the spouse's name must be present as well.

In cases where the taxpayer/spouse has no social security number, they must complete and file Form SS-5 and obtain their SSN before completing their tax return. Form SS-5 is available at [www.socialsecurity.gov](http://www.socialsecurity.gov), from the taxpayer's local Social Security Administration (SSA) office or by contacting the SSA at (800) 772-1213. If the taxpayer is a nonresident or resident alien who does not have and is not eligible to obtain an SSN, they must apply for and obtain an Individual Taxpayer Identification Number (ITIN). Taxpayers can obtain an ITIN by completing and filing Form W-7, which is available at [www.irs.gov](http://www.irs.gov) or by contacting the IRS at (800) 829-1040.

Line 10 has part A & B, which represents Unemployment and Mass State Lottery winnings.

Income apportionment (Line 13) requires special mention here. There are instances when a taxpayer and spouse each have different methods of apportioning their income. For example, a husband and wife are both long haul truck drivers. The husband may find it better to apportion his income generated in Massachusetts by the number of miles he drives in the state. The wife, who works part time, may find it better to apportion by the number of days she drives in Massachusetts.

If the vendor software allows such a scenario, there is room set aside in the 2D barcode layout that allows for 2 sets of apportionment data to be captured. You will see that there are data items named “T Basis” (field 24) and “S Basis” (field 32) and they both refer to line 13a of the Form 1NRPY. If the vendor software does not allow for this scenario, then the series of “S” fields for line 13 are simply left blank.

If line 14e is greater than zero, then line 14a MUST equal line 12.

If not taking a deduction on Line 17, the number of children MUST be zero or blank.

Care must be taken when programming the Rental Deduction amount, as the amount must be half the total rent for the year to a MAXIMUM of \$3,000<sup>9</sup>.

Include the FULL Federal Penalty amount in line 39c. The Mass Healthcare Penalty is calculated as (Taxpayer Penalty + Spouse Penalty) – Federal Penalty. The aggregate Massachusetts Penalty may NOT be less than zero.

The Federal Healthcare Penalty is on page 4

In the event the taxpayer is eligible to take the “No Tax Status” designation, the remainder of the form MUST still be completed.

If the Earned Income Credit is not being taken, the number of children MUST be zero or blank. EIC allows for 3 or more children. See instructions for BOTH IRS (Federal) and Massachusetts State income tax for changes in thresholds to the EIC calculation.

In order to do the EIC calculation, the number of children must be included. Zero is a valid number. However, blank is not. When it is blank, the EIC is negated.

In order to take EIC, the number of children must be included (0,1,2 or 3); the US amount must be included (within limits for the number of children); and the final EIC amount (again, within limits) must be included. Also, the Schedule DI must be included listing the qualifying child(ren) with the EIC radio button filled.

If any of the 3 elements in not there, the EIC is disallowed. If the Schedule DI is not filled out properly, the EIC is disallowed.

If the EIC is NOT something the taxpayer intends on taking, then all 3 fields (number of EIC children, US amount & EIC amount) should be left blank.

If the taxpayer so chooses, an optional tax rate of 5.85% may be chosen. Field 26 on page 3 must be filled in for this rate to be used. The default rate (currently 5.1%) will be taken if Field 26 is not filled in.

## Schedule B

Only one Schedule B per return filing is allowed.

## Schedule C

File as many as needed to complete the return.

An Employer Identification Number (EIN) is required if a taxpayer has any employees.

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<sup>9</sup> This is apportioned as necessary.  
11/13/2017

We want all taxpayers that are required to have an EIN to enter it.  
The Federal Schedule C may NOT be filed instead of the Massachusetts Schedule C.

### Schedule CB

File as many as needed to complete the return..

Senior circuit breaker maximum amount is \$1,070 (Lines 17 & 21)

Maximum valuation on Line 2 is \$720,000

Maximum amounts on Line 9 are: Single - \$57,000; HOH - \$71,000; Joint - \$86,000

If, in the course of determining eligibility for the CB credit, it is determined that the taxpayer is NOT eligible for the credit, clear all Schedule CB data elements in the 2D barcode and in print.

The address must be the street address of the residence, not a PO Box.

### Schedule D

Only one Schedule D per return filing is allowed.

### Schedule D-IS

Only one Schedule D-IS per return filing is required as needed. (not 2D enabled)

### Schedule E

File as many as needed to complete the return (pages 1, 2 & 3). Only one entity type per page should be filed. For example: Schedule E-3, if the taxpayer has both Trust and Farm income, then two E-3s should be filed. Pages 4 and 5 are the totals pages. For as many page 1, 2 or 3 exist, the totals per line item are carried across to pages 4 and 5. All taxpayers filing a Schedule E must use either 2D or ELF filing method. No official "Red" version of the schedule will be produced.

Schedule E-1: negative values are allowed: line 20, 21, 23 & 24

Schedule E-2: Enter losses as a POSITIVE amount: 1, 3 & 4

: negative values are allowed: line 7, 8 & 11

Schedule E-3: Enter losses as a POSITIVE amount: 1 & 3

: negative values are allowed: line 6, 7, 9, 13, 15, 17 & 18

If the taxpayer is filing as either an Estate or as a Trust, check off the "Estate" box and send an "E" for field 16 in the 2D barcode. However, if filing as a REMIC or Farm, then check the appropriate box and send the corresponding code in field 16 of the 2D barcode.

Schedule E Totals ALL pages must be submitted for the schedule to be filed as complete.

pg 1: negative values are allowed: line 20, 21, 23 & 24

pg 2: Enter losses as a POSITIVE amount: line 25, 27, 28, 37 & 39

negative values are allowed: line 31, 32, 35, 42, 43, 45, 49, 51 & 53

pg 3: negative values are allowed: line 54, 55, 56, 57 & 58

### Schedule HC

Only one Schedule HC per return filing is allowed. If there was full healthcare insurance coverage for the taxpayer (and family) then only fill and file page 1 of the schedule, otherwise fill and file pages 2 & 3 as necessary.

Only page one of Schedule HC is required if the taxpayer is not in a penalty or appeal situation.

Schedule HC is used for providing mandatory Health Care Insurance information. "Credible service" clause was new for 2009; determined by the Health Care Connector and imposed upon the Health Care Insurance provider. The provider must provide the taxpayer with its "Credibility Score": Credible or Insufficient. Insufficient insurance, for tax purposes, is considered to be un-insured and penalized as such. For 2017, the maximum penalty per taxpayer is \$97 per month for a total of \$1,164 per person.

The HC mandate includes full year residents and those part year residents who were a resident for at least 63 days. A person who turns 18 years old during the 2017 calendar year has the same benefits as a part year resident and should be treated as such when figuring when they should be insured. When a taxpayer is a part year resident at any time during the year, they must have health insurance while a resident. The first month they become a resident, they are not obligated to have insurance. For the next 2 full months, they can have no insurance, penalty free. The penalty begins to accumulate on the 3rd month after they become residents. If the 3rd month is January 2017 or later, there is no penalty. If the taxpayer is no longer a resident before the 3rd month, there is no penalty.

When a taxpayer ceases to be a resident, the taxpayer must be insured through the last full month of residency. For example, if the taxpayer moves out of Massachusetts on July 6<sup>th</sup>, they must have had insurance through June 30<sup>th</sup>.

Similarly, if a taxpayer passes away, the taxpayer must be insured through the last full month of being alive.

Full year Nonresident and Nonresident Composite filers are exempt from filing Schedule HC. Those taxpayers who are under 18 years of age are exempt.

Birth dates must allow for leap year (February 29<sup>th</sup>) to be entered as a valid date.

All questions must be answered as appropriate to the Filing Status.

Please be sure that questions 3 & 4 are fully filled as appropriate. These fields are required but often omitted. This slows processing of the return as it necessitates communication with the taxpayer.

Question 4 must be answered such that ALL health insurance plans must be provided; regardless of if the plans were in effect concurrently or sequentially to one another. There is space on the 4<sup>th</sup> page of the schedule (called Schedule HC-CS) for up to 2 additional plans per taxpayer to be reported.

When indicating months of coverage, a month is considered full if the number of covered days is 15 or more, regardless of the month in question. 14 or less days of coverage means you were not covered for the month.

If a taxpayer or spouse has a gap in health insurance coverage, they MAY be liable for a penalty. There may be multiple gaps in coverage throughout the year. Each gap must be examined separately. If any gap is for two months or less, the person gets a free pass for that gap period. If the gap goes to 4 or more months, then the penalty liability for that gap is

based on the number of months over 3. For example, if a taxpayer has a gap in coverage of 5 months, then the penalty is calculated based on 2 months without coverage. If a taxpayer is without coverage for all 12 months, the penalty is calculated on 12 months (No “free pass”).

If either the taxpayer or spouse does not carry health insurance for religious reasons, then the person having the belief must answer question 3 as ‘None’ and question 6 is ‘No’. Then the same person must answer the religious exemption question (question 8a) as ‘Yes’. If the question about having a religious exemption is left unanswered, default to ‘NO’. If the person having the religious belief has received medical attention during the year, they must answer question 8b in the affirmative. If not, then they must answer the question in the negative. If the question about having received medical attention is left unanswered, default to ‘NO’.

Question 9 (Certificate of Exemption); if answered in the affirmative, then the Certificate Number must be entered. The Taxpayer and Spouse Certificate Numbers are NOT the same number; they are issued separately on an annual basis. Certificates expire at the end of the year in which they were issued and must be reapplied for. If question 9 is left unanswered, default to ‘NO’.

The calculations used to determine affordability have not changed for 2017. However, the dollar amounts in the various tables have increased. See Schedule HC Instructions and worksheets on the DOR web site for the most up to date instructions. If any of the affordability questions are unanswered, default to Yes.

If either the taxpayer or spouse falls into the penalty situation for not having health insurance, they may choose to appeal the penalty; but they do so separately. That is, both taxpayer and spouse may have the right to appeal, but one may opt not to appeal, while the other may opt to appeal.

See [“TIR 07-18: Individual Mandate Penalties for Tax Year 2008”](#) for information on calculating the tax for noncompliance with the healthcare initiative.

### Schedule INC

As many Schedule INC per return filing as needed. Schedule INC contains select W-2 and 1099 taxpayer and spouse data. There is no requirement that the paper versions of these forms be attached to the taxpayer’s return. It replaces up to 20 forms W-2, W-2G, 1099R, 1099MISC or 1099G. The taxpayer should retain these forms for 3 years.

All Massachusetts W-2 and 1099 earnings and any associated withholdings must be reported on Schedule INC. This schedule MUST be included with the return. Failure to submit Schedule INC WILL delay any applicable refund, as the return will be considered incomplete. Multiple Schedule INC may be submitted as needed. Totals at the bottom of the schedule represent the totals for that page only.

Use this matrix to determine where to get the data for the Schedule INC. The FID that’s required on the Schedule INC is located in Box b on the Taxpayer’s W2 form, but it is found elsewhere on the 1099-R form. State Income on the Schedule INC is found in box 1 of the W2G form, and box 1 of the Federal version of the 1099-G form. Taxpayer & Spouse Social Security amounts are only found on the W2 forms; no other forms have that data.

<u>Form</u>	<u>Sch. INC Col. f entry</u>	<u>Fed ID No.</u>	<u>State Income</u>	<u>State Withheld</u>	<u>Taxpayer Social Sec</u>	<u>Spouse Social Sec</u>
W2	W2	Box b	Box 16 & Box 8 as needed	Box 17	Box 4 & Box 6 as needed	Box 4 & Box 6 as needed
W2G	W2G	Top Left Corner	Box 1	Box 15	N/A	N/A
1099-R	1099R	Top Left Corner	Box 14	Box 12	N/A	N/A
1099-Misc	1099MISC	Top Left Corner	Box 18	Box 16	N/A	N/A
Fed 1099G	US1099G	Middle Left Side	N/A	Box 11	N/A	N/A
LOA	LOA	Pg 1 Line 1	Page 2 Line 2	Page 2 Line 5	N/A	N/A
1099-B	1099B					
1099-OID	1099OID					
1099-INT	1099INT					
1099-DIV	1099DIV					
1099-K	1099K					

Be sure to include the Federal ID number of the paying party as well as the form the data is being taken from. The column "Source of Withholding" is where the form type should be entered. The only valid forms are above.

### Schedule NTSL-NR

Only one Schedule NTSL-NR per return filing is allowed.

If Form 1NRPY line 3 is greater than Form 1NRPY line 12 then NTSL-NR line 7 must have an amount on it.

### Schedule X/Y

Only one Schedule X/Y per return filing is allowed.

Schedule Y does not allow for negative values in the money fields.

See Draft TIR 15-X for more information about the gambling losses deduction, line 17.

## Schedule CRS & CMS

<b>Credit</b>	<b>Mandatory Cert. or Schedule *</b>	<b>Schedule Name</b>
Lead Paint		Sch. LP
Economic Opportunity/EDIP	Yes – Certificate	Sch EOAC
Septic		Sch. SC
Brownfields	Yes – Certificate	
Low Income Housing	Yes – Certificate	
Historic Rehabilitation	Yes – Certificate	
Film Incentive	Yes – Certificate	
Medical Devices	Yes – Certificate	
Employer Wellness Program	Yes – Certificate	
Farming and Fisheries		Sch. FAF
Another Jurisdiction		Sch. OJC
Solar and Wind Energy		Sch. EC
Refundable Film		Sch. RFC
Dairy	Yes – Certificate	
Conservation Tax Cr	Yes – Certificate	
Community Investment Cr	Yes - Certificate	
Certified Housing Developmt	Yes - Certificate	

\* Missing or invalid certificate numbers will cause the credit to be disallowed.

Certificate Type	Size	Format	Notes
EDIP	10	nnnnEnnnnn	
Brownfields	10	nnnnBnnnnn	“n” is a number “a” is a letter Capital letters are static values * Missing Cert # nullifies Credit dollars
Low-Income Housing	9	MAAnnnnnn	
Historic Rehabilitation	7	HRCnnna	
Film Incentive	10	nnnnFnnnnn	
Medical Devices	10	nnnnMnnnnn	
Employer Wellness	10	nnnnnWnnnn	
Dairy	5	annnn	
Conservation	10	nnnnCnnnnn	
Community	10	nnnnVnnnnn	
Certified Housing Dev	10	nnnnHnnnnn	
<generic>	varies	Cnnnnnnnnn	This type can have up to 10 digits

\* When validating the certificate number, please keep the error responses general. For example: “You have entered an invalid certificate number...” or “The certificate number you entered is not a Brownfields certificate number...” The primary / initial authority who issues the certificate number with the credit amount can elect to use the formats outlined in the table above. However, the Massachusetts Department of Revenue can also elect to issue certificate numbers that can supersede the original certificate number. In those cases, the new certificate number field size can be up to 20 bytes in length. Note: the sizes noted above will not match the sizes of the certificate numbers in the (Part 2) 2D layout details document.



EOAC Credit	The credit amount must not be more than 50% of Form 1 line 27 or Form NRPY line 31.
EDIP Credit	Requires Certificate. Dollar amount is a sum of both EOAC and EDIP Credit
Septic Credit:	The credit cannot be greater than \$1,500 per year.
Brownfields Credit:	The credit amount must not be more than 50% of Form 1 line 27 or Form NRPY line 31.
Low-Income Housing Credit:	Schedule C or Schedule E must be included, otherwise the credit will be disallowed. If the Rental Deduction is take on Form 1 or Form 1 NRPY, the credit will be disallowed.
Employer Wellness Program:	Credit cannot be carried forward and has a maximum value of \$10,000
Tax paid to another state:	New Schedule OJC where each jurisdiction is listed separately.
Solar and Wind Energy Credit:	If the Rental Deduction is take on Form 1 or Form 1 NRPY, the credit ill be disallowed. The credit cannot be greater than \$1,000 per year.
Community Investment Credit:	The credit amount must not be more than 50% of the qualified investment not to exceed \$1 million dollars.
Farming and Fishery Credit:	See TIR 14-13 for more information

See Technical Information Release (TIR) 08-23: Life Sciences Tax Incentive Program under St. 2008, c. 130 on the Massachusetts DOR web site for pertinent information on the Life Science Credits.

See Technical Information Release (TIR) 06-16 on the Massachusetts DOR web site for more information.

See instructions for criterion set forth for when to file the various credit schedules and when they should be retained by the taxpayer. Schedule CMS and or Schedule CRS must always accompany the return if any credits or credit recapture are being claimed.

The credit type field should be encoded as outlined here:

Brownfields Credit	value="BRWFLD"
Certified Housing Credit	value="CRTHOU"
Community Investment Credit	value="CMMINV"
Conservation Land Credit	value="CNSLND"
Dairy Farm Credit	value="DAIFRM"
EDIP Credit	value="EDIPCR"
Employer Wellness Credit	value="EMPWLL"
EOAC Credit	value="EOACCR"
Film Incentive Credit	value="FLMCRD"
Harbor Maintenance Credit	value="HRBMNT"
Historic Rehabilitation Credit	value="HISRHB"
Investment Tax Credit	value="INVTAX"
Life Science (FDA) Credit	value="LFSFDA"
Life Science (ITC) Credit	value="LFSITC"
Life Science (Jobs) Credit	value="LFSJOB"
Life Science (RD) Credit	value="LFSRDC"
Low-Income Housing Credit	value="LOWINC"
Medical Device Credit	value="MEDDVC"
Research Credit	value="REARCH"
Vanpool Credit	value="VANPOL"
Lead Paint Credit	value="LEDPNT"
Septic Credit	value="SEPTIC"
Solar and Wind Energy Credit	value="SLRWND"
Farming and Fisheries Credit	value="FRMFSH"
Veteran Hire Credit	value="VETHIR"
Low Income Housing Donation Credit	value="LIHDON"

### Schedule DI

File as many as needed to complete the return.

Be sure to allow Feb 29<sup>th</sup> as a valid birth date for those leap year babies.

### Schedule TDS

Schedule TDS was created for the specific purpose outlined in Massachusetts DOR (MDOR) Technical Information Release (TIR) 06-05. ...*taxpayer does not disclose any inconsistent filing position they will be subject to a penalty.* TDS is NOT to be used for explanation statements. It is used ONLY for an explanation of inconsistent filing positions.

This schedule is NOT 2D enabled.

### Schedule RFC

Schedule RFC is 2D enabled.

Multiple schedules may be submitted as required.

The Line 1 certificate number must be included or the Refundable Film Credit will be disallowed.

## Schedule LP

This schedule is 2D enabled.

Multiple schedules may be submitted as required.

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

A link to the Massachusetts Health and Human Services website is included on the "Other Resources" page.

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

The Lead Paint Credit is only to be used for property located within the Commonwealth of MA.

All addresses must be listed on Schedule LP where appropriate.

All addresses must be the address of the de-leaded property;

PO Boxes are not acceptable.

If more than 4 addresses are required for either part 1 or part 2, use another Schedule LP.

Total each subsequent Schedule LP to lines 2 or 4 as needed.

Line 5 in Part 3, must be the sum of lines 2 and 4 from all submitted Schedule LPs.

If multiple Schedule LP page 1 is submitted, only one Schedule LP page 2 needs to be completed.

The dates should only be for the current (2017) calendar year.

No numeric data may be negative.

Calculations resulting in a value less than zero must be represented as zero.

Part 4 Unused Lead Paint Carryover, Column "a" data comes from prior year Schedule LP line 10 column "c".

The taxpayer chooses which unused, prior year credit to use first.

## Schedule EC

This schedule is 2D enabled

Multiple schedules may be submitted as required.

The total of all schedules must not add up to more than \$1,000.

The Energy Credit is only to be used for property located within the Commonwealth of MA.

The address of the Massachusetts residence must be included on the schedule.

PO Boxes are not an acceptable address.

No numeric data may be negative.

Calculations resulting in a value less than zero must be represented as zero.

Line 5a, 6 and line 10 must not be greater than \$1,000.

Part 4 Unused Massachusetts Energy Credit Carryover, Column "a" data comes from prior year Schedule EC line 13 column "c".

The taxpayer chooses which unused, prior year credit to use first.

## Schedule SC

This schedule is 2D enabled

Multiple schedules may be submitted as required.

The total of all schedules must not add up to more than \$1,500.

The Septic Credit is only to be used for property located within the Commonwealth of MA.

The address of the Massachusetts residence must be included on the schedule.

PO Boxes are not acceptable.

No numeric data may be negative.

Calculations resulting in a value less than zero must be represented as zero.

Line 1b is a city or town located within the Commonwealth of Massachusetts

Line 2, if the percentage is less than 100%, additional information should be submitted as an attachment.

Line 4 if more spaces is required to describe expenditures, submit an attachment.

Line 6 must not be greater than \$15,000

Line 8 must not be greater than \$1,500

Lines 10 & 35 must have the same amounts.

Percentages must be represented in decimal format. That is, 100% should be represented as 1.000000; 3% should be represented as 0.030000. (the decimal point is omitted in the 2D barcode)

Part 2 is only completed if line 1a has a current year date.

The percentage to be used in the calculation on line 35 will be published near the end of December on the Massachusetts Department of Revenue web site.

Unused credit may be carried forward up to 5 years.

The total SC credit per property may not exceed \$6,000.

Part 4 Unused Septic Credit Carryover, Column "a" data comes from prior year Schedule SC line 16 column "c".

The taxpayer chooses which unused, prior year credit to use first.

### Schedule EOAC

This schedule is 2D enabled

Line 5 if more room is needed, file an attachment.

Line 6 is the total of all the Line 5's Cost column

Line 8 must not be less than zero. Negative values should be represented as zero.

Line 12 must not be less than zero. Negative values should be represented as zero.

### Schedule FAF

File as many as needed to complete the return.

### Schedule OJC

File as many as needed to complete the return.

The schedule carries over to Form 1 line 30 or Form 1NRPY line 34.

## **Changes to 2017 Massachusetts Income Forms and Schedules**

### **General**

Form 1 & Form NRPY were image enabled using different standards. This has caused some line items to move from one page to another. The Form-1 is a 4 page form now and NRPY is 5 pages.

Draft versions of forms and schedules will no longer be accepted by Massachusetts DOR. A notice will be sent to any taxpayer submitting DRAFT forms as part of their return that their return was not accepted by the department and to resubmit using valid forms and schedules.

### **Form 1**

The EIC Federal (US amount) Maximum Credit is:

\$6,318 with three or more qualifying children

\$5,616 with two qualifying children

\$3,400 with one qualifying child

\$510 with no qualifying children

The percentage allowed for Massachusetts has changed to 23%

New for 2017, some residents may be granted the EIC credit if they meet certain criterion under the Married filing Separate filing status. Details to follow: TIR 16-15 and Instructions.

For Filing Status of 3, married filing separately, the spouse name and ssn must be included

Line 6 has been split out between Schedule C and Farm income with a subtotal.

Line 41 payment made with original return. (Used when filing an amended return)

### **Form 1-NRPY**

The EIC Federal (US amount) Maximum Credit is:

\$6,318 with three or more qualifying children

\$5,616 with two qualifying children

\$3,400 with one qualifying child

\$510 with no qualifying children

The percentage allowed for Massachusetts has changed to 23%

New for 2017, some residents may be granted the EIC credit if they meet certain criterion under the Married filing Separate filing status. Details to follow: TIR 16-15 and Instructions.

For Filing Status of 3, married filing separately, the spouse name and ssn must be included

Line 8 has been split out between Schedule C and Farm income with a subtotal.

Line 45 payment made with original return. (Used when filing an amended return)

### **Schedule CRS**

All fields will be captured

New credit for hiring qualified veterans and LIH denotation

### **Schedule CMS**

New credit for hiring qualified veterans and LIH denotation

### **Schedule DI**

No Changes

### **Schedule HC**

The max Mass penalty is \$1,152 per person

### **Schedule CB**

Max Value on the home cannot be more than \$747,000

Max Qualified Income (line 9) Single \$57,000 (no change)

HOH \$72,000  
Joint \$86,000 (no change)

Max credit is \$1,080

**Schedule C**

No Changes

**Schedule E**

No Change.

**Schedule NTSL-NR**

No Changes

**Schedule RNR**

Not 2D enabled

**Schedule INC**

No Changes

**Schedule X**

No Changes

**Schedule Y**

New prepaid college deduction (line 18) with a maximum of \$1,000 (\$2,000 if married filing joint)

**Schedule B**

No Changes

**Schedule D**

No Changes

**Schedule LP**

No Changes

**Schedule EC**

No Changes

**Schedule SC**

No Changes

**Schedule RFC**

No Changes

**Schedule EOAC**

No Changes

**Schedule FAF**

No Changes

## 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/or 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** get approval from the Department.

The company must have forms reviewed annually prior to release of the substitute forms. The Department has noticed that some customers were submitting returns created by pre-approved, but outdated software. DOR mails those returns back to taxpayers with an explanatory letter.

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:

Disable printing of returns created using unapproved software.

A watermark with the text of "**DRAFT FORM: THIS WILL NOT BE PROCESSED**" 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 anywhere 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 who pass certification must provide a copy of their DOR Approval letter to tax practitioners or other tax software and substitute tax form vendors.<sup>10</sup>

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 for where to submit test forms.

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<sup>10</sup> See also, Section 1.4 of 'Handbook for Reproduction of Non-Scannable Department of Revenue Forms'  
11/13/2017

Forms will be tested for format and readability in the order in which they are received by the Department. DOR only approves the appearance of the printed substitute form, the 1-D barcode value and the 2-D barcode readability. DOR does not certify the logic of specific software, or the calculation formulas entered on any forms. DOR does not approve specific equipment or the process used in producing the substitute forms, but does require that the substitute forms meet the Department's standards.

Failure to comply with these requirements WILL cause returns to misread and reject as errors in processing. As a result, issuance of refund checks will be slowed to customers. DOR will capture vendor data and monitor processing results. Specifically the Department will track readability of returns with respect to field read rates, as well as tracking 2-D barcode read problems.<sup>11</sup> Each page has a unique 1-D barcode that the imaging software uses to identify the page in the event that the 2-D barcode cannot be read.

### Fixed (Exact) Positioning

DOR requires exact positioning for all data elements on every form and schedule for certification, as well as the 2-D barcode readability. 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 position of all OCR-readable fields must appear in the exact location as specified in the record layout. 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. In the event that a 2-D barcode is unreadable, the exact positioning will allow software to capture and "read" the data.

### 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 contractions 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.

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<sup>11</sup> Not printer introduced problems for which the vendor has no control



## 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 ("-"). Radio button is used now for all official forms and schedules.
- . Use of parentheses or "X" boxes<sup>12</sup> is not acceptable.
- . Language regarding the use of "X" boxes must not be printed on the substitute forms.

## 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, spouse 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.
- . The 'Notice' 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.

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<sup>12</sup> As found on the official Department produced version of the forms  
11/13/2017

## The Department's Acceptance Criteria

- . Can we read the 2-D barcode?
- . Can we read the 1-D barcode?
- . Is there a 2-D barcode on every form and schedule as required?
- . Is the 2D barcode data correctly located within the barcode?
- . Is the 1-D barcode correct on each page?
- . Are the 1-D and 2-D barcodes correctly sized and located?
- . Using the transparent films available to the vendors, do anchors and fields on the test samples line up to the films, within REASONABLE tolerances?
- . Transparent films will gladly be provided upon request.
- . Those vendors providing Massachusetts Personal Income Tax Forms and Schedules must pass ALL (1D, 2D and exact positioning) acceptance requirements.

## Submitting test data

- . Submitting samples for 2D testing may be done via email using pdf files.
- . There will be two tests per form required to be submitted for 2D testing.
- . Exact positioning tests may be submitted via email or hard copy.
- . 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 the 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

Creaghan Trainor

Publishing Services - Forms Design & Non-Scannable Forms Approval

100 Cambridge St.

Boston MA 02210

[trainorc@dor.state.ma.us](mailto:trainorc@dor.state.ma.us)

617-626-2812

Robert Fiore

ANF-IT Support 3<sup>rd</sup> floor – Scannable Forms Approval

200 Arlington St.

Chelsea MA 02150

[fiore@dor.state.ma.us](mailto:fiore@dor.state.ma.us)

617-887-5315

Steven Piro

ANF-IT Support 3<sup>rd</sup> floor – Scannable Forms Approval

200 Arlington St

Chelsea MA 02150

[piro@dor.state.ma.us](mailto:piro@dor.state.ma.us)

617-887-5710

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](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)

### **NOTE:**

*It is imperative that all **SCANNABLE** personal income tax form samples be sent to the address mentioned above. All **SCANNABLE** personal income tax form samples sent to this address are prioritized.*

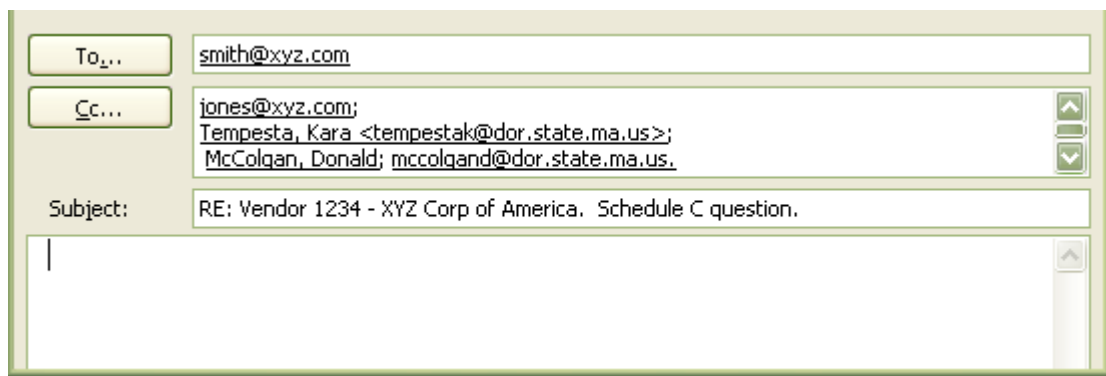
*Any **SCANNABLE** personal income tax form sample that is sent to any other Mass DOR mailing address will be subject to delays in form testing/approval.*

*A scannable form is any form with a 1D barcode on it.*

## 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 your or a client's social security number.



The screenshot shows an email client window with the following fields:

- To:** smith@xyz.com
- Cc:** jones@xyz.com; Tempesta, Kara <tempestak@dor.state.ma.us>; McColgan, Donald; mccolgan@dor.state.ma.us.
- Subject:** RE: Vendor 1234 - XYZ Corp of America. Schedule C question.

The body of the email is currently empty.

## Other Resources<sup>13</sup>:

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 [www.taxadmin.org](http://www.taxadmin.org). The 2-D Barcode Standards document is a good source for vendors who are being introduced to 2-D barcode technology.

Massachusetts Department of Revenue website <http://www.dor.state.ma.us/>. Refer to the site map to 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 '2017 Payment Voucher and Extensions Software Developer's Guide' and '2017 Tax Payment Voucher and Extension Forms' <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>

To obtain a Social Security Number use Form SS-5 which is available at the Social Security Administration (SSA) website [www.socialsecurity.gov](http://www.socialsecurity.gov) or by contacting the SSA at (800) 772-1213.

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

For information about Massachusetts health care reform and purchasing affordable health insurance through the Commonwealth of Massachusetts, visit the Commonwealth Connector website [www.mahealthconnector.org](http://www.mahealthconnector.org)

The first link on the above page has the Inspector License number as part of the second to last drop down menu. (<http://webapps.ehs.state.ma.us/leadinspect/default.aspx>)

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<sup>13</sup> Note: website addresses are current as of 09/29/2016  
11/13/2017

## 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.

Number	Date	Revision
2017-1.0	6/23/2017	Begin filing season updates.
		Schedule CRS. Include 2, 9 byte columns for 19 rows gets to 1492 total bytes. (Revised Amount & Credit Never Used)
		1099B, 1099OID, 1099INT, 1099DIV & 1099K. added to pg 23
		Page 16 & 17 Married filing separate criteria has been updated
		EIC MA value is 4 bytes in size, percentage is new. Candidates for taking the credit now include some taxpayers who filing status of Married Filing Separate.
		Verbiage on page 13 regarding submitting returns created using unapproved software. Those returns will not be accepted by the Department.
		New DOR contacts will be provided for 2017 as soon as they are identified. Russ and Anna will still accept inquiries until the switch is made.
		The definition of a scannable form is any form with a 1D barcode on it. (Vouchers excluded)
		Filing Status 3 new requirements.
		Part 2, Form 1 & NRPY updated to reflect 4 <sup>th</sup> & 5 <sup>th</sup> pages respectively
		New Sched Y prepaid college deduction. Line to be determined.
2017-1.1	9/21/2017	New credit for hiring qualified veterans. Also, low income housing credit for a qualified donation.
		EIC eligibility for certain married filing separate taxpayers will have a radio button to indicate satisfying the requirements will be located on the same page with the EIC being taken. Max EIC federal amounts updated.
		Updated Schedule CB max values
		Updated Schedule HC max value
		Line 6 has been split out between Schedule C and Farm income with a subtotal. NRPY line 8 as well.
2017-1.2	9/29/2017	Payment with original return line 41 & 45, form 1 & nrpy Sched XY new college deduction is line 18, 2D layout adjusted accordingly. (from today forward, additional line items will be added to the END of the 2D layout)
2017-1.3	10/4/2017	Fixed part 2 Form 1 page 2 misplaced fields.
		See page 30: Draft versions of forms and schedules will no longer be accepted by Massachusetts DOR. A notice will be sent to any taxpayer submitting DRAFT forms as part of their return that their return was not accepted by the department and to resubmit using valid forms and schedules.
	10/26/2017	The EIC calculation changes are new for 2017 and addressed

	in the instructions and TIR 16-15.
	Updated Certificate number format table page 24
11/8/2017	NRPY pg 4, line 41 & 42 moved to page 5. Both fields placed at the bottom of page 5 2D barcode
	M-2210 has been changed to a 3 page document. This necessitated by the addition of 3 fields on page 1
	Added EIC calculation details in Appendix D

## Appendix A

### Initial Submission

Massachusetts Department of Revenue

Mrs. Dep Revenue  
200 Arlington St  
Chelsea MA 02150  
(617) 887-0000  
[revenue@dor.state.ma.us](mailto:revenue@dor.state.ma.us)

or

Mr. Ven Doore  
[doore@dor.state.ma.us](mailto:doore@dor.state.ma.us)  
(617) 887-0001

XYZ Corp of America	Vendor #	1234
	Product:	Awesome Software 4U
	Contact:	Mr. Stanley Smith 2 Main St Anytown, OR 10102 (123) 222-1234 <a href="mailto:smith@xyz.com">smith@xyz.com</a>
		or
		Mr. James Jones (123) 222-1233 <a href="mailto:jones@xyz.com">jones@xyz.com</a>

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.
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. Dep Revenue  
 200 Arlington St  
 Chelsea MA 02150  
 (617) 887-0000  
[revenue@dor.state.ma.us](mailto:revenue@dor.state.ma.us)

or

Mr. Ven Doore  
[doore@dor.state.ma.us](mailto:doore@dor.state.ma.us)  
 (617) 887-0001

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](mailto:smith@xyz.com)  
                  or  
                  Mr. James Jones  
                  (123) 222-1233  
                  [jones@xyz.com](mailto:jones@xyz.com)

Forms and Schedules	Tests to be performed				Results / Action
	Exact Positioning	1D	2D data	Not supported	
	√ = To be tested P = Successful test				Successful Result, Error, Retest, Did Not Submit, Accepted Form
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.
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 - Ven				





## Appendix B

### Penalty assessment use cases:

**UC 1** – Full year resident has no insurance for the whole year.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen

- Penalty = Full annual penalty of 12 months.

**UC 2** – Part year resident arrives in MA on January 10<sup>th</sup> and has no insurance for the full year. The requirement to have health insurance starts on April 1 for this taxpayer.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
			Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen

- Penalty = 9 months PY residents receive penalty for all full months after the mandate applies. The mandate applies beginning on the 3<sup>rd</sup> full month of residency; in this case the TP would receive a penalty for April through December, or 9 months.

**UC 3** – Part year resident arrives in MA on January 1st and leaves November 1 has no insurance for the full year.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
			Penalty	Penalty	Penalty	Penalty	Penalty	Penalty	Penalty		

- Penalty = 7 months. PY residents receive penalty for all full months after the mandate applies. The mandate applies beginning on April 1; in this case the TP would receive a penalty for 7 months.

**UC 4** – Part year resident arrives in MA on January 10<sup>th</sup> and has insurance for January and February. The requirement to have health insurance starts on April 1 for this taxpayer.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X	X		Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen	Pen

- Penalty = 9 months. PY residents receive penalty for all full months after the mandate applies because they had no insurance at any point during the mandate period. The mandate applies beginning on April 1 for this taxpayer. In this case the TP would receive a penalty for April through December, or 9 months.

**UC 5** – Part year resident arrives in MA on January 10<sup>th</sup> and has insurance for January, February and then again in November and December.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X	X					Pen	Pen	Pen	Pen	X	X

- Penalty = 4 months. The requirement to have health insurance starts on April 1. For the period that the mandate applies, April through December, the TP had insurance for part of the time that the mandate applies (the key in this example) and would receive the benefit of the 3 month gap. In this case the TP would receive a penalty for four months

**UC 6** - TP is Full year resident had insurance in January and then again in May through December

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X				X	X	X	X	X	X	X	X

- Month Penalty = 0 penalty. This case is one gap of 3 months.

**UC 7 – TP is Full year resident had insurance in January and then again in June through December**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X				Pen	X	X	X	X	X	X	X

- Month Penalty = 1 month penalty. A lapse in coverage for 4 months.

**UC 8 - TP is a full year resident who had insurance in January, April, July and October through December.**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X			X			X			X	X	X

- Month Penalty = No penalty. Taxpayer has 3 gaps of 2 months each.

**UC 9 – TP is without coverage from January 1 to March 3 and October 1 to December 1.**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
		X	X	X	X	X	X	X			

- Month Penalty = No Penalty, 2 separate gaps of 3 months or less.

**UC 10 – Full year resident taxpayer begins coverage on June 1 and maintains coverage for the remainder of the year.**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
			Pen	Pen	X	X	X	X	X	X	X

- Month Penalty = 2 month penalty. One gap in coverage of 5 months, less 3 months of grace.

**UC 11 – Full year resident TP had coverage from January 1 through December 1.**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X	X	X	X	X	X	X	X	X	X	X	

- Month Penalty = No Penalty. One lapse in coverage of one month.

**UC 12 - TP is deceased on June 5. Return indicates coverage for January through May.**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X	X	X	X	X							

- Month Penalty = No Penalty. The mandate for this taxpayer applied up until the last day of the last full month the taxpayer was alive, or in this case, May 31<sup>st</sup>.

**UC 13 - TP is part year resident who left MA on June 1 and had no insurance at any point during the year. Days of residents are 1 -1 through 6-1**

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
			Pen	Pen							

- Month Penalty = 2 month penalty. The mandate applies for April and May; TP had no insurance during the mandate period.

**UC 14** - TP is part year resident who left MA on June 1 and had insurance January through May.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
X	X	X	X	X							

- Month Penalty = No Penalty

**UC 15** - TP is part year resident of MA from 6-1 to 12-31 and had Insurance for June only.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
					X			Pen	Pen	Pen	Pen

- Month Penalty = 4 month penalty. The mandate applies for September through December and the taxpayer had no insurance for the whole mandate period.

**UC 16** - TP Is a part year resident who lived in MA from June 1 to 12-31 had no coverage.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
								Pen	Pen	Pen	Pen

- Month Penalty = 4 month. The mandate begins September 1<sup>st</sup> for the next 4 months. The TP was without coverage for the entire mandate period.

**UC17** - TP turns 18 on June 5 and has insurance for November and December.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
										X	X

- Month Penalty = 0 month. The mandate begins September 1. There was one gap of 2 months.

**UC 18** - TP turns 18 on June 5 and had no insurance all year.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
								Pen	Pen	Pen	Pen

- Month Penalty = 4 month. TP was without insurance for the whole mandate period.

**UC 19** - TP is a resident from January 1 to August 1 and has insurance for June and July.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
					X	X					

- Month Penalty = 0 month. This taxpayer has a 2 month gap during the period that the mandate applied. The mandate begins April 1<sup>st</sup>. Because the TP had insurance at some point when the mandate was in effect, they receive 3 months gap free.

**UC 20** - TP is a resident from January 1 to March 15 (either because they moved or died) and had no insurance.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

- Month Penalty = 0 month. The mandate applies beginning in April and the taxpayer was not a resident of Massachusetts .

## Appendix C

### The 2 character code must be used in the foreign country field

<https://www.irs.gov/tax-professionals/e-file-providers-partners/foreign-country-code-listing-for-modernized-e-file>

Country Name	Country Code
Afghanistan	AF
Akrotiri	AX
Albania	AL
Algeria	AG
American Samoa	AQ
Andorra	AN
Angola	AO
Anguilla	AV
Antarctica	AY
Antigua & Barbuda	AC
Argentina	AR
Armenia	AM
Aruba	AA
Ashmore and Cartier Islands	AT
Australia	AS
Austria	AU
Azerbaijan	AJ
Bahamas	BF
Bahrain	BA
Baker Island	FQ
Bangladesh	BG
Barbados	BB
Belarus	BO
Belgium	BE
Belize	BH
Benin	BN
Bermuda	BD
Bhutan	BT
Bolivia	BL
Bosnia-Herzegovina	BK
Botswana	BC
Bouvet Island	BV
Brazil	BR
British Indian Ocean Territory	IO
British Virgin Islands	VI
Brunei	BX
Bulgaria	BU
Burkina Faso	UV
Burma	BM
Burundi	BY
Cambodia	CB
Cameroon	CM
Canada	CA
Cape Verde	CV
Cayman Islands	CJ
Central African Republic	CT
Chad	CD

Chile	CI
China	CH
Christmas Island	KT
Clipperton Island	IP
Cocos (Keeling) Islands	CK
Colombia	CO
Comoros	CN
Congo (Brazzaville)	CF
Congo (Kinshasa)	CG
Cook Islands	CW
Coral Sea Islands	CR
Costa Rica	CS
Cote D'Ivoire (Ivory Coast)	IV
Croatia	HR
Cuba	CU
Curacao	UC
Cyprus	CY
Czech Republic	EZ
Denmark	DA
Dhekelia	DX
Djibouti	DJ
Dominica	DO
Dominican Republic	DR
East Timor	TT
Ecuador	EC
Egypt	EG
El Salvador	ES
Equatorial Guinea	EK
Eritrea	ER
Estonia	EN
Ethiopia	ET
Falkland Islands (Islas Malvinas)	FK
Faroe Islands	FO
Federated States of Micronesia	FM
Fiji	FJ
Finland	FI
France	FR
French Polynesia	FP
French Southern and Antarctic Lands	FS
Gabon	GB
The Gambia	GA
Georgia	GG
Germany	GM
Ghana	GH
Gibraltar	GI
Greece	GR
Greenland	GL
Grenada	GJ
Guam	GQ
Guatemala	GT
Guernsey	GK
Guinea	GV
Guinea-Bissau	PU
Guyana	GY
Haiti	HA
Heard Island and McDonald Islands	HM
Holy See	VT



Honduras	HO
Hong Kong	HK
Howland Island	HQ
Hungary	HU
Iceland	IC
India	IN
Indonesia	ID
Iran	IR
Iraq	IZ
Ireland	EI
Israel	IS
Italy	IT
Jamaica	JM
Jan Mayen	JN
Japan	JA
Jarvis Island	DQ
Jersey	JE
Johnston Atoll	JQ
Jordan	JO
Kazakhstan	KZ
Kenya	KE
Kingman Reef	KQ
Kiribati	KR
Korea, Democratic People's Republic of (North)	KN
Korea, Republic of (South)	KS
Kosovo	KV
Kuwait	KU
Kyrgyzstan	KG
Laos	LA
Latvia	LG
Lebanon	LE
Lesotho	LT
Liberia	LI
Libya	LY
Liechtenstein	LS
Lithuania	LH
Luxembourg	LU
Macau	MC
Macedonia	MK
Madagascar	MA
Malawi	MI
Malaysia	MY
Maldives	MV
Mali	ML
Malta	MT
Man, Isle of	IM
Marshall Islands	RM
Mauritania	MR
Mauritius	MP
Mexico	MX
Midway Islands	MQ
Moldova	MD
Monaco	MN
Mongolia	MG
Montenegro	MJ
Montserrat	MH
Morocco	MO

Mozambique	MZ
Namibia	WA
Nauru	NR
Navassa Island	BQ
Nepal	NP
Netherlands	NL
New Caledonia	NC
New Zealand	NZ
Nicaragua	NU
Niger	NG
Nigeria	NI
Niue	NE
Norfolk Island	NF
Northern Mariana Islands	CQ
Norway	NO
Oman	MU
Other Country	OC
Pakistan	PK
Palau	PS
Palmyra Atoll	LQ
Panama	PM
Papua-New Guinea	PP
Paracel Islands	PF
Paraguay	PA
Peru	PE
Philippines	RP
Pitcairn Islands	PC
Poland	PL
Portugal	PO
Puerto Rico	RQ
Qatar	QA
Romania	RO
Russia	RS
Rwanda	RW
Saint Barthelemy	TB
Saint Martin	RN
Samoa	WS
San Marino	SM
Sao Tome and Principe	TP
Saudi Arabia	SA
Senegal	SG
Serbia	RI
Seychelles	SE
Sierra Leone	SL
Singapore	SN
Sint Maarten	NN
Slovakia	LO
Slovenia	SI
Solomon Islands	BP
Somalia	SO
South Africa	SF
South Georgia and the South Sandwich Islands	SX
South Sudan	OD
Spain	SP
Spratly Islands	PG
Sri Lanka	CE
St. Helena	SH

St. Kitts and Nevis	SC
St. Lucia Island	ST
St. Pierre and Miquelon	SB
St. Vincent and the Grenadines	VC
Sudan	SU
Suriname	NS
Svalbard	SV
Swaziland	WZ
Sweden	SW
Switzerland	SZ
Syria	SY
Taiwan	TW
Tajikistan	TI
Tanzania	TZ
Thailand	TH
Togo	TO
Tokelau	TL
Tonga	TN
Trinidad and Tobago	TD
Tunisia	TS
Turkey	TU
Turkmenistan	TX
Turks and Caicos Islands	TK
Tuvalu	TV
Uganda	UG
Ukraine	UP
United Arab Emirates	AE
United Kingdom (England, Northern Ireland, Scotland, and Wales)	UK
Uruguay	UY
Uzbekistan	UZ
Vanuatu	NH
Venezuela	VE
Vietnam	VM
Virgin Islands	VQ
Wake Island	WQ
Wallis and Futuna	WF
Western Sahara	WI
Yemen (Aden)	YM
Zambia	ZA
Zimbabwe	ZI

## Appendix D

### **Form 1, Line 42. Earned Income Credit**

The earned income credit is a tax credit for certain taxpayers who work and have earned income under \$53,505. Taxpayers who qualify for and claim the federal earned income credit are allowed a refundable credit equal to 23% of the federal amount. If the credit due the taxpayer exceeds the amount of the total income tax payable for the year by the taxpayer, the excess amount of the credit will be refunded to the taxpayer without interest. You must enter the number of qualifying children, if any, in line 41a. Then, enter the federal earned income credit amount from your U.S. Form 1040, line 66a, 1040A, line 42a; or 1040EZ, line 8a. Multiply this amount by .23 (23%) and enter the result in line 42. Be sure to fill out Schedule DI, Dependent Information, if you are claiming this credit for one or more qualifying children/dependents. Failure to do so will delay the processing of your return. If you choose to have the IRS compute your federal earned income credit, wait until the IRS notifies you of that amount before making an entry in line 42. If you do not receive this information before April 17, 2018, and you are expecting a refund, you may have additional time to file your return. See the instructions for *When to File Your Return* for more information. For more information about the federal earned income tax credit, see IRS publication 596, available at [irs.gov](http://irs.gov).

**Note:** if you are considered married for federal and Massachusetts income tax purposes, you must file a joint return with your spouse to claim the EITC. However, if you are a victim of domestic abuse, you can file a return as married filing separately and still claim the EITC if the following apply to you:

1. You are living apart from your spouse at the time you file your tax return; and
2. You are unable to file a joint return because you are a victim of domestic abuse.

If you have a filing status of married filing separately and you claim the EITC under this exception, you should keep records demonstrating the existence of domestic abuse. What constitutes adequate records will vary depending upon your circumstances. Some examples of documents that may meet this record-keeping requirement include (do not attach these records to your tax return):

1. Protective and/or restraining order.
2. Police report.
3. Doctor's report or letter.
4. A statement from someone who was aware of, or who witnessed, the abuse or the results of the abuse. The statement should be notarized if possible.
5. A sworn statement from you attesting to the abuse.

To claim this exception, you must fill in oval on Line 42.

To determine if you qualify for the Credit with a filing status exception as a victim of domestic abuse, you should complete the IRS Earned Income Credit (EIC) worksheet .

Note: You should answer 'No' to Question 3 of the IRS Earned Income Credit (EIC) worksheet and when looking up the amount of the credit in the EIC Table you should use the column for the filing status "single" and the number of children you have.

To determine line 42 "Amount from U.S. return"

U.S. Form 1040, EIC Worksheet A filers should use the amount from Worksheet A, line 6.

U.S. Form 1040, EIC Worksheet B filers should use the amount from Worksheet B, line 11.

U.S. Form 1040A filers should use the amount from the EIC Worksheet, line 6.

See TIR 17-10.