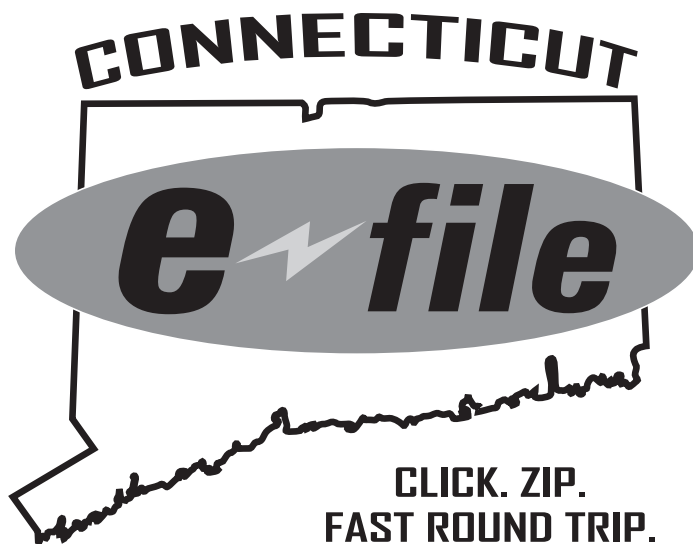


2008  
TAXABLE  
YEAR

# Federal/State Electronic Filing Handbook



Informational Publication 2008(25.1)  
Issued: 11/08



**State of Connecticut**  
Department of Revenue Services  
25 Sigourney St Ste 2  
Hartford CT 06106

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# ***Notes***

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## Calendar

### For Taxable Period January 1, 2008, Through December 31, 2008

Begin PATS Testing.....	November 12, 2008
Begin transmitting live IRS <i>e-file</i> returns .....	January 16, 2009
Last date for transmitting timely-filed returns .....	April 15, 2009
Last date for re-transmitting rejected timely filed returns .....	April 21, 2009
Last date for transmitting late returns or returns filed on extension .....	October 15, 2009
Last date for re-transmitting rejected returns .....	October 20, 2009

## I. Introduction

January 2009 begins the 14th year of the Connecticut Federal/State Electronic Filing (*e-file*) Program. In coordination with the Internal Revenue Service (IRS), the Connecticut Department of Revenue Services (DRS) offers Connecticut taxpayers the opportunity to file their Connecticut individual income tax returns electronically through a participating tax preparer or transmitter as part of the *e-file* program.

**Informational Publication 2008(25.1)**, *Connecticut Federal/State Electronic Filing Handbook*, (*Connecticut Handbook*), is a companion to the IRS Publication 1345, Handbook for Electronic Return Originators of Individual Income Tax Returns. DRS recommends all participants study IRS Publication 1345 before reading this publication. The detailed instructions on hardware, transmission procedures, and policies provided by the IRS apply to the Connecticut *e-file* program.

Since most functions of the Connecticut *e-file* program are the same as the Federal *e-file* program, this handbook highlights the special and unique features of the Connecticut program. All rules and regulations published by the IRS governing tax preparers, transmitters, and originators of returns are in effect for Connecticut. The procedures and requirements for the *e-file* program are outlined in IRS Publication 3112, The IRS *e-file* Application Package. DRS requires all participants be accepted into the federal *e-file* program to participate in the Connecticut *e-file* program.

## II. *e-file* Highlights

- For taxable year 2008, the filing status options are: Single, Filing jointly for federal and Connecticut, Filing jointly for Connecticut only, Filing separately for federal and Connecticut, Filing separately for Connecticut only, Head of household, and Qualifying widow(er) with dependent child. See *Filing Status Options for 2008* on Page 8.
- The filing status for individuals who are parties to a civil union recognized under Connecticut law or who are in a marriage recognized under *Kerrigan v. Commissioner of Public Health*, 289 Conn. 135 (2008)(*Kerrigan*), should be “Filing jointly for Connecticut only” or “Filing separately for Connecticut only.”
- An electronic withdrawal payment record, **Form CT-1040 EFW**, *Connecticut Electronic Withdrawal Payment Record*, will be generated by the *e-file* program. This form is provided to taxpayers, for their records, when electronic payment is requested for the taxable year.
- DRS will accept *e-filed* decedent returns.
- The 2008 **Form CT-1040V**, *Connecticut Electronic Filing Payment Voucher*, provides a scan line which will facilitate processing of paper payments.
- The *e-file* requirement threshold remains at 50 prior year returns. See Page 6.
- Any income tax liability paid by a pass-through entity (PE) on behalf of a nonresident member and reported to the nonresident member on Part III, Line 1, of **Schedule CT K-1**, *Member’s Share of Certain Connecticut Items*, must be entered on **Form CT-1040NR/PY**, *Connecticut Nonresident and Part-Year Resident Income Tax Return*, Lines 20a through 20g.
- Electronic Return Originators (EROs) are not required to mail income tax returns for other jurisdictions when a credit for income taxes paid to another jurisdiction is claimed on a taxpayer’s Connecticut income tax return. EROs must maintain the supporting documentation for three years.
- A **new** reject code has been added to the Connecticut Acknowledgment: code **021**, Invalid CHET Account/Amount Exceeds Maximum Allowed.

- Any taxpayer who has requested an extension of time to file for federal income tax purposes and has paid all Connecticut income tax due on or before April 15, 2009, is not required to file **Form CT-1040 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Individuals*.
- DRS accepts an approved IRS five-digit self-selected PIN or an approved IRS Practitioner PIN as the electronic signature on the Connecticut tax return. The electronic signature eliminates the need for **Form CT-8453**, *Income Tax Declaration for Electronic Filing by Individuals*. E-filing is now a truly paperless process. See Page 9 for details.

### III. Contact Names and Telephone Numbers

#### State of Connecticut e-file Help Desk

DRS operates a Help Desk for electronic transmitters and preparers who experience problems. The Help Desk is *exclusively* for electronic transmitters and preparers. These numbers should **not** be provided to taxpayers.

For questions and comments about Connecticut's *e-file* program, contact Jim Annino, *e-file* Coordinator, by email at [jim.annino@po.state.ct.us](mailto:jim.annino@po.state.ct.us), by phone at **860-297-4713**, or by fax at **860-297-4761**. You may also contact Jason Purslow, e-commerce Unit Supervisor, by email at [jason.purslow@po.state.ct.us](mailto:jason.purslow@po.state.ct.us) or by phone at **860-297-5979**.

Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) for additional information.

#### IRS e-file Help Desk

For questions or comments about the IRS *e-file* program, contact the Connecticut/Rhode Island District Office:

- Call **860-756-4617** and ask to speak to the Electronic Tax Administrator; **or**
- Visit the IRS website at [www.irs.gov](http://www.irs.gov).

#### Tax Assistance for Taxpayers

Taxpayers can use the secure online option of the **Taxpayer Service Center (TSC)** to check the status of a refund.

- Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the **TSC** logo
- Click on **TSC-IND** to reach the Welcome Page
- On the left side of the Welcome Page, select "**Check the Status of Your Refund**"

Users must have their **Social Security Number** (or their spouse's Social Security Number if it is a joint return and their spouse was listed first on the return) and the **exact amount of the refund request as reported on the Connecticut income tax return**. Enter the whole dollar amount of the refund requested, do not include cents. For example, if the taxpayer requested a refund of \$375.43, enter 375.

The DRS Refund Information Line provides taxpayers with information about their refunds. The Refund Information Line is available anytime from a touch-tone phone. Preparers should advise taxpayers to confirm acknowledgment of their *e-file* return with their practitioner or transmitter **before** calling to check on the status of their refund.

For automated refund information call:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

Select **Option 6** to speak with a representative.

To obtain refund status information, taxpayers must know:

- Their Social Security Number; **and**
- The amount of the refund; dollars and cents.

Taxpayers should allow three weeks for processing of an *e-file* return before calling the automated Refund Information Line to inquire about the status of a refund.

## **IV. Federal/State *e-file* Program**

DRS has participated in the joint Federal/State *e-file* Program since 1994. In our pilot program for the 1994 taxable year, participants transmitted more than 1,600 returns to DRS and the IRS. DRS offered the *e-file* program statewide beginning with the 1995 taxable year and processed more than 17,000 returns that year.

Connecticut's *e-file* program continues to grow and is one of our most successful programs. The 2005 taxable year was the first year preparers were required to *e-file* Connecticut income tax returns. During the 2008 tax season, over one million returns, more than 70% of all Connecticut income tax returns were received via *e-file*. Conn. Agencies Regs. §12-690-1 requires preparers who prepared 50 or more 2007 Connecticut income tax returns to file 2008 Connecticut income tax returns electronically using the Federal/State *e-file* Program.

To participate in *e-file* preparers must become an Electronic Return Originator (ERO). Visit our website at [www.ct.gov/DRS](http://www.ct.gov/DRS) or the IRS website at [www.irs.gov](http://www.irs.gov) for more details.

### **How the Federal/State *e-file* Program Works**

DRS allows tax preparers and transmitters accepted in the IRS *e-file* program to participate in the Connecticut *e-file* program. Our joint program works best when you file your federal and Connecticut income tax returns together in one transmission. However, in the event the federal return has been accepted and the Connecticut return has not been accepted, you may be able to send a State Only Return through the *e-file* program for processing. Returns are transmitted directly to the IRS using approved software. The IRS, after acknowledging acceptance of the federal return and receipt of the Connecticut return, makes the state return available for retrieval by DRS. After the Connecticut return has been retrieved DRS will process the information received.

DRS will acknowledge, to the transmitter, receipt of all returns retrieved from the IRS. Transmitters may retrieve the Connecticut acknowledgements within two days from the time acknowledgements are received from the IRS.

Electronic filing is a computer and data processing service subject to Connecticut sales tax at the rate of 1%. Therefore, if you charge a separate fee for electronically filing a return, you must register with DRS and charge the appropriate sales tax.

### **Who May Participate**

Federal/State *e-file* for Connecticut returns is available to all participants who have been accepted in the federal *e-file* program and transmit returns to the IRS. The application process for the *e-file* program is outlined in this handbook.

## Application and Acceptance Process

### Application Process

To participate in the joint *e-file* program preparers must submit to the IRS federal Form 8633, Application to Participate in the *e-file* program.

**No additional application form is necessary for DRS. Once you are approved by the IRS you are automatically eligible to file Connecticut returns electronically.**

IRS Publication 1345, Handbook for Electronic Return Originators of Individual Income Tax Returns, specifies the application process and requirements for federal participation. The IRS definitions of the categories of electronic filers apply for Connecticut electronic filing purposes under the *e-file* program.

### Acceptance Process

DRS recognizes the federal acceptance process. Acceptance into the federal *e-file* program allows an ERO, transmitter, or preparer automatic acceptance into the Connecticut *e-file* program. However, DRS will conduct suitability checks on all applicants for the *e-file* program and will notify any applicant who is not eligible to participate.

Applicants must have:

- Timely and accurately filed all applicable State of Connecticut personal and business tax returns;
- No current tax delinquency with DRS (although DRS may conditionally accept applicants with outstanding tax liabilities if they file or pay the taxes in question before filing electronic returns); **and**
- Not been suspended or rejected from the program in a prior year. Suspension or rejection is permanent until corrective action is taken and reinstatement is approved by the IRS and DRS.

The IRS assigns the Electronic Filing Identification Number (EFIN) and Electronic Transmitter Identification Number (ETIN). DRS uses the same EFIN and ETIN as the IRS in the *e-file* program.

The EFIN and ETIN are used in the acknowledgment system to identify preparers and transmitters.

## Connecticut Testing

Preparers, EROs, and transmitters **are not required** to participate in the Connecticut Software Testing Program.

Software developers **are required** to pass Connecticut testing before releasing their software to commercial and individual customers. Preparers, EROs, and transmitters may contact DRS to verify a software company has passed Connecticut testing or check the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) for approved software developers.

## Publications

The following publications describe the process of the *e-file* program:

### IRS Publications

Publication 1345, Handbook for Electronic Return Originators of Individual Income Tax Returns

Publication 1345A, Filing Season Supplement for Electronic Return Originators

Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns

Publication 1436, Test Package for Electronic Filing of Individual Income Tax Returns

Publication 3112, The IRS *e-file* Application Package

Publication 1545, The Electronic Filing Logo Guideline for Effective Use

### DRS Publications

**Informational Publication 2008(25.1)**, *Connecticut Federal/State Electronic Filing Handbook*

Connecticut Electronic Filing Information for Software Developers

Connecticut Electronic Filing Test Package

## Filing Status Options for 2008

The chart below illustrates how the new Connecticut filing status options for the 2008 taxable year relate to the filing status options for the 2007 taxable year.

2007 Filing Status Options	2008 Filing Status Options
Single	Single
Head of household	Head of household
Qualifying widow(er) with dependent child	Qualifying widow(er) with dependent child
Married filing jointly	Filing jointly for federal and Connecticut
Married filing separately	Filing separately for federal and Connecticut
Civil union filing jointly	Filing jointly for Connecticut only
Civil union filing separately	Filing separately for Connecticut only



## V. Filing Process

### What Can Be Electronically Transmitted

The Connecticut portion of an electronic return consists of data transmitted electronically and supporting paper documents. In total, an electronic return contains the same information as a comparable return filed entirely on paper.

The following forms and schedules may be transmitted electronically:

- **Form CT-1040EZ**, *Connecticut Resident EZ Income Tax Return*;
- **Form CT-1040**, *Connecticut Resident Income Tax Return*;
- **Form CT-1040NR/PY**, *Connecticut Nonresident and Part-Year Resident Income Tax Return*; **and**
- Returns with filing status “Filing jointly for Connecticut only” or “Filing separate for Connecticut only” must be filed under the state only process.
- Supporting federal return and schedules are required for all electronically filed returns.
- You can transmit returns subject to the Connecticut alternative minimum tax with **Form CT-6251**, *Connecticut Alternative Minimum Tax Return — Individuals*, attached.
- You can transmit decedent tax returns.
- Form CT-1040EZ may be transmitted electronically only if it is in the same format as Form CT-1040.

### What Cannot Be Electronically Transmitted

In addition to the tax returns listed in IRS Publication 1345 as excluded from the *e-file* program for the 2008 taxable year, the following documents and forms are **not accepted** for Connecticut electronic filing for the 2008 taxable year:

- **Form CT-1040X**, *Amended Connecticut Income Tax Return for Individuals*;
- Prior year returns - any return not for the 2008 taxable year;
- Non-calendar year returns;
- Corrected returns;
- Form W-2, Wage and Tax Statement, with the state employer identification number missing;
- Returns accompanied by **Form CT-8379**, *Nonobligated Spouse Claim*; **and**
- Returns accompanied by **Form CT-1040CRC**, *Claim of Right Credit*.

### Paperless Signature Procedure

**Form CT-8453**, *Income Tax Declaration for Electronic Filing by Individuals*, has been eliminated. If the taxpayer elects to use the IRS self-select PIN or the IRS Practitioner PIN for the *e-file* program and the IRS accepts it, DRS accepts this PIN as the electronic signature for the Connecticut tax return. EROs are still required to keep all the supporting documents as outlined on Page 10.

## Documents Retained by ERO

The ERO must keep the following forms as well as federal Form 8879, IRS *e-file* Signature Authorization, or federal Form 8453, U.S. Individual Income Tax Transmittal for an IRS *e-file* Return:

- State copies of W-2, W-2G, 1099, and **Forms CT-4852**, *Substitute for Form W-2, Wage and Tax Statement*, or Form 1099R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc.;
- Copies of other state's return if claiming credit for income tax paid to another state. If credit is claimed for income taxes paid to more than two other qualifying jurisdictions, you must keep additional copies of *Schedule 2*, Form CT-1040 or Form CT-1040NR/PY;
- Individual Use Tax Worksheet, if required;
- Other informational documents not covered above and supporting material voluntarily included by the taxpayer; **and**
- Supporting documents and schedules requiring signatures, if applicable (as described in IRS Publication 1345).

The ERO **must keep** all supporting documents for three years.  
**Do not mail** these documents to DRS.

### Procedures for Retaining Documents

There may be occasions when DRS will ask the ERO to forward the signature document and all attachments. EROs must comply with the request within five business days from the date of the request. Send all requested documents to:

Department of Revenue Services  
Jim Annino, *e-file* Coordinator  
PO Box 2964  
Hartford CT 06104-2964

If the ERO cannot produce the original documents, credit for the tax withheld may be disallowed and the ERO may be suspended from the program.

For monitoring purposes, each year DRS will request a percentage of documentation, conducts site visits, or both.

### Transmission Process

The *e-file* program works best when the federal and Connecticut returns are filed together in one transmission to the IRS. If the federal return has already been accepted and the state return has not been accepted, a State Only Return may be retransmitted. Since all *e-file* returns are transmitted through the IRS, the transmitter must follow all electronic transmitting procedures, communication requirements, and technical specifications required by the IRS as defined in IRS Publication 1345.

A transmitter who resides outside the area supported by the IRS must have his or her EFIN accepted by any service center outside the center designated to support his or her location. A revised federal Form 8633, Application to Participate in the IRS *e-file* Program, must be completed to transmit Connecticut returns to another service center.

Participants in the *e-file* program must confirm with their software developer or direct transmitter that the software has the capability of processing and transmitting the Connecticut data along with the federal data.

## **Reject Codes Received From the IRS Service Center**

If a federal return is rejected due to errors, the accompanying state return will also be rejected. IRS Publication 1345A, Filing Season Supplement for Authorized IRS *e-file* Providers, offers a list of all reject codes. Federal Form 8453 informs taxpayers their return may be rejected due to errors on their state return and, consequently, their federal return may be delayed. If the error is one that can be corrected and the record processed, both return records may be retransmitted to the IRS. If a state return cannot be corrected, the filer has the option of retransmitting the federal return data and filing the state return by mail. If the federal return has already been accepted, and the state return has not, a State Only Return may be sent by itself through the *e-file* program.

## **Connecticut State Acknowledgment**

The Connecticut acknowledgment informs transmitters the Connecticut return data was retrieved and is being processed by DRS. Connecticut acknowledgments will be transmitted through the IRS acknowledgment system. Both the federal and Connecticut returns must be acknowledged. **Do not** assume an acknowledgment from the IRS means Connecticut return data was received by DRS.

### **Design Plan for Connecticut Acknowledgment System**

DRS acknowledges receipt of the Connecticut data packet from the IRS through the ACKS acknowledgment system. Acknowledgments are posted daily upon return retrieval from the IRS.

The Connecticut acknowledgment file should be available to a transmitter within two working days of the time the federal acknowledgment is received from the IRS.

Transmitters who transmit for EROs and preparers must notify the EROs and preparers at the time of receipt of the Connecticut acknowledgment. Transmitters are encouraged to regularly inquire on the status of returns transmitted.

### **Checking the Connecticut Acknowledgment File**

Once DRS acknowledges an electronic return, transmitters must notify their EROs of acceptance within five business days after receipt of the acknowledgment from DRS.

A Connecticut acknowledgment indicates the return has been received and will be processed. While most refunds are issued within four days, the taxpayer should be advised to wait at least three weeks from the date of acknowledgment before inquiring about his or her refund. A Connecticut indicator on the federal acknowledgment only indicates a state of Connecticut return was attached to the federal return. It is **not** a Connecticut acknowledgment for the Connecticut return.

### **Reject Codes Specific to the Connecticut Return**

The following are the reject codes on the Connecticut acknowledgment:

- 001** Invalid Form or Format
- 003** Not Current Taxable Year
- 004** Duplicate Return
- 005** Non-Calendar Year Return
- 010** Invalid Filing Date
- 014** Invalid Processing Year (DCN Year)
- 015** Schedule 2, Column A, CT-1040 Line 52, CT-1040NR/PY Line 54
- 016** Schedule 2, Column B, CT-1040 Line 52, CT-1040NR/PY Line 54
- 017** Invalid Transmitter ID (ETIN)
- 018** Invalid ID (EFIN)
- 019** Unauthorized Software/Version
- 020** Withholding Claimed – FEIN Missing
- 021** Invalid CHET Account/Amount Exceeds Maximum Allowed

### **How to Handle a Rejected Return**

EROs may now resend a rejected state return to DRS. EROs should follow software instructions to send only the Connecticut tax return through the *e-file* program. All current exclusions apply. See Page 9 for the returns that cannot be electronically transmitted.

If the electronically filed Connecticut return cannot be retransmitted, the ERO must submit a paper tax return to:

Department of Revenue Services  
PO Box 2964  
Hartford CT 06104-2964

The taxpayer is not required to sign the paper copy of Form CT-1040, Form CT-1040EZ, or Form CT-1040NR/PY if all appropriate signatures are included on the signature document. DRS will process properly submitted paper returns on a priority basis.

The ERO is responsible for notifying the taxpayer a paper return was filed with DRS. Repeated rejection of transmissions could cause the IRS to rescind the electronic filing privileges of an ERO.

## **VI. Error Resolution**

Errors may be identified on Connecticut returns when they enter the tax return processing cycle at DRS. These errors will be handled through the DRS error resolution process. Some errors that might be identified are duplicate returns, duplicate Social Security Numbers, computation errors, or debt offsets on refunds. Should errors occur on the Connecticut return, DRS will, in most cases, communicate directly with the preparer. Transmitters are not given information about the tax return other than acknowledgment of receipt by DRS through the acknowledgment system.

### **Handling Problems**

DRS operates a Help Desk for electronic transmitters and preparers who experience problems. For help with problems related to the electronically filed Connecticut return, call:

- **860-297-4713** - Ask for the *e-file* Help Desk

EROs must **not** give taxpayers the telephone number for the *e-file* Help Desk. This telephone line is reserved for businesses accepted into the electronic filing program. For general tax inquiries or to check the status of a refund, taxpayers may call **1-800-382-9463** (Connecticut calls outside the Greater Hartford area), **860-297-5962** (from anywhere), and select **Option 6** to speak with a representative. Taxpayers may also visit the DRS website at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**.

## VII. Refund Returns



If the taxpayer does not choose the direct deposit option, the refund check is mailed to the taxpayer. DRS is not responsible when a financial institution refuses a direct deposit. If a refund cannot be directly deposited into an account, DRS issues a paper check. Taxpayers may choose to have all or part of their refund applied to their 2009 estimated tax or donated to funds designated on the return.

### **Refund Anticipation Loans**

If an ERO offers refund anticipation loans, they should be aware that many Connecticut refunds are offset to satisfy obligations owed to the State of Connecticut or another qualifying entity such as the IRS.

### **Refund Delays**

While most refunds are issued in four days, taxpayers are advised to wait at least three weeks from the date of the acknowledgment before calling or writing DRS to inquire about the status of a refund check.

If a taxpayer owes money to DRS or another agency, the amount owed may be deducted from the refund. This debt delays the processing of the refund, because all claims against the refund must be resolved before a refund check can be processed. This policy also applies to a paper return.

If there is a delay in receiving a federal refund, this will not impact the time to receive a Connecticut refund.

## VIII. Balance Due Returns

DRS accepts balance due or zero liability returns. Preparers must inform their clients of the procedures for payment of Connecticut balance due returns as outlined below. Preparers must also inform their client's full payment must be made on or before April 15, 2009, to avoid penalty and interest.

If a preparer is filing a return for which an extension of time to file has been granted by DRS, the preparer is under an obligation to inform the taxpayer that the return will be electronically filed and that any additional Connecticut income tax due must be remitted to DRS using one of the balance due payment options at the time the return is filed.

If the balance due is paid by check, to avoid a penalty for late payment, the payment must be postmarked on whichever is earlier: the date of acceptance of the electronic return or the extended due date.

### **Making Payments for Balance Due Returns**

Taxpayers who owe additional Connecticut income tax may pay the balance due either at the time of electronic filing or at a later date. Payment is due on or before April 15, 2009, to avoid penalty and interest. Taxpayers have the following balance due payment options:

#### **Direct Payment**

Connecticut supports direct payment as a payment option for balance due returns. If a taxpayer elects direct payment, the preparer must provide information used to debit the

client's financial institution for the total amount due on the date selected. This information includes the routing transit number, bank account number, type of account, and requested payment date.

- The requested payment date is the date a taxpayer wants the payment withdrawn from the account. For a timely-filed return, this date can be any time from the date the return is filed to the April 15, 2009, due date.
- A requested payment date of April 15, 2009, is timely even though it may take DRS up to three days to complete the debit **provided** the return is filed on or before the April 15, 2009, due date. Penalty and interest are assessed for late payments.
- The direct payment amount must equal the total balance due.
- An electronic withdrawal payment record, **Form CT-1040 EFW**, *Connecticut Electronic Withdrawal Payment Record*, will be generated by the *e-file* software. This form is provided to taxpayers for their records when electronic payment is requested for the tax year indicated.

EROs should caution taxpayers to determine, before they file, if their financial institution supports direct debit requests from the designated account. Payments cannot be authorized for this purpose from some credit union share accounts.

### **Electronic Payment Option**

Taxpayers can now use the Connecticut **Taxpayer Service Center (TSC)** to make a direct payment electronically for current year taxes. Taxpayers can also use the **TSC** to make estimated payments or to make payment on past due income taxes. If a client elects to use this option, a preparer must provide the same information to debit the financial institution as listed in the direct payment option on Page 13. Payment can be scheduled any time prior to the due date, April 15, 2009. Penalty and interest are assessed for late payments.

Please visit the DRS website at **www.ct.gov/DRS** and click on the **TSC** logo for more information.

### **Debit Card or Credit Card Payment**

- **By telephone:** Call Official Payments Corporation toll-free at **1-800-2PAY-TAX** (1-800-272-9829). Users will be asked to enter the Connecticut jurisdiction code: 1777; **or**
- **On-line:** Visit **www.officialpayments.com** and select Payment Center.

The credit card service provider charges a convenience fee of 2.49% of the amount being paid. Users may elect to cancel the transaction prior to completing the payment process. At the completion of the transaction, a confirmation number will be given for taxpayer records.

A taxpayer's payment is effective on the date the charge is made.

### **Check Payment**

Preparers must provide form **CT-1040V**, *2008 Connecticut Electronic Filing Payment Voucher*, to clients filing balance due returns electronically. The 2008 form CT-1040V has a scan line which will facilitate processing payments. Enter on form CT-1040V, Line 1, the total amount due. For proper credit, form CT-1040V must be enclosed with the taxpayer's check or money order. Please advise clients that form CT-1040V is **not** to be used to make an estimated tax payment. Also, advise clients **not** to mail a paper copy of their CT-1040, CT-1040EZ, or CT-1040NRPY with their payment. This will cause DRS to record a duplicate return and may result in the taxpayer being billed.

## IX. Responsibilities of EROs and Transmitters

Electronic filers must maintain a high degree of integrity, compliance, and accuracy to continue participation in the *e-file* program. They must also abide by the following requirements:

### Compliance

All electronic filers must comply with the requirements and specifications published in IRS Publications 1345, 1345A, and 1346; IP 2008(25.1); and the Connecticut *e-file* Record Layout Specifications for Individual Income Tax Returns 2008 taxable year. Failure to comply with all requirements and specifications for the electronic portion and the non-electronic portion of the return will result in being suspended from the program.

The following are reasons for suspension from the program:

- Use of unapproved software;
- Rejection of transmitted returns;
- Disclosure of facts or conduct of a disreputable nature that reflect adversely on the program; **or**
- Purposeful submission of fraudulent returns.

DRS makes every attempt to assist participants in resolving problems. However, repeat offenders will be suspended from the program.

### Timeliness of Filing

Transmitters must ensure electronic returns are filed in a timely manner. The receipt date of the electronic transmission by the IRS is the filing date for a Connecticut return, if the federal return is acknowledged as accepted by the IRS.

Further, transmitters should confirm acknowledgment of the Connecticut return by DRS before considering the Connecticut return received.

### Deadline for Filing

DRS will accept electronically filed Connecticut returns submitted for transmission to the IRS Service Center on or before October 15, 2009. Any Connecticut returns submitted after October 15, 2009, must be filed as paper documents.

**Form CT-1040 EXT**, *Application for Extension of Time to File Connecticut Income Tax Return for Individuals*, only extends the time to file a final return; it does not extend the time to pay. Penalty and interest will be assessed on any tax not paid by the original due date.

### Responsibility to Clients

Preparers are entrusted with the task of filing a client's tax return and assume the responsibility of ensuring the return arrives at DRS. In the event the electronic return fails to arrive at its destination, preparers **must** file a paper return for their clients.

EROs must provide taxpayers with signed copies of their 2008 Form CT-1040, Form CT-1040EZ, or Form CT-1040NR/PY, and all supporting documents. The preparer should advise the taxpayer:

- To keep copies of all materials;
- If it is necessary to amend the return, to file the amended return using the paper **Form CT-1040X**, *Amended Connecticut Income Tax Return for Individuals*; **and**
- To use the IRS self-select PIN or IRS Practitioner PIN programs. If the IRS approves the PIN, DRS accepts the PIN as the electronic signature for the Connecticut tax return. EROs must maintain all documents as outlined on Page 10.

If a return shows a balance due, the ERO must inform the taxpayer of their payment options and provide them with a computer generated form CT-1040V. See Page 13 for more information on making payments.

Upon the request of the taxpayer, the ERO must provide the taxpayer with the Declaration Control Number (DCN) and the date the electronic portion of the tax return was acknowledged as accepted by the IRS and DRS.

### **Changes on the Return**

If the ERO or taxpayer wishes to make any changes after the return has been accepted and acknowledged, the taxpayer must file an amended return, Form CT-1040X. Amended returns may be filed using the DRS **TSC** or by using the paper document filing process.

### **Advertising Guidelines**

Advertisements to include but not limited to newspaper, radio, or television should not imply any special relationship with DRS. The use of improper advertising is grounds for suspension from the program. Acceptance into the *e-file* program by DRS does not imply endorsement by DRS towards the quality of the services provided by the electronic filer.

### **Fraudulent Returns**

Any returns suspected to be fraudulent should be reported to DRS Collection & Enforcement Division at **860-566-4914**.



## X. Reminders

- Most residents, nonresidents, and part-year residents can now file electronically.
- The address on the Connecticut *e-file* return must be the correct mailing address for the taxpayer.
- Individuals who are parties to a civil union recognized under Connecticut law or who are in a marriage recognized under *Kerrigan* must file their 2008 taxable year return as “Filing jointly for Connecticut only” or “Filing separately for Connecticut only.”
- Any income tax liability paid by a pass-through entity (PE) on behalf of a nonresident member and reported to the nonresident member on Part III, Line 1, of **Schedule CT K-1, Member’s Share of Certain Connecticut Items**, must be entered on **Form CT-1040NR/PY, Connecticut Nonresident and Part-Year Resident Income Tax Return**, Lines 20a through 20g.
- Taxpayers will receive their refund quicker by electing direct deposit.
- If a taxpayer has a balance due, encourage him or her to use the direct payment system at the time of filing. If the taxpayer does not elect to use direct payment, he or she should be given form CT-1040V. Taxpayers should be informed that payments are due on or before April 15, 2009. See Page 13 for additional information.
- Do not attach copies of the Connecticut *e-file* return to form CT-1040V. The voucher should be remitted to DRS with only the check attached.
- Encourage clients to use the IRS self-select PIN program. If the IRS approves the PIN, DRS accepts the PIN as the electronic signature for the Connecticut tax return. EROs must keep all supporting documents as outlined on Page 10.
- If the ERO cannot produce the original documents with all attachments when requested, credit for the tax withheld may be disallowed and the ERO may be suspended from the program.
- If there is a problem with the Connecticut return transmittal, the software should allow the return to be retransmitted.

## XI. e-file Checklist

- Double check to see if the Connecticut forms are transmittable.
- Verify the taxpayer wants to use the IRS self-select PIN program.
- Use only whole dollar amounts.
- Have the taxpayer(s) sign all documents requiring original signatures.
- Electronically transmit the Connecticut and federal information at the same time.
- Give the taxpayers copies of all forms that apply to them.
- Confirm the IRS acknowledgment.
- Confirm the Connecticut acknowledgment.
- Keep any supporting documents as part of permanent records for three years.
- **Do not mail** anything to DRS.

## XII. Appendix

- **Form CT-1040V**, *2008 Connecticut Electronic Filing Payment Voucher*
- **Form CT-1040 EFW**, *2008 Connecticut Electronic Withdrawal Payment Record*