

OKLAHOMA TAX COMMISSION

Electronic Filer Handbook
Individual Income Tax

Tax Year 2013



February 18, 2014

Table of Contents

Contents

Table of Contents	1
Introduction.....	2
Publications.....	3
Internal Revenue Service Publications	3
Oklahoma Tax Commission Publications.....	3
Changes to 2013 Income Tax	4
Federal/State Electronic Filing	9
General Information.....	9
How Federal/State Electronic Filing Works	9
Acknowledgement	9
Who May Participate	10
Mandate.....	10
Filing an Electronic Return.....	11
Composition of an Electronic Return	11
Electronic Portion of Returns.....	11
Non-Electronic Portion of Returns	12
Exclusions from Electronic Filing	12
Rejected Returns	13
Form 511-EF Oklahoma Individual Income Tax Declaration for Electronic Filing	14
Refunds	15
Payment of Balance Due Amounts	16
Information Electronic Filers Must Provide to the Taxpayer	17
Responsibilities of Electronic Filers	18
Appendix A: Oklahoma Business Rules.....	19

Introduction

The Oklahoma Tax Commission (OTC), in conjunction with the Internal Revenue Service (IRS), accepts returns filed through the Modernized e-File system (MeF). This transmission method is a web service using Simple Object Access Protocol (SOAP) with attachments messaging capability. State returns are submitted as linked to the IRS submissions (also referred to as a Fed/State return). Oklahoma relies on the IRS to receive the state's electronic data. The IRS will do minimal validation on the state submission and will then pass along to the state what the ERO/taxpayer sends in the state submission. Oklahoma resident returns (Form 511) and part-year & nonresident returns (Form 511NR) are accepted.

Electronically transmitted individual income tax returns will be accepted from all participants that are accepted into the Federal electronic filing program and are using accepted Federal/State Electronic Filing software, subject to suitability checks.

IRS Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns, as well as all rules, regulations and requirements governing tax preparers, transmitters, and originators of returns put forth by the IRS are used by OTC.

The Oklahoma Handbook is to be used in conjunction with the IRS Publication 1345. Since most functions in the Federal/State Electronic Filing Program are the same, the Oklahoma Handbook highlights the special features unique to Oklahoma.

Your comments on this handbook are appreciated.

**Suggestions may be directed to: Oklahoma Tax Commission
Communications Division
PO Box 26890
Oklahoma City OK 73126-0890**

Oklahoma Electronic Filing Calendar

For Tax Period January 1, 2013 to December 31, 2013

Begin Federal/State Software Testing
ATS (MeF) November 4, 2013

Begin Transmitting Return to IRS/OTC January 21, 2014

Note: Oklahoma conforms to the dates established by the IRS and are subject to any changes the IRS may make.

Publications

The following publications describe the process of electronic filing :

Internal Revenue Service Publications

Publication 1345, Handbook for Authorized IRS e-file Providers

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

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

Publication 3112, IRS e-file Application and Participation

Publication 4164, Modernized e-File (MeF) Guide for Software Developers and
Transmitters

Oklahoma Tax Commission Publications

Oklahoma Individual Income Tax Electronic Filers Handbook

2013 MeF Schemas (For Software Developers)

Oklahoma Test Package for Electronic Filing of Individual Income Tax
Returns (For Software Developers)

Oklahoma Tax Commission MeF Electronic Return Filing Guide (For
Software Developers)

Chapter 1
Changes to 2013 Income Tax

Form 511

Beginning with Tax Year 2013, Form 511X will no longer be used to file an amended return. An amended check-box was added to the on the top of Form 511, page 1. Page 2, lines 29 & 31 were added to enter refunds or overpayments previously received and/or tax previously paid. Schedule 511-H “Amended Return Information” was added to page 5. Amended returns are not supported in MeF; they must be paper filed.

2012 or 2013 Natural Disaster Tax Credit – Use Form 576 to compute a refundable credit for any increased ad valorem tax that is a result of rebuilding or repairing residential real property damaged or destroyed as a result of a natural disaster occurring 2012 or 2013 for which a Presidential Major Disaster Declaration was issued. The credit is the difference between the ad valorem taxes paid on the property in the year prior to the damage and the ad valorem taxes paid in the first year the property is completely or fully repaired or rebuilt. In years two through five of the credit, the credit is 80% of the previous year’s credit. The property must be rebuilt or repaired by December 31, 2015. The credit is entered on Form 511, line 27.

If there is an Oklahoma net operating loss, the loss year(s) must also be entered on Schedule 511-A, line 9.

Form 511NR

Page 2, lines 30 & 32 were added to enter refunds or overpayments previously received and/or tax previously paid when filing an amended return. The “Worksheet for Amended Returns Only” has been deleted. Schedule 511NR-G “Amended Return Information” was added to page 6. Amended returns are not supported in MeF; they must be paper filed.

Schedule 511NR-1 “Income Allocations for Nonresidents and Part-Year Residents” was added to page 3. Lines 1 – 19 from page 1 were moved to this schedule.

If there is an Oklahoma net operating loss, the loss year(s) must also be entered on Schedule 511NR-B, line 9.

Credits: Two new credits have been added to Form 511CR and existing credits were amended or repealed.

New credits

Credit for Contributions to a Scholarship-Granting Organization - A credit is allowed for contributions to an eligible scholarship-granting organization. The credit is 50%* of the amount contributed, not to exceed \$1,000 for an individual (\$2,000 for a married filing joint return) or \$100,000 for a legal business entity. A “scholarship-granting organization” means a nonprofit organization, registered with the Oklahoma Tax Commission, which distributes scholarships so an eligible student, or an eligible special needs student, can attend an elementary and secondary private school. Credits earned during the time period of August 26, 2011 through tax year 2013, will be claimed in tax year 2013. Any credit allowed but not used will have a three-year carryover provision. Form 511CR, line 46

* Note: The credit has an overall cap. If the total credits eligible to be claimed by all individuals or businesses exceed the specified cap, the percentage allowed will be reduced. The Tax Commission will publish the percentage of the contribution which may be claimed as a credit. The scholarship-granting organization will notify contributors of that amount annually.

Credit for Contributions to an Educational Improvement Grant Organization - A credit is allowed for contributions to an eligible scholarship-granting organization. The credit is 50%* of the amount contributed, not to exceed \$1,000 for an individual (\$2,000 for a married filing joint return) or \$100,000 for a legal business entity. For a taxpayer who makes an eligible contribution and makes a written commitment to contribute the same amount for the next two years, the credit will be 75%* of the amount of the contribution made in the first year. An “educational improvement grant organization” means a nonprofit organization, registered with the Oklahoma Tax Commission, which contributes at least 90% of its annual receipts as grants to eligible public schools for innovative educational programs. An innovative educational program is an advanced academic or academic improvement program that is not part of the regular coursework of a public school but enhances the curriculum or academic program of the school or provides early childhood education programs to students. Credits earned during the time period of August 26, 2011 through tax year 2013, will be claimed in tax year 2013. Any credit allowed but not used will have a three-year carryover provision. If claiming the 75% credit, evidence of the written commitment must be provided. Form 511CR, line 47

* Note: The credit has an overall cap. If the total credits eligible to be claimed by all individuals or businesses exceed the specified cap, the percentage allowed will be reduced. The Tax Commission will publish the percentage of the contribution which may be claimed as a credit. The education improvement grant organization will notify contributors of that amount annually.

Amended credits:

Coal Credit –

- The credit will no longer be transferable after December 31, 2013.
- The five year carryover provision, for credits allowed but not used, will apply only to credits earned prior to January 1, 2014.
- Credits based on activity occurring on or after January 1, 2014 may be refundable at an amount equal to 85% of eligible credit.

Credit for Electricity Generated by Zero-Emission Facilities -

- Credits generated after December 31, 2103 will no longer be transferable.
- The ten year carryover provision, for credits allowed but not used, will apply only to credits generated prior to January 1, 2014.
- Credit generated on or after January 1, 2014 may be refundable at an amount equal to 85% of eligible credit.

Credit for Investment in a Clean-Burning Motor Vehicle Fuel Property - The equipment used to modify a motor vehicle must be installed by an alternative fuels equipment technician who is certified in accordance with the Alternative Fuels Technician Certification Act. The equipment must either meet all Federal Motor Vehicle Safety Standards per 49 CFR 571, or in the case of commercial motor vehicles, follow Federal Motor Carrier Safety Regulations or Oklahoma Intrastate Motor Carrier Regulations.

Credits being repealed or sunseting:

Credit for Breeders of Specially Trained Canines – No credit may be claimed for any expenditures occurring on or after November 1, 2013.

Credit for Hazardous Waste Control – No credit may be claimed for the installation and actual use of a recycling, reuse or source reduction of any hazardous waste process on or after January 1, 2014.

Credit for Gas Used in Manufacturing – No credit may be claimed for gas used or consumed on or after January 1, 2014.

Credit for Energy Assistance Fund Contribution – No credit may be claimed for contributions made on or after January 1, 2014.

Commercial Space Industries Credit – No credit may be claimed for capital costs generated on or after January 1, 2014.

Credit for Employers Providing Child Care Programs – No credit may be claimed for any expenditure incurred on or after January 1, 2014.

Small Business Guaranty Fee Credit - No credit may be claimed for guaranty fees paid by a small business on or after January 1, 2014. (The credit, for financial institutions subject to the “in Lieu” tax, under 68 OS Sec. 2370.1 was not repealed.)

Credit for Food Service Establishments that Pay for Hepatitis A Vaccination for Employees - No credit may be claimed for immunization expenses incurred on or after January 1, 2014.

Credit for Tourism Development or Qualified Media Production Facility – No credit may be granted on or after January 1, 2014.

Credit for Qualified Ethanol Facilities – No credit may be established for a new facility or expansion after January 1, 2014.

Credit for Eligible Biodiesel Facility – No credit may be established for a new facility or expansion after January 1, 2014

OK Local Development & Enterprise Zone Incentive Leverage Act Credit – Ad valorem taxes exempted per 62 OS Sec. 860 for facilities in an enterprise zone on or after January 1, 2014 are ineligible to be claimed as an income tax credit.

Dry Fire Hydrant Credit – No credit may be claimed for purchases occurring on or after January 1, 2014.

Credit for Manufacturers of Electric Vehicles – No credit may be claimed for vehicles manufactured on or after January 1, 2014.

Credit for Stafford Loan Origination Fee – No credit may be claimed for origination fees paid on or after January 1, 2014.

Research & Development New Jobs Credit – No credit may be claimed for employees hired on or after January 1, 2014.

Business Activity Tax Credit – The Oklahoma Business Activity Tax (BAT) ceased to exist beginning with calendar year 2013. Therefore, no credit will be available for individual taxpayers.

Miscellaneous:

Although same-sex couples may file a joint federal income tax return, Oklahoma does not recognize same-sex marriage. Therefore, same-sex couples may not file a joint state income tax return in Oklahoma. If a taxpayer's federal filing status of married filing jointly or married filing separately is pursuant to Internal Revenue Service (IRS) Revenue Ruling 2013-17, each taxpayer must file a separate Oklahoma return as single or head of household, as applicable.

The same federal income tax information must be provided on the Oklahoma state return that would have been provided prior to the issuance of the IRS Ruling 2013-17. This means that, for purposes of calculating the Oklahoma income tax liability, the federal income tax liability must be recomputed as single or head of household. If, in completing an Oklahoma income tax return, the instructions require a copy of the federal return, a copy of the return that would have been filed prior to IRS Ruling 2013-17 must be provided.

Indian Employment Exclusion - The instructions for the Indian Employment Exclusion are included in the income tax packets for 2013. Due to the late passage, last year, of Federal law regarding the Federal Indian Employment Credit, the Indian Employment Exclusion was left out of the 2012 packets.

The Oklahoma Business Activity Tax (BAT) ceased to exist beginning with calendar year 2013. Therefore, there will not be a 2013 Form 511-BAT.

Please see the 2013 Legislative Update located on our website for a complete list of legislative changes.

Chapter 2

Federal/State Electronic Filing

General Information

2012 Tax Year

Electronic filing continues to be very successful. During the 2013 filing season there were over 1.3 million taxpayers that filed e-file. Direct Deposit refunds were issued in approximately 3 to 5 days and debit card refunds in 10 to 12 days. The OTC would like to thank all preparers and software developers for their participation.

How Federal/State Electronic Filing Works

For Modernized e-File Program (MeF), the Federal and State returns do not have to be transmitted together. The State return can be transmitted after the Federal return is transmitted and has been accepted by the IRS. The Federal and State returns will be linked by including the Submission ID of the Federal return in the State manifest.

The IRS will acknowledge to the transmitter the acceptance of the Federal return and receipt of State data. The State data will then be made available for retrieval by OTC where it will be entered and processed in the State Income Tax system.

Unlinked (State-only) returns will not be accepted for Tax Year 2013.

Acknowledgement

The Tax Commission will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgment record will be in a format approved and agreed upon by the IRS, state agencies, transmitters and software developers. See Appendix A: for Business Rules.

Transmitters and software developers should allow 2 business days to receive the state acknowledgment before contacting the Tax Commission.

A return is not considered filed until an acknowledgement of acceptance has been received.

Who May Participate

Federal/State Electronic Filing for Oklahoma returns is available to all interested parties who have been accepted in the Federal electronic filing program and transmit returns to the IRS Service Centers.

Note: You do not need to register with the OTC. When the IRS approves you for electronic filing of tax returns, Oklahoma automatically accepts you.

Mandate

All “specified tax return preparers” must file individual income tax returns electronically. The term specified tax return preparer has the same meaning as provided in Section 6011 of the Internal Revenue Code.

Chapter 3

Filing an Electronic Return

Composition of an Electronic Return

In total, an Oklahoma electronic return contains the same information as a comparable return filed entirely on paper documents. An electronic return consists of:

- * Data transmitted electronically to the OTC using the IRS as a conduit; and
- * Paper documents (sent directly to OTC) that contain information which cannot be electronically transmitted, such as taxpayer signatures, documents prepared by third parties, etc. This does not include forms or schedules which are not accepted by the electronic filing system.

Note: The Oklahoma Form 511 & 511NR require an accompanying copy of the taxpayer's Federal return.

Electronic Portion of Returns

The following forms and schedules can be transmitted electronically and are considered the electronic portion of the return.

- * All Federal individual income tax forms and schedules accepted for IRS e-file
- * Oklahoma Part-year and Nonresident Individual Income Tax Return & Schedules (OTC Form 511NR)
- * Oklahoma Resident Individual Income Tax Return & Schedules (OTC Form 511)
- * Oklahoma Income Tax Other Credits form (OTC Form 511CR)
- * Oklahoma Credit for Tax Paid to Another State (OTC Form 511TX)
- * Refund of Sales Tax (OTC Form 538-S) when attached to Form 511
- * Refund or Credit for Property Tax (OTC Form 538-H) when attached to Form 511.
- * Oklahoma Capital Gain Deduction for Residents Filing Form 511 (OTC Form 561)
- * Oklahoma Capital Gain Deduction for Part-year and Nonresidents Filing Form 511NR (OTC Form 561NR)
- * Underpayment of Estimated Tax Worksheet (OTC Form OW-8-P)
- * Credit for Investment in Clean-Burning Motor Vehicle Fuel Property (OTC Form 567-A)
- * 2012 or 2013 Natural Disaster Tax Credit (OTC Form 576)
- * Certain Government Payments (State 1099G) - Use this form if it shows Oklahoma withholding.
- * Miscellaneous Income (State 1099Misc) - Use this form if not part of the federal return and it shows Oklahoma withholding.
- * Binary Attachments for any supporting documentation (PDFs)

Non-Electronic Portion of Returns

The non-electronic portion of the return consists of the following:

- Oklahoma Individual Income Tax Declaration for Electronic Filing (Form 511-EF), required for all electronic returns, is to be retained by the ERO for 3 years.
- Copies of forms W-2, W-2G, or 1099-R, which would normally be attached to a paper return, must be attached to the form 511EF and retained by the ERO. ERO's may be subject to inspection of records by the OTC during the filing season.
- If a return contains any forms or supporting schedules listed below and binary attachments* are not supported, they should be attached to the 511EF and mailed to the Oklahoma Tax Commission, Income Tax, PO Box 26800, Oklahoma City, OK 73126-0800. These are not part of the electronic record and may be required by OTC.
 - ❖ Form OW-8-P-Sup-I - Annualized Income Installment Method for Individuals
 - ❖ Form 511-NOL – Oklahoma Net Operating Loss
 - ❖ Form 573 - Farm Income Averaging
 - ❖ COFT's Form – Oklahoma Volunteer Firefighter Tax Credit
 - ❖ Include a copy of other state's income tax return if Form 511TX is filed
 - ❖ Include any Oklahoma Statements containing additional information.

Note: The 511EF should be placed on top as a cover page. Do not mail copies of the Oklahoma Income Tax Return, Federal Income Tax return or withholding statements. Only mail the 511EF to the OTC if you have any of the above forms as part of the transmitted tax return.

* If binary attachments are supported these forms and /or supporting schedules are attached, as PDFs, to the e-Filed return.

Exclusions from Electronic Filing

The following types of returns are excluded from electronic filing for tax year 2013:

- * Returns from preparers, originators or transmitters who have not been accepted into the Electronic Filing Program
- * Amended returns or corrected returns
- * Original Returns for any tax year other than calendar years 2011 through 2013
- * Returns with dollars and cents entries. Only whole dollars are accepted

Chapter 4

Rejected Returns

Paper returns, to replace electronic returns that were rejected and not resubmitted, are to be mailed to the OTC. The following information is required:

- * A printout of the return
- * The original, signed, Form 511EF
- * State copies of all W-2s, W-2Gs and 1099-Rs
- * A cover letter giving the date the return was rejected eg: rejected 01/30/14

Mail paper returns to:

Oklahoma Tax Commission
Carol Shrum – Taxpayer Assistance Division
PO Box 269057
Oklahoma City OK 73126-9057

When the paper replacement return is received by the OTC, at the specified address, it will be given priority processing status. Contact Carol Shrum at 405-522-3827 for additional information, or inquiries.

Note: If non-qualifying returns are filed electronically, the replacement returns will not be given priority by the OTC

The OTC will monitor receipt of replacement returns.

Failure to submit paper returns in a timely manner may adversely affect your authorization to file Oklahoma electronic returns.

Changes to Electronic Returns:

After electronic returns are transmitted, they cannot be recalled or intercepted in process. If the electronic filer or taxpayer wishes to change any entry after a return has been accepted please note the following

- * An Amended Oklahoma Individual Income Tax Return must be filed through the normal paper filing process
- * No action should be taken to change the computation between the date transmitted and the date the OTC acknowledges the return
- * If an Oklahoma return is transmitted in error, please contact Richard Pachankis, immediately at (405) 522-5723

Chapter 5

**Form 511-EF Oklahoma Individual Income Tax Declaration
for Electronic Filing**

Form 511-EF is the signature portion of the return. It must be completed and signed* by all appropriate parties before the return is transmitted electronically. The ERO is to keep the 511-EF as documentation.

Form 511-EF

- Authenticates the return
- Authorizes the ERO to file the return electronically on behalf of the taxpayer.

Form 511-EF does not serve as a power of attorney or as a substitute for the information required to be provided on the electronic tax return.

Use only the official Form 511-EF or an approved substitute which duplicates the official form in format, language, content and size. Photocopies are acceptable as long as they are legible.

The following is a sequence of events in the handling of Form 511-EF:

- 1) An ERO prepares the return and computes the taxes based on the information the taxpayer provides, or accepts an already prepared return for the purpose of electronic transmission.
- 2) After the return has been prepared and/or before it is transmitted, the taxpayer must verify the information on the return and sign the 511-EF prior to the electronic transmission of the tax return. Both signatures* are required on a joint return.
- 3) A copy of the prepared return must be provided to the taxpayer.
- 4) Form 511-EF should be retained by the ERO for 3 years. All EROs will be subject to periodic reviews by the OTC to assure the paperwork is being retained. If supporting schedules are required by the OTC please ensure taxpayer is given a copy of the 511-EF to mail to the OTC along with the supporting documents as mentioned in Chapter 3 Non-Electronic Portion of Returns.

Form 511-EF is part of the electronic return for the purposes of taxpayer verification and signature. A blank 511-EF is the same as a blank tax return.

- Practitioners are prohibited from allowing taxpayers to sign a blank tax return.
- It is permissible to have the taxpayer review the completed tax return on the display terminal.

* Entry of the Taxpayer's Personal Identification Number (PIN) or use of an electronic signature pad (as authorized by the Internal Revenue Service) in the electronic filing process operated by the IRS shall service as an "electronic signature". Entry of the Taxpayer's PIN or use of an electronic signature pad as signature will only be allowed on a linked (Fed/State) electronically filed return.

Chapter 6

Refunds

Taxpayers have four options when their return shows an overpayment of their tax. They may elect to have their overpayment:

- * Refunded directly into their financial institution account by electronic transfer (Direct Deposit)
- * Refunded to them in the form of a debit card
- * Applied to next year's estimated tax
- * Donated to a variety of Oklahoma Organizations. See Schedule 511-G or 511NR-F for a list of the organizations

Direct Deposit offers taxpayers a quicker more convenient way to receive their refunds, reduces the risk of loss, and allows immediate use of the funds upon deposit.

Direct Deposit of a refund is not guaranteed. A direct deposit may be denied due to:

- * Oklahoma income tax due from a previous year
- * Fines or debts owed to state agencies or IRS (ie: child support student loans, etc)
- * The estimated tax payments claimed on the return do not match the estimated tax payments recorded by the OTC
- * Adjustment is made to disallow a credit when the taxpayer was not eligible for it.
- * Due to the electronic banking rules, the Oklahoma Tax Commission will not allow direct deposits to or through foreign financial institutions or if the taxpayer has a foreign address on their tax return. The taxpayer will be issued a paper check. If the taxpayer's address contains APO, FPO, or DPO that is not considered a foreign address, direct deposit will be allowed.

Although we do not anticipate problems with the Federal/State Electronic Filing program, a refund may be delayed. If a taxpayer owes Oklahoma taxes, fines or a debt to a state agency, the OTC is required by law to apply (off-set) the income tax refund to these balances.

Taxpayers should first confirm acknowledgment of their Oklahoma return with their practitioner or transmitter. Tax preparers should wait at least 14 days from the date of acknowledgment for a debit card or 10 days for a direct deposit before contacting the OTC about their refund.

Inquiries may be directed to the Taxpayer Assistance Division at (405) 521-3160 or 1-800-522-8165.

Chapter 7

Payment of Balance Due Amounts

The taxpayer is responsible for paying the amount due to the OTC when a return is filed or no later than April 21, 2014 if paid electronically.* If the payment is not remitted electronically the amount due must be paid by April 15, 2014.

Payment may be made by check, money order, credit card, or direct debit.

- Checks or money orders should be attached to the **511-V** and mailed to the OTC no later than April 15, 2014. Mail to:

**Oklahoma Tax Commission
Electronic Filing
PO Box 26890
Oklahoma City OK 73126-0890**

Do not mail a copy of the tax return with your payment.

If the taxpayer is not paying at the time of transmission, give them the completed 511-V to be mailed by April 15, 2014. If the taxpayer is making a partial payment, the form 511-V should be attached to the payment and mailed to the OTC no later than April 15, 2014. A billing coupon will be sent to the taxpayer for the balance due at which time the taxpayer will have the option of paying the remaining balance in full, or making monthly payments until the balance is paid off.

- Taxpayers who have a tax amount due may choose to have their payment directly withdrawn from their checking or savings account. Taxpayers must supply the bank routing and account numbers, the amount to be withdrawn and the date the funds are to be withdrawn. No form 511-V is required. The payment must be made no later than April 21, 2014.
- Credit card payments may be made through the OTC website. Visit the “Online Services” section at www.tax.ok.gov. Please be aware a convenience fee will be added to the transaction. The payment must be made no later than April 21, 2014.
- The taxpayer can choose to have their payment directly withdrawn from their checking or savings account via the OTC website. Visit the “Online Services” section at www.tax.ok.gov. The payment must be made no later than April 21, 2014.

*Warning! Due the electronic banking rules, the Oklahoma Tax Commission will not allow direct debits from or through foreign financial institutions. If the taxpayer uses a foreign financial institution they will be required to pay by check, money order or credit card.

Chapter 8

Information Electronic Filers Must Provide to the Taxpayer

The ERO must furnish the taxpayer with documentation of all completed Oklahoma forms and schedules filed for the taxpayer. This documentation may be furnished on official Oklahoma forms, on copies of official forms, or on software designed forms that have been approved by OTC. These should be provided to the taxpayers at the time they sign Form 511-EF.

- * The completed Oklahoma Individual Income Tax Declaration for Electronic Filing (511-EF)
- * Other documents containing required signatures
- * Any other documents which are not Oklahoma forms or schedules.

The ERO should advise the taxpayer to retain copies of :

- * Forms W-2, W-2G's, 1099-R
- * Any other documents, not required by OTC which the taxpayer voluntarily included with the Form 511-EF as supporting material
- * The signed Form 511-EF

The ERO will also retain the 511-EF and copies of the W-2s etc for 3 years.

If an electronically filed return was acknowledged as accepted by the OTC, the ERO should advise the taxpayer to wait 1 week from the acknowledgment date before making an inquiry about his/her refund.

If an individual should find it necessary to contact the OTC regarding his/her income tax refund, they may do so by calling the Taxpayer Assistance Division at (405) 521-3160 or 1-800-522-8165.

- * The taxpayer will be required to furnish his/her (and spouse's if applicable) social security number(s)
- * The taxpayer should be prepared to provide bank information if direct deposit was requested.

Chapter 9

Responsibilities of Electronic Filers

The guidelines in IRS Publications 1345 and 3112 must be followed for Oklahoma Electronic Filing.

Penalties for Disclosure or Use of Information

Guidelines outlined in Section 6, IRS Revenue Procedure 93-8 should be followed, as well as Title 68, Section 205 Oklahoma Statutes.

Penalties for Late Filing, Late Payment and Fraudulent Returns

This provision provides due notice that all penalties, interest and criminal provisions which are applicable for paper returns, are also applicable for electronic returns. Specifically, penalty and interest on tax for late filing and/or late payment will be assessed.

Penalties will be assessed for any person filing a fraudulent or misleading return. Additionally any person who willfully subscribes or presents a fraudulent return will be subject to prosecution and the penalties.

- * Other criminal provisions will be applicable to the extent that a person attempts to commit forgery and falsify signatures on any electronic filing form or check
- * Any attempt to pass bad checks for payment of taxes will be prosecuted.

Advertising Standards

Guidelines in IRS Publications 1345 and 3112 and Revenue Procedure 93-8, Sec 12.01 through 03 and 05 through 09 must be followed as though references to the IRS or Service were references to the OTC, State of Oklahoma, or the State and references to the FMS or Treasury Seals were references to the State of Oklahoma Seal.

Monitoring and Suspension of an Electronic Filer

The OTC will monitor electronic filers for conformity to this publication. The OTC can recommend suspension of an electronic filer for due cause through the local IRS District Office Coordinator.

Note: Warning letters, suspension and rejection from electronic filing will be administered by the local IRS District Director.

Appendix A: Oklahoma Business Rules

Rejection Codes for Oklahoma Individual Income Tax Returns

Error Code	Rule Text	Error Category	2011	2012	2013
General					
X0000-001	The XML return data has failed validation. The actual XML Error Message will be provided.	Schema Validation	Active	Active	Active
X0000-002	The XML manifest data has failed validation. The actual XML Error Message will be provided.	Schema Validation			Active
R0000-001	An electronic return has already been filed for the primary SSN for this tax year.	Duplicate Condition	Active	Active	Active
R0000-002	The electronic payment date (RequestedPaymentDate) is invalid. The payment date cannot be older than three weeks and it cannot be in the future more than six months.	Incorrect Data			Active
R0000-003	An XML copy of the federal return is required for all electronically filed returns.	Missing Data			Active
R0000-004	Only linked returns are accepted. A State submission can be linked to the IRS submission by including the Submission ID element of the federal return in the IRS SubmissionId in the State manifest.	Unsupported			Active
R0000-005	An XML Return was not found in the transmission.	Missing Data			Active
R0000-006	A manifest file was not found in the transmission.	Missing Data			Active
R0000-007	Direct Debit routing transit number is invalid	Incorrect Data	Active	Active	Active
Form 511					
511-001	If Form 511, line 2 (TotalSubtractions) is not null or zero, the value must equal Schedule 511-A, line 14 (TotalSubtractions).	Data Mismatch			Active
511-002	If Form 511, line 6 (TotalAdditions) is not null or zero, the value must equal Schedule 511-B, line 9 (TotalAdditions).	Data Mismatch			Active
511-003	If Form 511, line 8 (TotalAdjustments) is not null or zero, the value must equal Schedule 511-C, line 8 (TotalAdjustments).	Data Mismatch			Active
511-004	Schedule 511-A, line 5 (StateFederalCivilSvcRetirement) cannot exceed \$20,000 for filing status Married Filing Joint or \$10,000 for all other filing statuses.	Incorrect Data			Active
511-005	Schedule 511-A, line 6 (OtherRetirement) cannot exceed \$20,000 for filing status Married Filing Joint or \$10,000 for all other filing statuses.	Incorrect Data			Active
Form 511NR					
511NR-001	If Form 511NR, line 3 (TotalAdditions) is not null or zero, the value must equal Schedule 511NR-A, line 8 (TotalAdditions).	Data Mismatch			Active
511NR-002	If Form 511NR, line 5 (TotalSubtractions) is not null or zero, the value must equal Schedule 511NR-B, line 15 (TotalSubtractions).	Data Mismatch			Active
511NR-003	If Form 511NR, line 9 (TotalAdjustments) is not null or zero, the value must equal Schedule 511NR-C, line 8 (TotalAdjustments).	Data Mismatch			Active
511NR-004	If Form 511NR, line 29 (EarnedIncomeCredit) is not null or zero, the value must equal Schedule 511NR-E, line 4 (StateEarnedIncomeCredit). This Rule will not apply if the Not Required to File box is checked (StateFilingExemption).	Data Mismatch			Active
511NR-005	Schedule 511NR-B, line 5 (StateFederalCivilSvcRetirement) cannot exceed \$20,000 for filing status Married Filing Joint or \$10,000 for all other filing statuses.	Incorrect Data			Active
511NR-006	Schedule 511NR-B, line 6 (OtherRetirement) cannot exceed \$20,000 for filing status Married Filing Joint or \$10,000 for all other filing statuses.	Incorrect Data			Active

For questions or inquiries please contact:

Joan Korthanke (405) 521-3637

Email: jkorthanke@tax.ok.gov

Or

Richard Pachankis (405) 522-5723

Email: rpachankis@tax.ok.gov

In State Toll Free 1-800-522-8165 ext 13637

Fax: (405) 522-1711

Email: efile@tax.ok.gov