PIRC e–File Guidelines "Short List"

For Agencies Implementing a new System

A Respected Voice for the Tax and Payroll Industries

1. **Let the NACTP Payroll and Information Reporting Committee (PIRC) help.**
   Whether planning, testing, or implementing, email nactp_pirc@nactp.org for assistance. The computerized return processing industry wants to partner with you to ensure your electronic filing system is successful.

2. **Design for the entire audience.**
   When planning and designing your policies and processes, support all roles involved. It's not just employers and large payroll services filing and paying taxes. Entities like preparers, reporting agents, transmitters, and software developers are just as crucial to your success, and not all entities will have direct access to employers.

3. **Simplify the electronic process—don't require employer authorization to send data.**
   Why require more for e-filing than for paper filing? No separate enrollment should be required for e-filing because no separate enrollment is required for paper filing. Use information already on file when a company registers with a taxing agency to do business within the state. Don't require employer authorization for a transmitter to just move data from one place to another when tracking via a single login would suffice.

4. **Use successful and proven electronic standards and formats.**
   Adhere to industry standards: E-Standards (FSET), SSA (EFW2), IRS (IRIS XML Schema), etc. which accommodate all agency filing needs and are successfully implemented and proven in production environments. Make application-to-application (A2A) transmission and processing a top priority and include individual acknowledgements upon receipt and upon acceptance/rejection.

5. **Develop procedures for efficient filing and effective error processing.**
   Don't limit filings to a single employer; include a way to submit several returns simultaneously, in bulk. Should errors result, reject only the portion impacted. For each error, provide specific and actionable messages to ensure corrections can be made and resubmitted without additional support.

6. **Write specifications and procedures to avoid unnecessary challenges and costs.**
   NACTP is willing to review draft specifications and error messages so that any potential problems for either the agency or the industry can be identified prior to live processing.

7. **Allow testing with "test" data, continually.**
   Maintain a separate test environment or allow for the inclusion of a test indicator in the file. Allow data to be checked just for formatting (e.g., record length, field length and type). Testing year-round helps maintain high rates of success at all times. Do not require valid identification numbers (IDs) as part of the testing process. Employers fear that using valid IDs will cause test data to accidentally get processed.

8. **Time the transition from one process to another carefully.**
   Give ample time for staff and filers to learn what is expected, change to accommodate, and grow supportive of the change. Include an "opt out" for smaller businesses based on reasonable and measurable criteria. Allow at least one year for these transitions.

9. **Provide web page(s) geared to the needs of software vendors.**
   Increase your site's effectiveness. Provide timely postings of forms, specifications, instructions, and publications in PDF format along with the last-updated date. Filing deadlines and other helpful links should also be added to your site.

10. **Maintain forms even if use is limited.**
    Even if a form itself cannot be filed with your agency, paper continues to be a recognizable and verifiable business reference. For filers, the visual nature of a form (even if watermarked) is a comfortable way to identify data, enter it correctly online, and store for reference.