

**2005**

**TAXABLE**

**YEAR**

# Connecticut

Department of Revenue Services  
25 Sigourney Street  
Hartford CT 06106



## Federal/State Electronic Filing Handbook

Informational Publication 2005(23.1)  
Issued: 11/05



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## Calendar

### For Taxable Period January 1, 2005, Through December 31, 2005

Begin PATS Testing.....	November 9, 2005
Begin transmitting live IRS e-file returns .....	January 13, 2006
Last date for transmitting timely-filed returns .....	April 17, 2006
Last date for re-transmitting rejected timely filed returns .....	April 20, 2006
Last date for transmitting late returns or returns filed on extension .....	October 16, 2006
Last date for re-transmitting rejected returns .....	October 20, 2006

## I. Introduction

January 2006 begins the eleventh 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 2005(23.1)**, *Connecticut Federal/State Electronic Filing Handbook*, (*Connecticut Handbook*), is a companion to the IRS Publication 1345. 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.

DRS requires all participants be accepted into the Federal *e-file* Program to participate in the Connecticut *e-file* Program. 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.

## II. e-file Highlights

- **New for 2005:** New e-filing requirement for practitioners! See Page 6.
- Any income tax payments paid by a pass-through entity (PE) on behalf on 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-1040 NR/PY**, Connecticut Nonresident or Part-Year Resident Income Tax Return, Lines 20a through 20g.
- Electronic Return Originators (EROs) are no longer 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.
- Connecticut now accepts returns with **Form CT-6251**, *Connecticut Alternative Minimum Tax — Individuals*, attached.
- 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, 2006, is not required to file **Form CT-1040EXT**, *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 truly a paperless process! (See Page 9 for details.)
- State Only Returns: Once a federal return is accepted, DRS allows State Only returns to be transmitted through the *e-file* Program. (Check with your software provider for details.)
- Direct Payment and Direct Deposit options: Taxpayers may pay the amount they owe electronically at the time of filing or, if they have a refund, may elect to have the refund deposited directly into their bank account. (See Page 14 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, at **860-297-4713**, by e-mail at **[jim.annino@po.state.ct.us](mailto:jim.annino@po.state.ct.us)**, or by fax at **860-297-4761**. You may also contact Jason Purslow, e-commerce Unit Supervisor, at **860-297-5979**, or by e-mail at **[jason.purslow@po.state.ct.us](mailto:jason.purslow@po.state.ct.us)**

For any additional information, visit the DRS Web site at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**

#### IRS *e-file* Help Desk

Connecticut/Rhode Island District Office

For questions or comments about the IRS *e-file* program, call **860-756-4617** and speak to the Electronic Tax Administrator.

IRS Web site: **[www.irs.gov](http://www.irs.gov)**

#### Tax Assistance for Taxpayers

The DRS Refund Information Line provides taxpayers with information about their refunds. The Refund Information Line is available anytime from a touch-tone phone. 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, please call CONN-TAX:

**800-382-9463** (in-state)  
**860-297-5962** (from anywhere)

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 check.

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

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

Connecticut's *e-file* Program continues to grow and is one of our most successful programs. Continued participation by our ERO and practitioner community helped DRS pass its goal of receiving over 450,000 returns for taxable year 2003 and 589,000 returns for taxable year 2004.

**New e-file requirement:** Conn. Agencies Regs. §12-690-1 requires preparers who prepared 200 or more 2004 Connecticut income tax returns to file 2005 Connecticut income tax returns electronically using the Federal/State Electronic Filing Program (e-file).

The same regulation requires preparers who prepare 100 or more 2005 Connecticut income tax returns to file 2006 Connecticut income tax returns electronically, and preparers who prepare 50 or more 2006 Connecticut income tax return to file 2007 Connecticut income tax returns electronically. This requirement is part of a nationwide initiative to increase participation in electronic filing.

To participate in *e-file* you must become an Electronic Return Originator. 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 then process the information received.

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

Electronic filing is a computer and data processing service subject to Connecticut sales tax at the rate of 1% (.01). 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 below.

## Application and Acceptance Process

### Application Process

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

**No additional application form is necessary for DRS.** However, if you are new to Connecticut electronic filing and your address is not in Connecticut, please notify us of your intent to send Connecticut electronic returns before your first transmission. Send a copy of federal Form 8633 and the IRS acceptance letter to:

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

or fax your information to DRS at **860-297-4761**.

**Federal Form 8633** and the **IRS acceptance letter** are required only once, but **must** be received before returns are transmitted. Please provide DRS with any changes to this information.

IRS Publication 1345 specifies the application process and requirements for federal participation. The IRS definition of the categories of electronic filers (ERO, transmitter, or software developer) 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;
- Have 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 have 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 EFIN and 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. Preparers, EROs, and transmitters may contact DRS to verify a software company has passed Connecticut testing, or check the DRS Web site for approved software developers at **[www.ct.gov/DRS](http://www.ct.gov/DRS)**

## 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 2005(23.1)**, *Connecticut Federal/State Electronic Filing Handbook*

Connecticut Electronic Filing Information for Software Developers

Connecticut Electronic Filing Test Package

## 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 or Part-Year Resident Tax Return*

#### Notes:

- Supporting federal return and schedules are required for all electronically filed returns.
- You can now transmit returns subject to the Connecticut alternative minimum tax with **Form CT-6251**, *Connecticut Alternative Minimum Tax Return — Individuals*, attached.
- 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 2005 taxable year, the following documents and forms are **not accepted** for Connecticut electronic filing for the 2005 taxable year.

- **Form CT-1040X**, *Amended Connecticut Income Tax Return For Individuals*;
- Prior year returns - any return not for taxable year 2005;
- Non-calendar year returns;
- Corrected returns;
- **Form W-2**, *Wage and Tax Statement*, with the state employer identification number missing;
- Returns on which the filing status on the Connecticut return does not match the filing status on the federal return;
- Returns on which the federal adjusted gross income (AGI) reported on the Connecticut return does not match the AGI reported on the federal return;
- Returns accompanied by **Form CT-8379**, *Nonobligated Spouse Claim*; **or**
- Returns accompanied by **Form CT-1040CRC**, *Claim of Right Credit*.

### Signature Procedure

Form CT-8453 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 or federal Form 8453.

- State copies of W-2, W-2G, and 1099, and Forms CT-4852.
- 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-1040 NR/PY.
- Individual Use Tax Worksheet, if required.
- Other informational documents not covered above and supporting material voluntarily included by the taxpayer.
- 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:

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 may result in suspension from the program.

Each year DRS requests a percentage of the documentation or conducts site visits, or both, for monitoring purposes.

### Transmission Process

The *e-file* Program works best when you file the federal and Connecticut returns together in one transmission to the IRS. If the federal return has already been accepted and the state return has not been accepted, you may be able to retransmit a State Only Return. 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 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 provides 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, you may be able to send a State Only Return 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. This year, the Connecticut acknowledgments will be transmitted through the IRS acknowledgment system. Both the federal and state returns must be acknowledged. **Do not** assume an acknowledgment from the IRS means that 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 has acknowledged 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 state 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 (Line 49A) Invalid Jurisdiction Code
- 016** Schedule 2 (Line 49B) Invalid Jurisdiction Code
- 017** Invalid Transmitter ID (ETIN)
- 018** Invalid ID (EFIN)
- 019** Unauthorized Software/Version
- 020** Withholding Claimed – FEIN Missing

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

You may now be able to resend your rejected state return to the State of Connecticut. Follow your software instructions to send only the state 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 re-transmitted, the ERO must submit a paper tax return to DRS.

Mail all materials to:

Department of Revenue Services  
State of Connecticut  
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-1040 NR/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, in most cases DRS communicates 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

**Do 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 CONN-TAX, the DRS automated telephone system. (See Page 5.)

## 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 2006 estimated tax or donated to funds designated on the return.

### **Refund Anticipation Loans**

If you offer refund anticipation loans, be aware that many state refunds are offset to satisfy obligations owed to the state or another qualifying entity such as the IRS.

### **Refund Delays**

While most refunds are issued in four days, taxpayers may confirm the acknowledgment of the Connecticut returns with their practitioner or transmitter. 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 and his or her spouse 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 taxpayer clients of the procedures for payment of Connecticut balance due returns as outlined below. Preparers must also inform their clients full payment must be made on or before April 15, 2006, to avoid penalty and interest.

### **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, 2006, to avoid penalty and interest. Taxpayers have the following balance due payment options:

#### **New Electronic Payment Option Using *WebFile***

Taxpayers can now use Connecticut *WebFile* to make a direct payment electronically for current year taxes. Taxpayers can also use *WebFile* to make estimated payments or to make payment on past due income taxes. If your client elects to use this option you have to provide the same information to debit the financial institution as listed in the direct payment option below. Payment can be scheduled any time prior to the due date, April 15, 2006. Penalty and interest are assessed for late payments.

Please visit the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *WebFile* logo for more information.

## Direct Payment

Connecticut supports direct payment as a payment option for balance due returns. If you elect direct payment, you have to provide information used to debit your client's financial institution for the total amount due on the date you select. This information includes the routing transit number, bank account number, type of account, and requested payment date.

- The requested payment date is the date you want 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 17, 2006, due date.
- A requested payment date of April 17, 2006, 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 17, 2006, due date. Penalty and interest are assessed for late payments.
- The direct payment amount must equal the total balance due.

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.

## Credit Card

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

The credit card service provider charges a convenience fee of 2.5% of the amount you are paying. You may elect to cancel the transaction. At the completion of the transaction you will be given a confirmation number for your records.

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

## Check

Preparers must provide **Form CT-1040V**, *2005 Connecticut Electronic Filing Payment Voucher*, to clients filing balance due returns electronically. 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** used to make an estimated tax payment.

## 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; the *Connecticut Handbook*; and the Connecticut *e-file* Record Layout Specifications for Individual Income Tax Returns (Taxable year 2005). 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.

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 the DRS before considering the state 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, 2006. Any Connecticut returns submitted after October 15, 2006, must be filed as paper documents.

Form CT-1040 EXT only extends the time to file a final return; it does not extend the time to pay. Penalty and interest is or will be assessed on any tax not paid by the original due date.

### Responsibility to Your 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 their signed copies of their 2005 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; **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 state 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**, *2005 Connecticut Electronic Filing Payment Voucher*. (See Page 14 for more information on making payments.)

Upon 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, using the paper document filing process.

### **Advertising Guidelines**

Advertisements, whether in the form of signs, newspaper advertisements, radio or television commercials, etc., 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 of the quality of the services provided by the electronic filer.

### **Fraudulent Returns**

You should refer any returns you suspect to be fraudulent to the DRS Collection & Enforcement Division at **860-566-4914**.



## X. Reminders

- Most residents, non-residents, 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.
- Any income tax payments 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-1040 NR/PY**, Connecticut Nonresident or Part-Year Resident Income Tax Return, Lines 20a through 20g.
- Taxpayers will receive their refund quicker by electing a direct deposit of the refund.
- If a taxpayer has a balance due, encourage him or her to use the new 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 payments are due on or before April 15, 2006. (See Page 14 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 or money order attached.
- Encourage your 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 state 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 may result in suspension 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 taxpayers copies of all forms that apply to them.
- Confirm the IRS acknowledgment.
- Confirm the Connecticut acknowledgment.
- Keep any supporting documents as part of your permanent records for three years.
- **Do not mail** anything to DRS.

## XII. Appendix

- **Form CT-1040V**, 2005 Connecticut Electronic Filing Payment Voucher