Electronic Notice File Process

The Electronic Notice File Process ("e-Notice") is an application that enables an agency to furnish an authorized tax provider ("provider") a file containing data elements from notices and a PDF of the notices. The file is created when notices are generated to be sent to the affected taxpayer. The e-Notice File includes a copy of the notice sent to the taxpayer and is not a substitute of the notice sent to the taxpayer if required by state statute. This process enables the authorized provider to expedite the resolution of notices and relieves the taxpayer of the burden of manually transmitting notices to their provider. A similar process has been used by the IRS for many years to transit notice information to providers for their clients.

Today, agencies mail the notice to the taxpayer and if the taxpayer uses a provider, they must upload the notice or get it to the provider using another method. If mailed it takes an average of at least one week to get from agency to taxpayer and then be uploaded to the provider. Many businesses allow some employees including tax department employees to work remote from headquarters and consequently notice handling can be further delayed.

Some agencies allow a taxpayer to authorize a provider to get an email when a notice is generated so the provider can go online and download the notice. This process is not efficient for providers that have thousands of clients and the e-Notice process allows the provider to expedite notice resolution.

The e-Notice File process allows expedited resolution which improves tax compliance in many areas. For example, 1) for notices reflecting an out of balance, it reduces the number of subsequent notices and reduces or eliminates forced collection cases due to less handling and quicker resolution; 2) for notices regarding filing frequency or deposit changes, it ensures the change is updated in the provider's system to prevent electronic filing rejects, late deposits and penalty notices.

How Was the Process Developed?

The process uses a schema of data elements developed in cooperation between agencies and providers. The lead agency in the development was the Wisconsin Department of Revenue. The providers involved were members of the National Payroll Reporting Consortium (NPRC) and a sales tax provider. The schema was reviewed by the state agencies and approved by the Federation of Tax Administrators (FTA) Standards Committee.

What Tax Types Are Covered?

The schema was developed with the intent to be used for any tax type where a provider is responsible for notice resolution. Revenue agencies generally use the same notice format for

withholding, sales and use tax, and paid family medical leave taxes. The schema was also developed for use by Unemployment Tax and Labor agencies for notices including out of balance and rate notices. The schema has a limited number of required fields so it can be adapted to fit the tax.

How Are Notices Assigned to the Provider File?

After agency notices are generated, a routine is run to match the notice with an authorized provider. If a match is found the information is stored for that provider for the creation of the file.

How Is the File Delivered to the Provider?

The file is placed in the assigned provider's folder at the agency and the provider's computer application picks up and uploads the file overnight to the Provider's Notice Resolution System for next day processing. Other delivery methods could be used.

What Agencies Are Using the Process?

The Wisconsin Department of Revenue was the first agency to implement the process. They began providing an e-Notice File to provider, ADP, in October 2023. The second agency to go live was Illinois Department of Revenue with provider, ADP, in September 2024. The process is going smoothly in both agencies with over 10,000 client notices being provided by both agencies. The volume of notices exceeds what was previously provided. The time to clear has decreased and the volume of subsequent notices and collection cases has decreased.

Are Other Agencies and Providers Interested in the Process?

There are many agencies, Revenue and Unemployment Insurance, interested in using the process. There are also a number of other providers that have expressed interest and two are beginning to work with the agencies.

What Type of Notices Are Included in the File?

Agencies determine the type of notices to be included in the file. Currently, the notices used by the application include Balance Due, Missing Return, Refund, Filing/Deposit Frequency Change and Penalty Due. Other notices such as UI Rate notices can be included.

How Does the Agency System Associate the Provider with the Taxpayer?

Agencies have different methods to associate the provider with the taxpayer. Some agencies require the provider to submit an Enrollment File or an Add Delete File to identify their clients and they store the provider information in the profile for the appropriate tax type. Some agencies require the taxpayer to select or authorize their provider using the agency online portal.

What Is the Maximum Number of Notices Per File?

The Standards Committee set the file size at 1,000 notices per file. If an agency notice generation produces more than 1,000 for a provider, multiple files are produced.

How Does the Process Benefit the Agency?

The process reduces end-to-end resolution time, reduces interaction and calls with taxpayer or provider, reduces subsequent notices which reduces postal expenses and improves compliance. Overall, it is more efficient and promotes an employer-friendly process.

How Does the Process Improve Notice Resolution for the Taxpayer?

The process eliminates the taxpayer having to upload, email or fax the notice to the provider upon receipt. The process ensures that the provider gets notices without a time delay from mail delivery. The process reduces agency interaction, prevents second notices, reduces notices in lien/levy status. Overall, it promotes an improved customer experience for the agency and provider working to resolve notices.

How Does the Process Benefit the Provider?

The process allows the provider to reduce processing on their end by being able to upload the file directly into their Notice Resolution System without having to key, scan and conduct other processing. The process ensures the provider receives all notices including the initial notice which contains the reason for the notice. Clients may not always send all of pages of the initial notice, and the provider would have to contact the agency for an explanation. The process is a better experience for the client and reduces interactions with the agency making a better experience for the agency while improving compliance.