National Payroll Reporting Consortium, Inc.

Taxpayer Information Validation Program Guide

CONNECTING the PAYROLL INDUSTRY with GOVERNMENT

Pre-filing Taxpayer Information Validation programs are designed to improve the accuracy of electronically filed tax returns and payments filed by payroll service providers, software developers and transmitters to government tax authorities.

Taxpayer Information Validation programs serve to **verify or correct taxpayer information** *before* a tax return or payment becomes due, to minimize errors in tax return and payment processing. Taxpayer information to be perfected includes such information as Employer Identification numbers, business names, tax rates, assigned filing schedules, and other variables that affect the processing of tax returns,

An enrollment program is not part of the prototypical electronic filing model that most states use today. It is a program designed to "enroll" or register an employer in the electronic filing system of the tax authority. This registration is in addition to the registration an employer must complete to establish their business with a tax authority. An enrollment program is not an essential component of a successful electronic filing program but a handful of states have incorporated this additional step into their electronic filing model.

This guide explains how to implement Pre-Filing Taxpayer Information Validation programs. This guide also looks at best practices and strategies to encourage electronic filing even when an enrollment program is a component of the electronic filing system.

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Background

The National Payroll Reporting Consortium (NPRC) is a non-profit trade association whose member organizations provide payroll, tax reporting, tax payment, and related services to more than 1.4 million employers nationwide, covering more than one-third of the private sector workforce. The NPRC actively supports appropriate electronic filing and tax payment programs. In addition to our long-time association with state workforce agencies, we have long worked with the IRS and state revenue agencies and private sector organizations dedicated to developing and improving electronic filing standards.

Summary

Pre-filing Tax Information Validation

Data interchanges between payroll service providers and state agencies can be consolidated into two basic types and two basic formats -- filing and pre-filing.

- **Filing** includes periodic company-level tax returns and reconciliation returns, employee level quarterly wage and annual W-2 reports, acknowledgements, and amended returns.
- **Pre-filing** applications include tax information validation programs to improve the accuracy of electronically filed returns and payments. Examples of tax information validation programs include electronic file exchanges to verify pertinent client employer information such as State Employer Identification numbers (SEINs), names, tax rates, deposit schedules, electronic filing/payment mandates, and other variables that improve the accuracy of tax filings.

Benefits

The real value in conducting pre-filing tax information validation exchanges is to identify and prevent error conditions before a return or tax payment becomes due. Payroll Service Providers report and pay employment taxes based on information provided by clients, but the process of obtaining new client account information is somewhat error-prone. Clients occasionally provide incorrect SEINs, filing or deposit requirements, or business names, so the information provided does not always match the state's files. Many of the critical elements also change over time. Organizations change their form of ownership or buy other businesses, changing their names and SEINs in the process. Deposit schedules and filing requirements change as a business grows. Some employers cease operations 'temporarily' keeping their account open until the agency inactivates the SEIN. Unemployment Insurance tax rates change annually.

To maintain a high degree of accuracy, it has proven necessary to verify client tax information between high volume electronic filers and tax authorities directly. Payroll service providers have clients sign authorization forms to expressly permit such verification programs.

Pre-filing tax information validation applications represent a truly new feature to the tax reporting process that is necessary to fulfill the promise of electronic filing. Electronic filing should not just eliminate costly agency processing of paper returns. Electronic filing should also *dramatically improve the accuracy and quality* of incoming data. Electronic filing systems can be dynamic enough for all stakeholders to easily interface with the tax authority.

Intended Users

Pre-filing data exchange programs are designed for use by payroll service providers, software developers, electronic return originators, and transmitters, in conjunction with government tax authorities.

Process Flow

The service provider or transmitter initiates a request file containing taxpayer identification information for all tax payment/returns that it will file in the identified tax period. The responding tax authority compares each record to its database and returns the current information requested for the targeted tax period, as well as any error conditions as described below.

Target Tax Period

The file will identify the tax period to which the request applies. For example, a request may be sent, received, and processed in December 2010, but if the Target Tax Period indicates 1/1/2011 through 3/31/2011, the information provided should be related to the first quarter of 2011, not December 2010. This is a critical element because the requested data often changes from quarter to quarter and from year to year.

Timing

The frequency and timing of data exchanges is by mutual agreement, although tax authorities are invited to establish recommended schedules. Many agencies exchange such information more than once per quarter. A 'first pass' (e.g., on January 15th for the first calendar quarter) identifies discrepancies early enough for the service provider to work with clients to correct them. One or more additional passes (e.g., March 30th for the first calendar quarter) serve to verify that corrections made actually resolved any error conditions identified previously, and to verify any new accounts added since the first pass.

Transmission Protocols

Several protocols are available, including FTP, HTTP, magnetic media, CDs, etc., and can be selected by mutual agreement. For details on protocols, see NPRC's Recommendations and Considerations for Designing Electronic Filing Systems, at www.nprc-inc.org.

Formats

Several formats are available and are in widespread use today. In addition to fixed length (magnetic media or CDs) and comma delimited ASCII files, new XML schemas have been developed to support tax information validation programs.

The proposed XML format is currently pending finalization of a schema for pre-filing data exchange, which NPRC members are working in partnership with the Federation of Tax Administrators (FTA), several participating states, and the Tax Information Group for Ecommerce Requirements Standardization (TIGERS). With each file format, there are generally separate sections:

- File information to identify the tax authority and target tax period to which the information applies.
- Agent identification information.
- Employer information to identify each client and the data elements to be verified.

The schema will provide for reporting of client information to the state agency, and corresponding responses from the agency providing current information regarding the SEINs reported. XML schema samples can be accessed at: http://www.statemef.com in the Data Exchange Schemas from the FSET 4.1 Link.

Alternatively, the attached appendices include a fixed-format file layout for those agencies that do not use XML or prefer to use flat files to exchange.

Data Elements

Data elements are also by mutual agreement, and should reflect tax information deemed by the tax authority to be important to the error-free posting of returns and/or payments by the agency. Commonly verified data elements include:

- State Employer Identification Number (SEIN)
- SEIN extensions (e.g., unit codes, plant codes); designating sub-units within the SEIN
- Secondary SEIN
- Federal Employer Identification Number (FEIN)

- Business name as registered with the state
- Business Location
- Payroll Service Provider Client identification
- Employer contact information
- UI tax rates
- Special fund rates
- Account type (reimbursable, contributory)
- Account status (active, inactive, exempt, non-liable)
- Disability Plan Type
- Assigned deposit frequency
- Account credit/debit amount (to apply to a subsequent payment)
- EFT status (Required and/or Registered)
- POA on file

Definitions and Processing

- **Incorrect SEIN**

If a reported SEIN does not match the SEIN on file with the tax authority but the FEIN does match a valid FEIN, please provide the correct SEIN with the error message (see Appendix, Section IV). The service provider will confirm the new SEIN with the client taxpayer.

- **Missing SEIN**

If an SEIN field is blank for a particular record, it represents a request for the SEIN (if available) from the tax authority. The client/taxpayer has advised the service provider that they have applied for a SEIN but have not received it yet.

The FEIN provided is used to look up corresponding SEINs. Employer name and address are provided as a secondary element. If the FEIN matches a valid account with the tax authority, please provide the SEIN. The service provider will confirm the new SEIN with the client taxpayer. If there is no application on file for the taxpayer, please indicate this status (see Appendix, Section IV, error code 000534). The service provider will prompt the taxpayer to apply for a SEIN.

- **Secondary Identification Number**

This field is used to obtain secondary identification account numbers, such as EFT access codes, when applicable. SEIN extensions, where required, identify any sub-units within the SEIN, such as unit codes or plant codes. These sub-units are often established by multi-location employers who wish to receive separate reports of unemployment insurance activity and/or notices of claims filed. When applicable, the schema may be used to convey all recognized SEIN extensions for a given employer for validation.

- **Federal Identification Number**

The FEIN is a secondary identification number for most agencies. It can be used to verify that a reported SEIN matches the corresponding entity in the state's files. Employers occasionally forget to advise all agencies when a change is made to their FEIN, so if a FEIN does not match a reported SEIN, a warning notice should be generated to the service provider (see Appendix, Section IV, error code 000509). The correct UI rate and/or deposit frequency for the SEIN provided should also be returned, in addition to the FEIN warning message.

- **Business Names**

Business names reported often reflect the legal name as registered with the IRS, which can often differ from the name registered with a state tax authority. Business names can be used as a secondary element to verify that a reported SEIN matches the corresponding entity in the state's files. If a business name does not match the name on file for the reported SEIN, a warning notice should be generated to the service provider, along with the name registered with the state tax authority (see Appendix, Section IV, error code 000517). The correct UI rate and/or deposit frequency for the SEIN provided should also be returned, in addition to the name warning message.

- **Employer Address and Contact Information**

Employer contact information is a secondary element that may be helpful if it is unclear whether a reported SEIN, business name, etc., relates to an entity on the tax authority's system. A match on address may be helpful in confirming that the accounts are the same (where a reported name differs somewhat, for example).

However non-matches in addresses are not significant; e.g., service providers may only have the corporate address of a multistate employer. The corporate address may not relate to the local worksite addresses on file with the state. In any event, employer addresses reported by service providers should not be used to update state addresses.

- **Client ID**

Client ID is a field used by service providers to identify clients, and is unique to each record. This information should be returned without alteration, for reconciliation purposes.

- **UI Tax Rates**

Unemployment insurance tax rates typically change annually but may change more often (based on reorganizations, acquisitions or

redeterminations). The agency is asked to provide the UI tax rate on file for the targeted tax period requested.

- **Special Fund Rates**

When applicable, identify separately any special fund tax rates, if applicable. Special fund rates are tax rates that must be separately displayed on the tax return, and/or that may or may not be FUTA certifiable. Sometimes these rates change annually, and can vary based upon experience or other criteria. The agency is asked to provide the current special fund rates on file for each SEIN.

- **Additional Special Assessment**

When applicable, identify separately any additional assessments that are in addition to special fund rates. The agency is asked to provide the current additional special assessment on file for each SEIN.

- **Account type (reimbursable, contributory, exempt, etc)**

If a SEIN is reimbursable (i.e., no tax payments are due with quarterly wage reports), identify the SEIN as such. Otherwise the employer will be assumed to be contributory. Other designations may be accommodated with mutual agreement, (see Appendix, Section IV, see error code 000528).

- **Account status (active, inactive, not-liable, etc)**

If a SEIN is inactive, or not-liable on the tax authority's database, return an indicator to that effect. If an SEIN is a predecessor, the successor EIN, and related information should be provided in corresponding fields (see Appendix, Section IV, see error code 000534 – 000536). Other designations may be accommodated with mutual agreement.

- **Credit or Debit amount (e.g., credit to apply to a subsequent payment)**

If an employer account has an outstanding credit or debit amount to be applied, provide the outstanding dollar amount.

- **EFT Required and/or Registered**

If an employer account is required to remit payments via EFT, return an indicator to that effect. If an employer is required to register to remit payments via EFT, return an indicator to that effect.

- **EFT Access Code**

If an EFT payment must be accompanied by a specific code in order to process the payment, provide this code in the space provided, (see Appendix I or the XML Schema for options).

Assigned Deposit Frequency

Deposit frequencies vary by jurisdiction, deposit thresholds, and terminology. Return a two character code to indicate the assigned frequency. See Appendix III for specific codes.

- **POA On File**

Many states do not require a physical document to be submitted and agree to a Memorandum of Understanding (MOU) that, in general, states that the TPA maintains a copy of the physical document but does not have to submit it. However, if a physical Power of Attorney is required and tracked by state, return a Yes or No indicator to show the status within the state's files, (see Appendix I or the XML Schema for options).

- **Error Codes and Messaging**

Use applicable error codes and messages to reflect record changes when returning the file. See Appendix IV for additional details.

> ***"Electronic filing should not just eliminate costly agency processing of paper returns. Electronic Filing should also dramatically improve the accuracy and quality of incoming data."***

Enrollment Program

An enrollment program tells the tax authority how you intend to file your return in advance of filing a return. Generally, electronic filing systems that have an enrollment component do not accept electronically filed returns or payments for employers that did not "enroll" in the electronic filing system. This is a departure from electronic filing programs found in most states and can actually be a hurdle when attempting to expand electronic filing capabilities. It creates an additional step in the filing process that did not exist with earlier filing iterations such as paper and magnetic media.

Although enrollment programs are not an essential or a common component of most state electronic filing systems, enrollment programs do exist in a very small number of states.

Best Practices and Strategies

Electronically filed returns that are both valid and formatted correctly should be accepted and not rejected due to lack of enrollment.

An enrollment program can slow down the tax administration process, but there are some best practices and strategies to consider that help minimize the impact this additional electronic filing hurdle may present.

1). Enroll each taxpayer for electronic filing as part of the implementation process of a new electronic filing system.

Clients of payroll service providers sign a limited power of attorney, usually based on the IRS Form 8655. Form 8655 includes authorizing language related to state and local taxes which expressly permits the service provider to deposit and file specified taxes on clients' behalf, and to receive otherwise confidential information from the taxing authority. This authorization to receive information is intended to enable the payroll service provider to periodically verify key relevant information of each client with the tax authority in order to improve the accuracy of the date before filing the return.

If a tax authority wants to track which provider is submitting a return on behalf of a taxpayer, this can be easily accomplished through the use of the Tax Information Validation Program. The "Request Type" field in this program allows the provider to indicate to the tax authority the nature of the request. The provider has the ability to denote which taxpayers are being added or deleted for the tax period identified in the file. (See Appendix, Section I, position 332, 'Request Type').

2.) Enrollment requirements that rely on the individual taxpayer to take action before a service provider can file often causes confusion and delay for all stakeholders involved in the filing process. This includes the taxpayer, the tax authority, and service provider.

For instance, some enrollment programs require the individual taxpayer to assign administrator roles. Timing becomes critical and a myriad of processing issues can result. If a taxpayer assigns an administrator role too early, this may block a prior service provider from filing the last wage/tax report. A taxpayer may inadvertently set up incorrect authorization levels, which can result in misrouted and delayed correspondence which may include UI claim notices. The other inadvertent error that is commonly seen is that a new role assignment is created mistakenly, when the first established role assignment could not be found by the taxpayer.

If taxpayers are not automatically enrolled at the time the electronic filing system is implemented; allow existing mechanisms such as, the Tax Information Validation Program, to populate the enrollment database.

3) Include the effective quarter date on the enrollment file to allow service providers to amend prior periods for former clients.

It is common when a client changes from one service provider to another for an overlap in service to occur. A prior agent can be blocked from filing a last wage/tax report because a new service provider has enrolled the client with the tax authority in preparation for the upcoming quarter.

Another scenario that sometimes can occur is the prior agent inadvertently overwrites the current authorizations in order to be able to file a necessary amendment. The current service provider believing they are already successfully enrolled attempts to file at the end of the quarter and realizes they must complete the enrollment process again in a very short window of time. These additional steps represent a new tax administration burden but can be properly managed through the use of effective dates in the enrollment file.

The Tax Information Validation Program is a valuable mechanism that may offer some alternative options that alleviate issues that arise when an enrollment program is part of a state's electronic filing system. For additional details concerning electronic filing systems, see NPRC's Recommendations and Considerations for Designing Electronic Filing Systems, at www.nprc-inc.org.

Appendix I: Formats/Specifications

I. Fixed length sample data exchange format:

Header Record Specifications

A RECORD - SUBMITTER RECORD			
A POSITION	FIELD NAME	LENGTH	FIELD SPECIFICATIONS
1	RECORD IDENTIFIER	1	CONTSTANT "A"
2 - 18	REQUESTOR STATE EMPLOYER IDENTIFICATION NUMBER (SEIN)	17	Enter the requestor's identification number as assigned by the state. Right justify and fill with blanks.
19 - 27	REQUESTOR FEDERAL IDENTIFICATION NUMBER (FEIN)	9	Enter the requestor's identification number as assigned by the IRS.
28 - 84	REQUESTOR COMPANY NAME	57	Enter the company name. Left justify and fill with blanks.
85 - 106	REQUESTOR STREET ADDRESS	22	Enter the company's location address (Attention, Suite, Room Number, etc.). Left justify and fill with blanks.
107 - 128	REQUESTOR CITY	22	Enter the company's city. Left justify and fill with blanks.
129 - 130	REQUESTOR STATE	2	Enter the company's State or commonwealth/ territory. Use a postal code abbreviation as shown in Appendix F. of the *SSA EFW2 Specifications.* For a foreign address, fill with blanks.
131 - 135	REQUESTOR ZIP CODE	5	Enter the company's ZIP Code. For a foreign address, fill with blanks.
136 - 139	REQUESTOR ZIP CODE EXTENSION	4	Enter the company's four digit extension of the ZIP code. If not applicable fill with blanks.
140 - 162	REQUESTOR FOREIGN STATE/PROVINCE	23	If applicable, enter the company's foreign state/province. Left justify and fill with blanks.

			Otherwise fill with blanks.
163 - 177	REQUESTOR FOREIGN POSTAL CODE	15	If applicable, enter the company's foreign postal code. Right justify and fill with blanks. Otherwise fill with blanks.
178 - 179	REQUESTOR COUNTRY CODE	2	If one of the following applies, fill with blanks: • One of the 50 states of the U.S.A. • District of Columbia • Military Post Office (MPO) • American Samoa • Guam • Northern Mariana Islands • Puerto Rico • Virgin Islands Otherwise, enter the applicable Country Code (see Appendix G of the SSA EFW2 Specifications).
180 - 206	REQUESTOR CONTACT NAME	27	Enter the name of the person to be contacted concerning processing problems. Left justify and fill with blanks.
207 - 221	REQUESTOR CONTACT PHONE NUMBER	15	Enter the contact's telephone number (including area code). Left justify and fill with blanks.
222 - 226	REQUESTOR CONTACT PHONE EXTENSION	5	Enter the contact's telephone extension. Left justify and fill with blanks.
227 - 266	REQUESTOR CONTACT EMAIL/INTERNET	40	If applicable, enter the contact's e-mail/Internet address. This field may be upper or lower case. Left justify and fill with blanks. Otherwise fill with blanks.
267 - 276	REQUESTOR CONTACT FAX	10	If applicable, enter the contact's fax number (including area code). Otherwise, fill with blanks. **For U.S. and U.S. territories only.**

277 - 316	REQUESTOR RETURN EMAIL/INTERNET	40	If applicable, enter the contact's preferred acknowledgement e-mail/Internet address. This field may be upper or lower case. Left justify and fill with blanks. Otherwise fill with blanks.
317 - 331	REQUESTOR SUBMISSION ID	15	Enter the submission identification number unique to each transmission. Right justify and fill with blanks. Otherwise fill with blanks.
332	REQUEST TYPE	1	Enter the applicable indicator for the type of request being made: • A = Add Report • D = Delete Report • R = Rate Exchange • F = Frequency Exchange
333 - 337	REQUEST PERIOD	5	Enter the tax period being requested - CCYYQ

Employer Detail Record Specifications

E RECORD - EMPLOYER DETAIL RECORD				
Source determines initiator of data. 1 = Requestor, 2 = Agency				
E POSITION	FIELD NAME	LENGTH	FIELD SPECIFICATIONS	SOURCE CODE
1	RECORD IDENTIFIER	1	Constant "E"	1,2
2 - 18	STATE EMPLOYER IDENTIFICATION NUMBER (SEIN)	17	Enter the employer's identification number as assigned by the state. Right justify and fill with blanks.	1,2
19 - 38	SEIN EXTENSIONS	20	If applicable, enter the employer's SEIN extension (Unit Code, Plant Code, etc.). Right justify and fill with blanks. Otherwise fill with blanks.	1,2
39 - 47	SECONDARY SEIN	9	If applicable, enter the employer's secondary SEIN (EFT Access Code, Successor SEIN, etc.). Right justify and fill with blanks. Otherwise fill with	1,2

			blanks.	
48 - 56	FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)	9	Enter the employer's identification number as assigned by the IRS.	1,2
57 - 113	EMPLOYER NAME	57	Enter the employer's name. Left justify and fill with blanks.	1,2
114 - 135	EMPLOYER STREET ADDRESS	22	Enter the employer's location address (Attention, Suite, Room Number, etc.). Left justify and fill with blanks.	1,2
136 - 157	EMPLOYER CITY	22	Enter the employer's city. Left justify and fill with blanks.	1,2
158 - 159	EMPLOYER STATE	2	Enter the employer's State or commonwealth/ territory. Use a postal code abbreviation as shown in Appendix F. of the *SSA Specifications for Filing Forms W-2 Electronically (EFW2)*. For a foreign address, fill with blanks.	1,2
160 - 164	EMPLOYER ZIP CODE	5	Enter the employer's ZIP Code. For a foreign address, fill with blanks.	1,2
165 - 168	EMPLOYER ZIP CODE EXTENSION	4	Enter the employer's four digit extension of the ZIP code. If not applicable fill with blanks.	1,2
169 - 191	FOREIGN STATE/PROVINCE	23	If applicable, enter the employer's foreign state/province. Left justify and fill with blanks. Otherwise fill with blanks.	1,2
192 - 206	FOREIGN POSTAL CODE	15	If applicable, enter the employer's foreign postal code. Right justify and fill	1,2

			with blanks. Otherwise fill with blanks.	
207 - 208	COUNTRY CODE	2	If one of the following applies, fill with blanks: • One of the 50 states of the U.S.A. • District of Columbia • Military Post Office (MPO) • American Samoa • Guam • Northern Mariana Islands • Puerto Rico • Virgin Islands Otherwise, enter the applicable Country Code shown in Appendix G of the *SSA Specifications for Filing Forms W-2 Electronically (EFW2)*.	1,2
209 - 235	EMPLOYER CONTACT NAME	27	Enter the name of the person to be contacted concerning account problems. Left justify and fill with blanks.	1,2
236 - 250	EMPLOYER CONTACT PHONE	15	Enter the contact's telephone number (including area code). Left justify and fill with blanks.	1,2
251 - 255	EMPLOYER CONTACT PHONE EXTENSION	5	Enter the contact's telephone extension. Left justify and fill with blanks.	1,2
256 - 295	EMPLOYER CONTACT E-MAIL/INTERNET	40	If applicable, enter the contact's e-mail/Internet address. This field may be upper or lower case. Left justify and fill with blanks. Otherwise fill with blanks.	1,2
296 - 303	CLIENT ID	8	If applicable, enter the client ID used by the Requestor to uniquely identify each	Locked

			employer. Right justify and fill with blanks. Otherwise fill with blanks.	
304 - 310	UI CONTRIBUTION RATE	7	If applicable, enter the Unemployment Insurance (UI) Contribution Rate for employer. (999V9999) Right justify and fill with blanks. Otherwise fill with blanks.	2
311 - 317	SPECIAL FUND RATE	7	If applicable, enter the Special Fund Rate for employer. (999V9999) Right justify and fill with blanks. Otherwise fill with blanks.	2
318	ACCOUNT TYPE	1	If applicable, enter the employer's account type: • R = Reimbursable • C = Contributory • E = Exempt Otherwise fill with blanks.	2
319	ACCOUNT STATUS (ACTIVE, INACTIVE, EXEMPT, NON-LIABLE)	1	If applicable, enter the employer's account status: • A = Active • I = Inactive • N = Not-Liable Otherwise fill with blanks.	2
320	DISABILITY PLAN TYPE	1	If applicable, enter the employer's Disability Plan Type (specific to state).	2
321 - 322	ASSIGNED DEPOSIT FREQUENCY	2	If applicable, enter the employer's assigned deposit frequency. See Appendix III. Otherwise fill with blanks.	2
323 - 330	CREDIT/DEBIT AMOUNT	8	If applicable, enter the employer's current outstanding credit, or debit (-999999V99). Otherwise fill with blanks.	2

331	EFT REQUIRED	1	If applicable, enter the employer's EFT Required indicator: • Y = EFT required. • N = EFT not required. Otherwise fill with blanks.	2
332	EFT REGISTERED	1	If applicable, enter the employer's EFT Registered indicator: • Y = EFT required. • N = EFT not required. Otherwise fill with blanks.	2
333	POA ON FILE	1	If applicable, indicate if a current POA is on file at agency (Y or N). Otherwise fill with blanks.	2
334 - 339	ERROR CODE	6	If applicable, enter error code related to processing employer. Use established NPRC error codes, and messages. Right justify and fill with blanks. Otherwise fill with blanks.	2
340 - 379	ERROR MESSAGING	40	If applicable, enter error code message related to processing employer. Use established NPRC error codes, and messages. Right justify and fill with blanks. Otherwise fill with blanks.	2
379 - 384	ERROR CODE 2	6	If applicable, enter error code related to processing employer. Use established NPRC error codes, and messages. Right justify and fill with blanks. Otherwise fill with blanks.	2

384 - 423	ERROR MESSAGING 2	40	If applicable, enter error code message related to processing employer. Use established NPRC error codes, and messages. Right justify and fill with blanks. Otherwise fill with blanks.	2
424 - 430	ADDITIONAL SPECIAL ASSESSMENT	7	If applicable, enter the Additional Special Assessment for employer. (999V9999) Right justify and fill with blanks. Otherwise, fill with blanks.	2
431 - 440	EFT ACCESS CODE	10	If applicable, enter the employer's EFT access code that is required to accompany all EFT payments	2
441 - 448	VOLUNTARY PAYMENT	8	If applicable, enter the employer's voluntary payment.	2
448 - 455	VOLUNTARY PAYMENT DATE	8	If applicable, enter the date the employer's voluntary payment was posted at the state.	2
456	ORGANIZATION DETAILS	1	If applicable, enter the appropriate code to indicate any recent or existing organizational configuration O = PEO C = Common Pay Agent S = Successor P = Predecessor	2
457 - 512	BLANK	84	Fill with blanks. Reserved for NPRC Member use.	

Appendix II: XML Data Exchange Format:

See www.statemef.com

Use the FSET 4.1 Package link, to download the XML Schemas pertaining to Tax Validation.

Appendix III: Standard Deposit Schedule Codes:

Description	Code	Deposit Schedule Description
DAILY	D1	Deposit due 1 day after cutoff
3 DAY DUE DAILY	D3	Deposit due 3 days after cutoff
5 DAY DUE DAILY	D5	Deposit due 5 days after cutoff
OCTAL MONTHLY	OM	Deposits are made 8 times/month
SEMI-WEEKLY	SW	Deposits are made every other week
WEEKLY	WK	Deposits are made weekly
QUARTER MONTHLY	QM	Deposits are made 4 times/month
SEMI-MONTHLY	SM	Deposits are made twice per month
ACCELERATED MONTHLY	AM	Deposits are due monthly (early due date)
ACCELERATED QUARTERLY	AQ	Deposits are due quarterly (early due date)
MONTHLY	MN	Deposits are due once per month
QUARTERLY	QT	Deposits are due once per quarter
SEMI-ANNUAL	SA	Deposits are due twice per year
ANNUAL	AN	Deposits are due once per year
TIED-TO-FED	TF	State deposits are made only when their Federal deposits are made with the exact same schedule as the Fed deposit schedule.
LIMIT DRIVEN	LD	Used for jurisdictions that require determination of deposit schedule based on accumulated tax liabilities reaching pre defined dollar limits within a deposit period.

Appendix IV: Suggested Error Conditions/Definitions:

Most error conditions that occur in electronic filing of payroll returns are common to all employers, reporting organizations, and state tax authorities. The NPRC has compiled a list of error conditions that are already in use by many state agencies. The list includes suggested codes, severity ratings and descriptions, and is offered to states as a helpful starting point, if not a comprehensive set to be adopted.

The list improves clarity by appropriately distinguishing often-ambiguous error conditions and descriptions, making them immediately actionable, thus avoiding calls to agency staff to more specifically identify the problem.

The alternative to using existing error condition listings is that each agency would create their own unique definitions and codes. This is difficult and error-prone, as agency software developers must "reinvent the wheel" in establishing and maintaining their own error condition lists. It also acts as a barrier to electronic filing, because private sector software developers and service providers otherwise have to build databases of each agency's error definitions and their associated codes and handling.

Attached are the current suggested e-Commerce error codes (excluding non-applicable messages).

ERROR MESSAGE	ERROR CODE	ERROR LEVEL	REJECT/WARNING
File was empty (contained 0 bytes)	000003	TRANSMISSION	File-level Reject
Too many concurrent files - transmission failed.	000111	TRANSMISSION	File-level Reject
Duplicate transmission. File has been rejected and	000112	TRANSMISSION	File-level Reject
File size greater than <<#>> - connection was lost. Entire file has been rejected and	000113	TRANSMISSION	File-level Reject
Unable to authenticat	000114	TRANSMISSION	File-level Reject
XML name/tag error.	000115	FILE	File-level Reject

Virus detected in file. Entire file was rejected and	000116	FILE	File-level Reject
File must be zipped.	000117	FILE	File-level Reject
Compressed file must contain only one data	000118	FILE	File-level Reject
Incorrect compression method used. Correct method is <<value>>.	000119	FILE	File-level Reject
Could not unzip file.	000120	FILE	File-level Reject
Incorrect file name extension used. Correct extension is <value>	000121	FILE	File-level Reject
Incorrect file name convention/format used. File name convention is	000122	FILE	File-level Reject
File record must be <<#>> bytes in length.	000123	FILE	File-level Reject
Transmitter User ID is required in	000272	FILE	File-level Reject
Test User ID <<value>> cannot be used in a production file.	000273	FILE	File-level Reject
Year/quarter <<value>> cannot be submitted	000274	FILE	File-level Reject
Year/quarter <<value>> is not yet open for electronic filing.	000275	FILE	File-level Reject
Period end date on file <<value>> does not match period end date selected	000276	FILE	File-level Reject

Period date <<value>> does not exist.	000277	FILE	File-level Reject
Invalid date format of <<value>> provided for Period End Date.	000278	FILE	File-level Reject
Transmission header is missing.	000279	FILE	File-level Reject
Record type <<value>> does not exist.	000280	FILE	File-level Reject
File must contain only one transmitter record.	000281	FILE	File-level Reject
Transmitter record is required as first record type.	000282	FILE	File-level Reject
Transmitter FEIN is missing.	000283	FILE	File-level Reject
Transmitter FEIN <<#>> does not match FEIN <<#>> provided in registration information.	000284	FILE	File-level Reject
Transmitter FEIN <<#>> is not authorized to submit electronically.	000285	FILE	File-level Reject
Transmitter name is missing.	000286	FILE	Warning
Transmitter street address is missing.	000287	FILE	Warning
Transmitter city is missing.	000288	FILE	Warning
Transmitter state is missing.	000289	FILE	Warning
Transmitter ZIP Code is	000290	FILE	Warning
Transmitter ZIP Code Extension is missing.	000291	FILE	Warning
Transmitter contact name is missing.	000292	FILE	Warning

Transmitter contact phone number is missing.	000293	FILE	Warning
Transmitter record must only appear in first position of the file.	000294	FILE	File-level Reject
Transmitter record must precede an employer record.	000295	FILE	File-level Reject
Transmitter record must precede an employee record.	000296	FILE	File-level Reject
File must contain at least one employer record.	000310	FILE	File-level Reject
Employer record must precede an employee record.	000311	FILE	File-level Reject
Total employer records does not match employer total reported in final record.	000312	FILE	File-level Reject
Employer record count must total one or more per transmission.	000313	FILE	File-level Reject
An employer record is required as the second	000314	FILE	File-level Reject
File does not contain any employee records.	000315	FILE	Warning
An employer total record must immediately precede the final record.	000316	FILE	File-level Reject
An employer total record must immediately follow an employee	000317	FILE	File-level Reject

File must contain at least one total record.	000318	FILE	File-level Reject
Final record is required as the last record type in the file.	000319	FILE	File-level Reject
Final record must only appear in the last position of the file.	000320	FILE	File-level Reject
Number of employee records in the final record must match the actual employee record	000321	FILE	File-level Reject
The file must contain only one final record.	000322	FILE	File-level Reject

Missing end of record indicator.	000323	FILE	File-level Reject
Employer <<#>> must have only one employer total record.	000503	EMPLOYER	File-level Reject
Employer FEIN <<#>> cannot be reported on multiple employers within the file.	000504	EMPLOYER	Warning
Employer account number <<#>> can only be reported on one employer record within the file.	000505	EMPLOYER	Employer-level reject
Account number <<#>> in first employee record for employer must be the same on all employee records for same employer.	000506	EMPLOYER	Employer-level reject
FEIN is not nine digits for account number <<#>>.	000507	EMPLOYER	Employer-level reject
FEIN is not numeric for account number <<#>>.	000508	EMPLOYER	Employer-level reject
FEIN does not match FEIN on file for employer account number <<#>>.	000509	EMPLOYER	Warning
Employer account number <<#>> is not <<#>> characters.	000510	EMPLOYER	Employer-level reject
Employer account number <<#>> located, but is not active. No successor found.	000511	EMPLOYER	Warning

Employer account number <<#>> located, but is not active. Successor account number	000512	EMPLOYER	Warning
Employer account number <<#>> could not be found.	000513	EMPLOYER	Warning
Employer account number <<#>> is not numeric.	000514	EMPLOYER	Warning
Reported secondary identifier* does not match employer account number <<#>>.	000515	EMPLOYER	Warning
Employer name is missing for account number <<#>>.	000516	EMPLOYER	Employer-level reject
Employer name does not match for account number <<#>>.	000517	EMPLOYER	Warning
Address is missing for employer	000518	EMPLOYER	Warning
The city provided for employer <<#>> does not match zip code supplied.	000519	EMPLOYER	Warning
Employer zip does not match state/province supplied. Correct zip should be <<#>>.	000520	EMPLOYER	Warning
Employer zip format does not match postal guidelines for account number <<#>>.	000521	EMPLOYER	Warning
Tax amount is missing or non-numeric for account number <<#>>.	000527	EMPLOYER	Employer-level reject

Account number <<#>> should not have taxable wages.	000528	EMPLOYER	Warning
Incorrect deposit frequency for account number <<#>> and tax period.	000529	EMPLOYER	Warning
Incorrect filing form/type for account number <<#>> and tax period.	000530	EMPLOYER	Warning
Incorrect unemployment rate for account number <<#>> and tax period.	000531	EMPLOYER	Warning
Incorrect supplemental/special tax rate for account number <<#>> and tax period.	000532	EMPLOYER	Warning
Incorrect payment method for account number <<#>> and tax period.	000533	EMPLOYER	Warning
Account status is not active	000534	EMPLOYER	Warning
Account status is not registered	000535	EMPLOYER	Warning
Account status is not liable	000536	EMPLOYER	Warning