

ONLINE GUIDE

2007 GoSystem Tax RS 1041 Electronic Filing Guide

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GoSystem[®] Tax RS 

THOMSON

TAX & ACCOUNTING

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Chapter 1: Overview of Electronic Filing

Overview

Tax practice offices can file fiduciary income tax returns electronically with the IRS using Thomson Tax & Accounting's GoSystem Tax application. GoSystem Tax supports electronic filing for federal fiduciary income tax returns and all states that offer electronic filing.

While the IRS saves costs with electronically filed returns, taxpayers can benefit in the following ways when they file their returns electronically:

- Refunds are processed in approximately three weeks and can be deposited directly into a bank account.
- Balance due returns can be filed electronically anytime before April 15, 2008, and the payment is not due until April 15, 2008.
- When an electronic return is filed, the taxpayer receives an acknowledgment from the IRS of its receipt and acceptance. This acknowledgment is better than a return receipt from the U.S. Postal Service because the IRS performs electronic filing software checks and error checking before accepting a return. The electronic acknowledgment confirms IRS receipt of a mathematically correct and complete return.
- Electronically filed returns have fewer errors than paper returns because the electronic filing process eliminates manual input of tax return data by IRS employees.

Thomson Tax & Accounting is the "electronic transmitter" for Electronic Filing. The tax preparer/firm is the "Electronic Return Originator" (ERO).

You must have a valid Electronic Filing Identification Number (EFIN) to file a return electronically. To receive an EFIN for your office, Form 8633 **MUST** be filed with the IRS. If your office had an EFIN last year, **it is not necessarily valid this year (a valid EFIN must have had returns filed under it last year to remain valid)**. Once accepted, you do not have to reapply each year as long as you continue to file returns through IRS *e-file* and are not suspended from the IRS *e-file* program. You may also need to complete appropriate application or registration with a state before you can electronically file that state return. For additional information on a specific state, check that state's Web site.

Authorization to Participate in Electronic Filing Program

The IRS Regulations require a preparer to apply for permission to file tax returns electronically. To request permission to participate in the electronic filing program, file Form 8633, *Application to Participate in the IRS e-file Program*, with the IRS.

After the application for participation is accepted, the IRS assigns an Electronic Filing Identification Number (commonly referred to as an EFIN) to your firm or office. You will use this EFIN throughout the Electronic Filing process.

The IRS-assigned EFIN applies to current and future tax years. You do not have to file Form 8633 each year as long as you continue to file returns through IRS *e-file* and are not suspended from the IRS *e-file* program. If you filed returns last year through the IRS *e-file* program, the EFIN continues to be valid for this tax year also.

For more information on the electronic filing program and filing requirements, please refer to the most current version of the following documents:

- Revenue Procedure 2000-31
- IRS Pub 1437
- <http://www.irs.gov/efile/index.html>

Filing Returns Electronically

Prior to filing 1041 returns electronically, you must first complete preparation and review of the return to ensure all information on the return is accurate.

To file 1041 returns electronically with the IRS, you must complete two separate tasks:

- Prepare and file the electronic return.
- Send the IRS transmittal form with paper forms that would normally be attached to Form 1041.

Not all returns qualify for electronic filing. GoSystem Tax RS generates appropriate diagnostics when it encounters a return that does not qualify for electronic filing and rejects the non-qualifying return.

Steps to File Returns Electronically

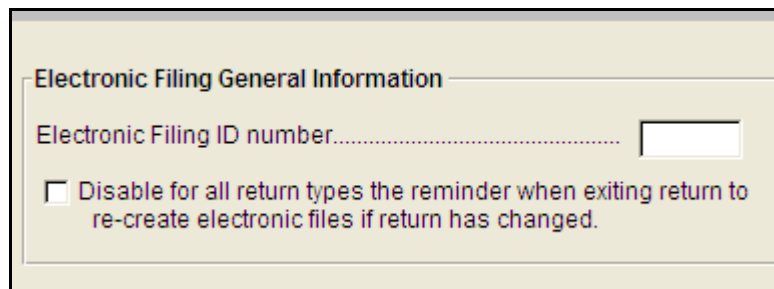
1. Prepare the Electronic Part of the Return.
2. Prepare the Paper Part of the Return.
3. Create an Electronic File for the Return.
4. View and Send Qualified Returns to the IRS.
5. Verify Acknowledgment of Receipt by the IRS.
6. Mail Paper Documents to the IRS when a PIN is not used.

Chapter 2: Setting e-Filing Tax Defaults

Setting e-Filing Tax Defaults for Federal e-Filing

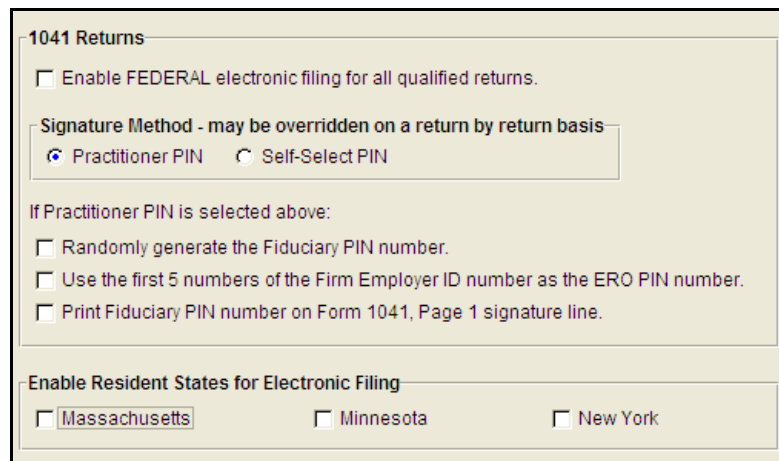
To set up *e-filing* tax defaults for the entire firm, follow these steps:

1. In Tax Defaults, select **Electronic Filing | General** tab.
2. Enter the Electronic ID Filing Number (EFIN) for the firm.



The screenshot shows a window titled "Electronic Filing General Information". It contains a text input field for "Electronic Filing ID number" with a dotted line indicating a long string of characters. Below the input field is a checkbox labeled "Disable for all return types the reminder when exiting return to re-create electronic files if return has changed."

3. If applicable, select the option to disable the remainder to recreate the electronic files when the return is closed. This option, if selected, applies to all return types.
4. Navigate to **Electronic Filing | 1041** tab.
5. If applicable, select the option to enable federal electronic filing for all qualified returns.



The screenshot shows a window titled "1041 Returns". It contains several options:

- Enable FEDERAL electronic filing for all qualified returns.
- Signature Method - may be overridden on a return by return basis**
 - Practitioner PIN
 - Self-Select PIN
- If Practitioner PIN is selected above:
 - Randomly generate the Fiduciary PIN number.
 - Use the first 5 numbers of the Firm Employer ID number as the ERO PIN number.
 - Print Fiduciary PIN number on Form 1041, Page 1 signature line.
- Enable Resident States for Electronic Filing**
 - Massachusetts
 - Minnesota
 - New York

6. For the Practitioner PIN, you can select any or all of the following options:
 - randomly generate the taxpayer and PINs
 - use the first five numbers of the Firm Employer ID Number (FEIN) as the ERO PIN
 - print the fiduciary PIN on the signature line on Form 1041, page 1.

Setting *e-Filing* Tax Defaults for State *e-Filing*

1. In Tax Defaults, select **Electronic Filing | 1041** tab.
2. If applicable, select the option(s) to activate electronic filing for Massachusetts, Minnesota, and/or New York.

Enable Resident States for Electronic Filing

Massachusetts Minnesota New York

Chapter 3: Preparing the Electronic Return

You must create a data file for every return you wish to file electronically. The following major tasks to create a data file are detailed on the following pages:

- Enable electronic filing.
- Enter PIN or signature information.
- Enter any additional information.
- Review *e-file* diagnostics.
- Create an electronic file for the return.

Enabling Electronic Filing

Enter the EFIN and select a state for electronic filing.

1. On the Organizer tab, select **Electronic Filing | Step 1 - Enable Electronic Filing**.
2. Enter your firm's EFIN number (a six-digit number assigned by the Andover IRS service center after your Form 8633 application is approved) of the electronic return originator (the ERO is normally the paid preparer) in the **Electronic filing identification number (EFIN)** field.

Electronic filing identification number (EFIN) (MANDATORY)

In order to electronically file a federal return you must obtain an EFIN from the IRS by submitting Form 8633.
In order to electronically file a specific state, you must complete required state applications and/or registrations (if any). Check individual state websites for additional information.

Before electronically filing any return, you should complete the federal and all applicable state returns **PRIOR** to creating the electronic file.

3. If electronically filing a federal return, select the **Enable Federal electronic filing for this return** check box.

Federal

Enable FEDERAL electronic filing for this return. (MANDATORY to file the Federal Return)

4. Select the state(s) to be electronically filed.

| States | |
|--------------------------|---|
| <input type="checkbox"/> | Check to enable Minnesota Resident Return |
| <input type="checkbox"/> | Check to enable New York Resident Return |

PINs/Signature Information

Introduction

Fiduciary federal tax returns *e-filed* by tax practitioners may be signed electronically using a Personal Identification Number (PIN). Tax practitioners may use either the Practitioner PIN method or Form 8453-F to sign their clients' tax returns. This policy change simplifies the signature process and eliminates the need to mail signature documents to the IRS.

The Practitioner PIN method is an additional signature method for taxpayers who use an Electronic Return Originator (ERO) to sign their returns by using a five-digit PIN. The Practitioner PIN method does not require taxpayers to enter their adjusted gross income or PIN from the prior year. This method requires the taxpayer and Practitioner to sign Form 8879-F, IRS *e-File* Signature Authorization.

Tax practitioners will no longer submit a paper signature for *e-filed* returns by using Form 8453-F. Instead, a newly designed Form 8453-F, U.S. Estate or Trust Income Tax Declaration and Signature for Electronic Filing, will be used to transmit supporting paper documents that are required to be submitted to the IRS with *e-filed* returns. Only the specified forms or supporting documents listed on Form 8453-F can be submitted using the new form.

For more information on the Practitioner PIN method to electronically sign *e-filed* returns, visit the IRS web site at <http://www.irs.gov>, and enter the keyword *PIN*.

PIN Procedures



Enter a signature PIN. The taxpayer can choose a practitioner PIN/Signature Authorization.

For more information on PINs, see Chapter 8, PIN Reference.

To Enter PIN Information:

1. Select **Electronic Filing | Step 2 - PINs/Signature Information**.

2. Select the type of PIN signature - **Practitioner PIN** or **Form 8453-F**.

Select Type of PIN signature for Federal

Practitioner PIN
 Form 8453-F

If Practitioner PIN is selected above, randomly generate the Fiduciary Pin number
 If Practitioner PIN is selected above, use the first 5 numbers of the Firm EIN as the ERO PIN number
 (after compute, the PIN numbers will display in the appropriate spaces below)
 Print Fiduciary PIN number on Form 1041, Page 1 signature line.

3. For the Practitioner PIN, you can select any or all of the following options:
- randomly generate the taxpayer and PINs
 - use the first five numbers of the Firm Employer ID Number (FEIN) as the ERO PIN
 - print the fiduciary PIN on the signature line on Form 1041, Page 1.

4. Enter the five-digit PIN (the number cannot contain all zeros) for the fiduciary.

5. Select the appropriate option to indicate who entered the PIN into the program.



*If you select **Preparer**, Form 8879-F will print for the fiduciary to sign. The preparer must keep the signed Form 8879-F for three years. **Do NOT send Form 8879-F to the IRS!***

*If you select **Fiduciary** and **Form 8453-F**, Form 8879 will not print.*

6. Enter the date the PIN(s) were entered into the program.

Mandatory Practitioner PIN Information for Federal

PIN numbers must be 5 numbers and cannot be all 0's

Fiduciary PIN

ERO PIN

Date PIN's were entered

Who entered the PIN#s?

Preparer (ERO)
 Fiduciary

If you select Fiduciary and choose Self-Select PIN or Form 8453-F, Form 8879-F will not print. Form 8879-F must be retained for three years from the return due date or IRS receive date, whichever is later.

Additional Information

1. Select **Electronic Filing | Step 3 - Additional Information**.
2. Review to see if any additional information is required for electronic filing.

Step 3. Additional Information

Additional Information for Electronic Filing

1. Override from tax defaults if necessary.

2. Additional Options

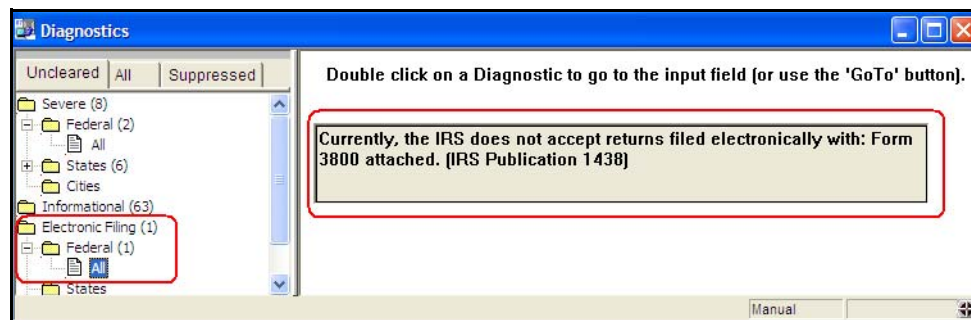
Force print Form 8879 even if not required because Fiduciary entered PIN's selected in Step 2
 Disable reminder to recreate electronic files if return has changed (change in Tax Defaults)

3. Select the option, if desired, to force print Form 8879 even it is not required because the fiduciary entered the PIN selected in Step 2.
4. Select the option, if desired, to disable the reminder to recreate electronic files if the return is changed.

Reviewing e-File Diagnostics

Perform a full recompute of the locator, and make the necessary corrections:

1. On the return menu, select **View | Diagnostics**. This opens the **Diagnostics** dialog box. Select the **Electronic Filing** option.
2. Double-click the first Electronic Filing diagnostic.



3. Review the return information causing the diagnostic, and make any necessary changes to prevent the diagnostic from being regenerated during subsequent tax return computes.
4. Repeat the diagnostic review process for all Electronic Filing diagnostics existing on the locator.



Some forms cannot be filed electronically. When a tax return requires an IRS form that cannot be filed electronically, the system generates a corresponding electronic filing diagnostic.

5. Perform a full recompute on the locator and review any new Electronic Filing diagnostics that may have been generated, modifying input as necessary. Repeat the data modification, compute, and review process until there are no Electronic Filing diagnostics listed for the locator. The application creates an electronic filing data file (to be filed with the IRS) only when no Electronic Filing diagnostics exist.

Creating an Electronic File for the Return

After verifying that Electronic Filing diagnostics do not exist, create the electronic data file to send to the IRS by clicking the button on the Organizer screen. A pop-up box appears on the screen confirming that the files were created successfully.

Make sure that the file is generated as the last step before sending (after ALL changes have been made to the return). If not, incorrect information will be sent to the IRS.

1. Go to **Electronic Filing | Step 5- Create Electronic File**.

2. Click the **Create Electronic File for 1041 returns** button on this form.

Step 5. Create Electronic File

MANDATORY: Full Recompute is required before creating electronic file to avoid mismatch errors
Important: If you change this return after the electronic file is created, you must recompute and recreate the file. Also, you should print a copy of the return(s) checked for electronic filing before electronically filing the return.

Review Electronic Filing Selections

Enable FEDERAL electronic filing for this return. **(MANDATORY to file the Federal Return)**

Create Electronic File for 1041 Returns

Create Electronic File for 1041 Returns

To Disqualify from Electronic Filing
To disqualify a return from electronic filing, uncheck all the enable electronic filing boxes (federal and/or states) and then push the Create Electronic File button again.

Electronic Filing Creation Messages

Messages

| |
|--|
| |
| |
| |
| |
| |
| |
| |
| |
| |
| |

If the file was created without any problem, the application shows a message stating **Electronic files created successfully**.

3. Exit the locator and return to the Tax Register.

Chapter 4: Preparing the Paper Return

Preparing the Paper Return

Print the tax return. GoSystem Tax will generate forms that must be filed with the IRS and forms that are provided to the taxpayer as a record.

Form 8453-F

Form 8453-F is the U.S. Estate or Trust Income Tax Declaration and Signature for Electronic Filing. **This form will print if there is a balance due on the Form 1041.**

Form 8453-F is the transmittal form for the paper documents. After the tax return is accepted by the IRS, Thomson Tax & Accounting provides the paid preparer with the Declaration Control Number (DCN). The IRS requires the DCN to be entered on Form 8453-F. Form 8453-F is mailed to the IRS service center where the electronic return was transmitted. This must be done on the next working day after the ERO (paid preparer) receives the acknowledgement from Thomson Tax & Accounting that the tax return was accepted.

Chapter 5: Viewing and Sending Qualified Returns to the IRS

Each return that has been determined to be **Qualified** for electronic filing during the tax return compute process is a candidate for electronic filing. The electronic filing process requires you to select those **Qualified** returns that you wish to electronically file and create electronic filing batches. This batching process will initiate a process which will send each locator's electronic tax return data to the IRS. Once filed, the IRS will send back an electronic status indicating whether the electronic filing of the return has been **Accepted** or **Rejected**.



***Important:** In order to batch returns, you must have ELF ADMIN rights. If you do not have them, your firm administrator may assign these rights to you.*

Creating Electronic Filing Batches

1. From the left margin **Returns** submenu, select **Process | Electronic Filing**.
2. Select an **Account**, **Tax Year**, and **Return Type 1041** from the drop-down list.
3. Select the number of returns to display from the **Limit list size to** box.
4. Select the **preparer**, **reviewer**, **manager**, and/or **other user group** to filter the list, plus any advanced sort criteria using the **Advanced** button.
5. Select whether the returns are:
 - Federal; ready to send
 - Both federal and state ready to send.

6. Click **Continue**. A list of all returns matching the criteria you selected is created.

Create Electronic Filing Batches

Account: B202
 Year: 2007
 Type: 1041
 Limit List size to: 5

Assigned To: Preparer Reviewer Manager
 (All)
 Sort List by: Name Locator Client Code
 And Match These First Characters of the Sort Column:

Select Return/Extension
 e-File Type: Return
 Federal ready to send
 States ready to send All States

Continue **Cancel** **Help**

Select Federal or States ready to send check box to enable Continue button
This process will initiate electronic filing with the appropriate taxing authority. If you need to download the actual electronic file (certain return types only), please select "Download" from the left hand menu.

7. If you selected only **Federal Ready to Send** in Step 5:

- You will see a list of locators where the federal return is qualified.
- If the federal electronic file includes a state return (Piggyback State), the two-character postal code for that state is also displayed.
- You can select which returns you send to the IRS by checking the box in the **Select** column.
- After you make all your selections, click the **Submit for E-File** button.

Electronic Filing

2007 1041 Returns Found in Account 8284: Federal

When you select a return, we will send the federal return to IRS. No state returns will be sent even if they are qualified.

| Select | Return | Taxpayer Name | Client Code | Fed Status |
|--------------------------|--------|--|-------------|------------|
| <input type="checkbox"/> | 75841P | E. FILING TEST: OTHER SCH E ITEMS K-1 TEST | EF004CEF | Qualified |
| <input type="checkbox"/> | 76483P | TEST EF - CREDITS | 30-1870-00 | Qualified |
| <input type="checkbox"/> | 76485P | TEST E - FILE SCHEDULE J TEST 1 | 1313J | Qualified |
| <input type="checkbox"/> | 76487P | E. FILING TEST: FEDERAL SCHEDULE C, E, F | EF001CEF | Qualified |
| <input type="checkbox"/> | 76489P | EF - CREDITS & 2210 1116/2 COUNTRIES, | 0199700 | Qualified |

5 records returned.

Submit For E-File **Select All** **Deselect All** **Cancel** **Next 5**

*Selecting only **Federal Ready to Send** in Step 5 will limit your state selection to the one state (if any) that is included with the federal electronic file.*

8. If you selected both **Federal and State Ready to Send** in Step 5:

- You will see a list of locators where there are either federal and state returns ready to be sent.
- If a state is included with the federal return (Piggyback State), its 2 character postal code appears in the **Federal Status** column.

- Other state returns are listed in the **Qualified States** column.
- You may select which returns you wish to send by checking the box in the **Select** column.
- When you select a return, we assume that you want to send all returns that are ready.
- If you do not wish to send all of the states listed for a return, click the hyperlink in the **Qualified States** column and clear the box for those states you do not wish to send. Then click **OK**.
- Any state not checked will appear in parentheses in the **Qualified States** column and will not be sent.
- You cannot clear the check boxes for Federal and Piggyback State returns.
- After you make all your selections, click the **Submit for e-file** button.

2007 1041 Returns Found in Account 8284: Federal & All States

When you check the box to select a return we will send all qualified returns (both federal and state) to the appropriate taxing authority. If you do not wish to send all states, double click on the hyperlink that shows the qualified states and remove the check for any state you do not wish to submit. The states you are not submitting will then be displayed in parentheses. You cannot deselect the federal return. The column labeled "States in Process" is shown for informational purposes only. A legend describing the status numbers may be found at the bottom of this screen.

| Select | Return | Taxpayer Name | Client Code | Fed Status | Qualified States | States in Process |
|--------------------------|------------------------|--|-------------|------------|------------------|-------------------|
| <input type="checkbox"/> | 75841P | E. FILING TEST: OTHER SCH E ITEMS K-1 TEST | EF004CEF | Qualified | | |
| <input type="checkbox"/> | 76483P | TEST EF - CREDITS | 30-1870-00 | Qualified | | |
| <input type="checkbox"/> | 76485P | TEST E - FILE SCHEDULE J TEST 1 | 1313J | Qualified | | |
| <input type="checkbox"/> | 76487P | E. FILING TEST: FEDERAL SCHEDULE C, E, F | EF001CEF | Qualified | | |
| <input type="checkbox"/> | 76489P | EF - CREDITS & 2210 1116/2 COUNTRIES, | 0199700 | Qualified | | |

5 records returned.

LEGEND
 3-Requested 5-Awaiting acknowledgement 6-Conditionally Accepted 7-Accepted 8-Rejected 10-Downloaded

After completing this procedure, your returns will be processed and sent to the IRS and/or state authorities.

The processing status of these locators on the Electronic Filing Status Report will show “Requested” until Thomson Tax & Accounting batches the return and sends the batch to the IRS. At this time, the DCN is generated.

The processing status of these locators on the Electronic Filing Status Report will show as “Awaiting Acknowledgment” until the return is either Accepted or Rejected by the appropriate taxing authority.

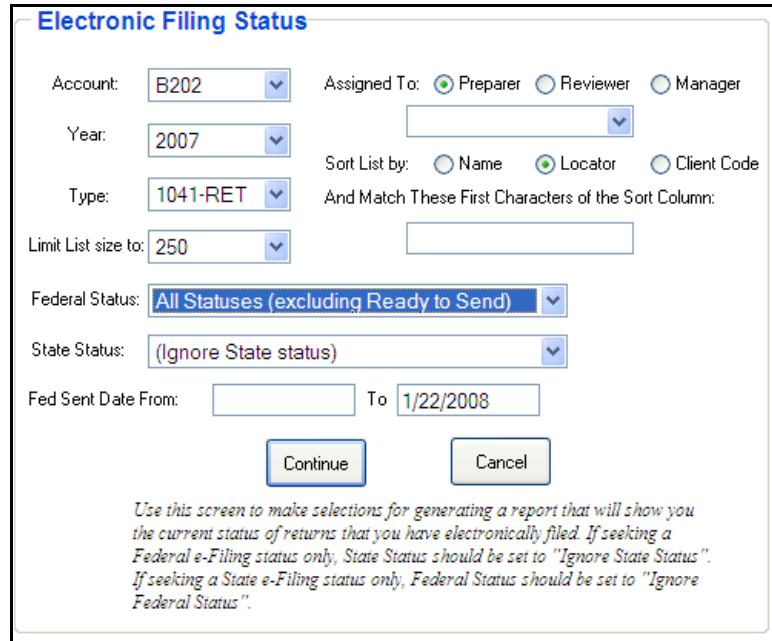
Viewing Statuses and Acknowledgment Information

Once the return is electronically filed, Thomson Tax & Accounting receives an acknowledgment from the IRS that the return was filed.

To view the processing status for all returns (to find out if Thomson Tax & Accounting has received the acknowledgment) and to view the DCN and other acknowledgment information, follow these steps:

1. From the left margin **Returns** submenu, click **Process | Electronic Filing | Status Report**.

2. Select an Account, Tax Year, and Return Type 1041 from the drop-down list.
3. Select the number of returns to display from the **Limit list size to** drop-down dialog box.
4. Select the preparer, reviewer, manager, and/or other user group to filter the list.
5. Select the appropriate criteria for both Federal and State statuses, then click the **Continue** button.



Electronic Filing Status

Account: Assigned To: Preparer Reviewer Manager

Year:

Type: Sort List by: Name Locator Client Code

Limit List size to:

Federal Status:

State Status:

Fed Sent Date From: To:

Use this screen to make selections for generating a report that will show you the current status of returns that you have electronically filed. If seeking a Federal e-Filing status only, State Status should be set to "Ignore State Status". If seeking a State e-Filing status only, Federal Status should be set to "Ignore Federal Status".

6. You will see a list of locators that meet the criteria selected on the Electronic Filing Status screen.
7. You may view the statuses of the returns sent as well as the DCN numbers, date sent, date acknowledged, and so on.

If the IRS accepts the electronically filed tax return, the electronic filing status for the locator will show as **Accepted**. If this is the case, the relevant IRS acceptance information will display. When this occurs, you *must perform the tasks below on the next working day after the filing acceptance is received*:

1. Obtain the **DCN** (declaration control number) from the DCN column on the Electronic Filing Status Report screen and transfer this number to the appropriate space of the corresponding Form 8453-F and/or Form 8879-F, whichever applies.
2. Attach all required forms, schedules, and/or statements to the Form 8453-F.
3. Mail Form 8453-F, with attachments, to the appropriate IRS service center.
4. If the return has a balance due and the taxpayer has not chosen the option of using the Electronic Debit, the taxpayer should mail Form 8453-F, along with a check, to the appropriate IRS Service Center.

Although processing usually occurs within 24 hours, the IRS can take as long as 48 hours to process a return. If you have not received an acknowledgment of the return within 48 hours, call Thomson Tax & Accounting at 1-800-327-8829 to check the status of the return.

Viewing Reject Notices

If the IRS rejects the electronically filed tax return, the electronic filing status for the locator will show as **Rejected**. If this occurs, follow the steps below:

1. On the **Electronic Filing Status** screen, select the status of *Rejected*.

Electronic Filing Status

Account: 8284 Assigned To: Preparer Reviewer Manager

Year: 2007

Type: 1041-RET Sort List by: Name Locator Client Code

Limit List size to: 250 And Match These First Characters of the Sort Column:

Federal Status: Rejected

State Status: Rejected

Fed Ack. Date From: 2/22/2008 To 2/27/2008

State Ack. Date From: 2/22/2008 To 2/27/2008

Continue Cancel

Use this screen to make selections for generating a report that will show you the current status of returns that you have electronically filed. If seeking a Federal e-Filing status only, State Status should be set to "Ignore State Status". If seeking a State e-Filing status only, Federal Status should be set to "Ignore Federal Status".

2. From the **Electronic Filing Status Report** screen, click **Rejected** (the word "Rejected" will be a hyperlink) in the Federal or State **Status** column. The system displays the appropriate reject messages.
3. Select the **Print** button. This sends the Rejection Notice to your default printer.
4. Review the reason for the rejection as included on the printed Rejection Notice.

If the situation causing the rejection *can* be corrected:

1. Open the locator and modify the incorrect information.
2. Repeat steps 3-5 listed under Section 1, **Preparing the Electronic Part of the Return**.
3. Repeat all steps associated with **Initiating an Electronic Filing Request**.

If the situation causing the rejection *cannot* be corrected:

1. The return must be filed on paper with the IRS service center where paper returns are typically filed.
2. If the return shows a tax due, the payment and Form 8453-F must be remitted to the appropriate IRS Service Center.
3. Within 24 hours of receiving an acknowledgment that a return has been rejected, if the rejection cannot be corrected, the taxpayer must be notified that the Service Center has rejected the return.

Viewing Conditional Acceptance Notices

Some states have a status called “Conditionally Accepted.” This means that the state requires additional information that the preparer or taxpayer must provide before the return is accepted or the state is performing additional processing steps.

In most cases you do not have to resubmit the return. Instead you must provide the requested information to the state or wait for the state to complete its additional review.

For detailed instructions, click the **Conditional Acceptance** link on the status report.

Chapter 6: Mailing Paper Documents to the IRS

Mailing Paper Documents

The preparer/firm has **48 hours** after viewing the positive acknowledgment to enter the DCN (Declaration Control Number) on Form 8453-F and mail it to the IRS. Form 8453-F must be filed with the appropriate IRS service center. Remember to attach the paper documents required, but **do not** attach a payment to Form 8453-F.

1. Obtain the DCN from the Electronic Filing listing and transfer this number in the appropriate space of the corresponding Form 8453-F and/or Form 8879-F.
2. Attach all required forms, schedules, and statements to Form 8453-F. However, do not include a full copy of the return.
3. Mail Form 8453-F, with attachments, to the appropriate IRS service center.

OR

Include payment with a letter to the appropriate IRS Service Center.

Chapter 7: Electronic Filing Reference

Paid Preparer/Electronic Return Information

On the Organizer tab, select **Electronic Filing | Step 4 - Additional Information | ERO and Paid Preparer Info Override**.

Additional Information for Electronic Filing

1. Override from tax defaults if necessary.

If the Paid Preparer is the same as the Electronic Return Originator (ERO), then leave both sections blank.

If the paid preparer is not the Electronic Return Originator, complete the ERO section of the screen.

Enter ERO and Paid Preparer

This information is only needed if the Paid Preparer and the ERO (Electronic Return Originator) are not the same. The ERO information is completed with the paid preparer information from 1041 page 1 or tax defaults unless the ERO information is overridden here. You can override just one piece of information and the other information will still apply.

Electronic Return Originator (ERO)

Date..... 12/27/2007

Firm name..... Firms R Us

Address..... 2300 Midway Street

City, state, zip code..... Carrollton TX 75007

Social security number..... 222-34-4444

Employer identification number 11-3333333

Telephone number (Optional).. 972-250-7878

ERO is also the paid preparer

ERO is self-employed

You can suppress the Paid Preparer information from account defaults on the **Paid Preparer** Organizer screen. If you want to override the paid preparer information, enter paid preparer data in the **Paid Preparer Information** section.

Paid Preparer Information

The information below is used to override the default information for this return.

If one item is overridden, then all must be overridden.

Date..... 01/22/2008

Firm name..... Firms R Us Ltd.

Address..... 2300 Midway

City, state, zip code..... Carrollton TX 5006

Social security number.....

Employer identification number 11-44444444

Paid preparer is self-employed

Balance Due Returns – Payment Information

If a balance is due, taxpayers are not required to submit payment until the statutory April filing date. Taxpayers can remit payment in one of two ways:

- Mail Form 8453-F to submit payment to the IRS.
- Send a letter to the appropriate IRS processing center, along with payment, on or before April 15, 2008.

If a balance is due the IRS, taxpayers are not required to submit payment until April 15, 2008. Taxpayers should mail Form 8453-F by April 15, 2008 to submit payment to the IRS. **Form 8453-F is automatically generated and printed for returns with tax due.**

Chapter 8: PIN Reference

Practitioner PIN

A PIN is required to electronically file a 1041 return.

The Practitioner PIN program allows taxpayers to electronically sign an *e-filed* return by selecting a five-digit Personal Identification Number (PIN).

EROs must complete Form 8879 (including Part III) and retain this form for three years.

For a Practitioner PIN:

1. On the Organizer tab, select **Electronic Filing | Step 2 - PINs/Signature Information | Practitioner PIN** for **Type of PIN/Signature**.
2. Enter **Mandatory Practitioner PIN Information**.

Appendix A: Accepted Forms and Schedules

Forms and Schedules for Electronic Filing

Thomson Tax & Accounting accepts the following approved forms and schedules for 1041 electronic filing. The table lists the form name, title, and maximum number of each that may be submitted with each return.

| Forms/Schedules | Title | Maximum Number Per Return |
|--|---|---------------------------|
| Form 1041 | U.S. Income Tax Return for Estates and Trusts | 1 |
| Form 1116 | Foreign Tax Credit | |
| Form 2210 | Underpayment of Estimated Tax by Individuals, Estates, and Trusts | 1 |
| Form 4562 | Depreciation and Amortization | |
| Form 4797 | Sale of Business Property | 1 |
| Form 4952 | Investment Interest Expense Deduction | 1 |
| Form 6252 | Installment Sale Income | |
| Form 8582 | Passive Activity Loss Limitations and Worksheets | 1 |
| Form 8801 | Credit for Prior Year Minimum Tax - Individuals, Estates, and Trusts | 1 |
| Schedule C (Form 1040) | Profit or Loss from Business | |
| Schedule D (Form 1040) | Capital Gains and Losses | 1 |
| Schedule E (Form 1040) | Supplemental Income and Loss | |
| Schedule J (Form 1040) | Information Return - Trust Allocation of an Accumulation Distribution | |
| Schedule K-1 | Beneficiary Share of Income, Deductions, Credits, etc. | |
| Statement ("STMnnn") | Statement Records ^a for forms and/or schedules other than Schedule K-1 (Form 1041), in ascending numeric order | |
| Schedule K-1 (Form 1041) Statements (STM099) | If applicable, the Schedule K-1 (Form 1041) Statements must be transmitted in ascending numeric sequence and immediately follow the Schedule K-1 Record to which they correspond. | |

| Forms/Schedules | Title | Maximum Number Per Return |
|---|--|---------------------------|
| Preparer Note Explanation Record | If applicable, the Preparer Note Record ^b must be transmitted following the Statement Record of the Form 1041. | |
| Election Explanation Record | If applicable, the Election Explanation Record ^c must be transmitted following the Preparer Note Explanation Record. | |
| Regulatory Explanation Record | If applicable, The Regulatory Explanation Record ^d must be transmitted following the Election Explanation Record or Preparer Note Explanation Record. | |
| Summary Record or Schedule K-1 Summary Record | The final record for each Form 1041 tax return. The Summary Record ^e will contain filer identification data, counts of the forms, schedules, and statements included with one return. | 1 |

a. Statement Records are used only when the number of data items exceeds the number that can be contained in the blank provided on the print form or schedule. Data must be provided in a separate Statement Record. A Statement Record can be required to explain certain entries on a form or schedule.

b. The Preparer Note Record is to provide additional voluntary information related to the return but not required to be attached to the return.

c. The Election Explanation Record can be used when the taxpayer makes an election for certain tax treatment, status, exception, or exemption based on an instruction for the tax form or in a related tax publication when there is no official IRS form designed for that purpose.

d. The Regulatory Explanation Record can be used when the taxpayer cites a specific regulation for certain tax treatment, status, exception, or exemption when there is no official IRS form designed for that purpose.

e. The Summary Record or Schedule K-1 Summary Record will contain filer identification data, counts of the schedules, forms, and statements included in one return, and indicators for paper documents attached to Form 8453-F.

Exclusions from Electronic Filing

The following returns are excluded from electronic filing:

- Amended returns
- Fiscal year returns ending during any month after June 30 of the current processing year
- Delinquent returns (except returns covered by an extension of time to file which was submitted to the service center where the taxpayer would normally file a paper return).
- Returns with dollars and cents entries. Only whole dollar amounts are accepted. Round entries to whole dollars only upon output; computed percentage distributions on Schedules K-1 (Form 1041) may not balance due to this rounding.
- Returns with Powers of Attorney (POA), and the IRS does not have a POA on file. In order to file electronically, the POA should be filed prior to the transmission of the electronic return.

The POA must be submitted on paper to the IRS Center where the taxpayer would

normally file a paper return. The POA must be submitted at least six (6) weeks prior to transmitting a return that includes a POA.

- Returns filed under Section 6020(b) of the Internal Revenue Code
- Fiscal year returns with extension dates after June 30 of the current processing year
- Fiscal year short period returns
- Fiscal year final returns
- Returns with any dollar amount greater than \$99,999,999,999
- Tentative returns
- Family trust returns (except those filed by a bank)
- Bankruptcy estate returns
- Returns with refund amounts equal to or greater than \$1,000,000



Note:

Fiduciaries with a Fiscal Year Return, a Short Period Return ending on a month prior to December 31, or a Fiscal Year Final Return cannot file electronically. However, fiduciaries with any type of Fiscal Year Return with a tax period ending on or before June 30, 2007 (January 2007 - June 2007) may file electronically.

No extensions are granted/approved for Fiscal Year Returns with a tax period ending June through December 2007.

Multiple Forms and Schedules - Exclusions from Electronic Filing

If more than one of the following forms or schedules must be filed with the estate or trust return, ***the entire return must be filed on paper.***

- | | |
|--------------|----------------|
| • Schedule D | • Form 5884 |
| • Form 2210 | • Form 6478 |
| • Form 2210F | • Form 6765 |
| • Form 3468 | • Form 8582 |
| • Form 3800 | • Form 8582-CR |
| • Form 4136 | • Form 8586 |
| • Form 4797 | • Form 8801 |
| • Form 4952 | • Form 8820 |
| • Form 4970 | • Form 8830 |