



MISCELLANEOUS TAX BULLETIN 2008-02

Issued: August 13, 2008

REPRODUCED FORMS AND SUBSTITUTE FORMS

Please note this bulletin has been modified to reflect new dates for submitting forms for testing in Section VII.3. These recently added changes have been highlighted for easy identification. Any reproduction of or substitution for forms must comply with the specifications in this bulletin.

Section I. Introduction

The purpose of this bulletin is to provide specifications and general requirements for the development, printing, and approval of reproduced or substitute tax forms. The Department of Revenue ("Department") accepts paper-filed substitute and reproduced tax forms that are consistent with the official forms and have no adverse impact on processing. In addition, the Department strongly encourages the filing of returns electronically through the Department's website at www.revenue.state.pa.us.

Please note that the Department does not review or approve the logic of specific software programs, nor does the Department confirm the calculations on the forms produced by these programs. The accuracy of the program remains the responsibility of the software package developer, distributor, or user. The Department is primarily concerned with the pre-filing quality review of the final forms that are expected to be processed by the Department.

If you are filing any tax form other than an official tax form, please read this bulletin carefully to ensure the tax form you are filing is an approved tax form.

The information in this bulletin will be updated as required to reflect pertinent form and specification changes and to meet administrative and/or legislative requirements.

Section II. Enforcement

The Department is continuing a program to identify and contact taxpayers, tax return preparers, forms developers, and software developers who use or distribute unapproved tax forms that do not conform to Department standards.

The Department may publish names of persons or firms, including software developers, who distribute unapproved reproduced or substitute tax forms to others for filing with the Department.

Unapproved tax forms filed with the Department may be rejected and returned to the taxpayer or tax return preparer. This may result in the imposition of interest and penalties. In addition, unapproved tax forms filed with the Department may delay the processing of refunds.

Please note that even official and approved tax forms may be rejected if they are unreadable. The Department may reject any tax forms containing errors which hinder efficient processing, including the following:

- Incorrect font size;
- Illegible handwriting;
- Inappropriate markings, such as stamps, on white spaces or quiet zones;
- Improper filing of any Form PA-20S/PA-65 with more than 100 Schedules RK-1 or NRK-1. Please contact the Pass-Through Business Office Forms Coordinator for filing requirements.

Please read the detailed requirements in this Bulletin carefully to ensure you are filling out your tax forms correctly.

Section III. Definitions

Approved tax form – Any reproduced or substitute tax form conforming to Department specifications and satisfying the Department approval process for filing or processing in lieu of an official tax form.

Developers – Any person generating substitute tax forms for distribution to taxpayers or tax return preparers. The term includes software developers and tax return preparers. The term does not include a taxpayer who does not distribute forms to others.

Official tax form – Any tax form produced, furnished, or distributed by the Department. This term shall include tax forms in any medium, including electronic or digital media. These forms are also historically referred to by the Department as “Department forms.”

Reproduced tax form – Any duplicate, photocopy, facsimile, or similar copy of an official tax form generated in any media. The term includes any third-party computer generated form which is an exact duplicate of (*i.e.*, looks exactly like) an official tax form.

Scan Band form – Any tax form on which a box surrounds a specially formatted machine-readable block of text containing the variable alpha or numeric data on the form.

Substitute tax form – Any tax form that differs in any way from the official version and which is generated in any media for use in lieu of an official tax form. This term includes forms that are also historically referred to by the Department as “Scan Band forms” as well as any other “third-party computer generated forms” that differ

from the official version. All forms on the list on page 6 are considered substitutes and therefore must be approved by the Department.

Third-party computer generated forms – Any tax form generated using computer software developed by a third-party.

Section IV. Department Contacts

Taxpayers: For general tax questions, please contact the Department on the FACT and Information Line: 1-888-PATAXES.

Developers/Software Vendors: Any questions regarding the information contained in this bulletin should be directed to:

THIRD PARTY FORMS COORDINATOR
PA DEPARTMENT OF REVENUE
BUREAU OF ADMINISTRATIVE SERVICES
GRAPHIC ARTS
327 WALNUT ST FL 12 | HARRISBURG, PA 17128-2005

Phone: 717.783.9635 | Fax: 717.705.9021 | E-mail: thirdpartyforms@state.pa.us.

Please note the Third Party Forms Coordinator does not provide taxpayers or tax return preparers with tax-related advice or information regarding how to fill out specific tax forms for filing with the Department.

Do not submit substitute forms for approval via e-mail (Note that email submissions are still acceptable for reproduced forms). Please ensure that forms submitted for approval do not contain taxpayer data.

Section V. Official Forms

Official tax forms supplied by the Department are automatically approved for filing with the Department. Official forms may be obtained as follows:

- You may call 1-888-PATAXES (1-888-728-2937) to have forms automatically faxed to you. Note: The Department does not have all forms available by fax.
- You may call 1-888-PATAXES (1-888-728-2937) to leave a message to have forms mailed to you.
- Forms are available at your local Department of Revenue District Office.
- Send written requests for forms to:
PA DEPARTMENT OF REVENUE
TAX FORMS SERVICE UNIT
711 GIBSON BLVD
HARRISBURG PA 17104-3200
- Services for Taxpayers with Special Hearing and/or Speaking Needs
 - 1-800-447-3020 (TT Only)
- Many forms are available through your local public library.
- Forms are available online at www.revenue.state.pa.us.
- In addition, you may file electronically through the Department's website at www.revenue.state.pa.us.

Please be aware that processing of an official form may be delayed if you fail to properly fill out the official form. Avoid delays in processing by ensuring the following:

- If filling out a form by hand, make sure you write legibly;
- Ensure “quiet zones,” which are the white areas on the official form, are free from stray photocopier marks.

Section VI. Reproduced Forms

A. Forms Reproduced for Distribution to Taxpayers or Tax Return Preparers

Reproduced forms created for distribution to taxpayers or tax return preparers (*e.g.*, for commercial distribution) must be approved by the Department prior to distribution. Send your reproduced forms for approval to the Department’s Third Party Forms Coordinator.

The Department will contact you within ten (10) business days of receiving the submission with either notice of approval or rejection of the submissions. To confirm receipt of a submission or to inquire as to the status of a submission after ten (10) business days, please contact the Third Party Forms Coordinator. Note that there may be delays for large submissions or for submissions received at peak periods.

The Department will contact you via email to inform you of approval or via fax if changes are required. Upon approval the Department will issue a document ID number for each individual form approved for distribution by your company.

Once the reproduced forms have been approved by the Department, they may be released to taxpayers and tax return preparers. After releasing the forms, you are responsible for making form changes the Department may request after approval if the Department determines the approved version contains errors and omissions. You must also agree to be bound by the stipulations in Section VIII of this bulletin.

B. Forms Reproduced by Taxpayers

Reproduced forms created by taxpayers for personal use are automatically approved for filing with the Department. However, taxpayers should ensure the reproduced form is in fact an exact replica of the official tax form to avoid delays in processing the reproduced form. Prior to filing, please follow these guidelines:

- When setting your photocopier or fax, ensure that you are not shrinking or enlarging the official form;
- Ensure that the “quiet zones,” which are the white areas on the official form, are free from stray photocopier marks;
- Check your printer, photocopier, or fax to ensure the printing characteristics (ink color, etc.) satisfy Department guidelines. Please contact the Third Party Forms Coordinator to obtain specifications.

Any questions regarding reproduced forms should be directed to the Third Party Forms Coordinator.

Section VII. Substitute Tax Forms

A substitute tax form is a tax form that differs in any way from the official version and is intended for filing in lieu of an official form. The Department requires that substitute tax forms be approved by the Department prior to filing or dissemination.

Filing of substitute tax forms which do not meet specifications or general requirements has adversely affected the Department's processing, including slowing the processing of non-compliant returns and refunds. In order to promote efficient processing of forms, and in turn efficient processing of refunds, the Department accepts for filing only official tax forms, reproduced tax forms, or approved substitute tax forms.

Taxpayers should ensure they are filing approved tax forms. The Department publishes a list of vendors which distribute approved tax forms. This list may be found using the tabs on the Department's website at www.revenue.state.pa.us. See the "Individual Taxpayers" tab for vendors of personal income tax forms. See the "Business Taxpayers" tab for vendors of corporation tax forms. If a taxpayer makes changes to an official tax form, he or she should be aware that the changed form may be rejected by the Department. A taxpayer filing a form rejected by the Department is subject to fines and penalties available by law, including fines and penalties for failure to file. If you wish to make changes to an official form before filing, please contact the Department through the contact information provided in Section IV to ensure the form meets Department specifications.

Tax return preparers also should ensure they are filing approved tax forms on behalf of taxpayer. The Department publishes a list of vendors which distribute approved tax forms. This list may be found using the tabs on the Department's website at www.revenue.state.pa.us. See the "Individual Taxpayers" tab for vendors of personal income tax forms. See the "Business Taxpayers" tab for vendors of corporation tax forms. If a tax return preparer makes changes to an official tax form, he or she must comply with guidelines and the approval process for developers established in this bulletin.

Taxpayers and tax return preparers: To avoid delays in the approval process, please confirm the following prior to submission:

- Ensure font used on the form is 10-point OCR-A.
 - o Incorrect font size, specifically font that is too small, significantly increases processing time. In addition, incorrect font size may render the information on the form unreadable, causing the Department to reject the return. This may result in interest and penalties being imposed on the taxpayer.
- Ensure "quiet zones," as defined in the specifications, are free of any text, graphics, or other markings.
 - o Text or graphics in quiet zones may render the forms unprocessable, or may significantly increase processing time. This, too, may result in interest and penalties being imposed on the taxpayer.
- Check the document ID number of the form you are using.

- o Taxpayers or tax return preparers should confirm their form contains a document ID number in the following places on each page:
 - One in the upper center portion of the page;
 - One by the lower left registration mark; and,
 - One by the lower right registration mark.

Developers must receive approval prior to distributing the substitute tax form to taxpayers, as set forth in Section VII.A., following, in this bulletin.

A. Process for Developers Submitting Substitute Forms for Approval

To receive approval to use or distribute a substitute form on the list below, the substitute tax form should be submitted to the Department in accordance with the detailed process set forth in this bulletin. The Department has set forth specifications for substitutes for the forms listed below. Please contact the Third Party Forms Coordinator for access to these specifications. If you wish to develop a substitute tax form for any form not included on the list below, please contact the Third Party Forms Coordinator for more information.

<p>Personal Income Tax</p> <ul style="list-style-type: none"> • PA-40* • PA-40 Schedule G-R* • PA-40 Schedule C* • PA-40X Amended Form* • PA-V Payment Voucher* • PA-40ES Payment Voucher* <p>Partnership/ S Corporation</p> <ul style="list-style-type: none"> • PA-20S/PA-65* • PA-20S/PA-65 Schedule D, Parts I - IV* • PA-20S/PA-65 Schedule E* • PA Schedule RK-1* • PA Schedule NRK-1* • PA-40 Schedule NRC* • PA-40 Schedule NRC-I* • PA-40 Schedule NRC-O* • PA-65 Corp* • PA-20S/PA-65 Partner/Member or Shareholder Directory • Nonresident Withholding Payment Voucher <p>Fiduciary Income Tax</p> <ul style="list-style-type: none"> • PA-41* • PA-41X Amended Form* • PA-41 Schedule RK-1* • PA-41 Schedule NRK-1* • PA-41 Payment Voucher* <p>Property Tax or Rent Rebate Program</p>	<p>Corporate Tax</p> <ul style="list-style-type: none"> • RCT-101-PA Corporate Tax Report • RCT-101I-Inactive PA Corporate Tax Report • RCT-101D –Declaration of de minimis Pennsylvania Activity • RCT-103-Net Operating Loss Schedule • RCT-128C-Report of Change in Corporate Net Income Tax <p>Corporate Tax – Specialty Tax Forms</p> <ul style="list-style-type: none"> • RCT-111 • RCT-112 • RCT-113A • RCT-113B • RCT-121A • RCT-121B • RCT-121C • RCT-122 • RCT-123 • RCT-124 • RCT-125 • RCT-126 • RCT-131 • RCT-132 • RCT-132A • RCT-132B • RCT-143 <p>* Historically referred to as “Scan Band forms,” these forms are referred to more generally as “substitute forms” in this bulletin.</p>
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Please be mindful of the deadlines for submissions. Please note that many submissions are not approved upon the first submission, and therefore, you will want to submit your forms for approval allowing sufficient time for potential resubmission. The submission process is described in more detail in Section VII.A.1. After review and approval, submitted tax forms will be accepted as approved substitutes for official tax forms.

1. Request Check Sheet and Mylar® Templates

Any person wishing to develop substitute forms must first contact the Third Party Forms Coordinator to obtain a check sheet containing a list of all forms for which substitutes are accepted. The developer then indicates on the check sheet the forms it is developing, and submits the check sheet to the Department. The Department will send to the developer a Mylar® template for each form indicated on the check sheet. The developer must compare the Mylar® template to the proposed substitute form to ensure the substitute form is properly formatted.

2. Request Substitute Forms Specifications

In addition to using the Mylar® template to compare to proposed substitute forms, developers must ensure the proposed substitute form satisfies the specifications for each form. Please contact the Third Party Forms Coordinator to obtain specifications for each form.

After obtaining the specifications for each form, developers must ensure the proposed substitute tax form satisfies the specifications and matches the Mylar® template. Developers should use the document ID number contained on the Mylar® template when submitting forms for approval. Upon approval, the Department will issue a permanent document ID number unique to the developer.

The Department has created a Scan Band Checklist to assist developers in ensuring forms satisfy Department specifications. Contact the Third Party Forms Coordinator for this checklist. The instructions on this checklist must be followed to ensure the proposed substitute tax form satisfies Department criteria. The substitute tax form should then be submitted to the Third Party Forms Coordinator for approval as follows.

3. Submitting forms to the Department for approval

The Department begins accepting developer submissions after the final Scan Band forms have been posted to the Department website. The first submission for approval of any proposed substitute tax form should be submitted by **October 15**. If a submission is rejected or referred to the vendor for changes, the Department may accept re-submissions until approval is granted. The Department, in its discretion, will refuse to accept any form which was submitted for approval more than three times.

All tax forms must be submitted for final approval by **December 31**. Any forms submitted (or re-submitted) for approval after the deadline will be rejected and

approval status will not be granted. Send your substitute forms for approval to the Third Party Forms Coordinator.

4. Department approval and other communications

The Department will contact you within ten (10) business days of receiving the submission with either notice of approval or rejection of the submissions. To confirm receipt of a submission or to inquire as to the status of a submission after ten (10) business days, please contact the Third Party Forms Coordinator. Note that there may be delays for large submissions or for submissions received at peak periods.

The Department will contact you via email to inform you of approval or via fax if changes are required. Upon approval, the Department will issue a document ID number for each individual form approved for distribution by your company.

Once the substitute forms have been approved by the Department, they may be released to taxpayers and tax return preparers. After releasing the forms, you are responsible for making form changes the Department may request after approval if the Department determines the approved version contains errors and omissions.

VIII. Important Stipulations

Any person or developer who proposes reproduced or substitute forms for approval agrees to the following stipulations.

- Should the Department determine that any approved form is disruptive to the Department's processing of the tax return, the person/developer agrees to accept the determination of the Department as to whether the form may continue to be filed;
- The person/developer agrees to work with Department in correcting noted deficiencies. Notification of deficiencies may be made by any combination of fax, letter, email, or phone contact and may include the request for the re-submission of forms;
- Should the Department determine additional changes are required to an approved form to make the form compatible with efficient Department processing, the person/developer agrees to take necessary actions to ensure forms distributed to taxpayers reflect these changes. This may include creating a software patch online as well as notifying taxpayers and tax return preparers of the updates.