January 8, 2004

Publication 1346 Part I – File Specification Changes #5

The changes are identified by two vertical bars in the right margin (||).
Deletions are identified by a hyphen followed by two vertical bars (-||).

These changes are effective immediately.

Section 3 – Acknowledgment File Format
          Item 21 was revised from "three-position" to "four-position"

ERC 0136   Revised SEQ 0240 to 0245
            Revised SEQ 0670 to 0671

ERC 0148   Revised SEQ 0940 to 0658

ERC 1013   Revised SEQ 0160 to 0130

.01   Acknowledgment File Components (continued)

18.   The "**3**" in the **PIN Presence Indicator field** means that **taxpayer PIN** ||
      is present and was entered using the Self-Select PIN method by ||
      Practitioner. ||

20.   The "4" in the PIN Presence Indicator **field** means that a State-Only ||
      return was filed.   -||

      NOTE: Taxpayer PIN cannot be used with State-Only returns and ||
      Form 8453 or 8453-OL is NOT required. ||

21.   A "(blank)" in the **PIN Presence Indicator** means that a **return with**
      a PIN was rejected.

22.   The "R" in the Reserved IP Address Code field of the ACK Key Record ||
      indicates that a reserved IP address is present for this return. ||

23.   Up to 96 ACK Error Record(s) may be furnished to the electronic filer,
      one for each **four**-position Error Reject Code. Filers should use these ||
      Error Reject Codes to determine the source of the error causing the
      return (or transmission) to be rejected. If more than the maximum
      number of reject conditions are identified, the last reject code will be
      "**0999**".

24.   The Error Reject Codes and references to validation criteria related
      to the error conditions are listed in Attachment 1. Filers should
      use this information to resolve reject conditions. When a condition cannot
      be resolved with the information provided, the filer should contact the
      Electronic Filing Unit at the applicable submission
      processing center for assistance.

25.   A "Y" in the EIC Indicator Field Description on the ACK Key Record ||
      indicates: ||

         a.   The taxpayers identified on this return have been selected for ||
              the Service's EIC Residency Certification Test. ||

         b.   These taxpayers are required to submit Form 8836, Qualifying ||
              Children Residency Statement and related documents to: ||

                   Internal Revenue Service ||
                   Stop 4300, Annex **R-**2 ||
                   Kansas City, MO 64999-0065 or ||

                   Fax form and documentation to: **(913) 266-9640** ||

         c.   The EIC portion of the refund will be held until the EIC ||
              Residency test is verified. ||

         d.   If you have questions or need help, please call our special ||
              toll free number at 1-800-294-2723. ||

26.   A "blank" in the EIC Indicator Field Description on the ACK Key ||
      Record indicates these taxpayers were not selected for the Service's ||
      EIC Residency Certification Test. ||

ERROR REJECT CODE (ERC) CROSS REFERENCES

ERC	DESCRIPTION	PAGE

0136 o Form 1040 - If Form 2210 or Form 2210F is present, then ES   Pg 95,
Penalty Amount (SEQ 1300) of Form 1040 must equal Underpayment   98
Penalty/Short Method (SEQ **0245**) or Total Underpayment Penalty
(SEQ **0671**) from Form 2210, or Underpayment Penalty/Farmers
Fishermen (SEQ 0180) from Form 2210F.

     o Form 1040A - If Form 2210 is present, then ES Penalty Amount
(SEQ 1300) of Form 1040A must equal Underpayment Penalty/Short
Method (SEQ **0245**) or Total Underpayment Penalty (SEQ **0671**) from
Form 2210.

0148 o Form 2210 - When Waiver **of Entire Penalty** Box (SEQ **0135**) **or**   Pg 101
Waiver of Part Penalty Box (SEQ 0145) equals "X", either Waive**d**
Explanation/Short Method (SEQ **0233**) or Waiver Explanation
(SEQ **0658**) must equal "STMbnn".

     o Form 2210F - When Waiver of Penalty Box (SEQ 0013) equals "X",
Waiver Explanation (SEQ 0177) must equal "STMbnn".

1013 o Form 1310 - If Address Ind (SEQ 0160) equals "1" (APO/FPO   Pg 100
Address), then City (SEQ **0130**) must equal "APO" or "FPO", and
State Abbreviation (SEQ 0140) must equal "AA", "AE", or "AP"
with the appropriate Zip Code (SEQ 0150). If State Abbreviation
(SEQ 0140) equals "AA", "AE", or "AP", then Address Ind (SEQ
0160) must equal "1". Refer to Attachment 4.