

---

---

**PROCEDURES AND SPECIFICATIONS  
FOR THE 1065 e-file PROGRAM**

**U.S. RETURN OF PARTNERSHIP INCOME  
FOR TAX YEAR 2001**

---

---

**INTERNAL REVENUE SERVICE  
ELECTRONIC TAX ADMINISTRATION**

# **INTERNAL REVENUE SERVICE MISSION STATEMENT**

---

---

**Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.**

---

---

**TABLE OF CONTENTS**  
**PART – A**  
**PROCEDURES FOR ELECTRONIC FILING OF FORM 1065**

<b>SECTION</b>	<b>PAGE</b>
<b>IMPORTANT CHANGES FOR TAX YEAR 2001</b>	<b>2</b>
<b>1. INTRODUCTION</b>	
• Purpose	4
• Change Page	4
• Electronic Filing Bulletin Board	4
• Communications Protocol	4
• Request for Information	5
• Questions, Suggestions or Concerns	5
<b>2. GENERAL INFORMATION</b>	
• Methods of Filing	6
• Programming	6
• Foreign Address	7
• Processing	7
• Participants	7
<b>3. COMPOSITION OF THE RETURN</b>	
• Tax Return Data	8
• Acceptable Forms and Schedules	8
• The Paper Part of the Return	10
• Multiple Occurrences of Forms and Schedules	11
• Form 8453-P Attachments	12
<b>4. EXCLUSIONS</b>	<b>13</b>
<b>5. ACKNOWLEDGMENT PROCESS</b>	
• Acknowledgment File	15
• Transmission Acknowledgment	15
• Validation Acknowledgment	15
• Problems After Transmission	15
<b>6. METHODS OF PARTICIPATION</b>	
• Type of Participants	16

**TABLE OF CONTENTS**  
**PART – A**  
**PROCEDURES FOR ELECTRONIC FILING OF FORM 1065**

<b>SECTION</b>	<b>PAGE</b>
<b>7. APPLICATION, ENTITY REVIEW, TESTING PROCESS AND ACCEPTANCE PROCEDURES</b>	
• Form 9041 Application	17
• Entity Review Process	18
• Testing Process	18
• Ready to Test	18
• Testing Requirements for Transmitters	19
• Testing Requirements for Software Developers	20
• Acceptance Procedures	20
<b>8. FILING REQUIREMENTS AND RESPONSIBILITIES</b>	
• Contingency Plan	21
• Integrity	21
• Revocation	21
• Security	21
• Transmitting the Return	22
• Start-Up Date	22
• Required Consistency Tests	23
• Requirements of Software Developers	23
• Due Dates	24
• Address Change	25
• Changing Entries on the Return	25
<b>9. SIGNATURE FORM PROCEDURES (FORM 8453-P)</b>	
• Purpose of Form 8453-P	26
• Required Signatures	26
• Partnership's Authorization	26
• Multiple Tax Return Listing	27
• Postmark Date	27
• Substitute Form 8453-P	27
• Resubmission on Paper	28
• Problems Relating to Form 8453-P	28
• Failure to File Penalties	28
• Waiver Information	29

**TABLE OF CONTENTS**  
**PART – A**  
**PROCEDURES FOR ELECTRONIC FILING OF FORM 1065**

<b>SECTION</b>	<b>PAGE</b>
<b>10. WHERE TO SEND FORM 8453-P AND PAPER ATTACHMENTS</b>	
• Packaging Instructions	30
• Shipping and Packaging	30
• Method of Delivery	30
<b>11. DISTRIBUTION OF COPIES</b>	
• Participant’s Copy	31
• Client’s Copy	31
• Acknowledgment	31
• Partnership Copies	31
• IRS Copies	31
<b>12. ADVERTISING STANDARDS</b>	
• Restrictions	32
• Endorsement	32
<b>13. MONITORING</b>	
• Requirements	32
• Submissions	32
• Quality	32
• Suspension	32
• Penalties	33
• Counseling	33
<b>14. ADMINISTRATIVE REVIEW</b>	
• Participation	33
• Reinstatement	33
<b>15. EFFECT ON OTHER DOCUMENTS</b>	
• Revisions	33
• Publication	33

**TABLE OF CONTENTS**  
**PART – A**  
**PROCEDURES FOR ELECTRONIC FILING OF FORM 1065**

<b>SECTION</b>	<b>PAGE</b>
<b>16. EFFECTIVE DATE</b>	
• Calendar and Fiscal Year Returns	34
<b>17. IRS e-file CONTACT</b>	34

**TABLE OF CONTENTS**  
**PART – B**  
**SPECIFICATIONS FOR ELECTRONIC FILING OF FORM 1065**

<b>SECTION</b>	<b>PAGE</b>
<b>1. FILE FORMAT</b>	
• General Description	36
• Return Sequence Order	38
• Filer Information	39
• Multiple Forms and/or Schedules	40
• Fixed Length Option (Fixed Format)	40
• Variable Length Option (Variable Format)	41
<b>2. TYPES OF RECORDS</b>	
• Transmission Record (Required)	44
• Tax Return Record (Form 1065) (Required)	44
• Schedule Record	44
• Form Record	44
• Statement Record – (STMbnn)	45
• Schedules K-1 Statement Record – (STMb99)	47
• Summary Record (Required)	47
• Recap Record (Required)	48
<b>3. TYPES OF CHARACTERS</b>	
• Alpha (A)	49
• Numeric (N)	49
• Alphanumeric (A/N)	50
• Special Cases for Special Fields	51
<b>4. DATA COMMUNICATIONS</b>	
• Highlights for Tax Year 2001	58
• Front End Processing	60
• Receiving The Acknowledgement File	82
• Transmitting Returns	84
• Communication Error Messages	85
• Problems Transmissions	88
<b>5. TRANSMISSION FILE FORMAT</b>	
• General Description	90
• Fixed and Variable Length Options	93

## **IMPORTANT CHANGES YOU SHOULD KNOW FOR TAX YEAR 2001**

1. IRS has implemented a Business Acceptance Testing System (BATS). BATS will test procedures that employ hypothetical scenarios to measure the electronic transmission capability of potential software developers, transmitters, and preparers of Form 1065 partnership returns.
2. Effective December 3, 2001, the Internal Revenue Service will begin the Business Acceptance Testing System (BATS) for software developers and transmitters.
3. BATS is required of all participants who develop software and/or transmit returns.
4. Software developers will be required to develop at least ten scenarios, but no more than twenty to test their software during BATS.
5. Entity Testing will be incorporated into BATS Testing.
6. Effective January 14, 2002, the Internal Revenue Service (IRS) will begin to accept and process Tax Year 2001 partnership returns electronically.
7. All electronically filed partnership returns must consist of Form 1065, Schedules K-1, and related forms and schedules.
8. Form 8453-P, Signature Document must be signed and mailed within 3 business days after the electronic transmitted partnership return has been accepted.
9. All electronically filed partnership returns **must** be transmitted to the IRS Tennessee Computing Center (TCC) in Memphis, Tennessee.
10. Electronically filed partnership returns will be processed at the Memphis Submission Processing Center.
11. Transmitters will receive an electronic acknowledgement for files transmitted.
12. First time participants who either develop software or transmit returns must submit Form 9041, Application/Registration for Electronic/Magnetic Media Filing of Business Returns to the Austin Submission Processing Center in Austin, Texas for processing.
13. Fiscal Year Returns, Short Period Fiscal Year Returns and Final Fiscal Year Returns are excluded from the electronic filing mandate requirement. However, partnerships may voluntarily file these types of returns electronically (See Publication 1524, Page 14).
14. **New EMS Trading Partner Interface has been implemented (See Section 4, Page 58, Data Communication).**



# **PART – A**

## **PROCEDURES FOR ELECTRONIC FILING OF FORM 1065**

## **SECTION 1 INTRODUCTION**

---

### **PURPOSE**

This publication is designed to provide the general requirements and procedures for Form 1065 e-file Program, U.S. Return of Partnership Income. This publication should be used in conjunction with the following publications for Tax Year 2001:

- Publication 1525, Validation Criteria and Record Layouts for The 1065 e-file Program, U.S Partnership Return of Income
  - Publication 3225, Test Package for Electronic Filers of U.S. Return of Partnership Income
  - Publication 3416, Electronic Filing of Form 1065, U.S. Return of Partnership Income (Publication 1525 Supplement)
- 

### **CHANGE PAGE**

If any information contained in this publication changes before its revision, a change page(s) may be issued. New information and changes will be denoted by a vertical bar (|) in the right margin. Any information that is changed, added, or deleted in this publication will also be relayed via the Electronic Filing Bulletin Board.

---

### **ELECTRONIC FILING BULLETIN BOARD**

The Electronic Filing Systems Bulletin Board provides general and specific program information on the Electronic Filing Program. The system Bulletin Board operates seven days a week. The Bulletin Board System is unavailable 4:00 am Eastern Time for approximately 30 - 60 minutes for maintenance.

Filers using an asynchronous modem (14.4 BPS or less) and communication software can access the Bulletin Board by dialing: (606) 292-0137.

If you need assistance with accessing the Electronic Filing Systems Bulletin Board, you may call the Bulletin Board help line on (606) 292-5031.

**COMMUNICATIONS** The communication software should have the following protocol:  
**PROTOCOL** Full Duplex, No parity, 8 data bits, 1 stop bit, and ANSI Terminal Emulation.

---

## **INTRODUCTION, continued**

---

### **REQUEST FOR INFORMATION**

Requests for additional copies of this publication, Publication 1525, Publication 3225, Publication 3416, forms and updates to the program should be addressed to the IRS Diversified Filing Division (address below) or the Memphis Submission Processing Center. Inquiries for the Memphis Submission Processing Center, which processes Form 1065 electronic tax returns, should be addressed to the Electronic Filing Section at (901) 546-2690. The mailing address for the Memphis Submission Processing Center is listed in Section 10. Inquiries may also be addressed to any IRS District Office. **(Section 17, Page 33, for the website for a complete list of e-file contacts.**

---

### **QUESTIONS, SUGGESTIONS, OR CONCERNS**

If you have any questions, suggestions or comments regarding this publication, or are aware of any errors, (typographical, technical or usage) please let us know.

#### **Call or write:**

Internal Revenue Service W:E:DEF:DFB  
Diversified Filing Division  
5000 Ellin Road, Room C4-253  
Lanham, Maryland 20706  
(202) 283-0269

---

## SECTION 2      **GENERAL INFORMATION**

---

### **METHOD OF FILING**

The telephone system (modem) is the only method of transmitting Form 1065 data electronically. All electronic Forms 1065 must be transmitted to the Tennessee Computing Center (TCC) in Memphis, TN.

**NOTE: The Form 1065, Schedule K-1 and related forms and schedules must be transmitted together as a complete file.**

---

### **PROGRAMMING**

This includes selected schedules, forms or documents required by the IRS and supported by this program, in addition to supporting material, voluntarily provided by the partnership or the participant on paper, Schedules K-1, (Forms 1065 and 8865) Partner's Share of Income, Credits, Deductions, etc.

File specifications, validation criteria, reject codes and record layouts that are needed by participants are provided in:

- Publication 1524, Procedures and Specifications for The 1065 e-file Program, U.S. Return of Partnership Income for Tax Year 2001
- Publication 1525, Validation Criteria and Record Layouts for The 1065 e-file Program, U.S. Return of Partnership Income, for Tax Year 2001
- Publication 3416, Electronic Filing of Form 1065, U.S. Return of Partnership Income (Publication 1525 Supplement) for Tax Year 2001

**NOTE: These publications are updated annually.**

---

## GENERAL INFORMATION, continued

---

### FOREIGN ADDRESS

Schedules K-1 and Forms 8308 **may** contain foreign addresses for the individual partners of the partnership, however the Form 1065 return **can not** contain a foreign address.

---

### PROCESSING

Processing of returns includes the following calendar and fiscal year endings:

- **Calendar Year Returns** - Calendar year ending December 31 of the current tax year.
  - **Example:** Tax Year 2001 calendar year beginning January 1, 2001 and ending December 31, 2001 the return is due April 15, 2002.
- **Fiscal Year Returns** - Fiscal years ending January 31 through August 31 of the current tax year (Calendar Year 2002).
  - **Example:** Tax Year 2001 return beginning February 1, 2001 and ending January 31, 2002 the return is due May 15, 2002. Tax Year 2001 return beginning September 1, 2001 and ending August 31, 2002 the return is due December 15, 2002.
  - If a return has a Fiscal Year ending after August, it can not be filed electronically.
  - No extensions are granted/approved for 1065 e-file Fiscal Year Returns with a due date after August.

**NOTE:** If the return due date falls on a Saturday, Sunday or holiday, the due date is the following first workday.

---

### PARTICIPANTS

New participants (**Software Developers and Transmitters**) must complete Form 9041, Application/Registration for Electronic/Magnetic Filing of Business Returns. Applicants must agree to follow all requirements and specifications in this publication and all related publications. Applicants must also successfully complete testing each year to be accepted in the program. (**See Part A, Section 7, for further information regarding the acceptance and testing procedures.**)

---

## SECTION 3 COMPOSITION OF THE RETURN

---

### TAX RETURN DATA

U.S. Return of Partnership Income, Form 1065, for electronic filing consists of tax return data transmitted to the IRS using electronic transmission with the required paper documents, such as signatures, documents prepared by third parties, etc. summarizing, the tax return must contain the same information as a return filed on paper.

### FORMS

### ACCEPTABLE FORMS AND SCHEDULES

Form 982	Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment)
Form 1065	U.S. Return of Partnership Income
Form 3468	Investment Credit
Form 4255	Recapture of Investment Credit
Form 4562	Depreciation and Amortization
Form 4684	Casualties and Thefts
Form 4797	Sales of Business Property
Form 5471	Information Return of U.S. Persons With Respect To Foreign Corporations
Form 5713	International Boycott Report
Form 5884	Work Opportunity Credit
Form 6252	Installment Sale Income
Form 6478	Credit for Alcohol Used as Fuel
Form 6765	Credit for Increasing Research Activities
Form 6781	Gains and Losses From Section 1256 Contracts and Straddles
Form 8082	Notice of Inconsistent Treatment or Amended Return
Form 8271	Investor Reporting of Tax Shelter Registration Number
Form 8275	Disclosure Statement
Form 8275R	Regulation Disclosure Statement
Form 8283	Noncash Charitable Contributions
Form 8308	Report of a Sale or Exchange of Certain Partnership Interests
Form 8586	Low-Income Housing Credit
Form 8609	Low-Income Housing Credit Allocation Certification
Form 8611	Recapture of Low-Income Housing Credit
Form 8621	Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund
Form 8697	Interest Computation Under the Look-Back Method for Complete Partnership Withholding Tax Payment (Section 1446)
Form 8820	Orphan Drug Credit
Form 8824	Like-Kind Exchanges
Form 8825	Rental Real Estate Income and Expenses of a Partnership or an S Corporation
Form 8826	Disabled Access Credit
Form 8830	Enhanced Oil Recovery Credit

## **COMPOSITION OF THE RETURN. continued**

<b>ACCEPTABLE FORMS AND SCHEDULES</b>	Form 8832	Entity Classification Election
	Form 8834	Qualified Electric Vehicle Credit
	Form 8835	Renewable Electricity Production Credit
	Form 8844	Empowerment Zone Employment Credit
	Form 8845	Indian Employment Credit
	Form 8846	Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips
	Form 8847	Credit for Contributions to Selected Community Development Corporations
	Form 8861	Welfare to Work Credit
	Form 8865	Return of U.S. Persons With Respect to Certain Foreign Partnerships
	Form 8866	Interest Computation Under the Look-back Method for Property Depreciation Under the Income Forecast Method

### **SCHEDULES**

Schedule A	Form 5713	International Boycott Factor (Section 999 (c) (1)) (5713)
Schedule A	Form 8609	Annual Statement
Schedule B	Form 5713	Specifically Attributable Taxes and Income (Section 999 (c) (2))
Schedule C	Form 5713	Tax Effect of the International Boycott Provisions
Schedule D	Form 1065	Capital Gains and Losses
Schedule F	Form 1040	Farm Income and Expenses
Schedule J	Form 5471	Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation
Schedule K-1	Form 1065	Partner's Share of Income, Credits, Deductions, etc.
Schedule K-1	Form 8865	Partner's Share of Income, Credits, Deductions, etc.
Schedule M	Form 5471	Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons
Schedule N	Form 5471	Return of Officers, Directors and 10% or More Shareholders of a Foreign Personal Holding Company
Schedule O	Form 5471	Organization or Reorganization of Foreign Corporation and Acquisitions and Dispositions of Its Stock
Schedule O	Form 8865	Transfer of Property to a Foreign Partnership
Schedule P	Form 8865	Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership

## COMPOSITION OF THE RETURN, continued

---

### THE PAPER PART OF THE RETURN

Form 8453-P, U.S. Partnership Declaration and Signature for Electronic Filing is the paper document required when filing the Form 1065 return electronically.

Paper attachments for the return will include tax forms other than the Form 1065 that require a signature(s) and other supporting documentation. These items must be attached to the signed Form 8453-P. They include other documents that are:

- not required by the IRS and are voluntarily included by the partnership or the participant as supporting material;
- not IRS forms or schedules;
- not covered in Section 3, under Acceptable Forms and Schedules;
- in excess of the limits that are allowed for Schedule K-1 statements and statements for all other forms and schedules, example: Disclosure Statements
- listed below as forms and schedules that can be filed electronically filed, but require signatures:

Forms	Schedules
5713	A (Form 5713)
8283	B (Form 5713)
8609	C (Form 5713)

**NOTE: If filed electronically, a copy of Form 5713 and its related schedules, and Form 8832 must also be mailed to the IRS Philadelphia Submission Processing Center. See the paper instructions for each form under (Where to File).**

---



## **COMPOSITION OF THE RETURN, continued**

---

### **THE PAPER PART OF THE RETURN**

The current 1065 e-file Program only accepts one electronic transmission of the forms and schedules listed below. If more than one of the forms or schedules listed needs to be filed with the partnership return, the excess forms or schedules should be attached to the Form 8453-P.

Form 5713	Schedule D (Form 1065)
Form 5884	Schedule J (Form 5471)
Form 6478	Schedule N (Form 5471)
Form 8820	
Form 8830	
Form 8832	
Form 8835	
Form 8844	
Form 8845	
Form 8846	
Form 8847	
Form 8861	

The current 1065 e-file Program only accepts one electronic transmission of the following forms:

Form 3468  
Form 4797  
Form 6781  
Form 8283  
Form 8586

If more than one of the above-mentioned forms need to be filed with the partnership return, the entire return must be filed on paper.

## COMPOSITION OF THE RETURN, continued

### THE PAPER PART OF THE RETURN

The following chart provides a list of forms and schedules which can and can not be attached to the Form 8453-P:

<b>Cannot be filed separate from the Electronic 1065 return, (cannot be attached to the F 8453-P)</b>	<b>Can be filed with the F 8453-P (allowing the rest of the return to be filed electronically.)</b>
Schedule A (Form 8609) Annual Statement	Schedule A (Form 5713) International Boycott Factor (Section 999(c)(1))
Schedule F (Form 1040) Profit or Loss From Earning	Schedule A (Form 8847) Receipt for Contribution to a Selected Community Development Corporation
Schedule K1 (Form 1065) Partner's Share of Income, Credits, Deductions, etc.	Schedule B (5713) Specifically Attributable Taxes and Income (Section 999(c)(2))
Schedule K1 (Form 8865)	Schedule C (Form 5713) Tax Effect of the International Boycott Provisions
Schedule O (Form 8865) Transfer of Property to a Foreign	<b>Schedule D (Form 1065) Capital Gains and Losses</b>
Schedule P (Form 8865) Acquisitions, Dispositions, and Changes of Interests in a Foreign Partnership	<b>Schedule J (Form 5471) Accumulated Earnings and Profits of Controlled Foreign Corp.</b>
<b>Form 3468</b> Investment Credit	Schedule M (Form 5471) Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons
Form 4562 Depreciation Credit and Amortization	<b>Schedule N (Form 5471) Return of Officers, Directors, and 10% or More Shareholders of a Foreign Personal Holding Company</b>
Form 4684 Casualties and Theft	Schedule O (Form 5471) Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock
<b>Form 4797</b> Sale of Business Property	Form 982 Reduction of Tax Attributes Due to Discharge of Indebtedness and Section 1082 Basis Adjustment
Form 4835 Farm Rental Income and Expense	Form 4255 Recapture of Investment Credit
Form 6252 Installment Sale Income	<b>Form 5713</b> International Boycott Report
Form 6765 Credit for Increasing Research Activities	Form 5471 Information Return of U.S. Persons with Respect to Certain Corporations
<b>Form 6781</b> Gains and Losses From Section 1256 Contracts and Straddles	<b>Form 5884</b> Work Opportunity Credit
Form 8082 Notice of Inconsistent Treatment or Amended Return	<b>Form 6478</b> Credit for Alcohol Used as Fuel
Form 8271 Investor Reporting of Tax Shelter	<b>Form 8594</b> Asset Acquisition Statement
Form 8275 Disclosure Statement	<b>Form 8820</b> Orphan Drug Credit
Form 8275-R Regulation Disclosure Statement	<b>Form 8830</b> Enhanced Oil Recovery Credit
<b>Form 8283</b> Noncash Charitable Contributions	<b>Form 8832</b> Entity Classification Credit
Form 8308 Report of a Sale or Exchange of Certain Partnership Interests	<b>Form 8835</b> Renewable Electricity Production
<b>Form 8586</b> Low-Income Housing Credit	<b>Form 8844</b> Empowerment Zone Employment Credit
Form 8609 Low-Income Housing Credit Allocation Certification	<b>Form 8845</b> Indian Employment Credit
Form 8611 Recapture of Low-Income Housing Credit	<b>Form 8846</b> Credit for Employer SSA & Medicare Taxes Paid on Certain Employee Tips
Form 8621 Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund	<b>Form 8847</b> Credit for Contributions to Selected Community Development Corporations
Form 8693 Low-Income Housing Credit Disposition Bond	<b>Form 8861</b> Welfare-to-Work Credit
Form 8697 Interest Computation Under the Look-Back Method for Completed Long-Term Contracts	
Form 8824 Like Kind Exchange	
Form 8825 Real Estate Income and Expenses of a Partnership or an S Corporation	
Form 8826 Disable Access Credit	
Form 8834 Qualified Electric Vehicle Credit	Form 8866 Interest Computation Under the Look Back Method for Property Depreciated Under the Income Forecast Method
Form 8865 Return of U.S Persons with Respect to Certain Foreign Partnerships	Form 8873., Extraterritorial Income Exclusion
	Form T, Forest Activities Schedule

**NOTE:** Occasionally partnerships need to file multiples of the same form or schedule. However, in some cases the electronic filing system only processes one occurrence of some forms and schedules. The forms listed in **BOLD** can occur only once [electronically] per return. If a partnership return has more than one occurrence of such forms or schedules, apply the following procedures. **Forms identified in BOLD in the left column**, if a partnership has more than one occurrence of these forms or schedules, the entire return must be filed on paper. **For Forms identified in BOLD in the right column** that occur in multiples, attach the additional occurrences of the form or schedule to the F8453-P, allowing the rest of the return to be filed electronically.

## SECTION 4      **EXCLUSIONS**

---

### **ENTIRE RETURN**

The following types of partnership returns can not be filed electronically and are excluded from the electronic filing mandate requirement:

- Amended returns;
  - Returns containing IRS tax forms or schedules which are not accepted electronically (See Section 3, for listing of Acceptable Forms and Schedules);
  - Returns for any calendar year ending before December 31 of the prior year.
  - Returns transmitted by a person not approved by the IRS for electronic filing;
  - 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). Extensions are allowed as long as the extended due date is not later than October 15 of the processing year;
  - Returns with dollar and cent entries -- only whole dollar amounts are accepted; (Round entries to whole dollars only upon output; computed percentage distributions on Schedules K-1 (Form 1065) may not balance due to this rounding.);
  - Returns with Powers of Attorney (POA) attached and the IRS does not have a POA file. In order to file electronically, remove the POA from the electronic return prior to transmission. Failure to remove the POA and subsequent rejection of the return will not relieve the partnership of its filing requirement, if it is required to file. Partnerships required to file under IRC Section 6011(e)(2) that fail to do so can be assessed a penalty under IRC Section 6721.
- Note:** 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 6 weeks prior to transmitting a return that includes the Power of Attorney.
- Returns granted approved waivers from electronic filing;
-

## EXCLUSIONS, continued

---

**ENTIRE RETURN** Excluded from the electronic filing mandate requirement:

- Form 1065 with a foreign address;
  - Returns filed under Sections 6020(b), 501(d)(3) or 761(a) of the Internal Revenue Code;
  - Form 1065-B, Returns;
  - Fiscal Year Short Period Returns;
  - Fiscal Year Final Returns;
  - Fiscal Year Partnership Returns;
    - **NOTE:** Partnerships with a Fiscal Year Return, Fiscal Year Short Period Return or Fiscal Year Final Return are not required to file their return electronically. However, partnerships with any type of Fiscal Year Return and a tax period ending on or before August 31, 2002 (January 2002 – August 2002) may voluntarily file their return electronically, regardless of the number of Schedules K-1 associated with the return. No extensions are granted/approved for 1065 e-file Fiscal Year Returns with a due date after August.
    - **NOTE:** Calendar Year partnerships with a Final Return for Calendar Year 2002 are not required to transmit their return electronically
  - Returns with any dollar amount greater than \$99,999,999,999;
    - **Exception:** Form 1065 can be filed with dollar amounts greater than \$99,999,999,999 on:
      - Line F (Total Assets)
      - Line 1a (Gross Receipts and Sales)
      - Line 2 (Cost of Goods Sold)
      - Line 8 (Total Income (Loss))
  - Returns for inactive partnerships with no income on pages 1, 2, 3 and 4 of Form 1065.
-

## **SECTION 5      ACKNOWLEDGMENT (ACK) PROCESS**

---

### **ACK FILE**

IRS acknowledges each transmission of electronic return data. A return can be acknowledged (ACK) as accepted, even though it has not been through any math checks. There are two types of ACK files, the Transmission ACK File and the Validation ACK File. The IRS will provide an outbound mailbox for pick up of ACK files by the transmitter.

---

### **TRANSMISSION ACK**

The Transmission ACK File is generated if there is a problem in the basic formatting of the entire file. If a Transmission ACK File is generated, individual forms and schedules are not validated. This ACK file should be available within two workdays after receipt of a transmitted file.

---

### **VALIDATION ACK**

The Validation ACK File is generated when there is a problem within the return. The ACK file counts for the number of Forms 1065 and related forms and schedules. The file provides the reject code numbers for up to 96 errors per return.

---

### **PROBLEMS AFTER TRANSMISSION**

If the following situations occur after returns have been transmitted to the Tennessee Computing Center, the transmitter should immediately contact the Memphis Submission Processing Center at (901) 546-2690 (not a toll-free number):

- The transmitter does not receive a transmission acknowledgment file within two (2) workdays; or
  - The transmitter receives an acknowledgment for returns or records that were not transmitted on the designated transmission; or
  - The transmitter receives an acknowledgment, but it does not include the reject code (s) for forms transmitted.
-

## SECTION 6 METHODS OF PARTICIPATION

---

### TYPE OF PARTICIPANTS

An Electronic Participant is considered in one or more categories or business types listed below, depending on the specific function(s) the participant performs in relation to the partnership or IRS:

- **PARTNERSHIPS:** Develop software and/or transmit electronic return data containing Form 1065, Schedules K-1 and related forms and schedules. It is the responsibility of the partnership to ensure that the return is transmitted to the Tennessee Computing Center.
  - **PAID PREPARER:** A firm, organization, or individual who:
    - deals directly with the partnership from which the return is due;
    - prepares a return or collects return data for purposes of having electronic records of the Form 1065, Schedules K-1 and related forms and schedules produced; or collects a prepared return for purposes of having electronic records of Forms 1065, Schedules K-1 and related forms and schedules prepared; and
    - obtains the partnership signature on Form 8453-P (**See Part A, Section 9 for Form 8453-P Procedures**)
  - **TRANSMITTER:** Receives Form 1065 data from clients and transmits the data to IRS electronically, in a format IRS can process.
  - **SOFTWARE DEVELOPER:** Designs or produces software, used to:
    - prepare returns;
    - format Form 1065 return, Schedules K-1 and related forms and schedules according to IRS specification for electronic filing; or
    - transmit the Form 1065 return and the electronic records for Schedules K-1 and related forms and schedules directly to IRS.
-

## SECTION 7      **APPLICATION, ENTITY REVIEW, TESTING AND ACCEPTANCE PROCEDURES**

---

### **FORM 9041 APPLICATION**

The first step to participate in the electronic filing of Form 1065 is to complete the Application Form 9041. New applicants who either develop software or transmit returns must complete the form and forward it to the Austin Submission Processing Center. To ensure the application is processed timely, the IRS should receive the form at least 60 calendar days before the entity transmits live returns electronically. The IRS will accept applications by mail or fax. The Austin Submission Processing Center (AUSPC) fax number is (512) 460-8962 (not a toll-free number). The mailing address is:

Internal Revenue Service  
Austin Submission Processing Center  
Attn: EFU, Stop 6380  
P.O. Box 1231  
Austin, TX 78767

Applicants must indicate on Form 9041 the type of return (e.g. Forms 1065 or 1041) they intend to file. If they file electronic returns at more than one IRS service center, they must send an application to each location for the specific return(s) they intend to file. (These instructions are outlined on the reverse side of the application form). The Electronic Forms 1065 are filed at the Memphis Submission Processing Center only.

Participants who took part in electronic filing the previous year and plan to participate again do not need to send in another Form 9041, unless the information originally submitted to IRS has changed or is incomplete. However, participants must call the Austin Submission Processing Center to let IRS know they will participate in the program again. The telephone number is (512) 460-8900 (not a toll-free number).

**NOTE:** If partnerships use a third party transmitter to file returns, the partnership is not required to file a Form 9041.

---

## **APPLICATION, ENTITY REVIEW, TESTING AND ACCEPTANCE PROCEDURES, continued**

---

**ENTITY REVIEW PROCESS** Participants must ensure that entity information submitted on the Form 9041 is correct. Form 9041 application must be sent to the Austin Submission Processing Center.

Entity information includes the name, address, telephone number (with contact name) of the participant and the Employer Identification Number (EIN). The data will be matched with the already existing IRS records. The participants will be notified of any discrepancies and asked to correct the problem(s) before testing can begin.

---

### **BUSINESS ACCEPTANCE TESTING SYSTEM (BATS)**

BATS is mandatory and required each year for all participants who will develop software and/or transmit returns, (including partnerships that transmit their own return). The purpose of the testing is to ensure that IRS can receive and process the electronic returns.

After review of the Form 9041, the IRS will assign an Electronic Transmitter Identification Number (ETIN) and a temporary password to each applicant. The ETIN and test password will be used to logon and transmit test data.

Testing should begin at least 60 days prior to live transmission of return(s) to allow ample time to resolve any transmission problems.

The software package used to prepare/transmit the return data must pass testing with the IRS prior to live transmissions.

**NOTE: Testing must be completed before the participant transmits live data.**

---

**READY TO TEST** When applicants are ready to test, they must make arrangements with the Memphis Submission Processing Center Electronic Filing Section at (901) 546-2690 (not a toll-free number).

---



## **APPLICATION, ENTITY REVIEW, TESTING AND ACCEPTANCE PROCEDURES, continued**

---

### **TESTING REQUIREMENTS FOR TRANSMITTERS**

Transmitters must make arrangements for a test transmission. The test file must be transmitted using the same medium that will be used to file the live returns electronically. A test file must be similar to the types of returns the participant expects to transmit for live processing. For example, if a participant successfully transmits test data that contains records for Forms 1065, Schedules D and Schedule K-1, IRS will authorize the applicant to file these records only.

After software developers have successfully completed BATS scenarios, transmitters must transmit two same day transmissions. The two transmissions must be three returns in the first transmission and two returns in the second transmission to check the sequential order. In addition, transmitters using accepted software, must complete an error-free communications test by transmitting two returns in separate transmissions in the same day. The two transmissions must have returns in sequential order.

**NOTE: Contact Memphis Submission Processing Center to schedule.**

---

## **APPLICATION, ENTITY REVIEW, TESTING AND ACCEPTANCE PROCEDURES, continued**

---

### **TESTING REQUIREMENTS FOR SOFTWARE DEVELOPERS**

If the software packages and communication systems are used by more than one transmitter, each must test consistent as described in Section 7, Page 9, Testing Requirements for Transmitters.

Software developers submission of test files:

- A test file consisting of at least 10 returns, but no more than 20 with the related forms, schedules and attachments must be transmitted (See Publication 3225). After acceptance, two same day transmissions must be made, three returns in the first transmission and two returns in the second to check the sequential order.
- In some cases the software developer may test software specific return data. The software developer must notify the Memphis Submission Processing Center Tax Examiner and provide the information on the forms and schedules that will not be tested. The IRS will not allow these forms and schedules during live data transmissions.
- Computer software must provide the same software capabilities and, if applicable, identical data communications capabilities to all users. Other accepted participants may use software packages that test successfully. Software packages will only be authorized for those forms and schedules that were tested by IRS.

---

### **ACCEPTANCE PROCEDURES**

The Memphis Submission Processing Center will process each test transmission and communicate by telephone if necessary with the applicant concerning their transmission. If the test file is not correctly formatted, or if the test returns contain errors, the IRS will notify the applicant regarding what errors were encountered on each return. The applicant must then correct the software to eliminate the errors and retransmit the test file.

When the test file is accepted, AUSPC will send a letter of acceptance. This letter will contain a password for transmitting live data, telephone number of the help desk and times to call should the participant have any questions or problems regarding the transmission of returns. Acceptance is valid only for the year and for forms and schedules specified in the acceptance letter. The IRS will inform participants when to begin transmitting live data.

---

## **SECTION 8 FILING REQUIREMENTS AND RESPONSIBILITIES**

---

**CONTINGENCY PLAN** If the electronic filing system is inoperative for an extended period of time, the Memphis Submission Processing Center, Electronic Filing Section will provide contingency instructions to participants.

---

**INTEGRITY AND ACCURACY** Participants must maintain a high degree of integrity and accuracy in order to participate in the program.

---

**REVOCAATION** IRS reserves the right to revoke the electronic filing privilege of any participant who does not maintain an acceptable level of quality, or who deviates from the procedures and specifications set forth in the following documents:

- Publication 1524 - Procedures and Specifications for the 1065 e-file Program, U.S. Return of Partnership Income Tax Year 2001.
- Publication 1525 - Validation Criteria and Record Layouts for the 1065 e-file Program, U.S. Return of Partnership Income for Tax Year 2001.
- Publication 3416, Electronic Filing of Form 1065, U.S. Return of Partnership Income (Publication 1525 Supplement) for Tax Year 2001.
- Publication 3225 - Test Package for Electronic Filers of U.S. Partnership Return of Income Tax Year 2001.

---

**SECURITY** Participants are responsible for the security of all transmitted data.

---

## FILING REQUIREMENTS AND RESPONSIBILITIES, continued

---

**TRANSMITTING THE RETURN** Partnership returns that are transmitted electronically must have the Form 8453-P mailed within three business days after the return is accepted. The Form 8453-P must not be mailed for those returns that are rejected or identified as duplicates. The partnership must ensure that the Form 8453-P is completed, signed, and that required forms, schedules, and other items are attached before mailing the form to the IRS.

**START-UP DATE** Participants (Transmitters) must contact the Memphis Submission Processing Center for the start-up date for filing Form 1065 returns, Schedules K-1 and related forms and schedules electronically. Until a start-up date has been issued to the participant, IRS will not accept live return data.

### ESTIMATED TRANSMISSION TIMES

File Size in Mega Bytes	Async Dial	Time in Hours	56K BPS	Time in Hours	ISDN	Time in Hours
1	5.56	.09	2.82	.05	1.52	.03
20	111.11	1.85	56.50	.94	30.30	.51
400	2222.22	37.04	1129.94	18.83	606.06	10.10
1750	9722.22	162.04	4943.50	82.39	2651.52	44.19
Compression 4:1 Reduction						
1	1.39	.02	.71	.01	.38	.01
20	27.78	.46	14.12	.24	7.58	.13
400	555.56	9.26	282.49	4.71	151.52	2.53
1750	2430.56	40.51	1235.88	20.60	662.88	11.05

## **FILING REQUIREMENTS AND RESPONSIBILITIES, continued**

---

### **REQUIRED CONSISTENCY TESTS**

The electronic data must meet all the consistency tests required as specified in this publication and Publications 1525 and 3225. The partnership or paid preparer must correct the return data prior to transmitting the return to the IRS. If the transmitter corrects any material, he or she becomes the preparer as explained in Part A, Section 6.

---

### **REQUIREMENTS FOR SOFTWARE DEVELOPERS**

In addition to the requirements outlined in Part A, Section 7, Software Developers **must**:

- correct software errors that cause electronically filed data to reject;
  - distribute their software corrections, quickly, to all participants who use their software package.
-

## **FILING REQUIREMENTS AND RESPONSIBILITIES, continued**

---

### **DUE DATES**

Participants must be aware of and adhere to the following dates when transmitting the partnership return electronically:

- April 15<sup>th</sup> is the due date for electronic filing of Form 1065, Schedules K-1 and related forms and schedules and is the same as Forms 1065 filed on paper.

**NOTE:** If April 15<sup>th</sup> falls on a Saturday, Sunday or holiday, the due date of the return is the following workday.

- From the due date of the return, transmitters are allowed up to 7 calendar work days to successfully retransmit electronic return data that was timely transmitted, but was rejected.
- If IRS has not acknowledged a transmission of Form 1065 returns, Schedules K-1 and other related forms and schedules within 2 working days after transmitting the data, the transmitter must immediately contact the assigned tax examiner at the Memphis Submission Processing Center. The assigned tax examiner's name and telephone number is indicated in the acceptance letter previously issued to the transmitter. (**See Part A, Section 7, under Acceptance**).
- Transmitters should contact the Memphis Submission Processing Center when the Electronic Acknowledgment contains a reject code for a return/schedule that was not transmitted.
- Partnerships that expect to file returns late must complete and mail requests for extensions of time to file. Form 8736 can be filed to request an automatic three-month extension of time to file. Form 8800 can be filed to request an additional three-month extension. Calendar Year end returns extended under Form 8736 are due July 15<sup>th</sup> and Calendar Year end returns extended under Form 8800 are due October 15<sup>th</sup>. The forms should be mailed to the IRS service center where the partnership would normally send their paper Form 1065 return. For Calendar Year Filers, the extended due date cannot be later than October 15 of the current processing year (Calendar Year 2002).

**NOTE:** Failure to comply will result in late filing penalties.

## **FILING REQUIREMENTS AND RESPONSIBILITIES, continued**

---

### **ADDRESS CHANGE**

If the partnership changes its address, Form 8822, Change of Address, must be sent to the Memphis Submission Processing Center at the address listed in **Part A, Section 10, under Method of Delivery.**

---

### **CHANGING ENTRIES ON THE RETURN**

After IRS accepts an electronic return, it cannot be recalled or intercepted in process. If the participant or partnership needs to change any entries after the return has been acknowledged as accepted, an amended or corrected return must be filed on paper. The amended or corrected return should be mailed to the IRS Center where you would normally file your paper return. (See Form 1065 instructions for more information)

---

## **SECTION 9 SIGNATURE FORM PROCEDURES (FORM 8453-P)**

---

### **PURPOSE OF FORM 8453-P**

The Form 8453-P serves the following purpose:

- authenticates the return;
  - provides a transmittal for any associated paper documents that may be stapled to the declaration;
  - authorizes the participant to transmit via a third-party transmitter;
  - authorizes the transmitter to transmit the return on behalf of the partnership; and
  - provides a transmittal for related forms and schedules that require signatures different than the signature that authenticates the return.
- 

### **REQUIRED SIGNATURES**

The general partner and the paid preparer's signatures are required on Form 8453-P, U. S. Partnership Declaration and Signature for Electronic Filing.

All Forms 8453-P must be signed and mailed after the acceptance date of the original electronic transmission.

---

**PARTNERSHIP'S AUTHORIZATION** If the electronic filing participant is **not** the partnership, the participant must get the partnership's authorization to file the returns electronically, and if applicable, to transmit, the returns through a third party. To get this authorization, the participant must have the same person sign Form 8453-P who is authorized to sign a paper return.

---



## **SIGNATURE FORM PROCEDURES (FORM 8453-P), continued**

---

### **MULTIPLE TAX RETURN LISTING**

If a partner or representing officer is authorized to sign more than one Form 1065 return, a Multiple Tax Return Listing may be used with Form 8453-P in lieu of sending separate Forms 8453-P. The Multiple Tax Return Listing should include the date, transmitter's name and telephone number, the 5 digit ETIN and the page number. The listing should be formatted to display the 9 digit EIN, Name Control, Tax Period, Gross Receipts, Gross Profits, Ordinary Income, Net Income (rental real estate) and Net Income (other rental activities) of the partnership. A Multiple Tax Return Listing with a maximum of 500 partnerships may be attached to each Form 8453-P. The signature document for multiple returns must include one (1) Form 8453-P signed by the partner or authorized representative.

---

### **POSTMARK DATE**

The package that contains Forms 8453-P must be postmarked within three business days after receiving the Acknowledgement File identifying which returns were accepted.

---

### **SUBSTITUTE FORM 8453-P**

Participants must use the official Form 8453-P or an approved substitute form that duplicates the official form in format, language, content, color and size. Use of an unapproved form will result in suspension from the program. Participants must send a sample of their proposed substitute form to the following address for approval:

Internal Revenue Service OP:FS:FP:F:CD  
Substitute Forms Program Coordinator  
1111 Constitution Avenue, NW  
Washington, DC 20224

---

## **SIGNATURE FORM PROCEDURES (FORM 8453-P), continued**

---

**RESUBMISSIONS ON PAPER** If the participant submits the return on paper after attempting to file it electronically, or if at the end of the filing season a participant is unable to successfully retransmit corrected returns electronically, the participant should attach a letter to the paper return that explains why the return was submitted on paper. A copy of the Acknowledgment File sent by the Memphis Submission Processing Center, to the transmitter concerning the return(s) transmitted, should also be included. A copy of this **ACK FILE** is needed to bypass assessment of any late-filing penalties. The entire paper return should be filed at the IRS Center where the partnership would normally file its paper return within 10 days from the date of the return(s) that were rejected electronically.

---

**PROBLEMS RELATING TO FORM 8453-P** The partnership or paid preparer must resolve any problems relating to Form 8453-P. If IRS determines that a Form 8453-P is missing or unsigned, the preparer must provide IRS with a legible copy of the signed form from their records, or obtain a signed Form 8453-P from the taxpayer. This should be resolved within 15 days of the IRS request for the form.

---

**FAILURE TO FILE PENALTIES** Section 1224 of the Taxpayer Relief Act of 1997 requires partnerships with more than 100 partners (Schedules K-1) to file their return on magnetic media (electronically as prescribed by the Commissioner of the Internal Revenue Service). Final regulations under IRC 6011(e), provide for a penalty to be assessed for partnerships that meet the requirement and fail to file their return electronically for tax year's ending December 31, 2000 and subsequent years. The penalty is \$50.00 per partner (Schedule K-1) over 100 filed on paper.

Parties involved in the transmission of electronic filing of Form 1065 returns, may be liable for failure to file penalties due to missing, incomplete or unsigned signature forms. A partnership, based on the number of partners, may incur a penalty for not using the correct method for filing the return.

---

## **SIGNATURE FORM PROCEDURES (FORM 8453-P), continued**

---

### **WAIVER INFORMATION**

Section 301.6011-3(b) of the regulations permits the IRS Commissioner to waive the electronic filing requirement if a partnership demonstrates that a hardship would result if it were required to file its return electronically. Partnerships interested in requesting a waiver of the mandatory electronic filing requirement must file a written request, and request one in the manner prescribed by OSPC. Contact OSPC at (801) 620-7463 to obtain the waiver criteria. All written request should be mailed to:

Ogden Submission Processing Center  
**e-file** Team, Stop 1057  
1160 W. 12th Street  
Ogden, UT 84201

---

## **SECTION 10 WHERE TO SEND FORM 8453-P AND PAPER ATTACHMENTS**

---

### **PACKAGING INSTRUCTIONS**

The paper Form 8453-P, and any other required paper documents, must be sent to the Memphis Submission Processing Center address listed in Section 10, Method of Delivery, using envelopes or cartons, as volume or preference dictates.

**NOTE:** For electronic transmissions, the package containing Form(s) 8453-P and appropriate paper attachments, must be postmarked within 3 business days after receiving the Acknowledgement File identifying which returns were accepted.

---

### **SHIPPING AND PACKAGING**

Shipping and packaging instructions for electronically filed Form 1065. The sequence of the items in a package must be as follows:

- the signed Form(s) 8453-P;
- Forms and schedules required to be attached; and
- the corresponding paper attachments for each return attached to the corresponding Form 8453-P.

---

### **METHOD OF DELIVERY**

Envelopes, packages or cartons containing Form 8453-P and other paper attachments, and any package sent by a courier service, should be sent to:

Internal Revenue Service  
Memphis Submission Processing Center  
P.O. Box 30309 AMF Stop 2711  
Memphis, TN 38130

or

Internal Revenue Service  
Memphis Submission Processing Center  
5333 Getwell Road Stop 2711  
Memphis, TN 38130

---

## **SECTION 11    DISTRIBUTION OF COPIES**

---

**PARTICIPANT'S COPY**    The participant (preparer) must keep a copy of the Form 1065 return, Schedules K-1/Form 8308 and Form 8453-P, U.S. Partnership Declaration and Signature for Electronic Filing. The copy of the electronic return may be kept on computer media.

---

**CLIENT'S COPY**    The participant should advise clients to keep copies of all materials filed with the Memphis Submission Processing Center. The copy of the electronic return can be a copy of the official forms or in a format designed by the participant, in which each data item refers to the line entries on the official forms. The copy can be on computer media. The computer media copy must be composed carefully to avoid violating disclosure rules.

**NOTE:** Anyone who receives a copy will be given **ONLY** the information he or she is entitled to receive.

---

**ELECTRONIC ACK**    The participant (Transmitter) should keep a copy of the Electronic Acknowledgment (ACK) (**See Part A, Section 5, Acknowledgment Process**) received from the Memphis Submission Processing Center for 3 months to facilitate inquiries. If the participant is also the paid preparer or the partnership, the normal retention periods for tax return information applies, as specified in the Internal Revenue Code.

---

**PARTNERSHIP COPIES**    If the participant and the partnership are not the same, the participant must give the partnership a copy of all materials that are described above and filed with IRS for the partnership.

---

**IRS COPIES**    The participant must give IRS access to all materials that the participant must keep to comply with these procedures.

---

## **SECTION 12    ADVERTISING STANDARDS**

---

**RESTRICTIONS** Preparers and transmitters shall comply with the advertising and solicitation provisions of 31 C.F.R. Part 10 (Treasury Department Circular No. 230) with respect to their capability to file electronic returns.

---

**ENDORSEMENT** IRS endorsement must not be implied. Acceptance to participate in the program **does not mean** that the Internal Revenue Service endorses the computer software or quality of services provided. Therefore, any public communication in which a participant's electronic filing capability is referenced, whether through publication or broadcast, **must** clearly indicate that IRS acceptance of the participant for electronic filing does not constitute an endorsement or approval of the quality of tax preparation services provided.

## **SECTION 13    MONITORING**

---

**REQUIREMENTS** Participants must conform to the requirements of these procedures.

---

**SUBMISSIONS** The Memphis Submission Processing Center will monitor each participant's submissions to ensure that quality is kept at an acceptable level. The Service Center will counsel the participant, if necessary.

---

**QUALITY** If a participant does not maintain an acceptable level of quality, the electronic filing authorization may be revoked.

---

**SUSPENSION** The following conditions can lead to suspension:

- Deterioration in the format of submissions;
  - Unacceptable cumulative error rate;
  - Violation of advertising standards;
  - Unethical practices in return preparation;
  - Untimely receipt of Forms 8453-P or incomplete, illegible, altered, missing, or unapproved substitute Forms 8453-P;
  - Misrepresentation on the participant's application (Form 9041); and
  - Other facts or criteria that would adversely reflect on the electronic filing.
-

## **MONITORING, continued**

---

**PENALTIES** Treasury Regulations take precedence over these procedures. Electronic participants are subject to any criminal penalty for unauthorized disclosure or use of tax return information, as described in Treasury Regulation 301.7216-1(a). Other preparer penalties pertaining to individuals or firms who meet the definition of an income tax return preparer are covered under IRC Section 7701(a)(36) and Treasury Regulation 301.7701-15.

---

**COUNSELING** IRS will counsel suspended participants concerning the requirements for reinstatement in the program.

---

## **SECTION 14 ADMINISTRATIVE REVIEW**

---

**PARTICIPATION** Applicants and participants who are denied participation, or suspended, have the right to request an administrative review.

---

**REINSTATEMENT** Requests for administrative review of ineligibility or suspension decisions should be directed to:

Internal Revenue Service  
Office of the Director of Practice (PC:E:P)  
1111 Constitution Avenue, NW  
Washington, DC 20224

---

## **SECTION 15 EFFECT ON OTHER DOCUMENTS**

---

**REVISIONS** This revision supersedes any Publication 1524 previously issued.

---

**PUBLICATIONS** Publication 1525, Validation Criteria and Record Layouts for the 1065 e-file Program, U.S. Return of Partnership Income for Tax Year 2001; Publication 3225, Test Package for Electronic Filers of U.S. Return of Partnership Income; and Publication 3416, Electronic Filing of Form 1065, U.S. Return of Partnership Income (Publication 1525 Supplement) for Tax Year 2001.

**NOTE:** These publications are updated annually.

---

## **SECTION 16    EFFECTIVE DATE**

### **CALENDAR AND FISCAL YEAR RETURNS**

These procedures remain effective for calendar year returns ending December 31, 2001, and fiscal year returns ending January 31 through August 31, 2002.

---

## **SECTION 17    IRS e-file CONTACTS**

For a complete list of the e-file contacts go to the web site provided.

[www.irs.gov/elec\\_svs/eta-coord.html](http://www.irs.gov/elec_svs/eta-coord.html)

---



**PART-B**

**SPECIFICATIONS**  
**FOR ELECTRONIC FILING OF**  
**FORM 1065**

## SECTION 1      FILE FORMAT

---

### .01      GENERAL DESCRIPTION

All transmission data must be in ASCII Format. No binary fields may be transmitted.

- (1) All logical records must be transmitted electronically in a series of logical blocks. A four-byte counter must precede each logical record within a block. The byte count must include the length of the record plus the length of the byte count, the Start of Record Sentinel 4 asterisks ("\*\*\*\*") and the Record Terminus Character pound sign or hash mark ("#").

**NOTE: IBM byte counts must not be used. Using the IBM Byte Count will add four (4) positions to each record. This will increase the size of the record and shift everything over four (4) positions. This is not compatible with the Form 1065 programs.**

- (2) Every logical record must have as its last significant byte the Record Terminus Character ("#").
- (3) Records must be fixed (all records within the return are the same length) or variable (each record within the return is of the length shown on the form/schedule in Publication 1525, Section 7).

The following data structures are acceptable:

1. Variable Length, unblocked records
2. Variable Length, blocked records
3. Fixed Length, unblocked records

A fixed length, blocked record, data structure is unacceptable, as this format will produce blank padding between logical records within the block.

- (4) Files must not contain more than 500 Form 1065 tax returns in a single transmission.

## **.01 General Description – (Continued)**

---

- (5) The first record on a transmitted file (the TRANA and TRANB records) contains information regarding the transmitter and file format. The records comprising a tax return being transmitted should follow this record. The last record on a transmitted file (RECAP Record) provides a total return count (Field #0010) which is compared to the IRS computer count.

The TRANA Record also uniquely identifies each file transmitted. Field #0080 (Transmission Sequence Number) of the record is used for this purpose.

- (6) A tax return will consist of a variable number of fixed-field records. The size and format of the logical record for each page of each form, schedule etc., are specified in Publication 1525, Section 7. In addition, a variable field/record format for Schedule K-1 is acceptable. See details under Variable Length Option.
- (7) Each logical record should contain all data fields pertaining to one printed page of an official form or schedule or to a line of a statement. Therefore, the logical record contains an entire form or schedule, or a logical part (i.e., PG01 or PG02 of a form or schedule, or a line of a statement).

## **.02 RETURN SEQUENCE ORDER**

---

The sequence of a complete Form 1065 tax return file submission is as follows:

- (1) Transmission (TRANA and TRANB) Record (REQUIRED)
- (2) Form 1065 Return (RET) Record (REQUIRED)
- (3) Schedule (SCH) Records - must be transmitted in ascending alpha sequence.

**Note: If a schedule has the same alpha as another schedule, then the schedule must be transmitted in ascending numeric order.**

- (4) Form (FRM) Records - must be transmitted in ascending numeric sequence.
- (5) Statement (STMbnn) Records for forms and schedules other than Schedule K-1.
- (6) Schedule K-1 (Form 1065) Records - must be transmitted in ascending numeric sequence. (2 Schedules K-1 Required)
- (7) Schedule K-1 (Form 8865) Records - must be transmitted in ascending numeric sequence. (1 Schedule K-1 Required when applicable)
- (8) Schedule K-1 (Form 1065 and 8865) Statement (STM 99 and STM 100) Records if applicable, must be transmitted in ascending numeric sequence and **must** trail the corresponding Schedule K-1. The Statement Record (STM 99 and STM 100) for Schedule K-1 page 1 can trail the corresponding Schedule K-1 page 1 or it can trail the corresponding Schedule K-1 page 2 with the same sequence number and EIN.
- (9) Form 8308 (more than 1 Form may be present)

**Note: If K-1 (Form 8865) statement is present, Form 8308 must follow page 1 statement. If page 2 or more pages for statements are present, Form 8308 must follow the last statement page.**

**If no (Form 8865) K-1 statement is present, Form 8308 must follow page two of the Schedule K-1 (Form 8865).**

**If no (Form 8865) K-1 or K-1 statement is present and a (Form 1065) K-1 statement is present, Form 8308 must follow the last statement page of the Schedule K-1 (Form 1065) statement.**

- (10) Summary Record (REQUIRED)
- (11) RECAP Record (REQUIRED)

**.03 FILER INFORMATION:** (Information relating to a file submitted by a filer.)

- (1) The file should be unlabeled (no standard header or trailer records).
- (2) Each file must contain only complete returns.
- (3) Do not generate a page of a form or schedule if there are no entries on the page record. A blank page (Record ID only) will cause the return to reject. (Except in cases where multiple forms or schedules require that one page be present if the other is)
- (4) The first record of a complete Form 1065 transmission is the **TRANSMISSION (TRANA AND TRANB) Record**.
  - (a) The first record of a return consists of Form 1065 Page 1, Form 1065 Page 2, Form 1065 Page 3, and Form 1065 Page 4.
  - (b) The second series of records are the Schedule Records. They must be in ascending alpha sequence.
  - (c) The third series of records are the Form Records. They must be in ascending numeric sequence. (**EXCEPTION:** Form 8308 must follow the Schedule K-1 (Form 8865) statement records if applicable. (**See Section 2, Page 43, Types of Records**))
  - (d) Statements are the fourth series of records. The electronic filer can only use them when the number of data items exceeds the number that can be contained in the blank provided on the printed form or schedule. Data must be provided on a separate continuation Statement (STM) Record or a statement of explanation is required for a specific condition.
  - (e) Schedule K-1 Records are the fifth series of records. They must be in ascending numeric sequence.
  - (f) Schedule K-1 (Forms 1065 and 8865) Statement (STM 99 and STM 100) Records – if applicable, must be transmitted in ascending numeric sequence and **must** trail the corresponding Schedule K-1. The Statement Record (STM 99 and STM 100) for Schedule K-1 page 1 can trail the corresponding Schedule K-1 page 1 or it can trail the corresponding Schedule K-1 page 2 with the same sequence number and EIN.
  - (g) A Summary Record will be the sixth and final series of records for each tax return. This record will contain electronic filer identification data and counts of the Schedules, Forms and Statements included in the return.
- (5) The end of a logical transmission will be signaled by the literal "RECAP" Field #0000 of the Record ID) followed by the RECAP Record data and then the Record Terminus Character.

#### **.04      MULTIPLE FORMS AND/OR SCHEDULES**

---

The totals for multiple forms/schedules are consolidated on the first form or schedule record transmitted.

**EXAMPLE:** Form 8825 provides space for up to eight properties. If there are more than eight properties additional Forms 8825 are needed. The figures on lines 17 and 18 should be the combined totals of all forms.

#### **.05      FIXED LENGTH OPTION (Fixed Format)**

The Fixed Length Option requires that the entire tax return be transmitted exactly as defined in the record layouts, and all fields must be present. If a field contains no data, it must be blank-filled or zero-filled. A “F” in the Record Type Indicator (Field #0100) of the Transmission (TRANA) Record should indicate the Fixed Format.

**NOTE:** Fixed and Variable data should not be submitted in the same transmission.

When the fixed length option is used, the following data field conventions must be followed:

##### (1) Alphanumeric Fields - Fixed Format

- (a) Left-justify the field with trailing blanks.
- (b) Fields defined, as containing literal values (including embedded blanks) must be as specified in the Record Layouts. Trailing blanks must be entered.

**NOTE:** The trailing blanks are not shown in the Record Layouts.

##### (2) Numeric Fields - Fixed Format

- (a) Unsigned numeric fields: Right-justify with leading zeros.
- (b) Signed numeric fields (money amounts): Right-justify with leading zeros, reserving the right-most position for the sign. A blank ( ) indicates a gain and a minus sign (-) indicates loss.
- (c) Signed numeric fields that can also contain literal values: Enter signed numeric fields as described above. When entering a literal value, left-justify and blank-fill the field.

## **.06 VARIABLE LENGTH OPTION (Variable Format)**

---

The Variable Length Option provides for the transmission of only key fields and significant data fields within a return record. The TRANA, TRANB, Statement Record, Summary and RECAP Records must be transmitted in a Fixed Format.

- (1) A "V" in the Record Type Indicator will indicate the Variable Format (Field #0100) of the Transmission (TRANA) Record. In this format, the data field is preceded by the applicable field identification number shown in specific record layouts. The field identification number is enclosed within square bracket field delimiters ([ ]).

**NOTE:** Variable and Fixed data should not be submitted in the same transmission. Some returns must be submitted in fixed format.

**NOTE:** The Record Control Information must precede any variable format but must not be preceded by Field Numbers.

- (2) The Record Control Information and the Record Terminus Character must remain in Fixed Format. The individual data fields need only contain the significant data (i.e., no leading zeros or trailing blanks).
- (3) **IMPORTANT:** THE FOLLOWING THREE CHARACTERS left bracket "[", right bracket "]", and pound sign or hash mark "#" ARE RESERVED AS DELIMITERS AND MAY NOT APPEAR AS DATA CHARACTERS.
- (4) For Variable Length Records the following data field conventions must be followed:  
Alphanumeric Fields - Variable Format

1. Left - justify data in field. Do not enter leading blanks. Trailing blanks may be dropped.
2. Fields defined as containing literal values must be as specified in the Record Layouts. Only the value of the literal (including embedded blanks) must be entered. Trailing blanks may be dropped.

### Numeric Fields - Variable Format

1. Unsigned numeric fields, leading zeros must be dropped, except for date and percentage fields.
2. Signed numeric fields (money amounts): Leading zeros may be dropped. For a positive value, the trailing blank that indicates a gain is dropped. For a negative value in field that can contain either a gain or loss, the minus sign ("-") must be entered in the last position of the signed numeric field.

**.06 Variable Length Option (Variable Format) – (Continued)**

---

3. Signed numeric field that can also contain literal values: Enter signed numeric fields as described above. When entering a literal value, left-justify the field, it is not necessary to enter trailing blanks.
4. Data is "butted up" or concatenated to field identifier with no intervening spaces.

**NOTE: The Byte Count must include the four character Byte Count field, the record sentinel field and all left/right brackets including the field numbers.**

(5) Statement and Summary Records - Fixed Format

Because the individual data fields of the Statement and Summary Records are not keyed to Field Sequence Numbers, all the data fields must be formatted as fixed length fields, so the data will appear in the correct positions. If a field contains no data, it must be blank-filled or zero-filled.

When transmitting in fixed format, each Statement and Summary Record will begin the Record Control Information (Byte Count and Start of Record Sentinel fields) in the same fixed format as shown in the Record Layouts. This is followed by the opening square bracket field delimiter ([), the Record ID, the data fields formatted as fixed length fields, the closing square bracket field delimiter (]), and the Record Terminus Character (#).

See Section 9 for Statement Record information.

**EXAMPLE OF VARIABLE SCHEDULE K-1 RECORD:**

```
0196****SCHbbbK1bbbbPG01b123456789b0000001[0010]01011999[0020]12311999  
[0030]APPLDbFOR[0040]FITZPATRICK[0050]DISNEYLAND[0070]LOSbANGELOS[00  
80]CA[0090]227341[0220]123456[0240]123456[0460]2357689[0620]734593#
```

**1. BYTE COUNT (0196)**

**2. START RECORD SENTINEL (\*\*\*\*)**

**3. RECORD - ID (SCHbbb)**

**4. TYPE (K1bbbb)**



**.06 Variable Length Option (Variable Format) – (Continued)**

---

**5. PAGE NUMBER (PG01b)**

**6. EMPLOYER IDENTIFICATION NUMBER (EIN) (123456789)**

**7. FILLER (b)**

**8. SCHEDULE OCCURRENCE NUMBER (0000001)**

**9. FIELD NUMBER (0010)**

**10. DATA (01012000)**

**11. RECORD TERMINUS CHARACTER (#)**

**NOTE: "b" represents a space/blank**

## SECTION 2      TYPES OF RECORDS

### **.01 TRANSMISSION RECORD (REQUIRED)**

The first record on each file must be the Transmission (TRANA and TRANB) Record that will identify the Transmitter, the file format and the specific file being transmitted. The Transmitter is the firm transmitting directly to the IRS.

### **.02 TAX RETURN RECORD (Form 1065) (REQUIRED)**

The second record is the Return Record. Each tax return must start with a Form 1065 Page 1 and followed by a Form 1065 Page 2, 3 and 4.

### **.03 SCHEDULE RECORD**

If Schedule Records are included in the return they should follow the Form 1065 return and be the second series of records. Each Schedule Record within a Form 1065 contains a Schedule Occurrence Number (Field #0005). This number increments within the schedule itself. If a return contains several Schedule B's and Schedule F's the Schedule B Schedule Occurrence Number would begin with 0000001 incremented by one for each succeeding Schedule B. The first Schedule F Schedule Occurrence Number would also begin with 0000001 on both pages 1 and 2 and would also be incremented by one for each succeeding Schedule F (i.e., 0000002, 0000003, 0000004, etc). Each schedule page should appear in ascending alphabetical order by schedule type. For each schedule page filed the appropriate summary count should be incremented.

### **.04 FORM RECORD**

If Form Records are included in the return they should be the third series of records and should follow the schedules if present. Each form record within a Form 1065 return contains a Form Occurrence Number (Field #0005). This number increments within the form itself. If a return contains several Forms 4562 and Forms 8825, the Form 4562 Form Occurrence Number would begin with 0000001 for both page 1 and 2, incremented by one for each succeeding Form 4562. The first Form 8825 Form Occurrence Number would also begin with 0000001 on both pages 1 and 2 and would also increment by one for each succeeding Form 8825 (i.e., 0000002, 0000003, 0000004, etc). Forms must be in ascending numeric sequence order.

**(EXCEPTION:** Form 8308 must follow the Schedule K-1 (Form 8865) statement records if applicable. **(See Section 1, Page 37, under File Format)** For each form page filed the appropriate summary count should be incremented.

**.05 STATEMENT RECORD - (STMbnn)**

---

- (1) Statement Records are the fourth series of records after Returns, Schedules and Forms and can be used only where the Record Layout specifies "**STMbnn**". Statement Records are only used WHEN:
1. The number of data items exceeds the number that can be contained in the blank provided on the printed form or schedule. Data must be provided on a separate Statement (STM) Record; or
  2. A statement of explanation is necessary under certain conditions (REQUIRED)
- (2) An optional statement (marked with an asterisk "\*" sign in the record layout) or a required statement (marked with a commercial at sign "@" in record layout) will contain at least one statement line record if corresponding fields contain significant data, otherwise the fields should contain blanks.
- (3) Each line of a statement must contain the EIN of the primary taxpayer and is considered a record itself.
- (4) After the EIN, each line of the statement data must equal 80 characters or bytes. The total bytes for each line must equal 132.
- (5) All Statement Records must be in Fixed Format.
- (6) Each Statement Record is given a sequential number from 01 to 98. References to statements on the tax return must be in ascending numeric sequence and must be referenced in the same sequence as they appear on the forms and schedules.
- NOTE:** Although Statement Record reference numbers must be in ascending sequence, they do not have to be in consecutive numerical sequence.
- (7) A statement for a return, schedule or form record will have at least one Statement Record. Each Statement Record may have up to 99 pages and each page will consist of 50 lines per page.
- (8) Statement (Global) - Free form Statement Record used for part, or all of a schedule/form.

**.05 STATEMENT RECORD - (STMbnn) – (Continued)**

---

- (9) The 80 character literal description of data corresponding to any Statement Record within the return, containing non-tabular data (e.g. Field #0310 in Form 1065), will begin with line 1. Data should appear left justified as a continuous print line. The same statement may be continued with additional lines, consecutively numbered, until a maximum of 50 lines have been formatted for the first page or the end of the information needed to be formatted as a statement has been reached, whichever comes first. If additional lines are needed to complete a statement, an additional page with a maximum of 50 lines may be formatted continuing with the line numbering sequence starting with line one.
- (10) The Statement Record with tabular data may contain column headings (tabular column titles) spaced with the headings as they would appear on the printed form. If the statement data does not require tabulation, free format is allowed.

**.06 SCHEDULE K-1 (Forms 1065 and 8865) STATEMENT RECORD - (STMb99 and STMb100)**

---

Statement (STM 99 and STM 100) – Free form Statement Record for Schedule K-1. The Statement Record for a Schedule K-1 is used in place of paper attachments to the Schedule K-1. There is only 1 statement (STM 99 and STM 100) per Schedule K-1. The Schedule K-1 sequence range is 0000001-9999999. Statements Records and the Schedule K-1 must have the same sequence number and Employer Identification Number (EIN). A Schedule K-1 Statement Record (STM 99 and STM 100) must trail the corresponding Schedule K-1. The Statement Record (STM 99 and STM 100) for Schedule K-1 page 1 can trail the corresponding Schedule K-1 page 1 or it can trail the corresponding Schedule K-1 page 2 with the same sequence number and EIN. However, a Statement Record (STM 99 and STM 100) for a Schedule K-1 page 2 CANNOT trail the corresponding Schedule K-1 page 1 with the same sequence number and EIN. Each Statement Record may have up to 99 pages and each page will consist of 50 lines per page.

Example: (STM 99 and STM 100)

Schedule K-1	Page 1	00-0000000		Sequence 1
Schedule K-1	Page 2	00-0000000		Sequence 1
STM 99	Page 1	00-0000000	LN 1	Sequence 1

Schedule K-1	Page 1	00-0000000		Sequence 1
Schedule K-1	Page 2	00-0000000		Sequence 1
STM 100	Page 1	00-0000000	LN 1	Sequence 1
STM 100	Page 1	00-0000000	LN 2	Sequence 1

Or

Schedule K-1	Page 1	00-0000001		Sequence 1
STM 99	Page 1	00-0000001	LN 1	Sequence 1
Schedule K-1	Page 2	00-0000001		Sequence 1
STM 99	Page 1	00-0000001	LN 2	Sequence 1

**Note:** Statement Records (STM 99 and STM100) will have 99 pages with 50 lines per page.

**.07 SUMMARY RECORD (REQUIRED)**

The Summary Record or Schedule K-1 Summary Record is the final record for each Form 1065 tax return. This record will contain filer identification data; counts of the schedules, forms and statements included in one return; and indicators for paper documents that are attached to Form 8453-P.

**.08    RECAP RECORD (REQUIRED)**

---

The RECAP Record is the final record in a return file. Fields in this record cross-reference the transmitter's information from the first record of the Transmission (TRANA and TRANB) Record. The RECAP Record contains a field that specifies the Total Return Count (Field #0030) for all the records submitted within the transmission.

### **SECTION 3      TYPES OF CHARACTERS**

---

The following illustrates the various characters that are allowed in electronically filed returns:

**.01 ALPHA (A)**      A - Z Upper case alpha characters only. (Literal - must be in the exact character string as shown in Section 9 Record Layouts)

**.02 NUMERIC (N)**      0 - 9 Numeric characters only - must be right-justified, zero-filled when using fixed format.

(1) Money amount field (N) - 12 characters - 11 numeric characters followed by a minus sign (-) to represent a negative amount, or followed by a blank space to represent a positive amount.

Whole dollars are only allowed (no cents)

Significant entries (not all zeros) - must be right-justified; zero-filled;

Non-significant entries - zero-filled or space/blank; no dollar signs, decimal points, or other non-numeric characters are allowed.

(2) Percentage Fields for Form 1065 and related forms and schedules are 6 numeric

Must be left-justified, zero-filled and no decimal points entered. (The decimal point is assumed to be between the third and fourth position)

**EXAMPLE:**      **25.32% = 025320**  
                      **105% = 105000**  
                      **If less than 100% - precede with one zero**

Non-significant Percentage Fields - zero-filled or space/blank

(3) Zip Code (N) - 12 character numeric field, must be left-justified. If using only 5 Zip Code characters, the last 7 remaining digits must be either space/blank or zero-filled. If using only 9 Zip Code characters, the last 3 remaining digits must be space/blank or zero-filled.

**EXAMPLE:**      **nnnnnbbbbbbb**  
                      **nnnnnnnnbbb**  
                      **nnnnnnnnnnn**

### SECTION 3 Types of Characters – (Continued)

(4) Other (N) - If present - must be all numeric, right-justified, zero-filled;

If not present - blank-filled unless otherwise specified in the Record Layout for that field.

(5) Dates (DT) - M = Month, D = Day, Y = Year (YYYYMM, YYYYDD or YYYYMMDD)  
If date is not known or covers various dates, the date must be blank filled.

**.03 ALPHANUMERIC (A/N)** A - Z (Uppercase), 0 - 9 and special characters as listed below:

Literal must be the exact character string as shown in Section 9 Record Layouts.

(1) Special Data Characters - Only the following characters can be used in certain cases: Ampersand (&); Blank ( ) - often shown as "b"; Hyphen (-); Percent (%); Slash (/); (<) Less Than

(2) Special Delimiters - Only used to delimit:  
Field numbers - Brackets - Left ([), Right (]);  
Beginning of Record - asterisk (\*\*\*\*)  
End of Records - Pound Sign (#)

(3) Special Symbols and their hexadecimal conversion characters for ASCII and EBCDIC are below:

Symbol	ASCII		EBCDIC		ASCII EBCDIC	
	Hex	Hex	Symbol	Hex	Hex	Hex
[	5B	AD	-	2D	60	
]	5D	BD	&	26	50	
#	23	7B	/	2F	61	
<	3C	4C	%	25	6C	

**NOTE: Some of the above symbols are not permitted in certain fields.**



## **.04 SPECIAL CASES FOR SPECIAL FIELDS**

---

### **(1) TAX PERIOD:**

1. For the purpose of this publication the valid tax periods for Tax Year 2001 are:
  - (a) Calendar Year returns = 200112
  - (b) Fiscal Year returns = 200201, 200202, 200203, 200204, 200205, 200206, 200207, 200208
2. The Tax Period, Field #0005 in the Return Record is composed of a numeric month and year of the Calendar/Fiscal Year Ending for which the return is being filed. The format is YYYYMM (YY = year and MM = month). Example: A return with a Calendar Year Ending of December 31, 2001 will be assigned a Tax Period of 200112. Returns filed under the 52 - 53 week rule may not end more than 6 days before or more than 3 days after the close of the month. They should be assigned a Fiscal Year Ending based on that month (i.e. if the ending date is August 3, 2002, the Tax Period field will be 200207 or if the ending date is August 25, 2002, the Tax Period is 200208).

### **(2) NAME CONTROL:**

1. The Name Control (Field #0030) of the Return Record for a partnership should be determined from the information specified on (Field #0040) Name of the partnership line. The Name Control consists of the first four significant characters of the first individual's last name if the partnership's name is a series of individual's names, or the first few significant characters of the name of the partnership if the name is a business name.

#### **EXAMPLES:**

<u>Partnership Name</u>	<u>Name Control</u>
Trade name or "doing business as" The Flower Diner	FLOW
Partnership name Green Brothers	GREE
List of Partners J. Apple T. Banana, et al.	APPL
General partnership D. Dahlia general partner,	DAHL et al.

**.04 Special Cases for Special Fields - (Continued)**

---

<b>Shamrock, Shinleaf and Smartweed</b>	<b>SHAM</b>
<b>Bones and Bones Attorneys at Law</b>	<b>BONE</b>
<b>James En &amp; Robert Yee</b>	<b>EN</b>
<b>En, En Yee &amp; Yee</b>	<b>EN</b>
<b>James, Mary and John Grey</b>	<b>GREY</b>
<b>Three States Legal Services</b>	<b>THRE</b>

2. Disregard blanks between letters in the last name. Omit punctuation marks, titles and suffixes. Exclude the word "the" when followed by more than one word.
3. For Indian tribes, use the name of the tribe.
4. Before determining the name control, take the following into consideration.
  - (a) The first position can only be alpha and numeric characters, A-Z and 0-9.
  - (b) Positions 2, 3, and 4 can be alpha and numeric characters A-Z and 0-9; the ampersand (&), hyphen (-) and blanks are the only special characters allowed.
  - (c) Intervening blanks between characters are not allowed.

<b>EXAMPLES: <u>Individual Name</u></b>	<b><u>Primary Name Control</u></b>
<b>John Brown</b>	<b>BROW</b>
<b>John Lea-Smith</b>	<b>LEA-</b>
<b>John Di Angelo</b>	<b>DIAN</b>
<b>John O'Neil</b>	<b>ONEI</b>
<b>John En, Sr.</b>	<b>EN</b>
<b>Joe McCarty</b>	<b>MCCA</b>
<b>Mary Smith &amp; John Jones</b>	<b>SMIT</b>

Consider certain foreign suffixes as part of the last name (i.e., Armah-Bey, Paz-Ayala, and Allar-Sid). Particular attention must be given to those names that incorporate a mother's maiden name as a suffix to the last name. This practice is common in names of Spanish extraction. Consider the mother's maiden name as part of the surname for Name Control purposes.

**.04 Special Cases for Special Fields – (Continued)**

---

<b>EXAMPLES:</b>	<b><u>Individual Name</u></b>	<b><u>Primary Name Control</u></b>
	<b>Pedro Paz-Ayala</b>	<b>PAZ-</b>
	<b>Abdullah Allar-Sid</b>	<b>ALLA</b>
	<b>Juan de la Rosa Y Obregon</b>	<b>DELA</b>
	<b>Jose Alvarado Nogales</b>	<b>ALVA</b>
	<b>Donald Vander Neut</b>	<b>VAND</b>
	<b>Otto Von Wodtke</b>	<b>VONW</b>

Below are examples of Indo-Chinese last names and the derivative Name Control. Some Indo-Chinese names have only two characters. Indo-Chinese names often have a middle name of "Van" (male) or "Thi" (female). The last name Nguyen is common.

<b>EXAMPLES:</b>	<b><u>Individual Name</u></b>	<b><u>Primary Name Control</u></b>
	<b>Binh To La</b>	<b>LA</b>
	<b>Kim Van Nguyen</b>	<b>NGUY</b>
	<b>Nhat Thi Pham</b>	<b>PHAM</b>
	<b>Jin-Zhang Qui &amp; Yen-Yin Chiu</b>	<b>QUI</b>

**(3) NAME LINE 1:**

1. DO NOT ENTER MORE THAN 35 CHARACTERS! You must abbreviate the name to fit within the allotted blank.
2. No leading or consecutive embedded blanks. The only characters allowed are alpha, numbers, blank, and the special characters: ampersand (&) and hyphen(-). The left most position must be alpha.
3. All apostrophes (') and any other punctuation characters, except the hyphen (-), must be omitted from names and the alphabetic characters must be shifted to the left in their place (e.g., O'Shea = OSHEA).
4. Numeric Characters in name components must be replaced by alphabetic Roman Numerals (e.g., Charles 3rd = CHARLES III)

**.04 Special Cases for Special Fields – (Continued)**

---

**(4) NAME LINE 2:**

1. Will be used for street addresses that require two lines or "In Care Of" address. An "In Care of" address must be indicated by a percent character (%) followed by a blank and the name that is in care of delivery.

**EXAMPLE:**    **Mr. John Jones**  
                  **In Care of Alice B. Smith**  
                  **801 Brown St.**

**ENTER AS:**    **JOHN JONES (Primary First Name, Primary Last Name)**  
                  **% ALICE SMITH    (Name Line 2)**  
                  **801 BROWN ST    (Street Address)**

2. Is alphanumeric, left-justified and can have no leading or consecutive embedded spaces. The only special characters allowed are space, ampersand (&), hyphen (-), slash (/), less than (<), and in care of (%).

**(5) EIN:** Must be 9 numeric characters, left-justified 0 - 9

**NOTE:** When applicable, Non-resident individuals may use the literal "FOREIGNUS".

**.04 Special Cases for Special Fields – (Continued)**

---

**(6) STREET ADDRESS:**

1. Is alphanumeric and can have no leading or consecutive embedded spaces. The only special characters allowed are space, hyphen (-), and slash (/).
2. Only one intervening space may separate any two components. Periods should be deleted from these lines.
3. The first position or character must be alphabetic or numeric.
4. Enter the house number and street, route number, post office box, or box number. The literal "NONE" must be entered in the street address if there is no number and street, post office box, or rural route.
5. Special instructions for Schedule K-1 foreign addresses: Enter street address, including province and or mailing code in Field #0060.

**EXAMPLE:**

**Field # 060 - "20 CHAMPS ELYSEE 75307 PARIS  
(7 blanks)"**

**Field # 065 - "PARIS (30 blanks)"**

**Field # 070 - "FRANCE (16 blanks)"**

**Field # 080 - ". "**

**Field # 090 - "(12 blanks)"**

**If Field # 060 and # 065 require more than 35 characters, abbreviate whenever possible.**

6. Words may be abbreviated, using the standard abbreviations in Exhibit 1, unless the word is a proper name.

**EXAMPLES**

**ENTER AS**

**South Court Street**

**S COURT ST**

**Circle Drive**

**CIRCLE DR**

**Lane Building**

**LANE BLDG**

**Northeast Street**

**NORTHEAST ST**

**Third Street**

**THIRD ST**

**3 Ave.**

**3RD AVE**

**.04 Special Cases for Special Fields – (Continued)**

---

7. If two addresses are present, enter the address shown immediately above or before the city and state in the Street Address Field.

**EXAMPLE 1:**      **Mr. John Jones**  
                         **801 N. Erie Street**  
                         **P.O. Box 1502**  
                         **Toledo, OH 43603**

**ENTER AS:**      **JOHN JONES (Primary First Name, Primary**  
                         **801 N ERIE ST (First Address Line)**  
                         **PO BOX 1502 (Second Address Line)**

**EXAMPLE 2:**      **Mr. John Jones**  
                         **P.O. Box 1502**  
                         **801 N. Erie St., Toledo, OH 43603**

**ENTER AS:**      **JOHN JONES (Primary First Name,**  
   **Primary Last Name)**  
                         **PO BOX 1502 (First Address Line)**  
                         **801 N ERIE ST (Second Address Line)**

8. Enter college, building, or post office branch as the address if no mailing address is given.
9. Do not use "#" symbol, "No.", or "Number" as a prefix to a house, apartment, route, or P.O. Box.
10. Always add st, nd, rd, th, to a numbered street or avenue.  
**EXAMPLES: 1 = 1ST; 2 = 2ND; 3 = 3RD, etc.**
11. Enter 1/2 as 1/2 (no blanks).
12. Plurals for street, road, avenue, apartment, etc., will be entered as STS, RDS, AVES, APTS, etc.
13. For a military overseas address, enter the letters "APO" or "FPO" in the first three leftmost positions of the City Field.  
(See Exhibit 3 for list of valid APO/FPO City/State/Zip Codes).
14. When it is necessary to abbreviate the street address data, see Exhibit 1 for the recommended abbreviations.

## **.04 Special Cases for Special Fields – (Continued)**

---

### **(7) CITY**

The City Field will be invalid if it contains characters other than alpha or blank for cities that are not foreign. (The only special character allowed is the blank, but it must never be the first character.) If the name of a city contains two words or more, only one intervening space is allowed between consecutive words (e.g., New York).

**For Foreign Addresses:** Enter name of country in this field, left justified and blank-filled. Valid characters are alpha, numeric, and blank. Only one intervening space is allowed between consecutive words.

### **(8) STATE**

The State Abbreviation must be alpha and consistent with the standard state abbreviations issued by the Postal Service. **(See Exhibit 2 for the standard Postal Service State Abbreviations, and Exhibit 3 for the valid City/State/Zip Code combinations for military personnel with an overseas address)** These abbreviations must be used for the State Abbreviation field and must correspond with the valid range of the three high order zip code digits for each state.

**NOTE: For Foreign Addresses enter a period and a blank (".b") in the State Code field.**

### **(9) ZIP CODE**

Zip Code should be left justified. If there are only 5 zip code characters, the last 7 remaining digits may be either blank or zero-filled. If there are only 9 zip code characters the last 3 remaining digits may be either blank or zero-filled. Zip Codes must be within the valid range for that state.

### **(10) Special Instruction for Schedule K-1, Field #0030, Partner's Identifying Number**

The Partner's Identifying Number (Field #0030) on the Schedule K-1 can be a Social Security Number (SSN) for an individual or an Employer Identification Number (EIN) for a trust or another partnership. Use the literals "APPLD FOR" or "FOREIGNUS" if the following applies:

**"APPLD FOR"** - If the partner does not have an identifying number but has applied for one, the literal "APPLD FOR" should be used in (Field #0030) of the Schedule K-1.

**"FOREIGNUS"** - If the partner is a non-resident individual and is not required to have a Social Security Number, the literal FOREIGNUS should be used in (Field #0030) of the Schedule K-1.

## **SECTION 4      DATA COMMUNICATIONS**

---

**A new Trading Partner Interface for the Electronic Management System has been implemented. Please read and become familiar with Section 4, Data Communication, and Section 5, Transmission File Format.**

### **Highlights for Tax Year 2001**

#### **Front End Processing Subsystem (FEPS)**

- New Trading Partner/Transmitter Interface with examples are listed in the DATA COMMUNICATIONS section below
- New 8 alpha-numeric password
- New Communications Acknowledgement Error Messages
- The following Communication Error ACK Messages were deleted for Tax Year 2001:
  1. "THIS IS A DUMMY ACKNOWLEDGMENT FILE"
  2. "MAXIMUM NUMBER UNSUCCESSFUL LOGIN ATTEMPTS REACHED"
  3. "TRANSMITTER WAS NOT READY TO RECEIVE ACKNOWLEDGMENT FILE"
  4. "PROBLEM OCCURRED SENDING ACKNOWLEDGMENT FILE(S): YOU MAY CALL TO HAVE FILE(S) RESET"

**NOTE: To avoid your transmission and return from rejecting, assure that:**

- No brackets are in the record Identification
- Sequence numbers are in the correct order
- Employer Identification Numbers are with the appropriate return
- Summary Record is correct (matching the number of return)



## SECTION 4 DATA COMMUNICATIONS

Electronic Filers will transmit over the Public Switched Telephone Network to the Tennessee Computing Center (TCC) in Memphis.

**NOTE:** In 1996, IRS began phasing in a UNIX-based Front End Processing Subsystem (FEPS), also known as the Electronic Management System (EMS), at TCC to eventually replace all of the IBM Series/1 Data Communications Subsystem (DCS). In processing year 1997, the Tennessee Computing Center (TCC) replaced the Series/1 DCS with the new FEPS. Beginning with processing year 1997, the Austin Service Center (AUSC) also began phasing in the FEPS and in 1999 phased out the IBM Series/1. Beginning with PATS and BATS in 1999, the IBM Series/1 mini-computers were retired from Andover.

**Beginning with the 2002 Filing Season, the FEPS uses a menu-driven instead of a prompt-mode Trading Partner Interface.**

**NOTE:** Transmitters who expect to handle a large volume of electronic returns may request to lease their own dedicated line(s) at TCC. They must arrange to lease and install the lines and purchase modems at both ends. They may also purchase equipment to use one of the high-speed transfer protocols, such as FTP, on 56kbs or ISDN lines at either AUSC or TCC. For more information and approval, contact:

Internal Revenue Service  
ATTN: Darryl Giles  
EMS Development Section  
M:I:SD:SP:EI:EM  
NCFB A5-357  
5000 Ellin Rd.  
Lanham, MD 20706

**NOTE:** The IRS systems are designed to handle large volume transmissions. The practice of transmitting many small batches saturates the indices and degrades the systems. Dial-up transmitters should file no more than **500 returns per transmission**. Dial-up filers using ZMODEM with Checkpoint/Restart can file more than 500 returns per transmission. If fewer than 500 returns are to be transmitted, they should be filed not more than once per drain.

Dedicated, leased line transmitters may file up to 10,000 returns per transmission (Return Sequence Numbers 0000-9999); if fewer than 10,000 returns, file once per drain. Transmitters using high-speed protocols may file no more than 10,000 returns per transmission. Peak filing occurs around the "drain" times, which are posted on the Electronic Filing Bulletin Board System. (859) 292-0137 – not a toll-free call)

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS)

#### 1. Asynchronous (Async) Communications Specifications

The FEPS support the following:

- a. Line Speeds  
1200 – 56,000 bps (1.2 – 56 kbps)

**Note: IRS recommends the fastest speed possible to reduce transmission times and costs and is exploring the feasibility of eliminating MODEM speeds under 28 kbps.**

- b. Modems  
All Dial-up modems must be **compatible with V.34 (28.8 and 33.6 kbps) or v.90 (56 kbps) standards**. All leased-line async modems must be the same at both the IRS and the transmitter sites.

- c. File Transfer Protocols
- (1) FTP (with special permission – see Section I. 01. 1.)
  - (2) KERMIT
  - (3) XMODEM-CRC
  - (4) XMODEM Checksum
  - (5) XMODEM-1K
  - (6) YMODEM-G
  - (7) YMODEM-Batch
  - (8) ZMODEM

Transmitters may use any telecommunications software that is compatible with the above file transfer protocols.

- d. Character Codes  
American Standard Code for Information Interchange (ASCII)

- e. Industry Standards
- (1) Data
    - (a) Industry Standard 103
    - (b) Industry Standard 212A
    - (c) ITU-T V.22
    - (d) ITU-T V.22 bis
    - (e) ITU-T V.32
    - (f) ITU-T V.32 bis
    - (g) ITU-T V.34
    - (h) ITU-T V.90
  - (2) Error Control  
ITU-T V.42
  - (3) Data Compression
    - (a) ITU-T V.42 bis
    - (b) MNP 5

**NOTE:** IRS does offer ZMODEM data compression.

- (4) Error Compression  
MNP 2-4
- (5) **File Compression**  
COMPRESS  
GZIP (Freeware available from [www.gzip.org](http://www.gzip.org))
- (6) Duplex  
New communication software usually defaults to full duplex, but older software may prompt for duplex, in which case, you should respond with "full".

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### 2. Trading Partner/Transmitter Interface (TPI)

The Trading Partner/Transmitter Interface (TPI) of the Front-End Processing Subsystem (FEPS) has two components: the Operating System Interface (OSI) and the Electronic Filing Systems Interface (EFSI). The OSI and EFSI prompts and messages are in upper/lower case. **The delete key may be used to correct a mistake while entering the login identification and password, (OSI interface).** **After successful login,** the transmitter can use the Backspace key (also generated by simultaneously entering the Control ("Ctrl") and "h" keys), **(EFSI interface).** All responses may be in upper or lower case EXCEPT the password, which is case-sensitive and must be entered with the exact case as it appears in the letter with your password and in the Transmitters Profile DataBase (TPDB).

All responses are echoed back except the password. On default prompts, the cursor will be to the right of the right bracket, followed by a colon and blank ("]: ").

#### 3. Transmitter Profile DataBase (TPDB)

The Transmitter Profile DataBase (TPDB) keeps track of the sequence number for the ETIN to date. The sequence number is in the new Acknowledgment Reference File Name on the EFS System. The Acknowledgment Reference File Name is composed of MMDDNNNN. The 4-digit sequence number represents the number of the transmissions to date for that ETIN. The File Name as well as ETIN, Julian Day and 2-digit sequence number for the Julian Day are linked to your acknowledgment files and can be searched by the Help Desk Staff to research the status of a transmission.

#### 4. Asynchronous Communications Transmitter Interface

After dialing the assigned telephone number to the FEPS, the transmitter must first enter the **carriage return <cr>** character, which typically can be generated by simultaneously entering the Control ("Ctrl") and "n" keys. This alerts the Operating System to transmit an ASCII login prompt.

**NOTE: Turn off call waiting (\*70) before logging onto the FEPS to avoid aborted sessions.**

#### 5. Examples

In the examples below, **boldface** text indicates information sent by the transmitter. The system will echo transmitter input and send a carriage return "**<cr>**", followed by line feed "**<lf>**" after receipt of a "**<cr>**" from the transmitter.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### 6. Suspended Transmitter

If a transmitter has been suspended from **IRS e-file**, after successful login, the FEPS will display the message "**SUSPENDED TRANSMITTER/ETIN**" and disconnect the line.

#### 7. Logon Validation Specifications

##### a. Transmission Inactivity

Any period of inactivity for 60 seconds will cause the line to be disconnected. It is assumed that the line is bad or that there are problems in transmission, so the line is disconnected to prevent the transmitter from being charged by the long-distance carrier for an inactive open line.

##### b. Changing File Transfer Protocol indicator (FTP)

The File Transfer Protocol indicated by the Trading Partner is shown by menu item number 3 in brackets. If the Trading Partner has not specified a protocol, **Z-modem** is assigned as a default. A Trading Partner can choose menu item 3 to change protocol.

##### c. Changing File Compression

A Trading Partner is assigned by default, to use no compression on file transfer. If the Trading Partner wants to use UNIX compression or GZIP compression, this can be selected from menu item 4. See Trading Partner Interface (TPI) Session examples below.

#### 8. Trading Partner (1065, 1040 and ETD) Session Example

The following discussion describes how a Trading Partner (TP) who files Forms 1065, 1040 and ETDs will interact with the FEP. **Note: The password is 8 alphanumeric characters.** Figure 1 illustrates the TP login.

##### a. FEPS Banner

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

```
U.S. DEPARTMENT OF TREASURY INTERNAL REVENUE SERVICE SYSTEMS  
UNAUTHORIZED USE MAY RESULT IN CIVIL AND/OR CRIMINAL PENALTIES.
```

```
SunOS 5.8
```

```
Login: 99999
```

```
Password: password
```

```
Last login: Sun Aug 13 10:58:58 from computername
```

Figure 1. Trading Partner Login.

If the TP successfully logs in to the Operating System, the "Official Use" banner appears, as shown in Figure 2.

```
-----  
F O R   O F F I C I A L   U S E   O N L Y
```

```
  #   #####   #####  
  #   #   #   #  
  #   #   #   #####  
  #   #####   #  
  #   #   #   #   #  
  #   #   #   #####
```

```
U.S. Government computer
```

```
F O R   O F F I C I A L   U S E   O N L Y  
-----
```

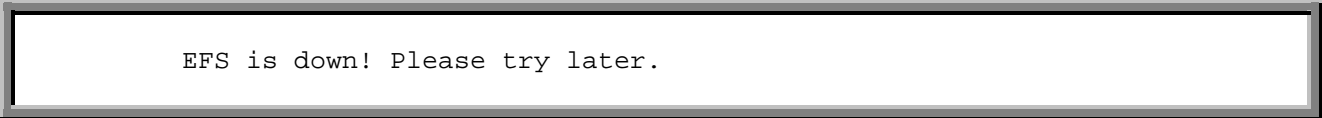
Figure 2. "Official Use" Banner.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### b. EFS Down Message

If the FEPS application is not available the message shown in Figure 3 will be displayed and the TP will be disconnected.



EFS is down! Please try later.

**Figure 3. EFS Down Message.**

#### c. Suspended Transmitter Message

If the FEPS application is available but the TP has been suspended, the message in Figure 4 will be displayed and the TP will be disconnected.



SUSPENDED TRANSMITTER/ETIN.


**Figure 4. Suspended TP Message.**

#### d. Active Transmitter

If the Trading Partner is active, the menu shown in Figure 6 will be displayed. The TP's current file transfer protocol will be displayed in brackets next to the "Change File Transfer Protocol" menu item. The TP's current compression method will be displayed in brackets next to the "Change Compression Method" menu item. The possible file transfer protocol and compression method values are identified in **Section 4.01.1**. The "File transfer Protocols" and "File Compression Methods" menus are shown and discussed in **Figures 7 through 14**.

#### e. Unsuccessful Logon

**After each unsuccessful login the system displays:**



Login incorrect

**Figure 5. Incorrect Login**

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

After 6 consecutive unsuccessful login attempts the account is disabled. If a Trading Partner has six consecutive unsuccessful login attempts (in two consecutive sessions) to the IRS Front-end Processing System, their account will be temporarily disabled. The Trading Partner can continue to attempt to login to the system and will continue to be disconnected after every three unsuccessful login attempts, but, if the Trading Partner supplies the correct ETIN and password, the system will display the message, "This account is currently disabled". If this happens, the Trading Partner should contact the Home Submission Processing Center (SPC) EMS Help Desk. They will document the problem and refer it to a computer specialist.

#### f. Successful Logon

It should be noted that a TP's initial compression method will be "NONE". To override the default, the TP must select a compression method (which is discussed later in this section). The FEPS does not auto-sense compressed files. Acknowledgment files will then be compressed and sent to the TP using the TP's selected compression method. The TP is also expected to submit file(s) compressed in the same manner.

At any prompt, if trading partner does not respond in **60** seconds, the following actions will be taken:

- display "DISCONNECTING FROM EFS."
- disconnect the TP.

```
MAIN MENU

1) Logoff
2) Receive/Send File(s)
3) Change File Transfer Protocol [ZMODEM]
4) Change Compression Method [NONE]

Enter your choice:
```

Figure 6. Initial Main Menu Display.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

From the Main Menu, the TP can end the session by choosing “Logoff”, receive/transmit a file by choosing “Receive/Send File(s)”, change the file transfer protocol by choosing “Change File Transfer Protocol”, or change the compression method by choosing “Change Compression Method”.

#### g. Changing File Transfer Protocol

When the TP chooses “Change File Transfer Protocol”, the menu shown in **Figure 7** will be displayed. Brackets will frame the TP’s current file transfer protocol. Before a TP can use the FTP protocol, **TP** must provide certain configuration information to the IRS. If this information does not exist in the **FEPS** database, then “FTP” will not be displayed to the TP as one of the available protocols.

**See Section 4.01 introductory information for the IRS person to contact regarding use of the FTP protocol.**

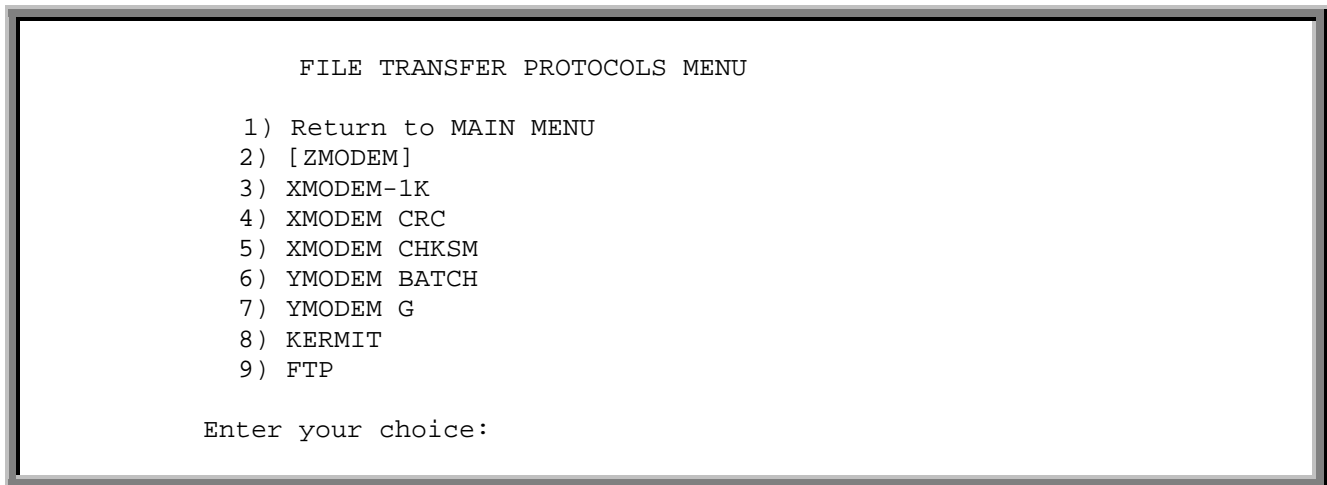


Figure 7. Initial File Transfer Protocol Menu Display.

The TP can change the protocol or return to the Main Menu. If the TP selects a protocol, the Main Menu will be redisplayed with the selected protocol in brackets as shown in **Figure 10**. This protocol setting will be saved in the **FEPS** database and will be used for all future incoming/outgoing file transfers unless the TP changes the protocol again.

**Any character other than one of the menu number choices is considered invalid (as shown in Figure 8).**



## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

```
FILE TRANSFER PROTOCOLS MENU

1) Return to MAIN MENU
2) [ZMODEM]
3) XMODEM-1K
4) XMODEM CRC
5) XMODEM CHKSM
6) YMODEM BATCH
7) YMODEM G
8) KERMIT
9) FTP

Enter your choice: 0 (or any other invalid character)
```

Figure 8. Invalid File Transfer Protocol Menu Selection.

If the TP enters an invalid character, an invalid menu selection message along with the File Transfer Protocols Menu will be displayed as shown in **Figure 9**. If the TP fails to make a valid selection in three attempts, the TP will be disconnected.

```
Invalid menu selection. Try again.

FILE TRANSFER PROTOCOLS MENU

1) Return to MAIN MENU
2) [ZMODEM]
3) XMODEM-1K
4) XMODEM CRC
5) XMODEM CHKSM
6) YMODEM BATCH
7) YMODEM G
8) KERMIT
9) FTP

Enter your choice: 9
```

Figure 9. Invalid File Transfer Protocol Menu Selection Error Message.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

After the TP chooses a valid option from the File Transfer Protocols Menu or chooses "Return to MAIN MENU", the Main Menu is redisplayed.

```
MAIN MENU

1) Logoff
2) Receive/Send File(s)
3) Change File Transfer Protocol [FTP]
4) Change Compression Method [NONE]

Enter your choice: 4
```

Figure 10. Redisplay of Main Menu after Protocol Change.

The TP can now end the session by choosing "Logoff", receive/transmit a file by choosing "Receive/Send File(s)", change the file transfer protocol by choosing "Change File Transfer Protocol", or change the compression method by choosing "Change Compression Method".

#### h. Change Compression Method

The following discussion assumes the TP chooses "Change Compression Method." The File Compression Methods Menu will be displayed as shown in **Figure 11**. Brackets will frame the current compression method. The two supported compression methods are **GZIP** (a freeware program available at [www.gzip.org](http://www.gzip.org)) and **COMPRESS** (a Unix compression utility).

```
FILE COMPRESSION METHODS MENU

1) Return to MAIN MENU
2) [None]
3) GZIP
4) COMPRESS

Enter your choice:
```

Figure 11. Initial File Compression Methods Menu Display.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

If the TP chooses a compression method, the Main Menu will be redisplayed with the selected method framed by brackets as shown in **Figure 14**. This compression method setting will be saved in the FEPS database and will be used for all future incoming/outgoing file transfers unless the TP changes the compression method again. The TP's initial setting will be "None". Before using compression, the TP must select a method from File Compression Methods Menu.

```
FILE COMPRESSION METHODS MENU

1) Return to MAIN MENU
2) [None]
3) GZIP
4) COMPRESS

Enter your choice: 5
```

Figure 12. Invalid File Compression Menu Selection.

If the TP enters a character other than one of the menu number choices (as shown in Figure 12), an invalid menu selection message along with the File Compression Methods Menu will be displayed as shown in Figure 13. If the TP fails to make a valid selection in three attempts, the TP will be disconnected.

```
Invalid menu selection. Try again.

FILE COMPRESSION METHODS MENU

1) Return to MAIN MENU
2) [None]
3) GZIP
4) COMPRESS

Enter your choice: 3
```

Figure 13. Invalid File Compression Methods Menu Selection Response.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

If the TP chooses to return to the Main Menu, the Main Menu will be displayed again as shown in **Figure 14**. The TP can now choose to end the session, transmit another file, or change protocol and/or compression settings.

```
MAIN MENU

1) Logoff
2) Receive/Send File(s)
3) Change File Transfer Protocol [FTP]
4) Change Compression Method [GZIP]

Enter your choice: 2
```

Figure 14. Main Menu Display After Change Compression Method Menu.

#### i. Receive/Send Files

When the TP choose, the “Receive/Send File(s)” menu item, the FEPS TP interface software will check to see if there are acknowledgment files to be sent to the TP. **Beginning in 2002, no Dummy Acknowledgment Files will be sent.** If there are no acknowledgment files, the message in **Figure 15** will be displayed followed by the “send” prompt shown in **Figure 22**. This will allow TPs to submit files even if there are no acknowledgment files awaiting TP receipt.

```
Number of Acknowledgment File(s) in outbound mailbox: 000
```

Figure 15. Zero Acknowledgment File Display.

If there are acknowledgment files, the messages shown in **Figure 16** will be displayed. The message will show the number of acknowledgment files in the outbound mailbox waiting to be sent to the TP. The FEPS TP interface will send at most 50 acknowledgment files at a time. If there are more than 50 acknowledgments in the outbound mailbox the TP may choose item 2 from the Main Menu again to receive additional acknowledgments. The count of files in the outbound mailbox is recalculated every time the TP selects “Receive/Send File(s)”.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### (1) Receive Acknowledgment Files

```
Number of Acknowledgment File(s) in outbound mailbox: 003  
Are you ready to receive files? Y/[N]: Y or y
```

Figure 16. **One or More Acknowledgment Files Display.**

**If the TP enters anything other than “Y” or “y”, the Main Menu (Figure 29) will be redisplayed. If the TP fails to respond affirmatively three consecutive times, FEPS will be disconnected rather than returned to the Main Menu.**

The TP cannot send files until after receipt of acknowledgment files. If there are more than 50 acknowledgment files, the TP can send a file after receiving 50 acknowledgment files.

If the TP responds to the prompt affirmatively, a message notifying the TP that the file transfer is about to begin will be displayed. The message depends on the protocol being used. For Zmodem, any mode of Xmodem or any mode of Ymodem, the message in **Figure 17** will be displayed. For FTP, the message shown in **Figure 18** will be displayed. If the TP is using the Kermit file transfer protocol, the FEPS will send the notice shown in **Figure 19**. The file transfer will begin after the appropriate notice.

```
EFS ready for modem download.
```

Figure 17. **Modem Download Notice for Zmodem, Xmodem, Ymodem Protocols.**

```
Putting File(s) by FTP.
```

Figure 18. **“Putting Files” Notice for FTP Protocol.**

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

```
Put your Kermit program in server mode now.
```

Figure 19. **Kermit Server Mode Notice.**

If the TP is using FTP, Ymodem G or any mode of Xmodem as the file transfer protocol, up to 50 acknowledgment files will be concatenated and sent to the TP as a single file. If the TP is also using compression, the resulting concatenated file will be compressed.

If the TP is using Kermit, Ymodem Batch or Zmodem as the file transfer protocol, the FEPS will send up to 50 acknowledgment files as separate files. If the TP is also using compression, each file will be separately compressed. See **Figure 33** for a description of acknowledgment file names. **See Section 4.02 for more information on receiving Acknowledgment Files.**

If the TP interface software detects that the transmission of Acknowledgment Files did not complete successfully, the message in **Figure 20** will be displayed followed by the Main Menu (**Figure 29**). If this happens three times in a row, the TP will be disconnected.

```
Error transmitting Acknowledgment File(s).
```

Figure 20. **Acknowledgment File Transmission Error Message.**

If the TP interface software does not detect an error, the message shown in **Figure 21** will be displayed.

```
Acknowledgment File(s) transmission complete.
```

Figure 21. **Acknowledgment File Transmission Complete Message.**

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### (2) Send File(s)

Next the FEPS will be asked if the TP wants to send a file as shown in Figure 22.

```
Do you want to send a file? Y/[N]: Y or y
```

Figure 22. Send File Prompt.

If the TP enters anything other than “Y” or “y”, the Main Menu (Figure 29) will be redisplayed. If there are no acknowledgment files for the TP to receive and the TP fails to respond affirmatively three times in a row, the TP will be disconnected.

**Otherwise, the next prompt depends on the file transfer protocol being used. If the TP is using Zmodem, any mode of Ymodem, or any mode of Xmodem; the FEPS will be prompted to start the file transfer as shown in Figure 23.**

```
Enter an upload command to your modem program now.
```

Figure 23. Modem Upload Prompt for Zmodem, Xmodem, Ymodem Protocols.

If the TP is using the FTP protocol, the FEPS will prompt the TP to supply a file name as shown in **Figure 24**. After supplying the file name the TP will be notified that the FTP transfer is beginning. This notice is also shown in **Figure 24**.

```
Enter the LOCAL name of the file you  
Are sending from your system: myfile  
  
Getting file by FTP.
```

Figure 24. FTP File Name Prompt.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

If the TP is using the Kermit protocol, the FEPS will prompt the TP to supply a file name as shown in **Figure 25**. After supplying the file name the TP will be notified to put the Kermit program in server mode. This notice is also shown in **Figure 25**.

```
Enter the LOCAL name of the file you
Are sending from your system: myfile

Put your Kermit program in server mode now.
```

Figure 25. Kermit File Name and Server Mode Prompt.

If the TP responds to the filename prompts in **Figure 24** or **Figure 25** with only a carriage return (<CR>), then the notice shown in **Figure 26** is displayed. **If the TP responds with only a <CR> three times in a row, the TP will be disconnected.**

```
Invalid file name.

Enter the LOCAL name of the file you
Are sending from your system: <CR>
```

Figure 26. Invalid File Name Message.

Once the TP has been notified that the file transfer is beginning (**Figure 23**, **Figure 24** or **Figure 25**), the TP has 60 seconds to begin the file transfer. **If the FEPS does not receive at least part of the TP's file within 60 seconds, the TP will be disconnected.**

If the TP interface software does not detect an error, the transmission confirmation message shown in **Figure 27** will be displayed followed by the Main Menu (**Figure 29**). If the TP hangs up without receiving the confirmation message, the file may be discarded and a Communications Error Acknowledgment File may be generated.



## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

The transmission confirmation message contains the Global Transaction Key (GTX Key) and the **Acknowledgment Reference File Name**. The GTX Key is the unique identifier assigned by the FEPS to the file sent by the TP, and is used to track the processing of the file and its subsequent acknowledgment. The **Acknowledgment Reference File Name** is used when constructing the name of the acknowledgment file delivered to the TP. (See **Section 4.01.8** for a description of the GTX Key and its relationship to the **Acknowledgment Reference File Name**.)

```
Transmission file has been received with the following GTX Key:  
  
Z20011020123423.1700          10200001
```

Figure 27. Transmission Confirmation Message Display.

**If the TP interface software detects that the transmission did not complete successfully, the message in Figure 28 will be displayed followed by the Main Menu (Figure 29).** If this happens three consecutive times, the TP will be disconnected.

```
Error receiving file. You must send it again.
```

Figure 28. Transmission Receipt Error Message.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

The Main Menu is redisplayed as shown in **Figure 29**. The TP can now end the session by choosing “Logoff”, receive/transmit a file by choosing “Receive/Send File(s)”, change the file transfer protocol by choosing “Change File Transfer Protocol”, or change the compression method by choosing “Change Compression Method”.

**Another batch of returns or ETDs can be transmitted.**

```
MAIN MENU

1) Logoff
2) Receive/Send File(s)
3) Change File Transfer Protocol [ZMODEM]
4) Change Compression Method [NONE]

Enter your choice:  8 (or any other invalid character)
```

Figure 29. Redisplay of Main Menu.

**If the TP enters a character that is not one of the listed number choices, an invalid menu selection message along with the Main Menu will be displayed as shown in Figure 30.** If the TP fails to make a valid selection in three attempts, the TP will be disconnected.

```
Invalid menu selection.  Try again.

MAIN MENU

1) Logoff
2) Receive/Send File(s)
3) Change File Transfer Protocol [FTP]
4) Change Compression Method [GZIP]

Enter your choice:  1
```

Figure 30. Invalid Main Menu Selection.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### j. Logoff

If the TP chooses to logoff, the TP interface software will perform any necessary clean up activities, record statistical information in the FEPS database, and then display the message shown in **Figure 31**. **The TP should not hang up before receiving the disconnect message. If the TP does hang up prematurely, the FEPS may not complete its cleanup activities. This could result in the TP receiving acknowledgment files again in the next login session or in having submission file discarded.**



DISCONNECTING FROM EFS.

Figure 31. **End of TP Session Message.**

#### k. Example of Logon, Receive, Send, Logoff

**Figure 32** illustrates a complete TP session including login, receipt of acknowledgment files, transmission of a tax return file, and session termination.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

```
U.S. DEPARTMENT OF TREASURY INTERNAL REVENUE SERVICE SYSTEMS
UNAUTHORIZED USE MAY RESULT IN CIVIL AND/OR CRIMINAL PENALTIES.

SunOS 5.8

Login: 99999
Password: password
Last login: Sun Aug 13 10:58:58 from computername

-----
      F O R   O F F I C I A L   U S E   O N L Y
          #   #####   #####
          #   #   #   #
          #   #   #   #####
          #   #####   #
          #   #   #   #   #
          #   #   #   #####

                U.S. Government computer

      F O R   O F F I C I A L   U S E   O N L Y
-----

MAIN MENU

1) Logoff
2) Receive/Send File(s)
3) Change File Transfer Protocol [ZMODEM]
4) Change Compression Method [NONE]

Enter your choice: 2
```

Figure 32. TP Session to Pick Up Acknowledgments and Transmit a Tax Return File.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

```
Number of Acknowledgment File(s) in outbound mailbox: 003

Are you ready to receive files? Y/[N]: Y

EFS ready for modem download.

Acknowledgment File(s) transmission complete.

Do you want to send a file? Y/[N]: Y

Enter an upload command to your modem program now.

Transmission file has been received with the following GTX Key:

Z20011020123423.1700                10200001

      MAIN MENU

      1) Logoff
      2) Receive/Send File(s)
      3) Change File Transfer Protocol [ZMODEM]
      4) Change Compression Method [NONE]

Enter your choice: 1

DISCONNECTING FROM EFS.
```

Figure 32 (cont). TP Session to Pick Up Acknowledgments and Transmit a Tax Return File.

### 9. Global Transaction (GTX) Key Format

- a. Global Transaction (GTX) Key example: SYYYMMDDhhmmss.xxxx.

S = Processing Site Identifier  
YYYY = Year, Year, Year, Year  
MM = Month, Month  
DD = Day, Day  
HH = Hour, Hour  
mm = minute, minute  
ss = second, second  
xxxx = milliseconds

- b. The Global Transaction (GTX) key is the file name on the UNIX FEPS machines and can also be used by the Help Desk Staff to research the status of a transmission. However, the Acknowledgment Reference File Name is MMDDNNNN followed by an extension as below.

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

#### 10. Acknowledgment File Name Formats

The format of the reference name is MMDDnnnn where MM month and DD day match the GTX Key. The nnnn number is a 4-digit sequence number generated by the FEPS. The reference name is used to generate the acknowledgment file name.

The FEPS acknowledgment files will be named as described in **Figure 33**.

Form and Format	ACK Ref. File Name (Note 1)	ACK Ref. File Name w/ GZIP (Note 2)	ACK Ref. File Name w/ COMPRESS (Note 3)
1065/1040/ETD - Proprietary (TRANA/TRANB/RECAP)			
FEPS Error Acknowledgment	MMDDnnnn.NAK	MMDDnnnn.GZ	MMDDnnnn.Z
Unisys Acknowledgment	MMDDnnnn.ACK	MMDDnnnn.GZ	MMDDnnnn.Z

Figure 33 ACK File Names

**Note 1: MM = month**  
**DD = day**  
**nnnn = 4 digit sequence number**

MMDD is taken from the GTX Key nnnn is a 4-digit sequence number generated by the FEPS at the time the TP submitted the file.

**Note 2:** GZIP will preserve the uncompressed ACK file name (e.g., MMDDnnnn.ACK) in its archive.

**Note 3:** Compress does not preserve the uncompressed ACK file name.

If a transmitter submits a file that is given the GTX Key "Z20011020154710.0800", the first four digits of the reference name would be "1020". The next four digits would be a sequence number generated by the FEPS, e.g., "0001". The Acknowledgment Reference File Name, derived from the date and the Trading Partner DataBase, would then be "10200001". An FEPS Communications Error Acknowledgment File would be named "10200001.NAK". An Acknowledgment File from the Unisys system would be named "10200001.ACK". If the Acknowledgment File were compressed with GZIP, it would be named c"10200001.GZ". If the Acknowledgment File is compressed with Unix COMPRESS, it would be named "10200001.Z".

## SECTION 4 DATA COMMUNICATIONS

### .01 IRS Front-end Processing Subsystem (FEPS) (Continued)

Protocol	Uncompressed Name	ACK Ref. File Name w/GZIP	ACK Ref. File Name w/UNIX COMPRESS
Ymodem G	CATmmss.ACK	CATmmss.GZ	CATmmss.Z
FTP	CATmmss.ACK	CATmmss.GZ	CATmmss.Z
Xmodem (all versions)	File is named by TP software	File is named by TP software	File is named by TP software

Figure 33 (cont.). File Names for Concatenated Acknowledgment Files (1065/1040/ETD Only)

**Note 4:** mmss = 2-digit minutes and 2-digit seconds. The minutes and seconds are taken from the time at which the concatenated file is created.

If Acknowledgment Files were concatenated at 5 minutes and 20 seconds after the hour, the resulting file would be named "CAT0520.ACK". If the file were compressed using gzip, it would be named "CAT0520.GZ". If the file were compressed using Unix compress, the file would be named "CAT0520.Z".

**Note 5:** The Acknowledgment File names shown in these figures use upper case letters. These are the names as they appear on the IRS system. Some file transfer protocols and/or some operating systems may translate the names into lower case.

## SECTION 4 DATA COMMUNICATIONS

### .02 Receiving the Acknowledgment File

1. The Acknowledgment File identifies which returns have been accepted, rejected, or identified as duplicates.
2. Each file of electronic returns transmitted to the Service will normally be acknowledged within two workdays of receipt. Be aware that depending on the file transfer protocol, multiple Acknowledgment Files can be concatenated within a transmission.
3. If the Acknowledgment File is not received within two workdays, or if acknowledgments are received for returns that were not transmitted on the designated transmission, immediately contact the Electronic Filing Unit Help Desk at the appropriate service center for assistance.
4. The transmitter should match the Acknowledgment File back to the original file transmitted by using the IRS-assigned file name, either the 20 character GTX key or the Acknowledgment Reference File Name. The Acknowledgment Reference File Name is a combination of "MMDD" and a 4-digit sequence number plus ACK or NAK file extension.  
Note: "MM" represents month and "DD" represents day of the transmission. The 4-digit sequence number is stored in the Transmitters Profile DataBase and is cumulated each time a transmission file is received by the FEPS. If no ACK File is received, call the Help Desk to be sure that there is not a processing delay.

**Any electronically transmitted return that is not acknowledged by the Service has NOT been accepted for processing, and must be resubmitted and acknowledged as accepted before it is considered a filed return.**

5. When a return has been rejected after three attempts, contact the appropriate service center's Electronic Filing Unit Help Desk for assistance.
6. **NOTE:** If using FTP, XMODEM and YMODEM G protocol, up to 50 Acknowledgment Files are concatenated within a single transmission. The receiver must name the file and must look for each RECAP record to find each Acknowledgment File.
7. **NOTE:** If using YMODEM-Batch, up to 50 Acknowledgment Files are sent as separate files within the transmission. Block zero ("0") identifies the filename. Data is transmitted starting in Block one ("1") up to Block "255" and then rolls to Block "0". The last block for the file is padded with "Ctrl Z" characters. The next transmission packet should be the EOT character. If there is another file, the next block, Block "0" will contain the next filename. Otherwise a Block "0" without a filename will be followed by the EOT character.



## SECTION 4 DATA COMMUNICATIONS

### .02 Receiving the Acknowledgment File

8. NOTE: If using ZMODEM, **up to 50** Acknowledgment Files are sent separately within the transmission, with "zfile" and "eof" in between each file, with a "zfin" at the end of all files. The IRS system will supply the GTX key and Acknowledgment Reference File Name (MMDDnnnn) to the transmitter at the end of the transmission confirmation message as shown below.

Transmission file has been received with the following GTX Key:

Z20011020123423.1700

1020022

In this example the GTX key is the 20 character date time stamp and the Acknowledgment Reference File Name is to the right of it. The GTX key uses the following format:

YYYYMMDDhhmmss.xxxx

S = System ID  
YYYY = year  
MM = month  
DD = Day  
hh = hour  
mm = minute  
ss = second  
xxxx = milliseconds

For the Acknowledgment Reference name, 1020022 represents 10<sup>th</sup> month, 20<sup>th</sup> day transmission sequence number 22 for the Trading Partner.

9. For Communication Error Messages, see Section 1.04 on Communications Error Messages.
10. For information on how to read the Acknowledgement File, see Publication 1525.
11. For information on how to batch return transmission files and match them with ACK files, see Publication 1525.

## SECTION 4 DATA COMMUNICATIONS

### .03 Transmitting Returns

1. All transmissions are validated separately prior to forms and schedules. TPs must make sure that transmissions were successfully processed after receipt. The transmission is forwarded to the UNISYS for return validation. **If there are errors with the transmission, the Communication Error ACK Files must also be picked up.**
2. Immediately after receiving the ACK File(s), **if there are any**, the transmitter may transmit the required records in the following sequence:
  - a. Transmitter records: TRANA and TRANB. These records identify the transmitter.
  - b. Tax Return or Electronic Tax Documents (ETDs) records: See Part II Record Layouts for exact identifications for the return (RET), schedules (SCH), forms (FRM), statements (STM), state records (ST ), and summary record (SUM).
  - c. RECAP record: The RECAP summarizes the transmission and is similar to the "trailer" of a file.

After completing a transmission, the TP may select Receive/Send from the main menu to send another transmission.

**NOTE: BEGINNING IN 2001, TRANSMISSIONS ARE NOT VALIDATED DURING RECEIPT OF THE FILE. ONLY AFTER THE "Transmission has been received with the following GTX Key:", WILL THE ENTIRE TRANSMISSION BE VALIDATED. WHEN THE FIRST TRANSMISSION ERROR IS ENCOUNTERED, THE FEPS WILL DISCONTINUE VALIDATION AND GENERATE THE APPROPRIATE ERROR MESSAGE IN A COMMUNICATION ERROR ACKNOWLEDGEMENT FILE. IT IS RECOMMENDED THAT THE TRANSMITTER RE-VALIDATE THE ENTIRE FILE BEFORE RE-TRANSMITTING CORRECTIONS TO ALLEVIATE SUBSEQUENT COMMUNICATION ERRORS, WHICH WILL GENERATE ADDITIONAL COMMUNICATION ERROR ACKNOWLEDGE FILE(S).**

3. See section 4.04 Communication Error Message for a list of all Data Communication Validation and Error Messages.

## SECTION 4 DATA COMMUNICATIONS

### .04 Communication Error Messages

Below are the Communications Error Messages that will be transmitted from the Electronic Management System (Front-End Processing Subsystem (FEPS) in the Communications Error Acknowledgment File. An aborted transmission results from the following FEPS **reject** conditions:

1. **"NO TRANA RECORD RECEIVED"** If the first record byte count and end of record (#) do not agree, record sentinel \*\*\*\* is not present, "TRANA " is not in columns 9-14, byte count is >120 characters or is not numeric, or CR or LF imbedded within the record, FEPS will reject the transmission.
2. **"NO TRANB RECORD RECEIVED"** If the second record byte count and end of record (#) do not agree, record sentinel \*\*\*\* is not present, "TRANB " is not in columns 9-14, Byte count is >120 characters or is not numeric, or CR or LF imbedded within the record, FEPS will reject the transmission.
3. **"NO RECAP RECORD RECEIVED; POSSIBLY DUE TO A LINE PROBLEM OR EMBEDDED # WITHIN RECORD"** If the last record in the transmission does not contain "RECAP" in columns 9-14, FEPS will reject the transmission.
4. **"LOGON ETIN AND ETIN IN THE TRANA RECORD WERE DIFFERENT"** If the ETIN in columns 84-88 of the TRANA record does not match the login ETIN, FEPS will reject the transmission.
5. **"INVALID PROCESSING SITE DESIGNATOR. A=CINCINNATI, B=OGDEN, C=ANDOVER, D=MEMPHIS, E=AUSTIN"** For 1065 transmissions, if the letter code for Site Designator in column 75 of the TRANA record is not equal to 'D' (Memphis Service Center), the FEPS will reject the transmission.
6. **"INVALID TRANA: WRONG LENGTH OR EMBEDDED #"** If the byte count of the first record is less than 120 and the end of record # agrees with the byte count, FEPS will reject the transmission.
7. **"INVALID TRANB: WRONG LENGTH OR EMBEDDED #"** If the byte count of the second record is less than 120 and the end of record # agrees with the byte count, FEPS will reject the transmission.
8. **"INVALID RECAP: WRONG LENGTH OR EMBEDDED #"** If the byte count of the last record is **not equal to** 120 and the end of record # agrees with the byte count, FEPS will reject the transmission.
9. **"MULTIPLE TRANA/TRANB RECORDS DETECTED"** If Multiple TRANA or TRANB or RECAP records are found within a file, the FEPS will reject the transmission.

## SECTION 4 DATA COMMUNICATIONS

### .04 Communication Error Messages (Continued)

10. **“INVALID PRODUCTION-TEST CODE - P = PRODUCTION, T = TEST”** If the test/production indicator in column 117 of the TRANA record does not equal ‘T’ or ‘P’, FEPS will reject the transmission.
11. **“PRODUCTION-TEST CODE IN TRANA RECORD DOES NOT MATCH ROFILE”**  
If the Production-Test indicator in column 117 of the TRANA record does not match the production/test mode in the Trading Partner profile, FEPS will reject the transmission.
12. **“INVALID TOTAL RETURN COUNT IN RECAP RECORD”** If the number of tax returns counted does not match the Total Return Count in columns 29-34 of the RECAP record, the FEPS shall reject the entire transmission and generate this Error ACK message.
13. **“INVALID JULIAN DAY IN THE TRANA RECORD”** If the Julian day in columns 91-93 of the TRANA record is more than two days prior to the actual receipt Julian day or more than one day after the actual receipt Julian day, FEPS will reject the transmission.
14. **“INVALID TRANSMISSION TYPE CODE”** If the Trading Partner’s transmission type code specified in column 118 of the TRANA record is not valid, FEPS will reject the transmission. (TRANA field TRANSMISSION TYPE CODE must equal “P” for Partnership returns.)
15. **“EIN IN TRANA DOES NOT MATCH EIN PROFILE”** If the EIN in columns 15-23 of the TRANA record does not match the EIN of the Trading Partner sending the transmission, FEPS will reject the transmission.
16. **“EIN IN TRANB DOES NOT MATCH EIN IN TRANA”** If the EIN in columns 15-23 of the TRANB record does not match the EIN of the TRANA record, FEPS will reject the transmission.
17. **“INVALID TAX RETURN FORMAT BEGINNING AT RECORD n”** is a **new 2002** Error Ack message that will be generated after the first occurrence of a validation error. For IRS Proprietary format return transmissions, FEPS will validate that every return envelope begins with a tax return record (valid Record ID, Return type and Page number fields) and ends with a summary record. In addition, the tax return record must contain a numeric TIN that matches the TIN in the summary record. If an error is encountered in this return envelope, FEPS will reject the entire transmission and return the new Error ACK. No further validation will take place after this first error is encountered.

## SECTION 4 DATA COMMUNICATIONS

### .04 Communication Error Messages (Continued)

18. **“NO RETURNS WITHIN THE TRANSMISSION”** is a **new 2002** Error ACK message. If there are no returns within a transmission, FEPS shall reject the entire transmission.
19. **“INVALID PROCESSING YEAR CODE”** For 1065 transmissions, if the processing year code in column 110 of the TRANA record is not equal to “P” for prior year or “C” for current year, FEPS will reject the transmission.
20. **“INVALID RECORD FORMAT IN RECORD NUMBER XXX”** is a **new 2002** Error ACK message. To ensure that the number of bytes validated by the FEPS is the number of bytes that the Trading Partner intended to include in the record, FEPS shall validate that each record begins with a 4 digit byte count followed by the 4 asterisk record sentinel and the last character is a # in the corresponding position of the byte count. If these fields are not present, FEPS shall reject the entire transmission and generate an error acknowledgment file with the new Error ACK message.
21. **“TRANSMITTER NOT VALID FOR TRANSMISSION TYPE”** is a **new 2002** Error ACK message. If the Trading Partner’s profile does not allow the transmission type specified in column 118 of the TRANA record, FEPS will reject the transmission.
22. **“ADDITIONAL TAX DATA AFTER RECAP”** is a **new 2002** Error ACK message. If tax data exists after the RECAP record, the FEPS will reject the transmission.
23. **“SESSION ABNORMALLY TERMINATED; WAIT FOR IRS TO DISCONNECT”**. If FEPS detects that the Trading Partner has disconnected after submitting a transmission, but before the GTX key is displayed, this message will be generated. The submitted transmission will be deleted from the Trading Partner’s mailbox and will not be processed.

## SECTION 4 DATA COMMUNICATIONS

### .04 Problem Transmissions

1. If the transmitter disconnects during a transmission, or if the FEPS detected a transmission format error, the FEPS will send a Communications Error Acknowledgment (ACK) File, which indicates why the transmission was not processed.
2. The Communications Error ACK File will be sent if there is an aborted transmission, whether or not other acknowledgment records are ready to be picked up. A Communications Error ACK File will NOT be sent if the transmitter only picks up acknowledgment files, and then selects logoff to disconnect the line.
3. Unless using Zmodem, Dial-up Transmitters should not transmit more than 500 electronic returns per transmission because if disconnected, the long distance charges could be costly. If the transmitter is not using a data compression protocol or file compression, fixed format data will take a longer amount of time to transmit than variable format data. If more than 500 returns are ready to be transmitted via dial-up, they must be sent in subsequent transmissions.

**NOTE: If using ZMODEM with Checkpoint/Restart, a Dial-up filer may file up to 10,000 returns per transmission.**

**If a transmitter is using one of the high-speed transfer protocols, up to 10,000 returns may be filed per transmission.**

4. The FEPS does support ZMODEM Checkpoint/Restart. To utilize this feature, the transmitter's communication package's ZMODEM setting for "Crash Recovery" should be set to "ON". If a transmission is aborted, the FEPS stores the partially transmitted file under the file name used by the transmitter in the ZMODEM protocol. If the next time the transmitter logs on and attempts to send the same previously named file, after receiving ACK Files, the FEPS will resume receiving the rest of the file. However, if on the next session, the transmitter attempts to send a new file, the previous partially received file will not be processed. In such a case, the transmitter will have to retransmit the whole file. For any other protocol, aborted transmissions must be restarted from the beginning since there are no checkpoint/restart capabilities.
5. Layout of Communications Error Acknowledgment File
  - a. Each Communication Error Acknowledgment File will have a sequence number assigned and the file will be sent to the transmitter in the order of the error.

Example: A transmitter's first transmission was successful, but the second one was aborted because of line noise. The first ACK File would be a regular one regarding acceptance/rejection of the returns within the transmission, followed by a Communications Error ACK File regarding the aborted transmission.

## SECTION 4 DATA COMMUNICATIONS

### .04 Problem Transmissions (Continued)

b. The layout of the Communications Error Acknowledgment File is below:

0120\*\*\*\*TRANA9blanksTHIS IS A COMMUNICATIONS ERROR ACKNOWLEDGMENT  
FILE47blanks#

**(The TRANA portion of the file is a total of 72 characters followed by 47 blanks and the pound sign (#) in the 120th position.)**

**0120\*\*\*\*TRANB TRANSMISSION MMDDnnnn ON MM/DD/YYYY, HH:MM:SS WAS UNSUCCESSFUL DUE TO THE FOLLOWING CONDITION:**

(The TRANB portion of the file is followed by blanks and a pound sign (#) in the 120th position; "Month,Month,Day,Day" = MMDD; "nnnn" = Transmission Sequence Number.)

**0120\*\*\*\*ACK**

(The ACK portion of the file containing one of the above Communication Error messages appears here, followed by blanks and a pound sign (#) in the 120th position.)

**0120\*\*\*\*RECAP**

(The RECAP portion of the file is followed by 106 blanks and the pound sign (#) in the 120th position.)

## SECTION 5 TRANSMISSION FILE FORMAT

### .01 General Description

1. All transmission data must be in ASCII format. No binary fields may be transmitted.
2. A transmission session will normally consist of three parts:
  - a. First, the communications link must be established using acceptable protocol.
  - b. Next, the transmitter will receive the acknowledgment transmission containing information about the previous transmission session, if an acknowledgment file exists.
  - c. Then, the return record transmission may commence. The return record transmission will consist of a series of logical records beginning with the Transmitter records, followed by some number of logical return records for a maximum of 10,000 returns per transmission for dial-up filers and 10,000 returns for dedicated/leased lines, and ending with a RECAP record.

CAUTION: Dial-up filers using ZMODEM with Checkpoint/Restart can file more than 500 returns per transmission with a maximum of 10,000 (Return Sequence Numbers 0000 – 9999). Dedicated leased line filers can file a maximum of 10,000 returns.

3. All return records must be in ascending order by Declaration Control Number (DCN) and Return Sequence Number (RSN).
4. Each record within a transmission must be preceded by two four-byte fields, the Record Control Information. The first four-byte field is for a record Byte Count that will contain a count of the number of bytes within the logical record including the four bytes for the counter itself, four bytes for the Start of Record Sentinel (\*\*\*\*), and one byte for the Record Terminus Character (#). The second four-byte field will be the Start of Record Sentinel, which must be four asterisks (\*\*\*\*).
5. Every record must have the Record Terminus Character (#) as its last significant byte. Note that provisions have been made to allow for non-significant padding to exist following the Record Terminus Character, i.e., **CR or LF** may be added after the Record Terminus Character to fill up a physical block size. This is permitted to accommodate all the different computer systems being used to transmit data.



## SECTION 5 TRANSMISSION FILE FORMAT

### **.01 General Description (Continued)**

6. The first records on a transmitted file, the TRANA and TRANB Records, contain information regarding the transmitter and file format. These records should be followed by the records comprising the tax returns being transmitted.
7. The end of the logical transmission is signaled by the literal "RECAP". It is followed by the RECAP Record data and the Record Terminus Character (#).
8. The TRANA, TRANB and RECAP records are fixed-length records of 120 bytes each. Any non-significant field should be blank-filled.
9. A tax return will consist of a variable number of fixed length or variable length records. The size and format of the logical record for each page of each schedule, form, etc., are specified in Part II Record Layouts.
10. Each logical record should contain all data fields pertaining to one printed page of an official schedule, form, or line of a Statement Record. Therefore, the logical record contains an entire schedule or form, or a logical part (i.e., PG01 or PG02) of a schedule or form, or line of a Statement Record.
11. Each complete tax return must consist of all logical records pertaining to it in the following sequence:
  - Form 1065 Page 1 – 4;
  - Schedules in alphabetical order or in Attachment Sequence Number order as preprinted on the official IRS form;
  - Forms in numerical order or in Attachment Sequence Number order as preprinted on the official IRS form;
  - Statement Records;
  - Summary Record.
12. Schedule, Form, and Statement Records can contain additional sequential Page Records if the record consists of more than one printed page. (Pages are only numbered within a schedule, form, or statement record, not across the return.) All records must appear in the order above with the proper control information. The counts of the schedules and forms must match the counts in the Summary Record or the return will be rejected.
13. The file should be unlabeled (no standard header or trailer records).

## **SECTION 5 TRANSMISSION FILE FORMAT**

### **.01 General Description (Continued)**

14. Each file must contain only complete returns.
15. The page should not be generated if there are no entries on a page record of a schedule or form. A blank page (Record ID Group only) will cause the return to be rejected, except in cases where multiple forms require that one page be present when the other page is present.

## SECTION 5 TRANSMISSION FILE FORMAT

### .02 Fixed and Variable Length Options

There are two options available for transmitting logical tax return records: fixed length (fixed format) and variable length (variable format). (The Transmitter Records TRANA, TRANB, and RECAP Record are not tax return records.)

#### 1. **Fixed Length Option (Fixed Format)**

The fixed length option requires the complete tax return to be transmitted exactly as defined in Part II Record Layouts. All fields must be present. If a field contains no data, it must be blank-filled or zero-filled. The fixed length option is indicated by an "F" in the Record Type (SEQ 100) of the TRANS Record A (TRANA).

When the fixed length option is used, the following data field conventions must be followed:

##### a. Alphanumeric Fields - Fixed Format

- (1) Left-justify the field with trailing blanks.
- (2) When a "literal" is included in the field description, enter the literal value exactly as specified in Part II Record Layouts, left-justified. Trailing blanks must be entered.

NOTE: The trailing blanks are not shown in the Record Layouts.

##### b. Numeric Fields - Fixed Format

- (1) Unsigned numeric fields: Right-justify with leading zeros.
- (2) Signed numeric fields (money amounts): Right-justify with leading zeros, reserving the right-most position for the sign. A blank ( ) indicates a gain and a minus sign (-) indicates a loss.
- (3) Signed numeric fields that can also contain literal values:  
Enter signed numeric fields as described above. When entering a literal value, left-justify and blank-fill the field.

## SECTION 5 TRANSMISSION FILE FORMAT

### .02 Fixed and Variable Length Options

#### 2. Variable Length Option (Variable Format)

The variable length option provides for the transmission of only control information, including the record ID group, significant data fields, and significant data within individual fields. The variable length option is indicated by a "V" in the Record Type (SEQ 100) of the TRANS Record A (TRANA).

When the variable length option is used, the following data field conventions must be followed:

##### a. Alphanumeric Fields - Variable Format

- (1) Left-justify data in the field. Do not enter leading blanks. Trailing blanks are dropped.
- (2) When a "literal" is included in the field description, enter the literal value exactly as specified in Part II Record Layouts, left-justified. Only the value of the literal (including embedded blanks) must be entered. Trailing blanks are dropped.

##### b. Numeric Fields - Variable Format

- (1) Unsigned numeric fields: In most cases, leading zeros may be dropped.

Leading zeros cannot be dropped from the following:  
Date fields, Ratio (percentage) fields, Business Code field of Schedules C/C-EZ, and Agricultural Activity Code field of Schedule F. The leading zero cannot be dropped from the two-digit value of the Post of Duty field of Forms 2555/2555EZ nor from the "Type of Use" fields of Form 4136.

- (2) Signed numeric fields (money amounts): Leading zeros are dropped. For a positive value, the trailing blank that indicates a gain is dropped. For a negative value in a field that can contain either a gain or a loss, the minus sign (-) must be entered in the last position of the signed numeric field.

## SECTION 5 TRANSMISSION FILE FORMAT

### .02 Fixed and Variable Length Options (Continued)

- (3) Signed numeric fields that can also contain literal values: Enter signed numeric fields as described above. When entering a literal value, left-justify the field; it is not necessary to enter trailing blanks.

#### c. Tax Form, Schedule, and Form Records - Variable Format

When transmitting in variable format, each Tax Form (Form 1040/1040A/1040EZ), Schedule, and Form Record will begin with the Record Control Information (Byte Count and Start of Record Sentinel fields) in the same fixed format shown in the record layouts. This is followed by the Record ID Group. Following the Record ID Group are the data fields. Each data field is preceded by the applicable Field Sequence Number, which is enclosed by square bracket field delimiters, “[” and “]”. The Field Sequence Number is a 4 position number. However, it is permissible to drop the first zero when bracketing the field sequence number. A minimum of three position must be present. For example, you can use [0010] or [010] for Primary SSN of Page 1 of the Tax Return record. The Record Terminus Character (#) follows the last data field in the record.

Example:

nnnn\*\*\*\*RECORD ID GROUP [1st field sequence number]DATA...[next field sequence number]DATA...# ("nnnn" is the record byte count)

**NOTE:** THE FOLLOWING THREE CHARACTERS “[”, “]”, and “#” ARE RESERVED AS DELIMITERS AND CANNOT APPEAR AS DATA CHARACTERS. See Section 5 for information about types of characters in electronically filed returns.

#### d. Statement and Summary Records - Variable Format

All data fields of the Statement and Summary Records must be formatted as fixed length fields. If a field contains no data, it must be blank-filled or zero-filled, as appropriate.

When transmitting in variable format, each Statement and Summary Record will begin with the Record Control Information (Byte Count and Start of Record Sentinel fields) in the same fixed format shown in the Part II Record Layouts. This is followed by the Record ID Group, the data fields formatted as fixed length fields, and the Record Terminus Character (#).