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TAX COMMISSIONER

ELECTRONIC FILING (MEF) PROCEDURES & SPECIFICATIONS

2014
TAX YEAR

2015
PROCESSING YEAR

Table of Contents

| | |
|--|----|
| Introduction..... | 1 |
| Purpose..... | 1 |
| ATS Testing..... | 2 |
| New and/or Changes for TY2014..... | 3 |
| Forms Not Supported Through MeF..... | 6 |
| MeF Supported Forms | 7 |
| PDF Attachments | 8 |
| Acceptance and Participation..... | 8 |
| Developer’s Responsibilities | 9 |
| Software Acceptance, Testing, and Approval..... | 9 |
| Acknowledgement System..... | 10 |
| General Information..... | 10 |
| Signature Requirements | 10 |
| ERO Retention Documents..... | 10 |
| Submitting a Rejected MeF Return on Paper | 11 |
| Refund Options | 11 |
| Payment Options..... | 12 |
| Contact Information | 12 |
| Other Websites..... | 12 |
| MEF Reject Codes and Messages (Appendix A) | 13 |

Introduction

The North Dakota Office of State Tax Commissioner has partnered with the Internal Revenue Service to accept electronic returns via the Modernized E-File (MeF) system. North Dakota accepts individual, fiduciary, partnership, subchapter S corporation, and C corporation returns. The transmission method is a web service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data is formatted using Extensible Markup Language (XML). Authorized Electronic Return Originators (EROs) can submit returns to the IRS MeF system for federal and state return processing. State returns can be transmitted as a “linked” submission (also referred to as a Fed/State return) or as an “unlinked” submission (also referred to as a State Only return). Linked submissions are preferred. Each return must be in a separate submission, but multiple submissions may be contained in a single payload. Software developers must test and be approved by the North Dakota Office of State Tax Commissioner prior to submitting live returns.

Purpose

This manual provides general information for software developers, transmitters, and tax practitioners about North Dakota’s Modernized Electronic Filing Program. And, this manual is a supplement to the materials available on our Web site.

All participants in the North Dakota Federal/State e-file program are our partners, including:

- **Software Developers** – A firm, organization, or individual who creates tax preparation and transmission software for formatting returns according to North Dakota’s electronic specifications. A software developer must test their communication/transmission protocol and test transmissions of all returns and schedules supported by their software that they intend to file.
- **Electronic Return Originators (ERO)** – A firm, organization, or individual who prepares or collects tax returns for electronic transmission. An ERO may be either a tax professional who prepares returns for their clients or someone who creates electronic returns from already prepared returns.
- **Transmitters** – A firm, organization, or individual who uses approved software to electronically transmit completed returns directly to the IRS. An ERO may also be a Transmitter or an ERO may have an arrangement with a third party Transmitter to use their computer services.

For Tax Period January 1, 2014 through December 31, 2014

Begin Acceptance TestingNovember 4, 2014

Software developers must first complete Internal Revenue Service testing before obtaining a final approval with North Dakota. The start-up date for the IRS Acceptance Testing may change.

Transmitters must be accepted by the Internal Revenue Service prior to sending data and testing the North Dakota acknowledgments.

Electronic Return Originators are not required to perform state acceptance testing.

North Dakota opens the gateway for production returns the same day as the IRS. Perfection periods for all MeF returns is 5 calendar days. See IRS MeF web site for more details:

www.irs.gov/Tax-Professionals/e-File-Providers-&-Partners/Modernized-e-File-Program-Information

Privacy Act Notification

This statement has been added to all forms requiring the taxpayer to disclose their SSN or FEIN when submitting forms to our department.

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §57-01-15 and 57-38-56, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

New and/or Changes for TY2014

Changes applicable to Individual, Corporation, S-Corporation, Fiduciary, and Partnership

- Vendors who support Schedule ND-1NR are required to support North Dakota Schedule K-1 (both online and professional products).
- Vendors are required to support the calculation for Form ND-1UT. **Note:** Schedule ND-1UT should be configured to always calculate UT interest if the federal and state estimated payment criteria were met (see form instructions for criteria).
- Estimated payments for TY2015 using ACH Debit must be transmitted with the TY2014 return.
- Withholding lines were added to Form 40, Form 58, and Form 60. These new lines are documented in the next section and instructions are available on our web site. Form 1099-MISC was added to the schemes to report royalty withholding.

TY2014 Individual Income Tax Schemas

IndividualReturnND1.xsd

- Updated enumeration for attribute stateSchema Version to NDIndividual2014v1.0
- (FFF) Updated enumeration for attribute stateSchemaVersion to NDIndividual2014v9.9

FormND1.xsd

- Removed elements CreditResAgCarryover (Line 23) and CreditCommCarryover (Line 24)
- (FFF) Removed elements CreditResAgCarryover (Line 23) and CreditCommCarryover (Line 24)

SchND1TC.xsd

- Removed element RetroactivePropTaxCredit (Line 17)
- (FFF) Removed element RetroactivePropTaxCredit (Line 17)

SchRZ.xsd

- Added element SubTotalExemptAfterJuly31 (Part 7, Line 1f)

SchND1S.xsd

- Taxpayer name and SSN is now required for both taxpayers

TY2014 Fiduciary Income Tax Schemas

EstateTrustReturnND38.xsd

- Updated enumeration for attribute stateSchemaVersion to NDEstateTrust2014v1.0

ReturnData38.xsd

- Removed requirement for SchBI.xsd to always be present
- Included SchNDK1Received.xsd (new schema)

SchRZ.xsd

- Added element SubTotalExemptAfterJuly31 (Part 7, Line 1f)

TY2014 Corporation/S Corporation Income Tax Schemas

BusinessReturnND40.xsd

- Updated enumeration for attribute stateSchemaVersion to NDBusiness2014v1.0

BusinessReturnND58.xsd

- Updated enumeration for attribute stateSchemaVersion to NDBusiness2014v1.0

BusinessReturnND60.xsd

- Updated enumeration for attribute stateSchemaVersion to NDBusiness2014v1.0

ReturnData58.xsd

- Included SchNDK1Received.xsd (new schema)

ReturnData60.xsd

- Included SchNDK1Received.xsd (new schema)

Form58.xsd

- Added element TaxWithheld (Line 4)
- Added element TotPayments (Line 6)

SchK.xsd

- Removed element CreditNonprofitDevCorp (Line 13)

SchNDK1.xsd

- Removed element CreditNonprofitDevCorp (Line 13)

Form40.xsd

- Added element TaxWithheld (Line 22)
- Added element TotPayments (Line 23)

SchSA.xsd

- Added element Federal1120F (Question 3)

SchTC.xsd

- Removed element CreditPropCarryover (Line 26)

SchCR.xsd

- Removed element CreditPropCarryover (Line 26)

Form60.xsd

- Added element TaxWithheld (Line 5)
- Added element TotPayments (Line 7)

State1099MISC

- This is a new schema added to the package

Schema Version

- To obtain the current schema version please refer to our developer web site at www.nd.gov/tax/vendor/developer.

Forms Not Supported Through MeF

Due to the very limited use of the forms listed below, schemas have not been developed to support them in the MeF program. Taxpayers may still take the credits associated with these schedules, and attach a PDF of the schedule, if the software product used supports PDF attachments. If a PDF of the schedule is not attached, the taxpayer may receive a request for information from our office asking for additional documentation.

Individual

- Schedules ND-1FC (Family Member Care Credit)
- ND-1PG (Planned Gift Tax Credit)
- ND-1QEC (Qualified Endowment Fund Tax Credit)
- Schedule ME (Credit for Wages Paid to a Mobilized Employee)
- ND-1CS (Calculation of tax on proceeds from sale of an income tax credit)

Corporation, S-Corporation, Partnership, Fiduciary

- Schedule ME

MeF Supported Forms

The following forms and schedules are supported by the North Dakota MeF program. All state adjustments and tax credits not requiring a separate state schedule can be e-filed. Not all schedules are required to be supported. (* Required forms and/or schedules)

| Individual Income Tax (ND-1) | |
|---|--|
| *Form ND-1 | Individual Income Tax Return |
| Schedule ND-1CR | Credit for Income Tax Paid to Another State |
| Schedule ND-1FA | 3-Year Averaging Method for Elected Farm Income |
| Schedule ND-1NR | Non-resident and Par-year Resident Schedule |
| Schedule ND-1SA | Statutory Adjustments |
| Schedule ND-1TC | Tax Credits |
| *Schedule ND-1UT | Underpayment of Estimated Income Tax |
| *Schedule ND-1S | Allocation of Income by Same-Sex Individuals Filing A Joint Federal Return |
| *Schedule ND K-1 | Share of North Dakota Withholding from a Pass-Through Entity |
| Capital Gain Exclusion Worksheet | Optional worksheet which applies to Form ND-1, line 8 |
| Marriage Penalty Credit Worksheet | Optional worksheet which applies to Form ND-1, line 22 |
| Schedule RZ | Schedule of Renaissance Zone Income Exemption and Tax Credit |
| Corporation Income Tax (Form 40) | |
| *Form 40 | Corporate Income Tax Return |
| *Schedule SA | Statutory Adjustments |
| *Schedule FACT | Apportionment Factor for Corporations Not Filing a Consolidated State Return |
| Schedule WE | Water's Edge Method Income Schedule |
| *Schedule TC | Tax Credits |
| Schedule WW | Combined Report Method Income Schedule |
| *Schedule CR (Parts 1-3) | Computation of Tax Due for Corporations Included in a North Dakota Consolidated Return |
| *Form 40-UT | Underpayment of Estimated Income Tax |
| Schedule RZ | Schedule of Renaissance Zone Income Exemption and Tax Credit |
| S Corporation Income Tax (Form 60) | |
| *Form 60 | S Corporate Income Tax Return |
| *Schedule FACT | Calculation of North Dakota Apportionment Factor |
| Schedule BG | Tax on Excess Passive Income and Built-In Gains |
| *Schedule K | Total North Dakota Adjustments, Credits, and Other Items Distributable to Shareholders |
| *Schedule KS | Shareholder Information |
| *Schedule K-1 | Shareholder's Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items |
| Schedule RZ | Schedule of Renaissance Zone Income Exemption and Tax Credit |
| Partnership Income Tax (Form 58) | |
| *Form 58 | Partnership Income Tax Return |
| *Schedule FACT | Calculation of North Dakota Apportionment Factor |
| *Schedule K | Total North Dakota Adjustments, Credits, and Other Items Distributable to Partners |
| *Schedule KP | Partner Information |
| *Schedule K-1 | Partner's Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items |
| Schedule RZ | Schedule of Renaissance Zone Income Exemption and Tax Credit |

MeF Supported Forms - Continued

| Fiduciary Income Tax (Form 38) | |
|--------------------------------|--|
| *Form 38 | Fiduciary Income Tax Return |
| *Tax Compensation Schedule | Tax on Fiduciary's Taxable Income |
| *Schedule BI | Beneficiary Information |
| Schedule CR | Credit for Income Tax Paid to Another State |
| *Form 38-UT | Calculation of Interest on Underpayment or Late Payment of Estimated Tax for Estates and Trusts |
| *Schedule K-1 | Beneficiary's Share of North Dakota Income (Loss), Deductions, Adjustments, Credits, and Other Items |
| Schedule RZ | Schedule of Renaissance Zone Income Exemption and Tax Credit |

PDF Attachments

MeF provides the ability for the taxpayer or tax preparer to include a PDF attachment with the e-filed return, provided the software product supports PDF attachments. This functionality can be used to provide support documentation for amounts claimed on the return, which can save having to submit the information to our office on paper. Suggested uses for PDF attachments:

- Attaching forms or schedules not supported by MeF.
- Other states' tax returns to support the credit for tax paid to another state.
- Military Title 10 orders to support the National Guard/Reserve member income exclusion.
- Documentation to support any other addition, deduction, or tax credit claimed on the form.

*Note: North Dakota does not require any attachments for electronic returns. For paper returns, our instructions request that some documents be attached. If attaching the supporting documents is not feasible, e.g. no scanner, these returns should still be filed electronically. We will send out a request for information if needed.

Acceptance and Participation

North Dakota accepts electronic returns from any IRS approved software provider. All participating software developers must:

- Register with our office, prior to submitting test files. The applicable registration forms are located on our web site at www.nd.gov/tax/vendor/developer.
- Submit the completed registration forms to our office using one of the two methods below:
 1. E-mail to taxmef@nd.gov
 2. Fax to 701.328.0352
- Developers will receive a confirmation e-mail acknowledging acceptance of their registration.

Developer’s Responsibilities

Developed software must:

- Adhere to all federal and state procedures, requirements, and specifications. Federal requirements are specified in IRS Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters*.
- Pass all relevant tests prescribed by the North Dakota Office of State Tax Commissioner.
- Be developed in accordance with statutory requirements and return preparation instructions obtained from the North Dakota Office of State Tax Commissioner.
- Provide accurate North Dakota tax returns in the correct electronic format.
- Support the substitute form (printable version) for all supported schemas.
- Provide data validation, verification, and error detection to prevent transmission of incomplete or invalid return data.
- Clearly state which forms/schedules and filing scenarios are supported. We also post this information on our web site at www.nd.gov/tax/.
- Have the ability to be updated throughout the filing season for issues that may not be evident during testing. Customer should receive notification in a timely manner to mitigate any outstanding issues.

Software Acceptance, Testing, and Approval

- North Dakota follows the same dates and deadlines as the IRS for testing purposes.
- Test scenarios, xml schemas, and all other relevant documentation are available on our web site.
- E-mail taxmef@nd.gov when sending test returns. Include your company name, software product name, NACTP software ID, ETIN and the Submission IDs associated with the test returns. For tracking purposes, the company/software name and the tax type being tested, should be listed in the “subject” line of the e-mail.
- The state manifest must include the following information:
 - GovernmentCode = **NDST**
 - SubmissionType = **FormND1** or **Form60** or **Form58** or **Form40** or **Form38**
 - SubmissionCategory = **IND** or **PART** or **CORP** or **ESTRST**
- Please use your NACTP Vendor ID in the Software ID field. This allows us to identify which software was used to prepare and submit the return. We will reject the returns if a number other than your NACTP vendor ID is used.
- Send data elements only if they contain values, unless the fields are required.
- We will generate acknowledgements on all test returns. However, an “accepted” ACK does not mean we have approved your software for release. You must receive a software approval e-mail from the Office of State Tax Commissioner prior to releasing your software.

Acknowledgement System

- The North Dakota Office of State Tax Commissioner will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record is created using standards agreed upon by the IRS, state agencies, transmitters, and software developers.
- Allow two days to receive the acknowledgment from North Dakota.
- North Dakota will reject returns missing required schedules or having mismatched data.
- Appendix A contains a complete list of business rules and associated reject codes.
- Returns may be corrected and re-transmitted as long as the MeF and the software product being used supports the missing schedule or form.

General Information

- Electronic payments from a checking or savings account may be submitted along with the return. This “Direct Debit” option is available on Individual, Partnership, Fiduciary and Corporation returns and is the preferred method. Note: The “Direct Debit” payment option is not available if a paper return is filed.
- Vouchers for mailing payments must follow the specifications provided on our web site. Form templates can be found at: www.nd.gov/tax/vendor/mef/mef/

Signature Requirements

The IRS obtains the taxpayer’s signature by requiring the taxpayer to select a PIN (Federal Form 8879). North Dakota recognizes the federal PIN as the signature for the North Dakota return. If the return must be submitted as an unlinked (state only) return, a self-selected PIN may be used.

ERO Retention Documents

When an ERO files an electronic return, the ERO must also retain the following documents as they may apply to the return:

- State copies of Forms W-2, W-2G, 1099, and ND Schedule K-1s – anything with state income tax withholding identified.
- Copy of the other state’s return for a credit claimed on Schedule ND-1CR.
- Copy of the supporting statements identifying interest from U.S. obligations.
- Copy of RRB-1099 or RRB-1099R.
- Copy of the statement supporting the new or expanding business income exemption.
- National Guard/Reserve member’s mobilization orders.
- Copy of the credit certificate from ND Housing Finance Agency.
- Copy of the supporting statement for the human organ donor expense deduction.
- Copy of the Ag Commodity or Seed Capital Investment reporting form.
- Copy of the biodiesel fuel supplier/seller statement.

- Copy of the statement from the entity when claiming a gain or loss from an S corporation that elected to be taxed as a C corporation for North Dakota income tax purposes.
- Other forms, schedules, or statements to explain information stated.

Submitting a Rejected MeF Return on Paper

If the state return is rejected and cannot be retransmitted electronically, the following documents should be submitted to our office:

- Copy of the signed federal Form 8879, 8879-F, 8879-PE, 8879-S, or 8879-C.
- Form ND-1, 38, 58, 60, or 40 and any supporting North Dakota forms and schedules. On the taxpayer's signature line of Form ND-1, 38, 58, 60, or 40, please write, "See attached Form 8879."
- The federal return and any supporting federal forms and schedules.
- Copy of all Forms W-2, W-2G, 1099, and Schedule K-1s that indicate North Dakota withholding.
- Any other documentation needed to support the state return.

Refund Options

Taxpayers have four options when their North Dakota return shows an overpayment of taxes. They may elect to have their overpayment:

1. Direct deposited to their financial institution account (the preferred method);
2. Sent as a paper check;
3. Applied as an estimated payment to next year's tax liability;
4. Donated to the Watchable Wildlife Fund or the Trees for ND Program Trust Fund.

Refunds applied under options 1 and 2 generally occur within ten days of the electronic transmission of the taxpayer's return if the tax return is filed without errors, or does not require further review. If our department encounters any errors when processing the tax return, the refund may be delayed.

A refund may also be delayed, or denied, if the taxpayer owes past due North Dakota taxes, fines, or debts to other state agencies (i.e. child support, student loans, etc.). The Office of State Tax Commissioner is required by law to offset the income tax refund to any of these debts.

Link to Where's My Refund: www.nd.gov/tax/indincome/refundinfo/index

Payment Options

Taxpayers have various options to remit their balance due. They may elect to:

1. Make an electronic payment directly from their checking or savings account (aka Direct Debit or ACH Debit). There is no fee for this payment option, when submitting the banking information with the MeF return. This option is not allowed for paper returns.
2. Pay by credit card, debit card, or electronic check through FIS Corporation at www.nd.gov/tax/make-payment. FIS will charge a fee for this service. This application also includes options for paying other taxes which are not part of MeF.
3. Mail in a check or money order with the appropriate payment voucher:
 Individual – Form ND-1V, Partnership – Form 58-EPV, S Corporation – Form 60-EPV,
 Fiduciary – Form 38-EPV, Corporation – Form 40-EPV.
4. Corporations, S Corporations, Fiduciaries and Partnerships have an additional option to remit payment using ACH Credit. Essential information must be provided with each ACH Credit payment in an addenda record using the banking standard TXP format to insure funds are applied correctly to the taxpayer’s account. The TXP file layouts are available on our web site at www.nd.gov/tax and selecting Electronic Payments listed under each tax type.

Contact Information

| Contact Information | | | | |
|---------------------------------|----------------|--------------|--------------|--|
| Subject | Contact Person | Phone | E-Fax | E-mail |
| General Questions | | | | taxmef@nd.gov |
| ATS Testing & Registration | Cindy Roehrich | 701.328.2049 | 701.328.0352 | taxmef@nd.gov |
| Individual Income Tax Questions | Donna Kohler | 701.328.3102 | 701.328.0352 | taxmef@nd.gov |
| Business income Tax Questions | Sean Murray | 701.328.2235 | 701.328.0352 | taxmef@nd.gov |
| Technical Questions | Lucas Asche | 701.328.3129 | 701.328.0352 | taxmef@nd.gov |

Other Web Sites

| Other Web Sites | |
|---|--|
| Subject | Web Site |
| North Dakota MeF | www.nd.gov/tax/vendor/mef/mef |
| North Dakota Software Developer | www.nd.gov/tax/vendor/developer |
| North Dakota Office of State Tax Commissioner | www.nd.gov/tax/ |

TY2014 MeF Business Rules

Applies to all MeF filings

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|--------|---|----------------|----------|-------------|
| X0000-005 | | Schema validation error. The electronic return does not match the format defined by North Dakota. | | Reject | Active |
| R0000-001 | | Duplicate return. North Dakota has already received and accepted a return for the same filing period. | | Reject | Active |
| R0000-002 | | An unauthorized software vendor was used to submit the state return. Please contact your software provider. | | Reject | Active |
| R0000-003 | | We are unable to process your electronic return payment due to an invalid routing number. Please verify you have entered the correct bank routing number and bank account number prior to resubmitting the return. | Incorrect Data | Reject | Active |
| R0000-004 | | Tax Period Begin and End Dates are required. | Missing Data | Reject | Active |
| R0000-005 | | We are unable to process your direct deposit request with the information you provided on your return. A paper check will be issued to the address provided on the return. | Incorrect Data | Alert | Active |
| R0000-006 | | We are unable to process one or more of your electronic estimated payments due to an invalid routing number. Please verify you have entered the correct bank routing number and bank account number prior to resubmitting the return. | Incorrect Data | Reject | Active |
| R0000-007 | | The requested date of one or more of your electronic payments is outside of the valid date range. Please verify you have entered the correct dates for your return payment and, if applicable, any estimated payments prior to resubmitting the return. | Incorrect Data | Reject | Active |

Individual Income Tax

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|--------|---|----------------|----------|-------------|
| FND1-001 | | When the filing status is married filing jointly, the spouse's first and last name are required. | Missing Data | Reject | Active |
| FND1-002 | Line A | The filing status (single, married filing jointly, etc) must be the same on both the state and federal returns, unless Schedule ND-1S (Allocation of income by same-sex individuals filing a joint federal return) is completed. Please verify your filing status for federal and North Dakota is the same, or complete Schedule ND-1S, if it applies to you. If your software does not support Schedule ND-1S, you must file a paper return. | Data Mismatch | Reject | Active |
| FND1-003 | Line A | The Spouse SSN or ITIN is required when the filing status is married filing jointly. | Missing Data | Reject | Active |
| FND1-004 | | SSNs or ITINs must be the same on both the state and federal returns. | Data Mismatch | Reject | Active |
| FND1-005 | | The tax period end date is required for all calendar or fiscal year end returns. | Missing Data | Reject | Active |
| FND1-006 | Line D | Federal adjusted gross income on Form ND-1, line D must equal federal adjusted gross income on the federal return, or the allocable portion of the federal amount designated on Schedule ND-1S (Allocation of income by same-sex individuals filing a joint federal return). If your software does not support Schedule ND-1S, you must file a paper return. | Data Mismatch | Reject | Active |
| FND1-007 | Line 1 | Federal taxable income on Form ND-1, line 1 must equal federal taxable income on the federal return, when the amount on the federal return is greater than \$0, or the allocable portion of the federal amount designated on Schedule ND-1S (Allocation of income by same-sex individuals filing a joint return). If your software does not support Schedule ND-1S, you must file a paper return. | Data Mismatch | Reject | Active |

Individual Income Tax (cont.)

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|---------|--|----------------|----------|-------------|
| FND1-008 | Line 16 | Total subtractions from Schedule ND-1SA must equal Form ND-1, line 16. | Data Mismatch | Reject | Active |
| FND1-009 | Line 16 | Schedule ND-1SA is required when Form ND-1, line 16 is greater than \$0. | Missing Form | Reject | Active |
| FND1-010 | Line 20 | When the state tax computation on Form ND-1, line 20 does not equal the tax computed per the North Dakota tax tables or rate schedule for the filing status claimed, either Schedule ND-1NR or Schedule ND-1FA is required. | Missing Form | Reject | Active |
| FND1-011 | Line 21 | The sum of total credit(s) claimed on Schedule(s) ND-1CR must equal Form ND-1, line 21. If a credit is being claimed for more than one state, a Schedule ND-1CR is required to be completed for each state. | Data Mismatch | Reject | Active |
| FND1-012 | Line 21 | Schedule ND-1CR is required when Form ND-1, line 21 is greater than \$0. If a credit is being claimed for more than one state, a Schedule ND-1CR is required to be completed for each state. | Missing Form | Reject | Active |
| FND1-013 | Line 22 | To be eligible for the marriage penalty credit, your filing status must be married filing jointly. | Incorrect Data | Reject | Active |
| FND1-014 | Line 22 | To be eligible for the marriage penalty credit, your North Dakota taxable income on Form ND-1, line 18 must be greater than \$61,950. | Incorrect Data | Reject | Active |
| FND1-015 | Line 22 | The marriage penalty credit for married filing jointly filers cannot exceed \$200. | Incorrect Data | Reject | Active |
| FND1-016 | Line 23 | The total credit amount claimed on Schedule ND-1TC must equal Form ND-1, line 23. | Data Mismatch | Reject | Active |
| FND1-017 | Line 23 | Schedule ND-1TC is required when Form ND-1, line 23 is greater than \$0. | Missing Form | Reject | Active |
| FND1-018 | Line 26 | Total North Dakota withholding on Form ND-1, line 26 must equal the sum of North Dakota withholding from all Forms W-2, W-2G, 1099G, 1099R, 1099-MISC, 1099-INT, 1099-DIV, 1099-OID, 1099-B, and North Dakota Schedule K-1s submitted with the return. | Data Mismatch | Reject | Active |
| FND1-019 | Line 26 | Withholding statements (Forms W-2, W-2G, 1099G, 1099R, 1099-MISC, 1099-INT, 1099-DIV, 1099-OID, 1099-B, or North Dakota Schedule K-1s) are required when Form ND-1, line 26 (state withholding) is greater than \$0. | Missing Form | Reject | Active |
| FND1NR-001 | Header | Full-year nonresidents must provide the name of the other state in which they reside. | Missing Data | Reject | Active |
| FND1NR-002 | Header | Part-year residents must provide the name of the other state in which they resided. | Missing Data | Reject | Active |
| FND1NR-003 | Header | Part-year residents must provide the dates during which they resided in North Dakota. | Missing Data | Reject | Active |
| FND1NR-004 | Line 21 | If Schedule ND-1NR is used to calculate the tax, Schedule ND-1NR, line 21 must equal Form ND-1, line 20. | Data Mismatch | Reject | Active |
| FND1NR-005 | Header | Residency status is required. | Missing Data | Reject | Active |
| FND1TC-001 | Line 2 | The total credit claimed on Schedule RZ must equal Schedule ND-1TC, line 2. | Data Mismatch | Reject | Active |
| FND1TC-002 | Line 2 | Schedule RZ is required when Schedule ND-1TC, line 2 is greater than \$0. | Missing Form | Reject | Active |
| FND1SA-001 | Line 1 | The total RZ exemption claimed on Schedule RZ must equal Schedule ND-1SA, line 1. | Data Mismatch | Reject | Active |
| FND1SA-002 | Line 1 | Schedule RZ is required when Schedule ND-1SA, line 1 is greater than \$0. | Missing Form | Reject | Active |
| FND1CR-001 | Line 7 | If Schedule ND-1CR is used and you are a full year resident (if married filing jointly, both you and your spouse must be full year residents), the sum of the credit(s) calculated on Schedule(s) ND-1CR, Line 7 must equal Form ND-1, line 21. | Data Mismatch | Reject | Active |

Individual Income Tax (cont.)

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|---------|---|----------------|----------|-------------|
| FND1CR-002 | Line 11 | If Schedule ND-1CR is used and you are a part-year resident (or if married filing jointly, your spouse is a part-year resident), the sum of the credit(s) calculated on Schedule(s) ND-1CR, Line 11 must equal Form ND-1, line 21. | Data Mismatch | Reject | Active |
| FND1FA-001 | Line 23 | If Schedule ND-1FA is used to calculate the tax and you are a full year resident (if married filing jointly, both you and your spouse must be full year residents), the tax calculated on Schedule ND-1FA, line 23 must equal Form ND-1, line 20. | Data Mismatch | Reject | Active |
| FND1FA-002 | Line 23 | If Schedule ND-1FA is used to calculate the tax and you are required to use Schedule ND-1NR, the tax calculated on Schedule ND-1FA, line 23 must equal Schedule ND-1NR, line 20. | Data Mismatch | Reject | Active |
| FND1UT-001 | Line 39 | When the total interest on Schedule ND-1UT is greater than zero, it must equal Form ND-1, line 37. | Data Mismatch | Reject | Active |
| FND1S-001 | | SSNs or ITINs on Schedule ND-1S must be the same as the federal return. | Data Mismatch | Reject | Active |
| FND1S-002 | | Filing status is invalid. Same-sex filers must file as single or head of household on the state return. | Data Mismatch | Reject | Active |
| FND1S-003 | | Only the taxpayer's SSN or ITIN is allowed on Form ND-1 if it was calculated using Form ND-1S. | Data Mismatch | Reject | Active |
| FND1S-004 | Line 32 | Federal adjusted gross income on Schedule ND-1S, column A, line 32 must equal the federal adjusted gross income on the federal return. | Data Mismatch | Reject | Active |
| FND1S-005 | Line 32 | Federal adjusted gross income on Schedule ND-1S, column B or C, line 32 must equal the federal adjusted gross income on Form ND-1, line D. | Data Mismatch | Reject | Active |
| FND1S-006 | Line 35 | Federal taxable income on Schedule ND-1S, column A, line 35 must equal the federal taxable income on the federal return. | Data Mismatch | Reject | Active |
| FND1S-007 | Line 35 | Federal taxable income on Schedule ND-1S, column B or C, line 35 must equal the federal taxable income on Form ND-1, line 1 when the amount from Schedule ND-1S is greater than zero. | Data Mismatch | Reject | Active |

Partnership Income Tax

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|---------|---|----------------|----------|-------------|
| F58-001 | Line C | The FEIN (Federal Tax ID) on the state return does not match the FEIN on the federal return. | Data Mismatch | Reject | Active |
| F58-002 | Line 1 | Income tax withheld on Form 58, line 1 must equal the sum of all North Dakota withholding provided on line 3 of the Schedule(s) KP. | Data Mismatch | Reject | Active |
| F58-003 | Line 2 | Composite income tax on Form 58, line 2 must equal the sum of all composite tax provided on line 4 of the Schedule(s) KP. | Data Mismatch | Reject | Active |
| F58-004 | Line 4 | Total North Dakota withholding on Form 58, line 4 must equal the sum of North Dakota withholding from all 1099-MISC and North Dakota Schedule K-1s submitted with the return. | Data Mismatch | Reject | Active |
| F58-005 | Line 4 | Withholding statements (1099-MISC, North Dakota Schedule K-1) are required when From 58, line 4 is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-001 | Line 4a | Schedule RZ is required when Schedule K, line 4a is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-002 | Line 4a | The RZ exemption claimed on Schedule K, line 4a must equal Schedule RZ, line 1c, part 7. | Data Mismatch | Reject | Active |
| FSCHK-009 | Line 4b | Schedule RZ is required when Schedule K, line 4b is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-010 | Line 4b | The RZ exemption claimed on Schedule K, line 4b must equal Schedule RZ, line 1h, part 7. | Data Mismatch | Reject | Active |
| FSCHK-003 | Line 7a | Schedule RZ is required when Schedule K, line 7a is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-004 | Line 7a | The RZ credit claimed on Schedule K, line 7a on Schedule K must equal Schedule RZ, line 4, part 7. | Data Mismatch | Reject | Active |
| FSCHK-005 | Line 7b | Schedule RZ is required when Schedule K, line 7b is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-006 | Line 7b | The RZ credit claimed on Schedule K, line 7b must equal Schedule RZ, line 5, part 7. | Data Mismatch | Reject | Active |
| FSCHK-007 | Line 7c | Schedule RZ is required when Schedule K, line 7c is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-008 | Line 7c | The RZ Credit claimed on Schedule K, line 7c must equal Schedule RZ, line 6, part 7. | Data Mismatch | Reject | Active |
| FSCHKP-001 | Line 3 | The sum of withholding claimed on Line 39 for all North Dakota Schedules K-1 must equal the sum of Line 3 on the Schedule(s) KP. | Data Mismatch | Reject | Active |
| FSCHKP-002 | Line 4 | The sum of ccomposite income tax claimed on Line 40 for all North Dakota Schedules K-1 must equal the sum of Line 4 on the Schedule(s) KP. | Data Mismatch | Reject | Active |

S-Corporation Income Tax

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|---------|---|----------------|----------|-------------|
| F60-001 | Line C | The FEIN (Federal Tax ID) on the state return does not match the FEIN on the federal return. | Data Mismatch | Reject | Active |
| F60-002 | Line 1 | The tax on excess net passive income and built-in gains must equal Schedule BG, line 8. | Data Mismatch | Reject | Active |
| F60-003 | Line 2 | Income tax withheld on Form 60, line 2 must equal the sum of all North Dakota withholding provided on Line 3 of the Schedule(s) KS. | Data Mismatch | Reject | Active |
| F60-004 | Line 3 | Composite income tax on Form 60, line 3 must equal the sum of all composite tax provided on Line 4 on Schedule(s) KS. | Data Mismatch | Reject | Active |
| F60-005 | Line 5 | Total North Dakota withholding on Form 60, line 5 must equal the sum of North Dakota withholding from all 1099-MISC and North Dakota Schedule K-1s submitted with the return. | Data Mismatch | Reject | Active |
| F60-006 | Line 5 | Withholding statements (1099-MISC, North Dakota Schedule K-1) are required when From 60, line 5 is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-001 | Line 2a | Schedule RZ is required when Schedule K, line 2a is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-002 | Line 2a | The RZ exemption claimed on Schedule K, line 2a must equal Schedule RZ, line 1c, part 7. | Data Mismatch | Reject | Active |
| FSCHK-009 | Line 2b | Schedule RZ is required when Schedule K, line 2b is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-010 | Line 2b | The RZ exemption claimed on Schedule K, line 2b must equal Schedule RZ, line 1h, part 7. | Data Mismatch | Reject | Active |
| FSCHK-003 | Line 4a | Schedule RZ is required when Schedule K, line 4a is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-004 | Line 4a | The RZ credit claimed on Schedule K, line 4a must equal Schedule RZ, line 4, part 7. | Data Mismatch | Reject | Active |
| FSCHK-005 | Line 4b | Schedule RZ is required when Schedule K, line 4b is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-006 | Line 4b | The RZ credit claimed on Schedule K, line 4b must equal Schedule RZ, line 5, part 7. | Data Mismatch | Reject | Active |
| FSCHK-007 | Line 4c | Schedule RZ is required when Schedule K, line 4c is greater than \$0. | Missing Form | Reject | Active |
| FSCHK-008 | Line 4c | The RZ credit claimed on Schedule K, line 4c must equal Schedule RZ, line 6, part 7. | Data Mismatch | Reject | Active |
| FSCHKS-001 | Line 3 | The sum of withholding claimed on Line 34 for all North Dakota Schedules K-1 must equal the sum of Line 3 on Schedule(s) KS. | Data Mismatch | Reject | Active |
| FSCHKS-002 | Line 4 | The sum of composite income tax claimed on Line 35 for all North Dakota Schedules K-1 must equal the sum of Line 4 on Schedule(s) KS. | Data Mismatch | Reject | Active |

Corporate Income Tax

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|---------------|------------|---|----------------|----------|-------------|
| F40-001 | Line 1 | For filing methods b1 and c1, Schedule CR must be completed. | Missing Form | Reject | Active |
| F40-002 | Line 1 | For filing methods c and c1, income must equal Schedule WE, line 13. | Data Mismatch | Reject | Active |
| F40-003 | Line 1 | For filing methods b and b1, income must equal Schedule WW, line 11. | Data Mismatch | Reject | Active |
| F40-004 | Line 2 | Total additions on Form 40, line 2 must equal Schedule SA, line 9. | Data Mismatch | Reject | Active |
| F40-005 | Line 3 | Total subtractions on Form 40, line 3 must equal Schedule SA, line 17. | Data Mismatch | Reject | Active |
| F40-006 | Line 5 | For filing methods a, b, and c, if the apportionment factor does not equal 1.000000 or 0, Schedule FACT must be completed. | Missing Form | Reject | Active |
| F40-007 | Line 5 | For filing methods a, b, and c, Line 5 must equal Schedule FACT, line 14. | Data Mismatch | Reject | Active |
| F40-008 | Line 5 | For filing methods b1 and c1, Line 5 must equal Schedule CR, part II, line 15a. | Data Mismatch | Reject | Active |
| F40-009 | Line 10 | If the Renaissance Zone Income Exemption is claimed, Schedule RZ must be completed. | Missing Form | Reject | Active |
| F40-010 | Line 20 | For filing methods b1 and c1, the net income tax liability must equal Schedule CR, Part 1, line 20a. | Data Mismatch | Reject | Active |
| F40-011 | Line 22 | Total North Dakota withholding on Form 40, line 22 must equal the sum of North Dakota withholding from all Forms 1099-MISC submitted with the return. | Data Mismatch | Reject | Active |
| F40-012 | Line 22 | Withholding statements (Forms 1099-MISC) are required when From 40, line 22 is greater than \$0. | Missing Form | Reject | Active |
| FSCHSA-001 | Question 6 | If this corporation files its federal income tax return as a member of a consolidated group, the FEIN of this group is required. | Missing Data | Reject | Active |
| FSCHTC-001 | Line 9 | Schedule RZ is required when Schedule TC, line 9 is greater than \$0. | Missing Form | Reject | Active |
| FSCHCRIII-001 | Line 9 | Schedule RZ is required when Schedule CR, part III, line 9 is greater than \$0. | Missing Form | Reject | Active |

Fiduciary Income Tax

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|--------|---|----------------|----------|-------------|
| F38-001 | Line C | The FEIN (Federal Tax ID) on the state return does not match the FEIN on the federal return. | Data Mismatch | Reject | Active |
| F38-002 | Line 1 | Tax on fiduciary's North Dakota taxable income must equal the amount on the Tax Computation Schedule, Part 1, line 8. | Data Mismatch | Reject | Active |
| F38-003 | Line 2 | The sum of the total credit(s) claimed on Schedule(s) CR must equal Form 38, line 2. If a credit is being claimed for more than one state, a Schedule CR is required to be completed for each state. | Data Mismatch | Reject | Active |
| F38-004 | Line 2 | Schedule CR is required when Form 38, line 2 is greater than \$0. If a credit is being claimed for more than one state, a Schedule CR is required to be completed for each state. | Missing Form | Reject | Active |
| F38-005 | Line 5 | Income tax withheld on Form 38, line 5 must equal the sum of all North Dakota withholding provided on Line 3 of the Schedule(s) BI. | Data Mismatch | Reject | Active |
| F38-006 | Line 6 | Composite income tax on Form 38, line 6 must equal the sum of all composite tax provided on Line 4 on Schedule(s) BI. | Data Mismatch | Reject | Active |
| F38-007 | Line 8 | Total North Dakota withholding on Form 38, line 8 must equal the sum of North Dakota withholding from all Forms W-2, W-2G, 1099G, 1099R, 1099-MISC, 1099-INT, 1099-DIV, 1099-OID, 1099-B, and North Dakota Schedule K-1s submitted with the return. | Data Mismatch | Reject | Active |
| F38-008 | Line 8 | Withholding statements (Forms W-2, W-2G, 1099G, 1099R, 1099-MISC, 1099-INT, 1099-DIV, 1099-OID, 1099-B, or North Dakota Schedule K-1s) are required when Form 38, line 8 (state withholding) is greater than \$0. | Missing Form | Reject | Active |
| FSCHBI-001 | Line 3 | The sum of withholding claimed on Line 33 for all North Dakota Schedules K-1 must equal the sum of Line 3 on Schedule(s) BI. | Data Mismatch | Reject | Active |
| FSCHBI-002 | Line 4 | The sum of composite income tax claimed on Line 34 for all North Dakota Schedules K-1 must equal the sum of Line 4 on Schedule(s) BI. | Data Mismatch | Reject | Active |

Free Fillable Forms

| Rule Number | Line # | Rule Text | Error Category | Severity | Rule Status |
|-------------|--------|--|----------------|----------|-------------|
| R0000-001 | | Duplicate return. North Dakota has already received and accepted a return for the same filing period. | | Reject | Active |
| R0000-003 | | We are unable to process your electronic return payment due to an invalid routing number. Please verify you have entered the correct bank routing number and bank account number prior to resubmitting the return. | Incorrect Data | Reject | Active |
| R0000-005 | | We are unable to process your direct deposit request with the information you provided on your return. A paper check will be issued to the address provided on the return. | Incorrect Data | Alert | Active |
| FFF-001 | | North Dakota requires certain conditions to be met for an individual to be eligible to electronically file your 2014 state income tax return using the State Fillable Forms option. Please re-check what you entered for: 1)Your social security number, and if filing a joint return, your spouse's social security number. 2)Your 2013 North Dakota taxable income as reported on your ORIGINAL 2013 North Dakota income tax return Form ND-1, line 18 or Form ND-EZ, line 1. 3)If filing a joint return, your spouse's 2013 North Dakota taxable income as reported on your spouses ORIGINAL 2013 North Dakota income tax return, Form ND-1, line 18 or Form ND-EZ, line 1. If you and your spouse filed a joint 2013 North Dakota income tax return, the same North Dakota taxable income amount must be entered for each of you. Do not guess on what to enter. Your entries must match exactly with what you filed for 2013. For assistance, contact the North Dakota Office of State Tax Commissioner at (701)328-1301. | Data Mismatch | Reject | Active |
| FFF-002 | | Missing or Incomplete Spouse information: Your North Dakota return was submitted with a filing status of married filing joint. The spouse first name, last name, and/or social security number are incomplete or missing from your return. You need to add the missing spouse information or change the filing status you have claimed. Please note that you must use the same filing status as claimed on your federal return. | Incorrect Data | Reject | Active |
| FFF-003 | | Missing Form W-2 or 1099 information: Your North Dakota return was submitted claiming North Dakota income tax withholding on the Form ND-1 or Form ND-EZ, but no Form W-2 or 1099 information was submitted with your return. If you received a Form W-2, 1099-R, W-2G, 1099-G, or 1099-MISC that has North Dakota Withholding on it, you are required to enter specific information for each of the forms received. You must enter the information exactly as it appears on the form. The Form W-2 or 1099 information is added by going to Step 2 in your State Fillable Forms return and adding the applicable form. If you have multiple forms, use the Add button to enter information from each form separately. | Missing Form | Reject | Active |
| FFF-004 | | Federal taxable income on Form ND-1, line 1 or Form ND-EZ, line 1, must equal federal taxable income on the federal return, when the amount on the federal return is greater than \$0. | Data Mismatch | Reject | Active |
| FFF-005 | | Total North Dakota withholding on Form ND-1, line 26 or Form ND-EZ, line 3, must equal the sum of North Dakota withholding from all Forms W-2, W-2G, 1099G, 1099R, and 1099-MISC submitted with the return. | Data Mismatch | Reject | Active |