

**2011 Test Package
for e-file of
California Individual
Income Tax Returns in Legacy Format**

FTB Pub. 1436

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**State of California
Franchise Tax Board**
www.ftb.ca.gov

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Section 1 – Introduction

1.1 Welcome

Thank you for participating in California's e-file program.

This publication provides the information you need to successfully complete our Participant Acceptance Testing System (PATS), including test conditions, test procedures, and instructions for preparing test material for e-filing individual income tax returns.

We will begin accepting test transmissions for the upcoming filing season on November 14, 2011.

1.2 General Information

The Franchise Tax Board's (FTB) PATS process makes software acceptance testing easy. We do not require you to use a specific set of state return scenarios. Instead we allow you to supply your own test returns that reflect the forms, schedules and features your software supports. A list of general conditions that must be followed within the returns is provided in section 2.3. All required test returns must be accepted with no rejects before the software will be considered for final acceptance.

FTB follows the e-file Program requirements found in IRS Publication 1345, and in IRS Revenue Procedure 2007-40, 2007-26 I.R.B. 1488 (or the latest update) and Publication 3112, to the extent that they apply to FTB's e-file Program.

Specific California e-file requirements can be found in FTB Publications 1345 and 1346.

You must comply with all the latest FTB publications, forms, and notices governing the California e-file Program.

The PATS communications testing requirements for Transmitters remains the same as in previous years.

1.3 Where Can I Get More Information?

FTB offers each software developer participant a personal Account Manager to assist you with account and production related questions and issues as well as being your main point of contact during the PATS process. For assistance in formatting and transmitting your e-file returns, or if you have questions regarding the test conditions contained in this publication, please contact your personal Account Manager.

If you need more information about your personal Account Manager or have general e-file questions, including acknowledgement re-hang requests and SWIFT (Secure Web Internet File Transfer) registration inquiries please contact:

e-Programs Customer Service Unit

Monday through Friday, between the hours of 8 a.m. and 5 p.m., PST

Phone: 916.845.0353

Fax: 916.845.0287

Email: e-file@ftb.ca.gov

If you have comments or suggestions regarding the California e-file Program or this publication, send them to:

e-file Coordinator, MS F-284
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468
Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD 800.822.6268.

1.4 Why Test?

The purpose of PATS is to ensure, prior to “live” processing, that:

- Software Developers and Transmitters send returns in the correct format, meet our e-file specifications, and have no validation violations (rejects).
- Transmitters and Direct Electronic Return Originator’s (EROs) can communicate with our SWIFT system to transmit returns as well as retrieve their receipts and acknowledgement files.
- Transmitters and Direct ERO’s understand and are familiar with the mechanics of e-filing returns to FTB.

Section 2 – PATS Procedures

2.1 Who Must Test?

To participate in California's Legacy Individual e-file Program, the following participant types must meet all PATS requirements contained in this publication:

- Software Developers
- Transmitters
- EROs who transmit directly with FTB

Note: Generally, if your software allows you to transmit returns directly to FTB, the software company will provide you with the PATS returns to submit to us.

2.2 Before You Test

Prior to testing, all Software Developers, Transmitters, and ERO's transmitting directly with FTB must:

- Have or obtain an Electronic Transmitter Identification Number (ETIN) through the IRS.
- Register for a User ID and Password (if you do not already have one) to use our SWIFT system. (See Section 2.3, below, for SWIFT registration contact information).

Refer to Publication 3112, *IRS e-file Application and Participation* for IRS Form 8633 procedures, FTB Pub 1346, Section 5 and the [SWIFT Transmitter User Guide](#) located on our website, for more information about SWIFT.

You must complete PATS before you can transmit any production returns. Once you successfully complete PATS, your Account Manager will notify you via email of your acceptance. Direct Transmitters will be notified in writing upon their PATS acceptance, by e-Programs Customer Service.

2.3 Testing for Software Developers

The PATS process for Software Developers is as follows:

- Contact the e-Programs Customer Service Unit at 916.845.0353 for initial instructions, including registering for a SWIFT User ID and Password, if needed.
- To expedite the PATS process, for each product that your software supports, complete the information on the Supported Forms document provided on the following pages or complete the [fillable form](#) located on our website. **Fax or email a copy to your Account Manager prior to transmitting any test returns.**

Date:

2011 INDIVIDUAL e-file SUPPORTED FORMS AND FEATURES***Required Fields**

*Software Developer Name	
*Doing Business As (DBA):	
*Contact Person Name	
*Contact Phone Number	
*Product Name	
*Product Production ETIN(s) applicable to CA	
Product Test ETIN(s) applicable to CA	
*SWIFT User ID	
*IRS Issued Software ID	

FORMS/SCHEDULES/ FEATURES	TITLE	FORMS/ FEATURES SUPPORTED	
		YES	NO
Form 540	California Resident Income Tax Return		
Form 540 2EZ	California Resident Income Tax Return		
Long Form 540NR	California Nonresident or Part-Year Resident Income Tax Return (Long Form)		
Short Form 540NR	California Nonresident or Part-Year Resident Income Tax Return (Short Form)		
Form W-2	Wage and Tax Statement		
Form W-2G	Certain Gambling Winnings		
Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRA's, Insurance Contracts, etc.		
Schedule RDP	California RDP Adjustments Worksheet		
Schedule SSMC	California SSMC Adjustments Worksheet		
Schedule CA (540)	California Adjustments – Residents		
Schedule CA (540NR)	California Adjustments – Nonresidents or Part- Year Residents		
Schedule D (540)	California Capital Gain or Loss Adjustment		
Schedule D (540NR)	California Capital Gain or Loss Adjustment		
Schedule D-1	Sales of Business Property		
Schedule G-1	Tax on Lump Sum Distributions		
Schedule HOH/Form 4803e	Head of Household		
Schedule P (540)	Alternative Minimum Tax and Credit Limitations – Residents		
Schedule P (540NR)	Alternative Minimum Tax and Credit Limitations – Nonresidents and Part-Year Residents		
Schedule R	Apportionment and Allocation of Income		
Schedule S	Other State Tax Credit		
Form FTB 592-B	Resident and Nonresident Withholding Tax Statement		

FORMS/SCHEDULES/ FEATURES	TITLE	FORMS/ FEATURES SUPPORTED	
		YES	NO
Form FTB 593	Real Estate Withholding Tax Statement		
Form FTB 3501	Employer Child Care Program/Contribution Credit		
Form FTB 3503	Natural Heritage Preservation Credit		
Form FTB 3506	Child and Dependent Care Expenses Credit		
Form FTB 3507	Prison Inmate Labor Credit		
Form FTB 3510	Credit for Prior Year Alternative Minimum Tax – Individuals or Fiduciaries		
Form FTB 3521	Low-Income Housing Credit		
Form FTB 3523	Research Credit		
Form FTB 3526	Investment Interest Expense Deduction		
Form FTB 3527	New Jobs Credit		
Form FTB 3540	Credit Carryover Summary		
Form FTB 3546	Enhanced Oil Recovery Credit		
Form FTB 3547	Donated Agricultural Products Transportation Credit		
Form FTB 3548	Disabled Access Credit for Eligible Small Businesses		
Form FTB 3553	Enterprise Zone Employee Credit		
Form FTB 3800	Tax Computation for Certain Children with Investment Income		
Form FTB 3801	Passive Activity Loss Limitations		
Form FTB 3801-CR	Passive Activity Credit Limitations		
Form FTB 3803	Parents' Election to Report Child's Interest and Dividends		
Form FTB 3805E	Installment Sale Income		
Form FTB 3805P	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts		
Form FTB 3805V	Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts		
Form FTB 3805Z	Enterprise Zone Deduction and Credit Summary		
Form FTB 3806	Los Angeles Revitalization Zone Deduction and Credit Summary (LARZ)		
Form FTB 3807	Local Agency Military Base Recovery Area Deduction and Credit Summary (LAMBRA)		
Form FTB 3808	Manufacturing Enhancement Area Credit Summary (MEA)		
Form FTB 3809	Targeted Tax Area Deduction and Credit Summary (TTA)		
Form FTB 3885A	Depreciation and Amortization Adjustments		
Form FTB 5805	Underpayment of Estimated Tax by Individuals and Fiduciaries		

FORMS/SCHEDULES/ FEATURES	TITLE	FORMS/ FEATURES SUPPORTED	
		YES	NO
Form FTB 5805F	Underpayment of Estimated Tax by Farmers and Fishermen		
Form FTB 5870A	Tax on Accumulation Distribution of Trusts		
Form IRS 8886 ¹	Reportable Transaction Disclosure Statement		
STCGL Record	Short-Term Capital Gains/Loss Transaction		
LTCGL Record	Long-Term Capital Gains/Loss Transaction		
Direct Deposit Refund (DDR) to 1 account			
DDR to 2 accounts			
Electronic Funds Withdrawal (EFW) (For Balance Due)			
EFW (For Future Estimated Tax Payments)			
Self-Select PIN			
Practitioner PIN (8879)			
SSMC/RDP Filing Indicator			
Returns with Foreign Address			
Withholding from other than W-2, W-2G, or 1099R			
Underpayment of Estimate Tax - Return Field [475]			
3 rd Party Designee			
Other			
Other			

¹Federal form supported within the state return and containing state data.

2.4 Test Return Requirements

Prepare test returns using the following Taxpayer IDs (TPID) and Spouse IDs (SPID) along with the corresponding shared secret(s), if signing using electronic signature.

TPID	SPID	TPID Shared Secret	SPID Shared Secret
501005001		46450	
501005002	401005002	108950	108950
501005003		43200	
005005004		24110	
501005005	401005005	87493	87493
501005006		64000	
501005007		56507	
501005008		60830	
501005009	401005009	53000	53000
501005010	401005010	80000	80000
005005011		66140	

Note: For all other forms that contain SSN fields use “00” in the fourth and fifth positions (Ex: FTB Form 593, 3506).

Prepare the test returns according to the following requirements:

- Provide at least 2 examples of each return type that you will support (i.e. – Form 540, Form 540 2EZ, Form 540NR, etc). In addition, see below for specific conditions to include with each form type.
- At least one of every form, schedule, and feature you support (according to the list of supported forms, schedules, and features provided to your Account Manager) must be included among the total number of test returns you submit.
- Include at least one example of an entry that meets each of the following general conditions, applicable to all form types and features that you support:
 - Last name that includes a suffix Jr, Sr., etc
 - Prior year last name different
 - Spouse/RDP claimed as a dependant on another return
 - Apartment Number (Apt #) included in address
 - Foreign address (if supported)
 - Filing status 2 (MFJ/RDP) with Spouse/RDP prior year last name different
 - Filing status 5 (Qualifying Widow)
 - SSMC/RDP indicator
 - CA SDI entered on W-2
 - DDR request to 1 account
 - DDR request to 2 accounts
 - EFW request for a Balance Due
 - A DDR and EFW (for Estimated Tax Payments) request on the same return
 - A Self-Select PIN or Practitioner PIN used to sign the return.

In addition to the above general conditions, the following specific conditions must be met for each form type you support:

Form 540

- At least 1 return containing Use Tax.
- At least 1 return containing underpayment of estimated tax.
- At least 1 return containing a special credit and attachment of the corresponding credit form.
- At least 1 return containing withholding other than W-2, W-2G, or 1099R (ex: 1099A, 1099B).

Form 540 2EZ

- At least 1 return containing Use Tax.

Form 540NR

- At least 1 return containing underpayment of estimated tax.
- At least 1 return containing a special credit and attachment of the corresponding form.
- At least 1 return containing an attached Federal return.

After you have composed your test returns, submit them according to the following procedures:

- Transmit the returns according to our SWIFT procedures (See FTB Pub 1346, Section 5 (SWIFT) and the [FTB SWIFT Transmitter User Guide](#))
- Pick up all receipts and acknowledgment (ACK) files from your SWIFT mailbox before requesting PATS acceptance review.
- Notify your Account Manager for assistance in resolving rejected returns
- Notify your Account Manager via email for PATS acceptance review **once you have received accepted acknowledgements for all of the test returns.**
- Provide your Account Manager with your **SWIFT User ID** along with the **ETIN**, **Julian Date**, and **Sequence Number** of the return file(s) to be reviewed for acceptance.
- After your test returns are reviewed, your Account Manager will notify you of the results via email.
- We will notify you of any problems or irregularities that will require you to correct and re-submit any returns.
- If you have successfully completed PATS, you will be notified via email by your Account Manager of your acceptance.
- You may transmit as many test returns as necessary until you receive no error messages or rejects prior to requesting PATS acceptance review.

2.5 Testing Communications Protocol

You can also use your FTB PATS test returns to test and debug any potential or existing problems with your SWIFT communications protocol. Contact your Account Manager if you encounter any problems you feel may be related to our SWIFT system.

All individual e-file returns must be transmitted via SWIFT as specified in FTB Pub. 1346, Section 5 (SWIFT) and in the [FTB SWIFT Transmitter User Guide](#).

2.6 Testing for Transmitters and Direct EROs

The PATS process for Transmitters and Direct EROs is as follows:

- Contact the e-Programs Customer Service Unit at 916.845.0353 for initial instructions, including registering for a SWIFT User ID and Password.
- Prepare the test returns as instructed by your software company (test returns may be included with your software).
- Transmit the test returns following the instructions included with your software. As a Transmitter using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day SWIFT transmissions.
- After we validate your test returns, we will return an ACK file to your SWIFT "FromFTB" mailbox that indicates whether each return was accepted or rejected. You must pick up your ACK files in order to complete PATS.
- If we reject your returns due to formatting or transmission errors, contact your Software Developer. After you receive the corrected software, you must retransmit the rejected returns.
- Contact the e-Programs Customer Service Unit at 916.845.0353 for approval once you have successfully completed your error-free communications test.
- We will notify you via phone or email of your acceptance.

2.7 Reminders

Software Developers and Transmitters must:

- Ensure they are an accepted participant in the IRS e-file program before transmitting returns to us.
- Contact our e-Programs Customer Service at 916.845.0353 for initial instructions prior to transmitting test returns.
- Not accept electronic returns from their clients until they have been approved by FTB for “live processing”.
- Not send “live” returns as test returns and vice versa. “Live” returns sent to the test environment are considered “not filed”.
- Inform their clients that they may use only the accepted version of software. Software Developers should not distribute their software until FTB notifies them of their acceptance.
- Remember to provide examples of each of the forms, schedules, and features you support among the completed returns you submit.
- Successfully complete all test return requirements included in this package that apply to the e-file features listed for each of your software products.
- Remember that not all line amounts, forms, schedules, etc. that may be required for validation are necessarily listed in the test return requirements found in Section 2.4. Consult FTB. Pub 1346 and the e-file error codes for complete requirements.
- Remember there are no specific test cases for California’s individual e-file PATS. Follow the requirements in Section 2.3 and 2.4 to compose your test returns.
- Remember that California PATS test returns are not derived from the PATS test scenarios located in the Internal Revenue Service (IRS) Publication 1436, *Test Package for Electronic Filers of Individual Income Tax Returns*.

Section 3 – Finalizing PATS

3.1 Review of Participant Return Files

Once you have transmitted the required test returns, your Account Manager will validate your final transmission and will notify you if any problems or irregularities are found. Upon successful completion, your Account Manager will send you a PATS acceptance letter via email.

3.2 Using Your Own Test Returns

Since every conceivable condition cannot be represented in our test scenarios, you are welcome to test additional data of your own, **after** you have received PATS acceptance. We welcome your suggestions for improving our PATS process.

Note: When transmitting returns via SWIFT, be sure that your Transmission ID contains a [T] to indicate that you are submitting test returns and not a [P] for production, even if you are testing after you have passed PATS.

We hope you find California e-file PATS to be a productive process and we thank you for your participation in the California e-file program.