



**BDO Seidman, LLP**  
Accountants and Consultants

## State e-file Mandates

Updated: October 27, 2004

<b>STATE and RETURN TYPE</b>	<b>EFFECTIVE DATE</b>	<b>MANDATE SUMMARY</b>	<b>MANDATE REFERENCE</b>
<b>Alabama</b> Individual	1-Jan-04	Tax preparers who prepared 250 or more Alabama individual income tax returns during the calendar year 2004; prepare 100 or more returns using tax preparation software for the calendar year 2005; and those who prepare more than 50 returns for the calendar year 2006, will be required to E-File all of their current year individual returns.	Regulations 810-3-27-.09 and 810-3-27-.10
<b>California</b> Individual	Last amended 4/15/2004	Paid preparers who prepared more than 100 individual income tax returns during a calendar year that began on or after January 1, 2003 must e-file all individual income tax returns. The preparer will be assessed a \$50 penalty for each acceptable individual income tax return that is prepared using software and not filed by the preparer electronically, unless the failure to file electronically is due to reasonable cause and not due to willful neglect.	Assembly bills No. 1756, 1742 and 2480
<b>Connecticut</b> Individual	1-Jan-06	Pending regulation will require preparers who prepare 200 or more 2004 Connecticut income tax returns to file 2005 Connecticut income tax returns electronically.	Pending
<b>Massachusetts</b> Individual	1-Jan-04	All paper Forms 1 (resident personal income tax returns), Forms 1-NR/PY (nonresident/part-year resident personal income tax returns), and supporting Massachusetts schedules that are produced by tax preparation software programs must contain two-dimensional (2D) bar coding and fixed-position text. Returns submitted to the Department without the required 2D barcodes may be rejected for failure to conform with DOR specifications, thereby subjecting taxpayers to late penalty and interest charges. Alternatively, taxpayers may file these forms electronically.	Technical Information Release 03-11
<b>Massachusetts</b> Corporation	1-Jan-04 and 1-Jan-05	Electronic filing of returns, as distinct from electronic payments, is not required until January 1, 2005. All corporations subject to the corporate excise, including security corporations, financial institutions, insurance companies, and utility corporations, with more than \$100,000 in gross receipts, sales, or income from all sources must transmit all returns, documents and tax payments using electronic means as of January 1, 2005. The Commissioner encourages corporations below the mandatory E-file threshold, and those filing prior to January 1, 2005, to employ forms with 2D bar coding.	Technical Information Release 03-11, modified by TIR 03-15
<b>Massachusetts</b> Partnership	1-Jan-05	Partnerships at or over the partnership E-file income threshold or loss threshold, or with 25 or more partners, must submit all Forms 3 and Schedules 3K-1 to the Department by electronic means. The partnership income threshold is reached when the partnership has, in one tax year, (1) \$50,000 or more in gross income, including (but not limited to) gross receipts from trade or business, gross income from the sale or rental of real estate, royalties, interest, dividends, and amounts realized from the sale of any property except stock and securities; or (2) \$100,000 received from the sale of stock and securities. The partnership loss threshold is reached when the partnership has, in one tax year, (1) \$50,000 or more in ordinary loss from trade or business activities; or (2) \$100,000 or more in losses from the sale of stock and securities. Filers previously filing on diskette that wish to continue to use diskettes for a brief transition period before employing electronic means of filing may make individual arrangements with the Commissioner.	Technical Information Release 03-11

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<b>Michigan</b> Individual	1-Jan-04	All professionals who prepare and file more than 200 Michigan individual income tax returns annually will be required to file all of those returns electronically.	MDOT Policy Release Date 9/5/2003
<b>Michigan</b> SBT	1-Jan-04	All preparers who use computer software to prepare SBT returns must e-file all eligible returns that are supported by the software.	MDOT Policy Release Date 9/5/2003
<b>Minnesota</b> Individual	1-Jan-04	Paid Preparers who prepared more than 100 individual income tax returns in the previous tax-filing season must e-file all individual income tax returns for the current year. For each return that is not filed electronically, a paper filing fee of \$5.00 is imposed upon the preparer.	M.S. 289A.08 Subdiv. 16
<b>New Jersey</b> Individual	1-Jan-04	All practitioners who prepared 200 or more 2003 NJ income tax resident returns are required to use one of NJ's three electronic filing services to file 2004 NJ income tax resident returns for their clients. The three electronic filing services are: (1) Fed/State Efile (2) NJ TeleFile (3) NJ WebFile.	NJ DOT Division of Taxation "Special Notice to Tax Practitioners"
<b>New Jersey</b> Partnership	effective for returns due in 2003 or thereafter	All partnerships with 10 or more partners are required to file electronically. In addition, partnerships with an annual tax liability of \$20,000 or more for any one tax payable to the State of New Jersey are also required to make their payments electronically.	NJ Division of Revenue P-ship Filings Updated: 6/24/2004
<b>Oklahoma</b> Individual	last update effective: 6/25/2004	Any tax return preparer who prepared more than fifty (50) Oklahoma tax returns for the previous tax year must file Oklahoma individual income tax returns prepared for the current year by electronic means.	OAC 710:50-3- 46
<b>Virginia</b> Individual	1-Jan-05	Tax preparers who prepared 200 or more 2003 Virginia individual income tax returns in 2004 must file all acceptable 2004 Virginia income tax returns and all taxable years thereafter using electronic medium or software that produces 2D barcodes. For taxable year 2004 Virginia individual income tax returns, the 200 or more return threshold drops to 100 or more.	House Bill 1159
<b>Wisconsin</b> Individual	1-Jan-04	Practitioners who file 100 or more individual Wisconsin returns must e-file all individual returns.	Admin Rule Sec. Tax 2.08

Material discussed in this *Tax Letter* is meant to provide general information and should not be acted on without obtaining professional advice appropriately tailored to your individual needs.

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