

Procedures For Electronic and Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income (Including The "Paper-Parent Option")



PROCEDURES FOR ELECTRONIC AND
MAGNETIC MEDIA FILING OF
FORM 1065, U.S. PARTNERSHIP RETURN OF INCOME
(INCLUDING THE "PAPER-PARENT OPTION")

INTERNAL REVENUE SERVICE

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INTRODUCTION

This publication is designed to provide the general requirements and procedures for the Electronic/Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income. This publication should be used in conjunction with Publication 1525, Files Specifications, Validation Criteria, and Record Layouts for Electronic and Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income, (Including the "Paper-Parent Option").

The Internal Revenue Service (IRS) will no longer issue this publication annually. We changed the publication to a more generic format by eliminating any reference to a specific tax year. In addition, we removed the illustrations of Form 9041, Application for Electronic/Magnetic Media Filing, Form 8822, Change of Address, the Acknowledgement Report and Form 8453-P, U.S. Partnership Declaration and Signature for Electronic and Magnetic Media Filing. This will help IRS reduce our annual cost of reprinting this publication based on form dates, and tax year dates mentioned in the publication. It will also reduce the number of requests received for an updated copy of this publication.

The complete publication will be revised on an as needed basis. However, if any information contained in this publication changes before its revision, a change page(s) may be issued. All new information or 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.

The Electronic Filing Systems Bulletin Board provides general and specific program information on the Electronic Filing Program. The system 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.

The communication software should have the following protocol: Full Duplex, No parity, 8 data bits, 1 stop bit, and ANSI Terminal Emulation. If you need assistance with accessing the Electronic Filing Systems Bulletin Board, you may call the Bulletin Board help line on (606) 292-5031.

Requests for additional copies of this publication, forms, Publication 1525, and updates to the program should be addressed to the IRS Electronic Returns Section (address below) or the Andover Service Center. Inquiries for the Andover Service Center, which processes Form 1065 electronic or magnetic media tax returns, should be addressed to the Support (Help) desk on (508) 474-9486. The mailing address for the Andover Service Center contacts is listed in Section 10.04. Inquiries may also be addressed to any IRS District Office. (See Section 18 for the name, address and telephone number of the IRS District Office Coordinator in your area)

We appreciate your assistance in the development of a publication of the best quality and accuracy. 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
Electronic Returns Section T:S:E:E
1111 Constitution Avenue, NW
Washington, DC 20224
(202) 283-1080

SECTION 1 PURPOSE

The purpose of this publication is to specify the requirements that apply to the electronic and magnetic media filing of Form 1065, U.S. Partnership Return of Income. It also provides instructions for the "Paper-Parent Option" for sending Forms 1065 on paper, and Schedules K-1 and/or Forms 8308 electronically or on magnetic media.

SECTION 2 GENERAL INFORMATION

.01 The electronic/magnetic media filing of Form 1065, Schedules K-1 and/or Form 8308 includes returns filed on magnetic media, including 1/2 inch magnetic tape and 3 1/2 or 5 1/4 inch magnetic diskettes, electronically, or via Remote Bulletin Board System.

NOTE: The Andover Service Center will only accept 10 diskettes per file.

Electronic filing is the submission of return data to the IRS using electronic records. The IRS uses a dial-up MITRON communications device or an electronic Remote Bulletin Board System to receive Form 1065, and related forms/schedules at the Andover Service Center. This means that return data is transmitted electronically via telephone lines.

.02 Technical programming information, as well as the file specifications, validation criteria and record layouts needed by transmitters and software developers to participate in this program are provided in Publication 1525, File Specifications, Validation Criteria, and Record Layouts for Electronic and Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income, (Including the "Paper-Parent Option") for Tax Year 199X.

NOTE: Publication 1525 is updated annually.

.03 The specifications, validation criteria, reject codes and record layout information for the following are also provided in Publication 1525:

(1) Form 1065, U.S. Partnership Return of Income. 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;

(2) Schedule K-1, (Form 1065) Partner's Share of Income, Credits, Deductions, etc. Electronically or on Magnetic Media;

EXCEPTION: Paper Schedules K-1 for General Partners only, may be attached to the paper return. In this case, the Schedules K-1 pertaining to the Limited Partners would be filed electronically or on magnetic media as listed above.

(3) Form 8308, Report of a Sale or Exchange of Certain Partnership Interests, ATTACHED TO THE PAPER-PARENT RETURN OR SUBMITTED EITHER ELECTRONICALLY OR ON MAGNETIC MEDIA WITH THE SCHEDULE K-1 FILE. In addition, it may be submitted electronically or on magnetic media with the entire return.

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

.04 "Paper-Parent Option" participants interested in sending Form 1065 on paper, and Schedules K-1 and/or Form 8308 via magnetic media or electronically must refer to Publication 1525, for file specifications and record layouts for filing these forms/schedules using this method.

.05 Electronic/Magnetic Media filing of Form 1065, Schedules K-1 and/or Forms 8308 can only be processed for one tax year at a time. The processing generally begins the first week of the previous tax year and must end in December. Processing of the return includes the following calendar and fiscal year endings:

(1) Fiscal year participants - Fiscal years ending January 31, through August 31 of the current tax year.

Example: Tax year 1996 return beginning February 1, 1996 and ending January 31, 1997 is due May 15, 1997. Tax year 1996 return beginning September 1, 1996 and ending August 31, 1997 is due December 15, 1997.

(2) Calendar year participants - Calendar year ending December 31 of the current tax year.

EXAMPLE: Tax year 1996 calendar year beginning January 1, 1996 and ending December 31, 1996 is due April 15, 1997.

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

.06 Prospective participants must complete Form 9041, Application for Electronic/Magnetic Media Filing of Business and Employee Benefit Plan Returns. Applicants must agree to follow all requirements and specifications in this publication and all related publications. Applicants must also successfully complete testing to be accepted in the program. (See Section 7 for further information regarding the acceptance and testing procedures.)

SECTION 3 COMPOSITION OF THE RETURN

01. U.S. Partnership Return of Income, Form 1065, for electronic/magnetic media filing consists of tax return data transmitted to the IRS using electronic or magnetic media 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.

.02 Form 1065 data transmitted on electronic/magnetic media is limited to entries from:

- Form 1065 - U.S. Partnership Return of Income
- Schedule A
(Form 8609) - Annual Statement
- Schedule D
(Form 1065) - Capital Gains and Losses
- Schedule F
(Form 1040) - Farm Income and Expenses
- Schedule K-1
(Form 1065) - Partner's Share of Income, Credits,
Deductions, etc.
- Form 1116 - Foreign Tax Credit
- Form 4562 - Depreciation and Amortization
- Form 4797 - Sales of Business Property
- Form 4952 - Investment Interest Expense Deduction
- Form 8271 - Investor Reporting of Tax Shelter
Registration Number
- Form 8308 - Report of a Sale or Exchange of Certain
Partnership Interests
- Form 8586 - Low-Income Housing Credit
- Form 8594 - Asset Acquisition Statement
- Form 8609 - Low-Income Housing Credit Allocation
Certification
- Form 8611 - Recapture of Low-Income Housing Credit
- Form 8824 - Like-Kind Exchanges
- Form 8825 - Rental Real Estate Income and Expenses of a
Partnership or an S Corporation

.03 The paper part of the return consists of:

(1) Form 8453-P, U.S. Partnership Declaration and Signature for Electronic and Magnetic Media Filing, which is required only when the entire return is filed on magnetic media or electronically.

NOTE: Form 8453-P is not required for participants who use the "Paper-Parent Option".

(2) In addition, the paper part of the return may include other documents containing required signatures or supporting information. These items must be attached to the signed Form 8453-P. An example is a photocopy of the original power of attorney form, for a return filed under power of attorney; and any other documents that are:

- (a) not required by the IRS;
- (b) not IRS forms or schedules; or
- (c) not covered in Section 3.02 above, and are voluntarily included by the partnership or the participant as supporting material.

SECTION 4 EXCLUSIONS FROM ELECTRONIC AND MAGNETIC MEDIA FILING

.01 The following returns are excluded from filing the entire return by electronic/magnetic media:

- (1) amended returns;
- (2) returns containing forms or schedules not listed in Section 3.02;
- (3) returns for any calendar year ending before December 31 of the current tax year, or fiscal year returns ending any month after August 31 of the current tax year.
- (4) returns transmitted by a person not approved by the IRS for electronic/magnetic media filing;
- (5) 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 December 15 of the processing year.

(6) returns with dollars and cents 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.);

(7) returns with powers of attorney attached; If IRS already has a power of attorney on file, the return is eligible for electronic and magnetic media filing.

NOTE: Powers of attorney must be submitted on paper to the service center where the taxpayer would normally file a paper return.

(8) short period returns; EXCEPTION: A new partnership where the calendar/fiscal year ending is in the current tax year.

EXAMPLE: Partnership begins April 1, 1995 and the calendar/fiscal year ending is December 31, 1995.

(9) returns with foreign addresses; EXCEPTION: Schedules K-1 (Form 1065) and Form 8308 with foreign addresses are accepted.;

(10) returns filed under Sections 6020(b), 501(d)(3) or 761(a) of the Internal Revenue Code;

(11) nominee returns;

(12) returns with any dollar amount greater than \$99,999,999,999; and

(13) returns for inactive partnerships with no income on pages 1, 2, 3 and 4 of Form 1065.

.02 The "Paper-Parent Option" excludes the following returns from being filed:

(1) amended returns;

(2) short period returns; EXCEPTION: A new partnership where the calendar/fiscal year ending is in the current tax year.

EXAMPLE: Partnership begins April 1, 1995 and the calendar/fiscal year ending is December 31, 1995.

(3) returns with foreign addresses; EXCEPTION: Schedules K-1 (Form 1065) and Form 8308 with foreign addresses are accepted.; and

(4) returns with any dollar amount greater than \$99,999,999,999.

SECTION 5 ACKNOWLEDGEMENT PROCESS

.01 IRS acknowledges each transmission of a file of electronic or magnetic media returns within 7 workdays. The acknowledgment is a hardcopy printout of a report that specifies which Form 1065, Schedules K-1 and/or Form 8308 IRS accepted, rejected or identified as duplicates. A return can be acknowledged as accepted, even though it has not been through any math checks. An acknowledgment indicates that the return is in a processable format. The report also contains specific information which will help determine exactly where an error occurred. There are two types of Acknowledgement "ACK" Reports, the Transmission "ACK" Report and the Validation "ACK" Report. In addition, the report displays counts for the number of Forms 1065 and/or Schedules K-1 received by IRS, and provides data defining the Schedule K-1 occurrence number, the field sequence number and the reject code for up to 96 errors per return.

NOTE: The above information is available only on the Validation "ACK" Report. The information contained on the Transmission "ACK" Report is limited to the type of rejects.

.02 By checking the appropriate box on Form 9041, IRS will mail or fax the Acknowledgment Report to the transmitter. Upon request, IRS will FAX the report to the participant if it is less than six pages.

.03 If any of the following situations occur after returns have been transmitted to the Andover Service Center, the transmitter should immediately contact the service center at (508) 474-9486 (not a toll-free number):

(1) The transmitter does not receive the Acknowledgment Report within 7 workdays; or

(2) The transmitter receives acknowledgements for returns or records that were not transmitted on the designated transmission; or

(3) The transmitter receives the Acknowledgement Report, but it does not include all the returns transmitted.

SECTION 6 METHODS OF PARTICIPATION

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

(1) PARTNERSHIPS: Transmitters can create magnetic media containing Schedule K-1 and/or Forms 8308 and send them to the partnership. It is the responsibility of the partnership to send the return and magnetic media to the Andover Service Center. (The paper return should not be sent to any other service center)

(2) RETURN ORIGINATOR: A firm, organization, or individual who:

(a) deals directly with the partnership from which the return is due;

(b) prepares a return or collects return data for purposes of having electronic or magnetic media records of the Schedules K-1 and/or Forms 8308 and Forms 1065 return produced; or collects a prepared return for purposes of having electronic or magnetic media records of Forms 1065, Schedules K-1 and/or Forms 8308 prepared; and

(c) obtains the partnership signature on Form 8453-P or Paper Parent Form 1065. (See Section 9 for Form 8453-P Procedures)

(3) TRANSMITTER: Receives Form 1065 return information from his or her clients and transmits the data to the IRS on magnetic tape or diskette, or electronically, in a format IRS can process. For the "Paper-Parent Option", the Transmitter sends the paper return (Form 1065) to the IRS in the same package as the magnetic media. If Schedules K-1 and/or Forms 8308 are filed electronically, the paper 1065 should be sent to Andover Service Center, Electronic Filing Unit on the same day as the transmission.

(4) SOFTWARE DEVELOPER: Designs or produces software used to:

(a) prepare returns;

(b) format Form 1065 returns and records for the Schedules K-1/Forms 8308 according to IRS specification for electronic or magnetic media filing; or

(c) transmit the returns and the electronic or magnetic media records for Schedules K-1/Forms 8308 directly to IRS.

SECTION 7 APPLICATIONS, ENTITY REVIEW PROCESS,
TESTING AND ACCEPTANCE PROCEDURES

.01 SENDING THE APPLICATION FORM:

The first step to participate in the electronic or magnetic media filing of Form 1065 is to complete the Application Form 9041. New applicants must complete the form and forward it to the Andover Service Center. To ensure the application is processed timely, the IRS should receive the form no later than 60 calendar day before the return due date or the extended due date. The IRS will accept applications by mail or fax. The Andover Service Center fax number is (508) 474-9425. (not a toll-free number) The mailing address is:

Internal Revenue Service
Andover Service Center
Stop 983 -- Electronic Filing Unit II
P.O. Box 4050
Woburn, MA 01888-4050

(1) Applicants must indicate on Form 9041 the type of return (e.g. Forms 1065 or 1041) they intend to file. If they file electronic or magnetic 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 reserve side of the application form). The Electronic/magnetic media Forms 1065 are filed at the Andover Service Center only.

(2) Participants who took part in electronic/magnetic media 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 Andover Service Center to let IRS know they will participate in the program again. The telephone number is (508) 474-9486. (not a toll-free number)

.02 ENTITY REVIEW PROCESS:

(1) Participants are required to submit entity information pertaining to each Form 1065 they intend to file, and send it on the same media as the returns intended to be filed. However, entity information is required only for entire returns filed electronically or on magnetic media. If the participant is unable to send the entity information electronically or on magnetic media, they must call the Andover Service Center on (508) 474-9486.

NOTE: Entity information is not required for returns filed using the "Paper-Parent Option".

(2) Entity information includes line items from Form 1065, such as the name and address of the partnership and the Employer Identification Number (EIN). The data will be matched with the already existing IRS records. The transmitter will be notified of any discrepancies and asked to correct the problem(s) before Form 1065 live data is transmitted. This process allows for early detection of errors to prevent delays in processing returns.

(3) When applicants are ready to submit the entity information, they must notify the Andover Service Center, Electronic Filing Unit, at (508) 474-9486. (not a toll-free number) The IRS will telephone each applicant to inform them when to submit the entity information. (See Section 17 for record layout and additional information on how to format the entity line data)

(4) Andover Service Center will review the entity records to resolve discrepancies before the live data is submitted to the IRS. This process reduces the number of errors in the returns.

.03 TESTING PROCESS:

(1) Testing is mandatory and required each year for all participants who will develop software and for transmitters. The purpose of the testing is to ensure that IRS can receive and process the electronic or magnetic media returns.

(2) Testing should begin at least 45 days prior to the due date or extended due date of the return(s) to allow ample time to resolve any transmission problems.

(3) IRS will assign an Electronic Transmitter Identification Number (ETIN) to each applicant.

(4) The software package used to prepare/transmit the test return data must be tested with the IRS prior to the initial live transmission.

(5) Testing Requirements for Transmitters:

(a) Transmitters must make arrangements for 2 test transmissions on the same day.

(b) Applicants may also test using live data records from the returns they intend to file.

(c) The test file must be transmitted using the same medium that will be used to file the live returns (tape, diskette, or electronic).

(d) Participants who intend on sending multiple reels must first test the multiple reels with the Andover Service Center.

(e) A test file must be similar to the types of returns which the participant expects to send 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. A hard copy of the test file must also be submitted for the kind of test.

(f) Form 1065 electronic and magnetic media transmission test must consist of at least 5 returns or 20% of the expected volume not to exceed 100 returns with the corresponding attachments.

(g) "Paper-Parent Option" transmission test must consist of at least 50 Schedule K-1, but no more than 1,000 with the corresponding Forms 8308, if applicable.

(6) Testing Requirements for Software Developers:

(a) If the software packages and communication systems are used by more than one transmitter, each must test consistent with Section 7.03(5).

(b) Software developers must submit test files as follows:

(1) Form 1065 - A test file consisting of at least 10 returns with the related attachments or 20% of the expected volume. A test file should not exceed 100 returns.

(2) Paper-Parent Option - A test file consisting of 100 Schedules K-1 with the corresponding Forms 8308, if applicable. A test file should not exceed 1000 Schedules K-1.

(c) Computer systems must provide the same software capabilities and, if applicable, identical data communications capabilities to all the users. Communication systems and software packages that have tested successfully may then be used by all accepted participants. Software packages will only be authorized for those forms and schedules that were tested by IRS.

(7) When applicants are ready to test, they must make arrangements with the Andover Service Center Electronic Filing Unit at (508) 474-9486. (not a toll-free number)

.04 ACCEPTANCE:

(1) The Andover Service Center will review each test transmission and communicate by telephone with the applicant concerning their transmission. If the test file is not correctly formatted, or if the test returns contain errors, the IRS will tell the applicant what errors were encountered on each return. The applicant must then correct the software to eliminate the errors and retransmit the test file.

(2) The Andover Service Center will send a letter of acceptance to participate in the program. This letter will contain the name and telephone number of the contact person the participant should contact if there are any questions or problems regarding the transmission of returns. Acceptance is valid only for the year, forms and schedules specified in the acceptance letter. The service center will inform participants when to begin transmitting live data.

SECTION 8 FILING REQUIREMENTS AND RESPONSIBILITIES

.01 If the electronic/magnetic media filing system is down (not working) for a potentially long period of time, the Andover Service Center, Electronic Filing Unit will provide contingency instructions to participants.

.02 IRS reserves the right to revoke the electronic or magnetic media 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:

(1) Publication 1524 - Procedures for Electronic and Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income, (Including the "Paper-Parent Option").

(2) Publication 1525 - File Specifications, Validation Criteria, and Record Layouts for Electronic and Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income (Including the "Paper-Parent Option") for Tax Year 199X.

NOTE: Publication 1525 is updated annually.

.03 Participants must maintain a high degree of integrity and accuracy in order to participate in the program.

.04 Participants are responsible for the security of all transmitted data.

.05 Participants transmitting the entire return must ensure that the completed, signed Form 8453-P, any required attachments, and the electronic/magnetic media are associated before sending to IRS.

.06 Participants using the "Paper-Parent Option" must send IRS all electronic/magnetic media data, the corresponding signed paper Form 1065, and all other material described in Section 2.04.

.07 Participants must contact the Andover Service Center for the start-up date for filing Form 1065 returns with the related Schedules K-1/Forms 8308 on electronic or magnetic media. Until a start-up date has been issued to the participant, IRS will not accept live Schedules K-1/Forms 8308 transmissions.

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

.09 In addition to the requirements outlined in Section 7.03(6), Software Developers must:

(1) correct software errors that cause electronic or magnetic media data to be rejected;

(2) distribute their software corrections, quickly, to all participants who use those packages.

.10 PARTICIPANTS MUST BE AWARE OF AND MEET THE FOLLOWING DATES WHEN TRANSMITTING ELECTRONIC/MAGNETIC MEDIA RETURNS

(1) Due dates for electronic and magnetic media filing of Forms 1065/Schedule K-1, and the "Paper-Parent Option" for sending Forms 1065 paper, and Schedules K-1 and/or Forms 8308 electronically or on magnetic media are the same.

(2) Transmitters are allowed up to 7 calendar days to successfully retransmit electronic or magnetic media data that was timely transmitted although previously rejected. Retransmitted returns, including Schedules K-1/Forms 8308, must be sent to the Andover Service Center.

(3) If IRS has not acknowledged a transmission of electronic or magnetic Form 1065 returns, Schedules K-1 and/or Forms 8308 within 7 days after transmission of the data, the transmitter must immediately contact the assigned tax examiner at the Andover Service Center. The applicable contact persons' name and telephone number is indicated on the acceptance letter previously issued to the transmitter. See Section 7.04(2)

(4) Transmitters should contact the Andover Service Center when the Acknowledgement Report contains more or less return/schedule data than was transmitted.

(5) Partnerships that expect to file returns late, must complete and mail requests for extensions of time to file to the IRS service center where they would normally send their paper Form 1065 return. The extended due date cannot be later than December 15 of the processing year.

.11 If the partnership changes its address, Form 8822, Change of Address, must be sent to the Andover Service Center at the address listed in Section 10.04.

.12 After IRS accepts an electronic/magnetic media return, it cannot be recalled or intercepted in process. If the participant or partnership wishes 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 Service Center where you would normally file your paper return.

.13 Participants who want to transmit their returns using the telephone lines must contact the Andover Service Center. More information concerning the specifications for filing electronic transmissions is found in Publication 1525.

.14 Participants who transmit using the "Paper-Parent Option" must do the following when the data will be submitted over telephone lines:

(1) If the data will be transmitted to the Mitron system, a list of Employer Identification Numbers (EIN) of the partnership data that is being transmitted, must be faxed to ANSC ELF-Unit on (508) 474-9425, prior to the transmission of the data.

(2) If the data will be transmitted to the Remote Bulletin Board System, a message must be attached with the Schedule K-1 data that lists the EIN's of the partnership data that is being transmitted.

SECTION 9 SIGNATURE FORM PROCEDURES (FORM 8453-P)

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

.02 All Forms 8453-P must be signed on or before the day of the electronic transmission.

.03 Form 8453-P must accompany each Form 1065 filed on magnetic tape or diskette, and be included in the same package. (See Section 10 for delivery instructions)

.04 If returns are sent electronically, the package that contains Forms 8453-P must be postmarked no later than the day of the electronic transmission.

.05 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, partnership's name and telephone number, the 6 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) and Net Income (other). A maximum of 500 Forms 1065 may be sent with each Form 8453-P attached to a Multiple Tax Return Listing. The signature document for multiple returns must include one (1) Form 8453-P signed by the partner or authorized representative.

.06 If the electronic/magnetic media filing participant is not the partnership, the participant must get the partnership's authorization to file the returns on electronic or magnetic media, 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.

NOTE: This section does not apply to participants who use the "Paper-Parent Option".

.07 The Form 8453-P serves the following purpose:

- (1) authenticates the return;
- (2) provides a transmittal for any associated paper documents that may be stapled to the declaration;
- (3) authorizes the participant to transmit via a third-party transmitter; and
- (4) authorizes the transmitter to transmit the return on behalf of the partnership.

.08 Parties involved in the transmission of electronic or magnetic media filing of Form 1065 returns, may be liable for failure to file penalties due to missing, incomplete or unsigned signature forms.

.09 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
ATTN: Substitute Forms Program Coordinator, T:FP:S
1111 Constitution Avenue, NW
Washington, DC 20224

.10 If IRS rejects the tape, diskette or electronic part of the return and the participant retransmits the return on electronic/magnetic media, a new Form 8453-P must be filed if any of the following lines on the retransmitted return differs by more than \$25 from the original return:

- (1) Ordinary Income (loss) line 22,
Form 1065, Page 1
- (2) Net Income (loss) Line 2,
Form 1065, Page 3
- (3) Net Income (loss) Line 3c,
Form 1065, Page 3

NOTE: The section above only applies when the entire return is filed on magnetic tape, diskette or electronically.

.11 If the participant resubmits the return on paper, rather than filing it electronically or on magnetic media, the participant should attach a letter to the paper return which explains why the return was resubmitted on paper. A copy of the Acknowledgement Report sent by the Andover Service Center, to the transmitter concerning the returns transmitted, should also be included. A copy of this report is needed to bypass assessment of any late-filing penalties. The paper return should be filed at the IRS location where the partnership would normally file its paper return.

.12 The transmitter must resolve any problems relating to Form 8453-P. If IRS determines that a Form 8453-P is missing or unsigned, the transmitter must provide IRS with 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.

SECTION 10 WHERE TO SEND MAGNETIC TAPES,
DISKETTES AND PAPER ATTACHMENTS

.01 The paper Form 1065, Form 8453-P, and any other required paper documents, must be associated with the magnetic tapes or diskettes and sent to the Andover Service Center address listed in Section 10.04, using envelopes or carton, as volume or preference dictates.

NOTE: For electronic transmissions, the package containing Form(s) 8453-P and appropriate paper attachments, must be postmarked no later than the date of the electronic transmission.

.02 Shipping and packaging instructions for electronic and magnetic media filing of Form 1065: The sequence of the items in a package must be as follows:

- (1) the signed Form(s) 8453-P;
- (2) the corresponding paper attachments for each return attached to the corresponding Form 8453-P; and
- (3) the magnetic tapes or diskettes containing the return data. (except in cases when the return is transmitted electronically)

.03 "Paper-Parent Option" shipping and packaging instructions for sending Forms 1065 on paper, and Schedules K-1 and/or Forms 8308 electronically or on magnetic media:

(1) The participant must write in the lower right hand corner of the paper Form 1065, Page 1:

If both, the Schedules K-1 and Forms 8308 are transmitted in the same file . . .

"ELECTRONIC/MAGNETIC MEDIA SCHEDULES K-1/FORMS 8308"
NUMBER OF SCHEDULES K-1 _____
NUMBER OF FORMS 8308 _____

OR

If only the Schedules K-1 are transmitted . . .

"ELECTRONIC/MAGNETIC MEDIA SCHEDULES K-1"
NUMBER OF SCHEDULES K-1 _____

(2) If the paper return includes the paper Schedules K-1 for the General Partners, the participant must also write in the lower left hand corner of the paper Form 1065, Page 1:

"GEN PTR"

(3) The transmitter must send the paper Form 1065 to the IRS in the same package with the magnetic tape or diskette.

.04 Method of delivery:

(1) Envelopes containing only paper Forms 1065 and/or documents should be mailed to:

Internal Revenue Service
Andover Service Center
Stop 983 -- Electronic Filing Unit II
P.O. Box 4050
Woburn, MA 01888-4050

(2) Envelopes, packages or cartons containing magnetic tapes or diskettes and paper Forms 1065, in addition to other paper attachments, and any package sent by a courier service, should be sent to:

Internal Revenue Service
Andover Service Center
Stop 983 -- Electronic Filing Unit II
310 Lowell St.
Andover, MA 05501

.05 Magnetic tape will be degaussed and returned to the transmitter after the Acknowledgement Report has been sent. Diskettes will "not" be returned.

SECTION 11 DISTRIBUTION OF COPIES

.01 Copies -- To Be Kept By The Participant

(1) The participant 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 and Magnetic Filing. The copy of the electronic or magnetic media part of the return may be kept on computer media.

(2) The participant should advise clients to keep copies of all materials filed with the Andover Service Center. The copy of the electronic or magnetic media part of the 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.

(3) The participant should keep a copy of the Acknowledgment Report (See Section 5) received from the Andover Service 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.

.02 Copies -- To Be Provided To The Partnership From Which The Return Is Due

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.

.03 Copies -- To Be Provided To IRS On Request

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

SECTION 12 ADVERTISING STANDARDS

.01 Advertising 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 or magnetic media returns.

.02 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 or magnetic media filing capability is referenced, whether through publication or broadcast, must clearly indicate that IRS acceptance of the participant for electronic or magnetic media filing does not constitute an endorsement or approval of the quality of tax preparation services provided.

SECTION 13 MONITORING

.01 Participants must conform to the requirements of these procedures.

.02 The Andover Service 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.

.03 If a participant does not maintain an acceptable level of quality, the electronic/magnetic media filing authorization may be revoked.

.04 The following conditions can lead to suspension:

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

.05 Penalties:

(1) Treasury Regulations take precedence over these procedures.

(2) Electronic and magnetic media 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).

(3) 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.

.06 IRS will counsel suspended participants concerning the requirements for reacceptance in the program.

SECTION 14 ADMINISTRATIVE REVIEW

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

.02 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

.01 Supersedes any Publication 1524 previously issued.

.02 Publication 1525, File Specifications, Validation Criteria, and Record Layouts for Electronic and Magnetic Media Filing of Form 1065, U.S. Partnership Return of Income (Including the "Paper-Parent Option") for Tax Year 199X.

This publication is updated annually.

SECTION 16 EFFECTIVE DATE

These procedures remain effective for calendar year returns ending December 31 of the current tax year, and fiscal year returns ending January 31, through August 31 of the current tax year.

SECTION 17 ENTITY RECORD LAYOUT AND FILE SPECIFICATIONS

The participant must submit the entity information pertaining to the Form 1065 return(s) that will be filed at the Andover Service Center using electronic or magnetic media. The entity data will be matched with the existing IRS entity records. The transmitter will be notified of any discrepancies and asked to correct the problem(s) before the Form 1065 live data is transmitted. This system allows for early detection of errors to prevent delays in processing returns.

The following specifications must be taken into consideration before the Entity Record is formatted:

1. Alphanumeric fields must be left-justified and blank-filled.
 2. Any one of the following magnetic mediums are acceptable:
 - (a) Magnetic diskettes, double sided, double density or high density (5 1/4" or 3 1/2"); MSDOS 2.1 format or higher: ASCII character code; or
 - (b) On magnetic tape, .5 inch wide, computer grade, 9 track unlabeled, ASCII or EBCDIC
- NOTE: See Publication 1525 for additional information regarding the specifications for magnetic tapes and diskettes.
3. One of the following electronic transmissions may be used:
 - (a) MITRON - Line speed of 48000BPS via Public Switched Telephone Network. Character code - ASCII or EBCDIC.
 - (b) Remote Bulletin Board System (RBBS) - Line speed of 1200 through 14400BPS via Public Switched Telephone Network. Character code - ASCII or EBCDIC.
 4. Field # 11 must always be the last field at the end of the record.

5. ENTITY RECORD LAYOUT

FIELD NO.	FIELD IDENTIFICATION	LENGTH	DESCRIPTION
1.	BYTE COUNT	4	0128
2.	NAME OF PARTNERSHIP	35	ALPHANUMERIC
3.	NAME CONTROL	4	ALPHANUMERIC
4.	EMPLOYER IDENTIFICATION	9	NUMERIC NUMBER nnnnnnnnnn
5.	MAILING ADDRESS OF PARTNERSHIP	35	ALPHANUMERIC
6.	CITY	22	ALPHANUMERIC
7.	STATE	2	ALPHA
8.	ZIP CODE	12	ALPHANUMERIC nnnnnnnnnnnnnn nnnnnbbbbbbb
9.	TAX PERIOD	4	NUMERIC YYMM
10.	RESERVED	3	bbb
11.	RECORD TERMINUS	1	"#"

SECTION 18 LIST OF DISTRICT OFFICE
ELECTRONIC FILING COORDINATORS

<u>OFFICE</u>	<u>COORDINATOR</u>	<u>TELEPHONE</u>
ALABAMA 500 22nd St., South Stop 315 Birmingham, AL 35233	Mary Green	205-731-1186
ALASKA 949 E. 36th Anchorage, AK 99510	Marie Lozano	907-271-6458
ARIZONA 210 E. Earll Dr. Stop 6400 PX Phoenix, AZ 85012-2623	Terri Wedepohl	602-207-8337
ARKANSAS 700 W. Capitol St. Little Rock, AR 72204	Paul Cheek	501-324-5702
CALIFORNIA Laguna Niguel P.O. Box 30210 Laguna Niguel, CA 92607-0210	Gindy Barnard	714-643-4069
Los Angeles 300 N. Los Angeles St. Room 5202 Los Angeles, CA 90012	Gordon Meyers	213-894-6506
Sacramento P.O. Box 2900, Stop 5615 North Highlands, CA 95660	Prudy Hearn	916-978-6300
San Francisco 1221 Broadway Stop OA612 Oakland, CA 94612	Deborah Torres	510-637-2475
San Jose 55 South Market St. HQ6600 San Jose, CA 95113	Lou Jutzi	408-494-8119
COLORADO 600 17th St., Stop 6610 DEN Denver, CO 80202-2490	Terry Donohoue	303-446-1662

<u>OFFICE</u>	<u>COORDINATOR</u>	<u>TELEPHONE</u>
CONNECTICUT 135 High St., Stop 115 Hartford, CT 06103	Michael Kingsley	203-240-4151
DELAWARE 409 Silverside Rd - Rm 152 Wilmington, DE 19809	Donna J. Robertson	302-791-4504
District of Columbia	See information under Maryland	
FLORIDA Ft. Lauderdale One N. University Dr. Room A270, Stop 6030 Ft. Lauderdale, FL 33324	William Joyner	305-423-7625
Jacksonville 400 W. Bay St., Stop 6430 Jacksonville, FL 32202	Jan Wishart 1-800-829-1040 Ext.84992	904-232-1730
GEORGIA 401 W. Peachtree St. Room 1531, Stop 205D Atlanta, GA 30365	Janey Hauk	404-331-7517
HAWAII 300 Ala Moana Blvd. Honolulu, HI 96813	Gail Bonilla	808-541-1219
IDAHO 550 W. Fort St., Box 041 Boise, ID 83724	Laurel Morgan	208-334-1324
ILLINOIS Chicago P.O. Box 1132, DPN 32-8 230 S. Dearborn St. Chicago, IL 60604	Ruth Cameron	312-886-1571
Springfield 320 W. Washington St. Springfield, IL 62701	Eva Holman	217-527-6366
INDIANA P.O. Box 44211, Stop 60B 575 N. Pennsylvania St. Indianapolis, IN 46244	Eloise Erickson	317-226-6015
IOWA P.O. Box 1337, Stop 30-2 Des Moines, IA 50305	Patricia DeTimmerman	515-284-4274

<u>OFFICE</u>	<u>COORDINATOR</u>	<u>TELEPHONE</u>
KANSAS 271 W. 3rd St. Stop 6610 Wichita, KS 67202	Sharon Wurl WIC	316-352-7611
KENTUCKY P.O. Box 1216, Stop 531 Louisville, KY 40201	Pam Scott	502-582-6259
LOUISIANA F. Edward Herbert Bldg. 600 S. Maestrii Pl. New Orleans, LA 70130	Paulette Windon	504-558-3008
MAINE 68 Sewall St., Room G2 Augusta, ME 04330	Cathy Walker	207-622-8518
MARYLAND 31 Hopkins Plaza, Room 615A Baltimore, MD 21201	Karen Mayr	410-962-1801
MASSACHUSETTS P.O. Box 9008 Attn: PAO/EFC JKF Federal Office Bldg. Boston, MA 02203	Jennifer Toth	617-424-5311
MICHIGAN P.O. Box 330500, Stop 12 2448 McNamara Bldg. 477 Michigan Ave. Detroit, MI 48226-2597	Kristy Clayton	313-226-2262
MINNESOTA 316 N. Robert St., Stop 6500 St. Paul, MN 55101	Michelle Benson	612-290-3379
MISSISSIPPI 100 W. Capitol St. Stop 33 Jackson, MS 39269	Janice Ray	601-965-4133
MISSOURI 1222 Spruce Stop 612 St. Louis, MO 63103	Carolyn Chapman	314-539-2161
MONTANA 301 S. Park Federal Bldg., 2nd Floor Helena, MT 59626-0016	Barbara Shaffer	406-449-5375

<u>OFFICE</u>	<u>COORDINATOR</u>	<u>TELEPHONE</u>
NEBRASKA 106 S. 15th St. Stop 27 Omaha, NE 68102	Bruce Morrison	402-221-3501
NEVADA 4750 W. Oakey Blvd. Las Vega, NV 89102	Joel Klein	702-455-1030
NEW HAMSPHIRE 80 Daniel St. Portsmouth, NH 03801	Tina Ouelette	603-433-0519
NEW JERSEY 425 Raritan Center Pkwy. Edison, NJ 08818 Attn: TPS:TPE	Denise Perry	201-645-6690
NEW MEXICO 5338 Montgomery Blvd. NE Albuquerque, NM 87109-1311	Donna Stayton	505-837-5515
NEW YORK Albany Leo O'Brien Federal Bldg. Clinton Ave. & N. Pearl St. Albany, NY 12207	Shelly Willette	518-431-4494
Brooklyn 10 Metrotech Center 625 Fulton St. Brooklyn, NY 11201	Barbara Goins	718-488-2914
Buffalo P. O. Box 1040 Niagara Square Station Buffalo, NY 14201	Jack Klien	716-551-5037
Manhattan 120 Church St. P.O. Box 3036 Manhattan, NY 10007	Fred Thaggard	212-436-1026
NORTH CAROLINA 320 Federal Pl., Room 116 Greensboro, NC 27401	Veda Howell	919-378-2185
NORTH DAKOTA 653 Second Ave., North P.O. Box 2461 Fargo, ND 58108	Jan Engebretson	701-239-5213

<u>OFFICE</u>	<u>COORDINATOR</u>	<u>TELEPHONE</u>
OHIO Cincinnati 550 Main St., Room 3114 Cincinnati, OH 45201	Wilma Beigel	513-684-2400
Cleveland 1240 E. Ninth St. P.O. Box 99184 Cleveland, OH 44199	Suzanne Schliker	216-522-7751
OKLAHOMA 55 N. Robinson Stop 6410 OKC Oklahoma City, OK 73102	Christy Favors	405-297-4125
OREGON 1220 SW Third Ave., 11th Floor Portland, OR 97208	Kathy Howell	503-326-7256
PENNSYLVANIA Philadelphia 600 Arch Street, Rm 6424 Attn: EFS Coordinator Philadelphia, PA 19106	Sharon King	215-597-8842
PITTSBURGH P.O. Box 2488, Rm 1133 Pittsburgh, PA 15230	Andy Kociban	412-644-4950
RHODE ISLAND 380 Westminster Mall, Room 419 Providence, RI 02903	Janice Moore	401-528-4276
SOUTH CAROLINA 1835 Assembly St., MDP 17 Columbia, SC 29201	Betty Hawkins	803-765-5133
SOUTH DAKOTA 115 Fourth Ave., SE Aberdeen, SD 57401	Gwen Gross	605-226-7269
TENNESSEE 801 Broadway, Room 481 P.O. Box 1107, MDP 37 Nashville, TN 37203	Betty Martin	615-736-7319
TEXAS Austin 300 E. 8th St. Stop 6610 AUS Austin, TX 78701	Linda Donaho	512-499-5181

<u>OFFICE</u>	<u>COORDINATOR</u>	<u>TELEPHONE</u>
TEXAS (CON'T)		
Dallas 1100 Commerce St. Stop 6605 DAL Dallas, TX 75242	Thelma Reagor	214-767-3755
Houston 8701 S. Gessner Stop 6401 HAL Houston, TX 77074	Keith DeCoster	713-773-7435
Houston 1919 Smith Street Stop 1090 Houston, TX 77002	Linda Murray	713-773-4178
UTAH		
465 S. 400 East, Stop 6600 Salt Lake City, UT 84111	Bobbie Butters	801-524-6957
VERMONT		
199 Main St. Courthouse Plaza Burlington, VT 05401	Mark Moye	802-860-2076
VIRGINIA		
P.O. Box 10049, Room 5223 Richmond, VA 23240	Susan Andrews	804-771-8048
WASHINGTON		
915 Second Ave., Room 3298 Seattle, WA 98174	Brian Cahill	206-220-5766
WEST VIRGINIA		
425 Juliana St. P.O. Box 1138 Parkersburg, WV 26102	Rebecca Phillips	304-420-6600
WISCONSIN		
310 West Wisconsin Ave., ME132 Milwaukee, WI 53203	Gerri Ness	414-297-3385
WYOMING		
308 W. 21st St. Stop 6610 CHE Cheyenne, WY 82001	Delora Webster	307-772-2173
ACI INTERNATIONAL		
IN:C:TPS 950 L'Enfant Plaza SW Prom Level Washington, DC 20024	Karen Winslow	202-874-1480

