2014 Electronic Filing NJ-1065 Handbook for Software Developers

STATE ELECTRONIC FILING PROGRAM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE & ENTERPRISE SERVICES
http://www.state.nj.us/treasury/revenue

E-File-1065- Version 1.0 (10-13)

Message from the Director

Thank you for your interest in New Jersey's Electronic Filing Program. We look forward to another productive year as we work with you to assist New Jersey's taxpayers with their e-file/pay requirements.

The NJ-1065 E-file program has continued to show steady growth each tax year. The Division of Revenue received over 190,000 NJ-1065 e-filed returns during 2014, which is the highest total since the inception of the program.

The State has enhanced e-file/pay mandates for the upcoming tax year 2014. Paid practitioners are now required to e-file/pay all NJ-1065 returns and submit associated payments electronically. For non-practitioner prepared returns, the e-file/pay threshold will be returns with 10 or more partners. The enhanced mandates will help to harmonize New Jersey's e-file rules with the emerging Federal/State Modernized e-File (MeF) program and foster greater standardization and simplification of the partnership filing system, both in New Jersey and among neighboring states. Please visit the New Jersey Business Gateway website at www.nj.gov/njbgs for the most up to date information regarding the proposed rule changes.

Electronic filing continues to provide benefits to both tax practitioners and taxpayers. These benefits include:

- Elimination of data entry errors;
- Quicker turnaround time on refunds (two weeks versus four to six weeks);
- Confirmation that the return was received (receipt of an acknowledgment); and
- Ability to quickly identify and correct errors and re-file rejected returns.

The Division of Revenue's mission is to provide accurate, efficient, timely and responsive services to the business community, taxpayers and State government. As with all of our e-file programs, New Jersey's Partnership e-file/pay program is essential to this mission. It helps us increase our effectiveness and reduce processing costs. We look forward to continually improving our electronic government service programs, and will work in partnership with the practitioner community to ensure that our programs are responsive to the needs of New Jersey's taxpayers.

Thank you for your participation in this program and best wishes for the continued success of your business.

James J. Fruscione
Director
NJ Division of Revenue and Enterprise Services

INTRODUCTION

This manual is for software developers. It will provide the vendors with information needed to develop a quality product. It includes the criteria for filing, administrative procedures, and contact numbers.

New Jersey also produces a separate, less technical manual, *The NJ-1065 Electronic Filing Handbook for Practitioners (E-file-1065-2).* The practitioners/ERO Handbook will be available on the Division of Revenue's "What's New" web page. http://www.state.nj.us/treasury/revenue/whatsnew.htm

The software developers' handbook, E-file-1065-1, will be available to Developer's only on the Division's software developers' web page. This URL will be e-mailed to you and will not be generally accessible.

I. GENERAL

Electronically filing the NJ-1065 is now part of the Joint Federal/State MeF Electronic Filing Program. The information contained in this handbook is designed to assist software vendors in developing a tax package for preparation of TY14 New Jersey Electronic NJ1065 returns due in 2015.

Please note that starting in TY14, the NJ-1065 will go MeF. All prior year returns will be submitted over Axway by submitting the returns in your Axway mailbox. The Division will adhere to mandates requiring electronic payments.

If you have any questions, comments, or suggestions, please direct them, in writing to:

New Jersey Division of Revenue
E-File NJ-1065
Attn: Electronic Filing
PO Box 191
Trenton, New Jersey 08646-0191

Fax transmissions to (609) 530-3473
Send e-mails to Martin.Ingenbrandt@treas.nj.gov
Call our "Hotline" at (609) 292-9292.

II. WHO CAN E-FILE FOR TY 2014

New Jersey will accept all partnership returns electronically. **All partnerships with 10 or more partners, or returns submitted by paid preparers, *must* file electronically.** Partnerships that do not file electronically could be subject to penalties and interest for non-compliance. Since E-filing is mandated, in addition to TY14 returns, prior year returns TY13 and short year returns for TY15 may be filed. For additional information please visit our web site at:
http://www.state.nj.us/treasury/revenue

The New Jersey record layout follows the paper returns and schedules. Refunds, zero balance, and balance due returns, as well as supporting documents, forms, and schedules will be accepted electronically. In addition, New Jersey Partnership returns can be filed using products that can be accessed on-line and/or on the Internet. The on-line applications will also support the New Jersey Partnership forms and all supporting documents that New Jersey accepts electronically.

New Jersey requires the FID/EIN/SSN or PTIN, name, address, and city of the paid preparer to be included in the electronic return.

III. FORMS

Electronic Returns

Your software product should support the following:

- NJ-1065, New Jersey Partnership Return
- Schedule A, Tiered Partnerships
- NJ-NRA-A, Business Allocation Schedule
- Schedule J, Corporation Allocation Schedule
- Partnership Directory
- PART-100, Partnership Return Voucher
- PART-200-T, Partnership Tentative Return and Application for Extension of Time to File
- PART-160, Underpayment of Estimated Tax
- New Jersey & Federal Schedule K-1's
- Schedule L, Gain (Loss) from Disposition of Assets
- Schedule B, Sheltered Workshop Tax Credit
- Gross Income Tax Depreciation Adjustment Worksheet
- Partnership Estimated Payment Voucher * (NEW)

All attachments, which were previously sent with the paper returns, but are not included in the TY14 schemas can be sent in as a binary attachment. They should also be kept with the partnership records.

Partnership returns will be transmitted through the Federal MeF system to the State of New Jersey.

Note: When calculating Columns J and K on the Partners Directory you **must** use the New Jersey tax rate. If a different amount is entered the return will be rejected.

The Part-100 and Part-200T will now include an EFT payment option for those partnerships whose banking info is registered with New Jersey. (The Banking information must be pre-registered with NJ EFT program)

The NJ1065-ES will allow partnerships to make estimated payments electronically.

NEW FOR TY14:

- Schedule J has been changed

Paper Returns

New Jersey will also require these packages to produce a payment voucher when payment due is made by check. The voucher (PART-100, PART-160) and the forms (PART-200-1 and NJ-1065E) must meet specific criteria. The Division of Taxation's Technical Support Branch provides approval for paper return formats and can be reached at (609) 633-3878 or by writing:

New Jersey Division of Taxation
Forms Section
PO Box 269
Trenton, New Jersey 08695-0269
Attn: Anne Wysocki

IV. ACCEPTANCE INTO THE E-FILE PROGRAM

Software Vendors/Developers

All developers must demonstrate the ability to prepare and transmit an acceptable electronic New Jersey NJ-1065 and all additional forms/schedules. All criteria set forth in the record layouts must be met, and the test process must successfully be passed. Software developers must register using the registration form (See Appendix A.) Developers must provide the name of a contact person who is the only individual that the

Division of Revenue will contact. Minimizing the number of contact personnel reduces the chance of error and miscommunication. Software developers must also provide a copy of their approved product, with documentation, to the Division.

Transmitters
Transmitters must submit a properly completed registration form. It is important that all ETIN numbers are registered. Transmitters should not provide their customers with New Jersey Registration forms with their ETIN's pre-filled.

Practitioners
No registration is required to E-file the NJ-1065.

In the course of processing electronic returns, software developer ID#''s, ETIN's, etc. are verified. ID #'s appearing in electronic returns that are not registered with New Jersey will cause delays in processing the returns. Rejected returns can be retransmitted to the State.

V. FILE TRANSFER

The State of New Jersey, Division of Revenue will provide transmitters with the ability to electronically submit partnership returns through the use of a secure Internet portal. It is the Division of Revenue's recommendation that software developers control the transmission of data. We anticipate that software developers will provide their customers with the ability to transmit their returns to a central repository controlled by the developer. The developer will then batch the returns and use available technology (e.g. automatic scheduler, scripting, etc.) to access the portal and deposit the returns with the State of New Jersey.

To address the growing need for a more secure method of transferring data between businesses and the Division of Revenue and other agencies in the State of New Jersey, the Office of Information Technology (OIT) has developed the Secure File Transfer (SFT) Interfaces. Additionally, to meet the clients' sophisticated demands, OIT has developed both a *manual* interface and an *automated (batch)* interface. With these interfaces a business or a State of New Jersey agency will be able to confidently send and receive their files utilizing advanced data encryption technologies.

Getting Started

A business will need to contact a State of New Jersey Agency (In this case it is the Division of Revenue). An agency representative will then poll the business to get an understanding of the files to be transferred in the process. The agency representative will also assist the business in securing the registration data/criteria to allow the business to enroll. Then the agency representative will contact an OIT Application Development and Maintenance (ADM) analyst. The ADM analyst will set the technical process in motion. He/she will register information about the agency, business and files. Once OIT has completed the necessary technical setup, the user will be granted rights and privileges to send and/or receive particular files within the SFT process.

Accessing the State of NJ's File transfer Server from a Public Server

Technical Requirements
The client has a choice to use one of the following file transfer products. Most have been tested by the State of New Jersey**:**

Axway Information

Axway can be accessed at the following website: https://mft-sonj.axwaycloud.com/
We would recommend saving the URL to your favorites list for ease of access in the future
It is possible, if you choose, to script an application to automatically access your Axway mailbox for ease of uploading and downloading files. Axway's information is as follows:

Website: https://mft-sonj.axwaycould.com/

IP Address: 54.208.31.61
Ports
SSH: 22
FTPS: 21, 1024-65,000 for passive FTPS
HTTPS: 443

VI. DIRECT DEBIT

New Jersey will not offer Direct Deposit of refunds. Approved refunds will be paid by check. New Jersey will offer the Direct Debit payment method from the taxpayer's account for amounts due for fees and/or taxes, in addition to electronic funds transfer (EFT). Debit can be made from either a checking or a savings account.

All taxpayers with a prior year tax liability of $10,000 or more in a single New Jersey tax are required to make their payments by EFT or Direct Debit (through the software packet). Direct Debit requires the submission of the account type, account number and routing transit number. A taxpayer could be subject to penalties and interest for non-compliance. For more information please visit our web site at

http://www.state.nj.us/treasury/revenue

VII. MONITORING AND SUSPENSION OF PRIVILEGES

New Jersey will monitor all parties involved in the e-filing process. All entities involved in this process are subject to the rules and regulations set forth in this publication, as well as the laws, rules, and regulations relating to New Jersey Partnership Taxes and Fees. Failure to comply may result in warnings or suspension from the program. E-filed returns from suspended entities will not be accepted.

In addition, e-filed returns received on software not tested and accepted by the New Jersey E-file partnership program will not be accepted. Such submissions will not waive the responsibility of the client to e-file the partnership return.

VIII. PROVIDING DOCUMENTS TO PARTNERSHIPS

Practitioners must furnish partnerships with documentation of all New Jersey forms filed on their behalf. Partner's Share of Income; the Consent for Election; and any other documentation provided by the partnerships and used in the preparation of the returns.

IX. CONTACTING THE DIVISION

Practitioners and Transmitters
Technical calls dealing with transmissions, acknowledgment records, testing, etc., can be directed to (609) 292-9292. Personnel assigned to this phone line can assist with technical problems and explanations relating to the E-file Program. This phone line is **not** for tax related questions nor is it for use by the general public.

Practitioners
Practitioners with tax related questions have a special number that can be utilized to call the Division of Taxation and they should use that number.

Taxpayers
The following telephone number is to be provided to taxpayers with inquiries regarding their returns. **All** taxpayer inquiries should be directed to:

New Jersey Division of Taxation Call Center - (609) 292-6400

NOTE: Again, taxpayers should not be given any number other than the Division of Taxation's "Hotline" number, (609) 292-6400. Personnel at other numbers will not be able to assist taxpayers with inquires regarding e-filing.

X. STATE INTERNET HOME PAGE

The Division of Revenue has a developer's home page on the Internet that is used to post information relating to E-filing and a wide variety of other topics. The Internet address is:

http://www.state.nj.us/treasury/revenue/devel/swd1.shtml

XI. EXTENSIONS

In certain circumstances, New Jersey will allow electronic returns to be filed beyond the normal deadline. This will require the timely filing of a PART-200-T, Partnership Tentative Return and Application for Extension of Time to File. Returns relying on extensions will only be accepted when a properly completed, fully paid, and timely filed PART-200-T has been received by the Division.

XII. ACKNOWLEDGMENTS

New Jersey acknowledges all electronic returns received. An acceptance from New Jersey does not imply that the return in its entirety is correct; rather that it conforms to the required standards for e-filing.

Acknowledgments will no longer be transmitted to the GAC TaxPro System.

Each developer will be assigned a new Tumbleweed mailbox. The mailbox will begin with P followed by their 5 digit ETIN. Ack files will be available the following business day after 10am.

Rejected returns for partnerships with 10 or more partners must be re-filed in electronic format.

Amended returns must also be e-filed.

Payments that are not required to be submitted electronically should be forwarded along with the accompanying payment voucher to the following address:

State of New Jersey
Filing Fee and Tax on Partnerships
PO BOX 642

Trenton NJ, 08646-0642

1. ACKNOWLEDGMENT PROCESS

Electronic returns will be acknowledged by the Division of Revenue. Transmitters will be required to retrieve and forward acknowledgments to the appropriate Practitioners within twenty-four hours.

Acknowledgments, if applicable, will contain an error code to signify that there is a problem with their procedures.

Upon receipt, the return will be processed for acceptability within the guidelines set forth in this publication. Acknowledgments will fall into one of four categories:

Accepted (A)	Rejected (R)
Duplicate (D)	Conditional (C)

Accepted returns have successfully passed through initial processing for acceptance into New Jersey's program. An acceptance does not imply that the return in its entirety is correct; rather, it acknowledges that the return conforms to the required standards.

Rejected returns have failed the initial processing and did not conform to the required standards. A rejected return can be re-filed electronically. If there are 10 or more partners, it **must** be re-filed electronically.

Duplicate indicates that a return has been previously accepted for the partnership. It may be an indication of an attempt to file an ***amended return*** or a previously accepted return. (Amended returns should be e-filed.) More than one return may be filed in one calendar year; e.g. if the partnership changes its fiscal year to a calendar year basis. Two returns having different ending dates will not be considered duplicate returns.

Conditional acceptance relates to returns that have passed the initial processing but have failed to follow some administrative procedure.

Conditional returns relating to non-registered transmitters require the submission of a properly completed registration form. Subsequent acknowledgments will be either 'Accepted' or 'Rejected' and the practitioner should then follow the procedures for those categories of acknowledgments. The registration form can be found at the end of this handbook or on the Division's web site at:

http://www.state.nj.us/treasury/revenue/devel/swd1.shtml

2. ACKNOWLEDGMENT RECORD LAYOUT

The state acknowledgment is comprised of three records (see Appendix A). In order to assist the software developers, we have, for the most part, emulated the Federal Detail Record.

Three Examples of Acknowledgements

The following examples are provided to illustrate the data in the State Detail Record.

Example # 1 The return was received without errors:
ACK Key Record, Field 0050 = A (The "A" in field 0050 indicates an accepted record)

Example # 2 The return has errors.
ACK Key Record, Field 0050 = R (The "R" in field 0050 indicates a rejected record)

ACK Error Record, Field 0080 will = the 4-digit Field number where the first error occurred. Field 0090 will = the 3-digit error code from the error code list. There was one error. If there were more than one error, the error codes will be listed in the Error Record fields 0110 through 0190. Errors in excess of 10 will not be shown on the ACK Record.

3. ACKNOWLEDGMENT CODES

All of the possible codes that could appear in an acknowledgment record are listed below. Changes to these lists during the year will be posted on the Division's web site.

ACCEPTANCE CODES
The following codes relate to the State ACK Key Record, field 0050:

Code	Translation
A	**Accepted**
R	**Rejected**
D	**Duplicate**
C	**Conditional**

ERROR CODES
The codes relate to the State ACK Error Record, field 0090. Field 0090 provides the 3-digit error code for the first error identified. Additional errors will be identified on fields 0110 through 0190.

ERROR CODE LIST
Error codes are available on our web site at:

http://www.state.nj.us/treasury/revenue/whatsnew.htm

Or by calling (609) 292-9292, and will be e-mailed to the software developers.

XIII. ABBREVIATIONS

Practitioners are asked to use the following standard set of abbreviations:

WORD	ABBREVIATION	Word	ABBREVIATION
And	&	Lodge	LDG
Air Force Base	AFB	North	N
Apartment	APT	Northeast	NE
Avenue	AVE	Northwest	NW
Boulevard	BLVD	Parkway	PKY
Building	BLDG	Place	PL
Care of,	C/O	Post Office Box	PO BOX
In Care	C/O	Route	RT
Circle	CIR	Road	RD
Court	CT	Rural Delivery,	RD
Drive	DR	Rural Route	RR
East	E	South	S
Fort	FT	Southeast	SE
General Delivery	GEN DEL	Southwest	SW
Heights	HTS	Square	SQ
Highway	HWY	Street	ST

Island	IS	Terrace	TER
Lane	LN	West	W
Junction	JCT		

XIV. NJ-1065 E-FILE CALENDAR

Periods ending:	1/1/14- 11/30/14
Deadline to register:	None, but must register prior to transmitting
Begin live transmissions:	When notified
Last date for timely filing:	The 15th day of the fourth month after the end of the Partnership's year
Last date for late transmissions:	None

XV. MISCELLANEOUS CONTACTS, TELEPHONE NUMBERS, AND MAILING ADDRESSES

The following numbers are provided for your information:

Client Registration	609 292-9292
Director's Office - Revenue	609 984-3997
Director's Office - Taxation	609 292-5185
Speaker Programs	609 984-4101
Tax Hotline	609 292-6400
E-file Help-line	609 292-9292

Selected mailing addresses:

EFT	NJ Division of Revenue EFT Group POB 191, Trenton, NJ 08646-0191
E-FILE	NJ Division of Revenue E-FILE POB 191, Trenton, NJ 08646-0191
Forms	NJ Division of Taxation POB 269 Trenton, NJ *08695*-0269 Attn: Taxpayer Forms Service
State Tax News	NJ Division of Taxation POB 281 Trenton, NJ *08695*-0281

XVI. REMINDERS

*If the partnership has a **tax liability of more than $10,000** a year in any single tax, it must **pay** all its taxes and fees using **EFT (Electronic Funds Transfer).*** Contact the EFT unit at (609) 984-9830.

Rejected returns** for partnerships with 10 or more partners must be **re-filed in electronic format.

Amended returns should also be e-filed.

Payments that are not required to be submitted electronically may be forwarded along with the accompanying payment voucher to the following address:

State of New Jersey
Filing Fee and Tax on Partnerships
PO BOX 642
Trenton NJ, 08646-0642

ACK Key Record, Field 0040 is the TPID (NJ Taxpayer ID) which consists of the FEIN + NJ 3-digit suffix.

Information about interest and penalty assessments for partnerships with 10 or more partners failing to meet the electronic filing or tax amount mandates is available on our web site:
http://www.state.nj.us/treasury/revenue/whatsnew.htm.

Filers should address questions regarding acknowledgments and error codes to the transmitters.

If you have any questions or concerns, call the Division of Revenue via the E-File Hotline at (609) 292-9292.

Appendix A

1. ACK Key Record

Field#	Identification	Start	Length	Description
	Byte Count	1	4	"0120"
	Start of Record Sentinel	5	4	"****"
0000	Record Identification	9	6	"ACKbbb"
0010	Return Type	15	2	“01”=NJ-1065, “02”= Part100, “03”=Part200T
0020	Developer/Transmitter ID No.	17	9	N
0030	Return Sequence Number	26	16	Numeric ETIN (5) Transmitter’s Use Code (2) Julian Day (3) Trans Sequence Number (2) Sequence Number for Return (4)
0040	Partnership ID #	42	12	N (FEIN+ 3 Digit NJsuffix)
0050	Acceptance Code	54	1	"A", "R", "D", "C"
0060		55	4	"D" if Duplicate DLN, "E" if Duplicate EIN, else "0000"
0070	Filler	59	1	Blank
0080	Date Accepted	60	8	YYYYMMDD
0090	Return DLN	68	14	N
0100	Reserved	82	2	Blanks
0110	Filler	84	33	Blanks
0120	Reserved	117	1	Blank
0130	Reserved	118	2	Blanks
	Record Terminus Character	120	1	"#"

2. ACK Error Record

Field#	Identification		Length	Description
	Byte Count	1	4	"0120"

	Start of Record Sentinel	5	4	"****"
	Record Identification	9	6	"ACKRbb"
0010	Developer/Transmitter ID #	15	9	N
0020	Error Record Sequence No.	24	7	N Range:0000001 – 9999999
0030	Reserved	31	2	Blanks
0040	Error Form Record ID	33	6	A/N
0050	Error Form Record Type	39	6	A/N “01bbbb”=NJ-1065, “02bbbb”= Part100, “03bbbb”=Part200T
0060	Error Form Page Number	45	5	N
0070	Error Form Occurrence	50	7	N Range:0000001 – 9999999
0080	Error Field Sequence Number	57	4	N
0090	Error Reject Code	61	3	N
0100	Filler	64	1	Blanks
0110	Second Error Reject	65	3	N
0120	Third Error Reject	68	3	N
0130	Fourth Error Reject	71	3	N
0140	Fifth Error Reject	74	3	N
0150	Sixth Error Reject	77	3	N
0160	7th Error Reject	80	3	N
0170	8th Error Reject	83	3	N
0180	9th Error Reject	86	3	N
0190	Tenth Error Reject	89	3	N
0200	Filler	92	28	Blanks
	Record Terminus Character	120	1	"#"

3. ACK Recap Record

Field#	Identification		Length	Description
	Byte Count	1	4	"0120"
	Start of Record Sentinel	5	4	"****"
0000	Record Identification	9	6	"RECAPb”
0010	Filler	15	8	Blanks
0020	Reserved	23	6	Blanks
0030	Total Return Count	29	6	N
0040	ETIN	35	7	N
0050	Julian Day of Transmission	42	3	N
0060	Transmission Sequence No.	45	2	N
0070	Total Accepted Returns	47	6	N
0080	Total Duplicated Returns	53	6	N
0090	Total Rejected Returns	59	6	N
0100	Reserved	65	6	Blanks
0110	Reserved	71	6	Blanks
0120	IRS Computed Return Count	77	6	N
0130	Filler	83	17	Blanks
0140	Acknowledgment File Name	100	20	A/N [last byte is blank]
	Record Terminus Character	120	1	#

Appendix B

NJ-1065

New Jersey Division of Revenue E-file

REGISTRATION FORM

For SOFTWARE DEVELOPERS +/or TRANSMITTERS

Software developers and transmitters must register to participate in the e-filed NJ-1065, New Jersey Partnership Return program.

If you have any questions regarding completing this form please call (609) 292-9292.

Please type or print

COMPANY NAME - _____

COMPANY ETIN - _____

COMPANY FID/FEIN - _____

TRADE NAME (if any) - _____

ADDRESS - _____

CITY, STATE, ZIP - _____

CONTACT PERSON - _____

E-MAIL - _____

TELEPHONE- _____ **EXTENSION-** _____

FAX- _____

E-mail the completed form to - **james.cordani@treas.state.nj.us**

Or Fax the form to - **(609) 777-2811**

Or mail the form to – **NEW JERSEY DIVISION OF REVENUE**
E-FILE NJ-1065
P O BOX 191
TRENTON NJ 08646-0191