

Michigan Single Business Tax (SBT) Direct e-file Transmitters' Handbook



**Michigan Department of Treasury
www.michigan.gov/sbtefile**

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SECTION 1 SBT Direct e-file Introduction

1.1 General Information

Single Business Tax was repealed for business activity after December 31, 2007 and replaced by the Michigan Business Tax (MBT) effective January 1, 2008. The SBT Direct e-file program will continue to be available for prior year filings as supported by the software.

Thank you for your interest in the Michigan Department of Treasury's (Treasury) Single Business Tax Direct Electronic Filing (SBT Direct e-file) Program. The Michigan SBT Direct e-file Program was developed to provide Michigan taxpayers with the opportunity to use Internet and XML technology to file Single Business Tax Returns. The Michigan Single Business Tax Transmitters' e-file Handbook (Transmitters' Handbook) provides you with information on how you can participate as a transmitter in the SBT Direct e-file Program.

Note: If you are sending your returns to your software developer who will in turn transmit them to Treasury, you are not considered a transmitter.

To optimize operational efficiency and improve customer service, Treasury mandated electronic filing of SBT returns.

Software developers producing software for professional tax preparers support e-file for all Michigan SBT forms that are included in their tax preparation software package. Therefore, all eligible SBT returns prepared using software must be e-filed.

The SBT Direct e-file system will be unavailable from 4:00 a.m. to 5:15 a.m. daily and from 8:00 p.m. to midnight on the third Saturday of the month for maintenance. If you attempt to transmit a file during this period, you will receive a message stating that the system is unavailable and to try again later.

Transmitters must have Netscape 4.0 (or higher) or Microsoft Internet Explorer 4.0 (or higher). You cannot use MAC browsers or WebTV. You also need tax preparation software that has been approved by Treasury for SBT e-file.

E-mail LISTSERV for Tax Professionals The Treasury Tax Professionals LISTSERV is a free service that disseminates mass e-mail messages within seconds, to all subscribers. Sign up to receive electronic communications on Treasury's e-file programs and other information of interest. To subscribe to this service or for additional information visit the Tax Preparers Web site.

1.2 Treasury Contacts

For Tax Preparers, Software Developers and Transmitters Only

Michigan Electronic Filing Programs (formerly Alternative Filing Programs) Manager	Annette L. Olivier-Wolfe
Program Area, File Specifications and Record Layouts	Scott Bunnell, Mark Jenkins
Transmitter Testing	Walter Richardson
E-Mail	MIefile2D@michigan.gov
Telephone	(517) 636-4450
Persons who have a speech or hearing impairment may call	(517) 636-4999 (TTY only)
Fax	(517) 636-4378
Michigan Treasury Web Site	www.michigan.gov/taxes www.michigan.gov/treasury
SBT e-file Web Site	www.michigan.gov/sbtefile
Mailing Address	Alternative Filing Programs Office Michigan Department of Treasury 430 W. Allegan Street Lansing, Michigan 48922

Alternative Filing staff is available Monday through Friday, 8 a.m. to 5 p.m. EST, except state holidays. When leaving a phone message, please give as much detail as possible so that Alternative Filing staff can research the question(s) and have the answer(s) ready when they call back. Speak clearly and spell any difficult names.

Treasury does not recommend sending account-specific information over the Internet. Federal and state disclosure laws require that taxpayer privacy and the confidential records that are filed with the Department are protected. Therefore, Treasury will not send account-specific information over the Internet in response to an e-mail inquiry.

The Alternative Filing staff is not able to provide return status information or address specific taxpayer account issues. Should an error occur on the Michigan return during mainframe processing, Treasury will communicate directly with the taxpayer through the Department's regular error resolution process. Treasury's Customer

Contact staff will, however, discuss return situations with the preparer if the appropriate authorization box has been completed on the return.

Internet Options

Treasury offers a variety of services designed to assist taxpayers, and most are available 24 hours a day, seven days a week.

www.michigan.gov/bustax

To obtain information about your account using the Internet services you will need the following information for your return:

- Filers Federal Employer Identification Number (FEIN) or Michigan Treasury (TR) number,
- Gross Receipts,
- Organization type.

Access Treasury’s Web site to:

- Register for business taxes.
- Access your Customer Service Number (CSN).
- Check if your return has been received.
- Check if your refund has been issued, and when.
- Ask Treasury a question.
- Check estimated payments.
- Request copies of returns filed.
- Obtain copies of current and prior year tax forms at www.michigan.gov/treasury.

Customer Contact Center

Taxpayers that do not have Internet Service may call the SBT Customer Contact Staff at (517) 636-4700 for assistance.

Persons who have hearing or speech impairments may call (517) 636-4999 (TTY).

1.3 Key Dates

Deadline for SBT Direct e-file Application (New Profile)	None
Transmitter Testing	Available year-round

1.4 State of Michigan Observed Holidays

Labor Day	Presidents’ Day
General Election Day (even numbered years)	Memorial Day
Veterans’ Day	Independence Day
Thanksgiving	Labor Day
Christmas	Veterans’ Day
New Year’s Eve	Thanksgiving
New Year’s Day	Christmas
Martin Luther King Jr.’s Birthday Observed	New Year’s Eve

For additional information on Michigan Observed Holidays go to Web site:
<http://www.michigan.gov/som/0,1607,7-192-29938-90605--,00.html>

1.5 Definitions

Electronic Return Originator (ERO) or Preparer

An ERO is the person or firm that constructs the return information for the taxpayer for the purpose of electronically filing a tax return.

Transmitter

A transmitter is the business or individual that electronically sends the file of return data to Treasury. **In most cases the software developer will be the transmitter.** Preparers who are sending returns to the software developer, who will in turn transmit them to Treasury, **are not** considered transmitters.

To be a transmitter you must:

- Submit an [SBT e-file New Application](#) to Treasury, and
- Pass the Treasury qualifications review as outlined in this Publication.

1.6 Program Compliance

Treasury will ensure transmissions are in compliance with the requirements outlined in this publication and Publication 3919, MICHIGAN SBT DIRECT E-FILE SPECIFICATIONS AND SOFTWARE DEVELOPER GUIDE.

If, after acceptance, a software developer or transmitter has production problems, Treasury reserves the right to suspend that software developer/transmitter until the problems are resolved to Treasury's satisfaction.

SECTION 2 SBT Direct e-file Application (Profile)

2.1 General Information

An organization or individual interested in participating as a transmitter must submit an [SBT e-file New Application \(Profile\)](#) to Treasury. The online application is available on our Web site www.michigan.gov/sbtefile. Applications are processed within 1-2 business days. An acceptance letter containing your user ID and password to e-file SBT return(s) will be mailed within one (1) week. It is the responsibility of the transmitter to keep this information secure. Applications may be submitted at any time throughout the year.

Note: If the Web Server is down, you will not be able to access the SBT Direct e-file program.

Participants who have been previously accepted by Michigan do not need to resubmit an application. Participants should use the Update Profile screen on our Web site to submit any changes to the information on file.

Failure to apply will preclude participation in the program.

If you are sending your returns to your software developer who will in turn transmit them to Treasury, you do not need to apply to be a transmitter.

If you are an ERO, preparer or parent company acting as a transmitter, and will be transmitting multiple returns you only need one user code and password.

SECTION 3 SBT Direct e-file Transmitter Requirements

3.1 Transmitter Requirements

- Use Treasury-assigned user code and password to transmit XML files containing SBT tax returns (user code and password are case sensitive).
- Successfully complete transmitter testing. Each transmission can contain up to 999 returns.
- Retrieve acknowledgments from Treasury.

Once the return is transmitted and acknowledged, the transmitter is required to:

- Send or make available electronically the acknowledgment to the ERO within two (2) business days of retrieving the acknowledgment file, **or** mail a written notification to the ERO within one business day of retrieving the acknowledgment file.
- Advise the ERO to retain a complete copy of the return and any supporting materials.
- Advise the ERO that an amended return, if needed, must be filed as a paper return and mailed to Treasury.
- Inform the ERO that refunds and correspondence will be sent to the legal address currently in Treasury's records.

If the return is rejected, the transmitter must notify the ERO of the following:

- The return has not been accepted for processing.
- Date of rejection by Treasury.
- Explanation of the rejection code used by Treasury.

Instructions for transmitting compressed files:

- Currently only files compressed using ZIP or GZIP format can be transmitted.
 - ◆ Instructions for ZIP files:
 - Files compressed using ZIP format must have an extension of .ZIP (i.e., myTransmission.zip).
 - Invalid or corrupted compression formats will be checked and rejected.
 - Multiple transmission files can be combined into one compressed ZIP file.
 - Transmission acknowledgments will be provided for each file within a compressed file.
 - You must retransmit only the files that were rejected, not the entire compressed file.
 - ◆ Instructions for GZIP files:
 - Files compressed using GZIP format must have an extension of .GZ or .GZIP (i.e., myTransmission.gz).
 - Invalid or corrupted compression formats will be checked and rejected.
 - GZIP files can contain only one transmission file.
 - Individual GZIP files cannot be combined using a utility like TAR.

- Transmission acknowledgments will be provided for the transmission file within the GZIP file.

3.2 Unacceptable File Types

Files with certain extensions will not be accepted. The current list of unacceptable file extensions is listed below.

.386	.hta
.bat	.htt
.bin	.js
.com	.ocx
.cpl	.scr
.csh	.sh
.dll	.sys
.drv	.vxd
.exe	.wsh

If you receive the message: “File name with this extension cannot be transmitted.” please rename your file and transmit again.

SECTION 4 SBT Direct e-file Transmitter Testing

4.1 Transmitter Testing

All transmitters must successfully complete the transmitter testing process with Treasury. Applicants must use Treasury-assigned user codes and passwords for system testing. For test purposes only, the returns in the transmission xml file must be prepared using approved software or the sample SBT XML file. System testing ensures that:

- SBT Direct e-file specifications are met;
- The transmitter is able to send information to and retrieve information from Treasury;
- The transmitter understands the mechanics of e-filing;
- The TransmissionData at the beginning of the file and the TransmissionEndData at the end of the file are correct;
- The return count in the TotReturnCount field equals the total number of returns in the file;
- The sequence number for the day is incrementing properly by transmitting more than once on the same day;
- Acknowledgments are picked up properly.

The transmitter testing process is as follows:

1. If not currently enrolled, apply to Treasury by submitting an [SBT e-file New Application \(Profile\)](#).
2. Follow the guidelines in the Transmitters' Handbook.
3. Submit a test xml file that contains at least two Treasury test scenario returns prepared using approved software or the sample SBT XML file.
If using the sample SBT XML file the following elements must be changed:
 - TransmissionData:
 - TransUserCode= Treasury assigned transmitter user code.
 - TransDate= date file sent to Michigan.
 - JulianDay= date file sent as a Julian date.
 - SeqNumber= number of the file sent on specific Julian day ("1" for first file, "2" for second file).
 - SBTHeder:
 - TransDate= date file sent to Michigan.
 - TransSeq=same as SeqNumber in TransmissionData.
4. Submit second transmission on the same day.
5. Treasury will acknowledge the test transmissions in two ways:
 - After transmitting the file the SBT Web Portal will indicate the file was transmitted successfully or unsuccessfully.
 - When the test files are successfully transmitted an e-mail will be sent to the transmitter stating the same.
6. As instructed in the e-mail, reply stating whether you were successful or unsuccessful in retrieving test acknowledgements. Test acknowledgements may show status ACC or REJ. Status of REJ on a test acknowledgement does not

mean a rejected transmitter test. Treasury is testing the transmitter's ability to retrieve test acknowledgements.

7. Treasury will submit the test file for mainframe testing.
8. Within 2-4 business days Treasury will issue written approval to transmit live returns through the SBT Direct e-file program or notify you of any processing problems that were encountered and need to be addressed.

Note: Transmitters may transmit test files as many times as necessary until Treasury grants approval to transmit live returns.

When transmitting files, if no response is received from SBT web portal after five minutes, the application may be experiencing problems. Please wait an hour and try again. You may also contact the Alternative Filing Office to report this difficulty.

4.2 Transmitter Acknowledgment Testing

Upon receipt of a successful test transmission, Treasury will process the file and generate test return acknowledgments. Transmitters must retrieve these acknowledgments from the test site by selecting Test Return Acknowledgments from www.michigan.gov/sbtefile and entering their User ID and password. Acknowledgments can be viewed by transmission date and/or file ID, or downloaded, in an XML file.

To receive a file of acknowledgments, click on the Download button in the search page or the search results page. You will be prompted to save a file with a default name of SBTReturnAcks_<userid>.xml. The <userid> is your transmission user id. The file is in XML format and contains both the search condition and the results.

To prevent duplicate postings to Treasury's test system, the last five (5) digits of the test account numbers will be incremented. The first four digits of the test account numbers will not change. For example:

Test 1 account number = 38-1000000
Test 1 acknowledgment number could be 38-1000015

Transmitters must reply to Treasury's e-mail indicating that acknowledgments were retrieved successfully before Treasury will grant written approval for live SBT Direct e-file transmissions.

Please see Section 5 for additional information regarding the acknowledgment system.

SECTION 5 SBT Direct e-file Acknowledgment System

5.1 First Acknowledgment (File Acknowledgment)

Treasury will provide two types of acknowledgments. The first is a confirmation that the file transmission was successful. This confirmation is issued almost immediately after the transmission is complete. If a transmission is rejected, the transmitter will receive a message back from Treasury's SBT Web portal identifying the first error encountered in the file transmission. The transmitter should correct and retransmit the file. Transmitters will need to retransmit the file until it clears the schema validation. If you have questions, your XML programmer can help interpret the error message.

Upon successful transmission of a file, the transmitter will receive a message back from Treasury indicating the transmission has been received and the return acknowledgments will be available within 1-2 business days.

If any of the following conditions exist, the entire transmission will be rejected.

- XML file doesn't validate against XML schema. (See XML File Layout / Forms Cross Reference for a complete list of conditions)
 - Transmission data is missing or invalid.
 - Invalid production-test code (field TransType): P = Production, T = Test
 - No returns within transmission.
 - Return type (field ReturnID) left blank
 - Invalid return type.
 - Account number (field FEIN) left blank.
 - File period (field EndFilePeriod) left blank.
 - Name of business (field BusinessName1) left blank.
- Transmitter User ID (field TransUserCode) inside file must match User ID entered at sign-in.
- Invalid total return count in TransmissionEndData

5.2 Second Acknowledgment (Return Acknowledgment)

The second is an acknowledgment for each individual return record included in the file. This acknowledgment is available within 1-2 business days after successful transmission of a file.

Treasury will perform certain checks on the return during the acceptance process. All returns, whether e-filed or paper-filed, are subject to Michigan audit, and can be delayed regardless of the acknowledgment code given. The acknowledgment codes are as follows:

ACC Electronic return was **accepted** and will be reviewed and processed.

REJ Electronic return was **rejected**. Rejections other than duplicates can be corrected and retransmitted to Treasury.

Reject Status Codes

<u>Rejection Code</u>	<u>Form</u>	<u>Description</u>
10	C-8000 C-8044 C-8030	Duplicate return.
20	All forms	Unauthorized Software Developer.
30	C-8000 C-8044 C-8030	Invalid Electronic Signature Alternative.

Note: If the return is signed using ESA shared secrets and the return is rejected because the shared secrets do not validate, the taxpayer/preparer may correct the shared secrets information and retransmit. There is no limit on how many times a return can be retransmitted in this circumstance.

40	C-8000 C-8044 C-8030	Return filed on wrong year form.
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Note: Fiscal year filers beginning year date should coincide with the form's tax year.

50	C-8030	Gross receipts over C-8030 filing limit.
60	C-8000 C-8044 C-8030	Ending Date is less than Beginning Date.

5.3 Retrieving Return Acknowledgments

To retrieve production return acknowledgments, select Return Acknowledgments from www.michigan.gov/sbtefile and enter your User ID and password. Acknowledgments can be viewed by transmission date and/or file ID, or downloaded, in an XML file.

To receive a file of acknowledgments, click on the Download button in the search page or the search results page. You will be prompted to save a file with a default name of SBTReturnAcks_<userid>.xml, where <userid> is your transmission user id. The file is in XML format and contains both the search condition and the results. For an exact definition of the file format, see XML schema file SBTACKS.xsd.

The acknowledgment screen will display information similar to the following:

<u>File Id</u>	<u>Transmit Date</u>	<u>Account</u>	<u>Ending File Date</u>	<u>Trans Seq</u>	<u>Trans Return Seq</u>	<u>ERO EFIN</u>	<u>DCN Batch</u>	<u>DCN Seq</u>	<u>Status</u>	<u>Rejection Code</u>
1234567	11/15/2008	38-1234567	12/2008	01	01	555666	01	01	REJ	10
1234567	11/15/2008	38-7654321	12/2008	02	02	555666	02	01	ACC	

If the return acknowledgement database is unavailable the following message will appear on the acknowledgment screen or in the file if you are downloading the acknowledgments:

The Michigan database is currently unavailable for the retrieval of SBT return acknowledgements. Please try again later.