Kentucky Department of Revenue

SPECIFICATIONS FOR ELECTRONIC SUBMISSION (WEB FILE) OF TELECOMMUNICATIONS PROVIDER TAX RETURN

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FINANCE AND ADMINISTRATION CABINET

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SPECIFICATION FOR ELECTRONIC SUBMISSION OF TELECOMMUNICATIONS PROVIDER TAX RETURN

GENERAL INFORMATION

OVERVIEW

The Kentucky Department of Revenue (DOR) offers web filing as an alternate method for providers to use FTP (File Transfer Protocol) to submit their return data directly to KY DOR to report their monthly telecommunications information beginning with the January 2006 tax return. Web filing streamlines the processing and offers an easy and secure way to meet the filing requirements. Taxpayers who provide cable, direct broadcast satellite, or telecommunications services to a large customer base and collect the Telecommunications Tax can remit the tax return information to the DOR using this alternate method. The data goes through the same validations and edits as the electronic return data, provides the same information to the DOR, and minimizes the monthly filing requirements for the provider.

ACCEPTABLE ELECTRONIC MEDIA

The DOR accepts filing information via web filing (file upload) or online filing (by filling out online return form). There is only one acceptable format for reporting via 'Web File'. See DATA RECORD DESCRIPTIONS on page 5 for detailed format descriptions and requirements.

TIPS TO REMEMBER

- Taxpayers are required to perform a successful test submission with the DOR prior to filing
- A return must be filed even if there is no activity (Line 1, Gross Receipts = 0 or Lines 10 and 11, Gross Revenues = 0) for the month
- Interest and/or penalty for returns submitted after the due date will be system computed
- Taxpayers can use the E-Pay or EFT link from Telecommunications Tax System to facilitate making a payment
- Amounts are expressed in dollars and cents (decimals omitted but implied)

FILING DEADLINE

The Telecommunications Tax files should be submitted to the Kentucky DOR by the 20th of every month. If this day falls on a holiday or weekend, the filing deadline is the next business day. Late filing penalties, late payment penalties, and interest apply if filed after the due date.

FILING EXTENSIONS

Pursuant to KRS 160.615, extensions for a period not to exceed 30 days may be granted for filing the Telecommunications Tax Return. Requests for extensions must be made in writing prior to the due date. Taxpayers should contact:

Kentucky Department of Revenue
Division of Sales and Use Tax
P.O. Box 181—Station 66
Frankfort, KY 40602-0181
Phone: (502) 564-5170 (option 2)
Fax: (502) 564-2041
Email: DOR.WEB.Response.Telecom@ky.gov

Extensions only extend the filing date. Payment must be made by the original due date to avoid a late payment penalty and interest.

AMENDED RETURNS

File an amended return to make corrections or adjustments to the original return.

To file an amended return, select the filing period to be amended from the Filing History screen. Only a return that is in the "Filed Online" status can be amended. If an error is discovered in the file, and the 20th of the month has not passed, it is possible to "unsubmit" the file for updates. Use this "unsubmit" feature from the Telecommunications Provider Tax Return screen. To amend a return, select the "Amend Return" button at the bottom of the Tax Return Summary screen. Mark the amended checkbox at the top, enter the reason for the amendment and make any necessary corrections to the original figures shown, then submit the amended return. The system will automatically calculate the net changes and distribute accordingly. If additional tax is due on the amended return, you will have the option pay via E-Pay (EEPS) in order to remit the remaining tax due. If the amended return creates a refund situation, the DOR will review the amended return and take the appropriate action to refund the overpayment.

E-PAY SYSTEM—EEPS (**E**NTERPRISE **E**LECTRONIC **P**AYMENT **S**YSTEM)

The Telecommunications Tax system links to the E-Pay system (EEPS) for making electronic payments. Once the return has been accepted by DOR, the user will select the E-Pay button to submit an electronic payment. The EEPS screen will be pre-populated with the required account information and tax due amount for the return as completed. At this time, DOR accepts payments through EEPS by credit/debit card and electronic check (direct debit). There is no fee to use the electronic check feature however, there is a convenience fee to pay your return using the credit/debit card option. An Electronic Funds Transfer (EFT) payment can also be submitted. To submit a payment via EFT, contact the EFT desk at 502-564-6750 to set up an account.

WEBSITE SECURITY

The DOR is confident in the level of security associated with Web Filing. All transferred data is encrypted and a series of audit trails shall be maintained by the DOR to ensure accountability.

SPECIFICATIONS

HOW WEB FILING WORKS

To use Web Filing, registration for KY *E-Tax* and the Telecommunication Tax System (TTS) is required. You will create a User ID and password for accessing the TTS for filing or submitting your tax return information. Once the user has logged onto the TTS, the user selects a file from any location accessible from the user's PC and imports it to the DOR's Web server. The user who imports (submits) the file must have a user level of File or Administrator. A successful pre-test submission of the data file is required. To avoid late filing penalties and interest, allow sufficient time for this initial validation process and resubmission of the test file in the event an error is encountered. After a successful test file, you must resubmit the web file for the return to be processed and considered Submitted to DOR. After the transfer, the DOR will verify that it is a valid file format before further processing. If the file has passed this validation and all other edits on the data submitted, the DOR will notify the transmitter via email of the successful submission. If the file does not pass the required edits and validations, an email will be sent identifying the error (see APPENDIX B -- ERROR CODES AND DESCRIPTIONS on page 9 for a complete list of errors). The error must be corrected and the file resubmitted. If the user remains connected, the message will also display on the screen. (Timeout occurs within 20 minutes of inactivity). The Filing Status on the Filing History screen will be updated to Filed Online once the file has been processed.

WEB FILING REQUIREMENTS

SYSTEM INFORMATION

Web Filing utilizes Microsoft's SSL technology (secure socket layer) to create a secure connection between the user's PC and the DOR's Web server. Using 128-bit encryption, files are transferred to the DOR's servers and then processed. This service is provided at no cost and only requires a PC with Internet Explorer 5.5 or higher or another compatible Web browser. Preparing your PC to use Web Filing requires no hardware or software installations for file submission. For best results, use a screen resolution of 600 x 800 pixels or 1024 x 768 pixels.

PRE-TEST SUBMISSION

A successful pre-test submission of the data file is required. To avoid late filing penalties and interest, allow sufficient time for this validation process and resubmission of your test file in the event an error is encountered.

Check the box labeled "Test" on the screen to flag the file as a test file. Failure to identify this file as a test submission may result in additional processing errors and/or a tax bill for a no pay return. See Naming Convention for TTS Files for accurately identifying the test file.

NAMING CONVENTION FOR TTS FILES

Use the following format for naming your text file containing tax data for the TTS: *MMDDYYYY9999990.txt*, where:

Format Example	Position in File Name	Description
MMDDYYYY	1-8	Tax Period End Date (e.g. 09302017 for September 30, 2017)
999999	9-14	TTS Account Number
0	15	Type Return (i.e., 0-Original; 1-Amended; 2-Amended; . . . 8-Amended; 9-Test)

RETURN STATUS

Return Statuses displayed on the Filing History screen include:

- Not Filed – default (return not filed)
- Preparation In Progress – data has been saved but not completed or submitted
- Pending Approval – data has been saved and has passed validations; waiting on approver
- Submitted to DOR – return has been approved and submitted to DOR by the approver
- Filed Online – return has been processed by DOR

GENERAL WEB REQUIREMENTS

WHAT IS VERIFIED DURING WEB FILING?

- File must be recorded in American Standard Code for Information Interchange (ASCII)
- Length of each record must be 340 characters
- Record count must be accurate—one each RS, RH, R1, RF; multiple R2 records are allowed
- Tax period in file must match tax period selected
- Math calculations are correct and county codes are valid
- Return received after due date: penalty and interest will be computed by the system

1. Go to www.revenue.ky.gov/ and click on the Businesses Tab, select Telecommunications Tax and proceed to log in using your account number, User ID, and password.
2. From the Filing History table, select the tax period for which a return will be filed/submitted.
3. On the Telecommunications Provider Tax Return screen, select the Web File button in the upper right-hand corner. This will open a browse window.
4. Select the file to submit using the browse window and check test, after passing initial validations, uncheck test to Submit File.
5. A message will be displayed on the screen stating that the file was received and processed successfully, or if rejected the error code and description causing the file to be rejected will be displayed. A secondary email may also be sent to the email on the web file. The error should be corrected immediately and the file resubmitted. (The system will timeout if there is no activity for 20 minutes.)

Command Button	Function
Browse	Clicking on this link will open a browser for the user to select the file to import. After selecting it will show file name.
Submit File	Clicking on this link will start the import process, which validates the data in the file.

6. An email notification of the acceptance or rejection of the file will be sent to the email address included in the file submitted (if file is recognizable). A list of error codes and descriptions is available in Appendix B. The error should be corrected immediately and the Web File resubmitted. Additional errors may be encountered as the file moves through the processing edits. If the return was submitted after the due date, penalty and interest will be calculated as of the date submitted. If not paid at this time penalty and interest will continue to accrue.
   - Email to Web filers accepting the file as submitted:

SUBJECT: ACCEPTED TELECOMMUNICATIONS TAX RETURN
** AUTO RESPONSE – DO NOT REPLY TO THIS EMAIL. **
RE: TELECOMMUNICATIONS TAX ACCOUNT #-- < ACCOUNT NUMBER >
< ACCOUNT NAME > ,
THANK YOU FOR FILING YOUR TELECOMMUNICATIONS TAX RETURN VIA THE WEB FILING OPTION.
THE FILE HAS PASSED THE VALIDATIONS AND HAS BEEN ACCEPTED BY THE DOR. THE FILING STATUS ON THE FILING HISTORY SCREEN WILL BE UPDATED TO REFLECT THIS ACCEPTANCE AFTER PROCESSING IS COMPLETE. IF THE RETURN SHOWS AN AMOUNT DUE AND YOU HAVE NOT SUBMITTED PAYMENT, SELECT THE E-PAY OR EFT LINK AVAILABLE ON THE TAX RETURN SUMMARY SCREEN IN THE TELECOMMUNICATIONS TAX SYSTEM. PAYMENTS ARE DUE BY THE 20TH OF THE MONTH. IF YOU HAVE ANY QUESTIONS, CONTACT THE DIVISION OF SALES AND USE TAX AT (502) 564-5170 (OPTION 2) OR BY EMAIL AT DOR.WEB.RESPONSE.TELECOM@KY.GOV.

   - Email to Web filers rejecting the file when submitted:

SUBJECT: TELECOMMUNICATIONS TAX RETURN—WEB FILING
** AUTO RESPONSE – DO NOT REPLY TO THIS EMAIL. **
THANK YOU FOR SUBMITTING YOUR TELECOMMUNICATIONS TAX RETURN VIA THE WEB FILING OPTION. YOUR FILE HAS NOT PASSED THE VALIDATIONS REQUIRED FOR ACCEPTING AND PROCESSING YOUR RETURN DATA. THE ERROR ENCOUNTERED HAS STOPPED THE PROCESSING OF YOUR RETURN AND HAS RESULTED IN DOR REJECTING THE FILE AS SUBMITTED. PLEASE CHECK THE

ERROR MESSAGE BELOW AND RESUBMIT THE FILE WITHIN 48 HOURS. WHEN RESUBMITTED, ADDITIONAL ERRORS MAY BE ENCOUNTERED AS IT CONTINUES THROUGH THE PROCESSING EDITS.

ACCOUNT INFORMATION
ACCOUNT NUMBER: 999999999
ACCOUNT NAME: ACCOUNT NAME
TAX PERIOD: MM/DD/YYYY

ERROR LIST
<DISPLAY ERROR CODE AND DESCRIPTION BASED ON RESULTS.>

IF YOU HAVE ANY QUESTIONS, CONTACT THE DIVISION OF SALES AND USE TAX AT (502) 564-5170 (OPTION 2) OR BY EMAIL AT DOR.WEB.RESPONSE.TELECOM@KY.GOV.

7. After the email acceptance message has been received, the user can return to the Tax Return Summary screen and select E-Pay or EFT links to pay online. The Telecommunications Tax System and the E-Pay system are linked together. TTS account information and the amount due will be carried over to the E-Pay system (EEPS) when E-Pay is selected.

DATA RECORD DESCRIPTIONS

The following is a description of the required data records that are used to create the TTS file.

REQUIRED RECORDS

- RS – Submitter Record
- RH – Service Provider Header Record
- R1 – Part I, Excise Tax Computation Record
- R2 – Part II, Gross Revenues Tax Computation Record
- RF – Final Record

RS RECORD – SUBMITTER RECORD

The RS record must be the first data record on each file. ***An email stating acceptance or rejection of the file will be sent to the email address contained in this record***. The RS Record identifies the taxpayer and the organization submitting the file.

CODE RS – Submitter Record			
LOCATION	**FIELD**	**LENGTH**	**SPECIFICATIONS**
1-2	Record Identifier	2	Constant ”RS”
3-11	Taxpayer’s Federal Identification Number	9	Enter the taxpayer’s FEIN. Null if not applicable
12-41	Submitter’s Name	30	Required. Enter the name of the organization to receive notification of data that cannot be processed. Left justify and fill with blanks
42-101	Submitter’s Email	60	Required, enter the contact’s email/internet address
102-116	Filler	15	Fill with blanks
117-340	Reserved	224	Fill with blanks

RH RECORD – SERVICE PROVIDER HEADER RECORD

The RH record follows the RS record. There can only be one RH record in the file.

CODE RH – Record Header			
LOCATION	**FIELD**	**LENGTH**	**SPECIFICATIONS**
1-2	Record Identifier	2	Constant “RH”
3-11	TTS Account Number	9	Enter the Telecommunications Tax account number assigned to the provider Right Justify, zero fill
12-207	Filler	196	Blank
208-215	Period Begin Date	8	Enter the beginning month, day, and year for which this report applies (e.g. "01012006" for January 1, 2006)
216-223	Period End Date	8	Enter the ending month, day and year for which this report applies (e.g. “01312006” for January 31, 2006)
224-231	Return Due Date	8	Enter the due date month, day and year for which this report applies (e.g. “02202006” for February 20, 2006)
232-232	Amended Flag	1	Enter 1 for amended, if not applicable, fill with a blank
233-332	Amended Reason	100	If the Amended flag is 1 then a reason for amending is required
333-340	Reserved	8	Fill with blanks

R1 RECORD – PART I, EXCISE TAX COMPUTATION RECORD

The R1 record follows the RH record.

R1 RECORD – Part I, Excise Tax Computation Record			
LOCATION	**FIELD**	**LENGTH**	**SPECIFICATIONS**
1-2	Record Identifier	2	Constant "R1"
3-14	Total Gross Receipts Amount	12	Required. No negative amounts. Right justify and zero fill. (Dollars and cents, decimal omitted but implied)
15-26	Deductions Sales to Government Agencies Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
27-38	Deductions Sales to Nonprofits Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
39-50	Deductions Services Resold Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
51-62	Deductions Internet Access	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
63-74	Deductions Federal, State and Local Taxes	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)

75-86	Deduction Bad Debt Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
87-98	Deduction Other Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
99-198	Deduction Other Reason	100	Required if Other Deduction Amount (87-98) is greater than zero. Left justify and fill with blanks.
199-210	Total Allowable Franchise Fee Credit	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
211-340	Reserved	130	Fill with blanks

R2 RECORD – PART II, GROSS REVENUES TAX COMPUTATION RECORD

The R2 record follows the R1 record. This record repeats for each county listed in Part II – Allocation Schedule on the tax return. The R2 record is required if the Gross Receipts minus deductions is greater than zero and the Taxpayer is not a Municipal Utility. The total of the all R2 records must equal the Gross Receipts minus Deductions.

R2 RECORD – Part II, Gross Revenues Tax Computation Record			
LOCATION	**FIELD**	**LENGTH**	**SPECIFICATIONS**
1-2	Record Identifier	2	Constant "R2"
3-5	County Code	3	Enter the appropriate county numeric code
6-17	Gross Revenues from MVP Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
18-29	Filler	12	Fill with blanks
30-41	Gross Revenues From Communications Services Amount	12	No negative amounts. Right justify. If none, fill with blanks. (Dollars and cents, decimal omitted but implied)
42-53	Filler	12	Fill with blanks
54-340	Reserved	287	Fill with blanks

RF RECORD – FINAL RECORD

The RF record must be the last record in the file and can appear only once in each file. Do not create a file that contains any data after the RF record.

RF RECORD – Final Record			
LOCATION	**FIELD**	**LENGTH**	**SPECIFICATIONS**
1-2	Record Identifier	2	Constant “RF”
3-13	Number of R1 Records	11	Enter the total number of R1 Records reported on the entire file Right justify and zero fill
14-24	Number of R2 Records	11	Enter the total number of R2 Records reported on the entire file Right justify and zero fill
25-340	Reserved	316	Fill with blanks

APPENDIX

APPENDIX A – INTEREST AND PENALTY RATES/CALCULATIONS

INTEREST

For returns filed after the 20th of the month, interest is assessed at the "tax interest rate" from due date until the date of payment. Interest will be computed by the system when the file is submitted and may be viewed online.

TO CALCULATE INTEREST:
Interest Due = Tax Liability x Interest Rate / 365 x Number of Days Late

LATE FILING PENALTY

For returns filed after the 20th of the month or after granted extension due date, a late filing penalty will be assessed. The penalty is 2 percent of the additional tax due for each 1-30 day period or fraction thereof that a return is not filed. The penalty does not exceed 20 percent and the minimum penalty is $10. Penalty will be computed by the system when the file is submitted and may be viewed online.

LATE PAYMENT PENALTY

For returns paid after the due date, a penalty of 2 percent of the tax computed due will be assessed for each 1-30 day period or fraction thereof that the tax is past due, not to exceed 20 percent. The minimum late payment penalty is $10. Penalty will be computed by the system when the file is submitted and may be viewed online.

APPENDIX B -- ERROR CODES AND DESCRIPTIONS

Error Code	Description
000	File not recognized/readable
001	Account Number in RH record fields 3-11 does not match USER ID submitting file
003	RS record not found, RS record length not correct
004	RH record not found, RH record length not correct
005	R1 record not found, R1 record length not correct
006	R2 record not found, R2 record length not correct
009	RF record not found, RF record length not correct
012	Total Deductions may not exceed Total Gross Receipts, 3-14 in the R1 record
015	Invalid County Code on R2 record
019	Amended return reason not included in RH record, fields 233-332
020	Tax period start and/or end date does not match tax period selected
021	R1 record contains non-numeric data in a numeric field
022	R1 record missing required data
023	R2 record contains non-numeric data in a numeric field
024	R2 record missing required data
025	Unrecognized Amendment flag in field 232 in RH record
026	Unrecognized Date format in fields 208-215, 216-223, or 224-231; should be in MMDDYYYY format in RH record
032	Submitter Name missing in fields 12-41 in RS record
033	Invalid or Missing Email address in fields 42-101 in RS record
039	No Original Return to Amend
040	Negative Numbers not allowed

APPENDIX C – COUNTY CODES

001	Adair	031	Edmonson	061	Knox	091	Nicholas
002	Allen	032	Elliott	062	Larue	092	Ohio
003	Anderson	033	Estill	063	Laurel	093	Oldham
004	Ballard	034	Fayette	064	Lawrence	094	Owen
005	Barren	035	Fleming	065	Lee	095	Owsley
006	Bath	036	Floyd	066	Leslie	096	Pendleton
007	Bell	037	Franklin	067	Letcher	097	Perry
008	Boone	038	Fulton	068	Lewis	098	Pike
009	Bourbon	039	Gallatin	069	Lincoln	099	Powell
010	Boyd	040	Garrard	070	Livingston	100	Pulaski
011	Boyle	041	Grant	071	Logan	101	Robertson
012	Bracken	042	Graves	072	Lyon	102	Rockcastle
013	Breathitt	043	Grayson	073	McCracken	103	Rowan
014	Breckinridge	044	Green	074	McCreary	104	Russell
015	Bullitt	045	Greenup	075	McLean	105	Scott
016	Butler	046	Hancock	076	Madison	106	Shelby
017	Caldwell	047	Hardin	077	Magoffin	107	Simpson
018	Calloway	048	Harlan	078	Marion	108	Spencer
019	Campbell	049	Harrison	079	Marshall	109	Taylor
020	Carlisle	050	Hart	080	Martin	110	Todd
021	Carroll	051	Henderson	081	Mason	111	Trigg
022	Carter	052	Henry	082	Meade	112	Trimble
023	Casey	053	Hickman	083	Menifee	113	Union
024	Christian	054	Hopkins	084	Mercer	114	Warren
025	Clark	055	Jackson	085	Metcalfe	115	Washington
026	Clay	056	Jefferson	086	Monroe	116	Wayne
027	Clinton	057	Jessamine	087	Montgomery	117	Webster
028	Crittenden	058	Johnson	088	Morgan	118	Whitley
029	Cumberland	059	Kenton	089	Muhlenberg	119	Wolfe
030	Daviess	060	Knott	090	Nelson	120	Woodford