

Business Tax Administrative Rule 510.24-1 (LIC-2.05)

Requirement to File Returns Electronically

1. The Revenue Division will develop a schedule and phase in the electronic filing mandates for business and personal income tax returns. The schedule will be published on its webpages.
2. All paid tax preparers filing personal income tax returns are required to file them by electronic means if the paid tax preparer is required to do so by federal law. See 26 USC § 6011 and Treasury Regulation §301.6011-7 for the federal mandate and relevant definitions.
3. All businesses required to electronically file their federal tax return are required to electronically file their business license tax and/or business income tax returns. A paper tax return filed by a business required to electronically file its business license tax and/or business income tax return may be rejected, unless a waiver request has been approved by the Revenue Division prior to the filing of the paper return.
4. Waivers.
 - a. A waiver of the electronic filing requirement granted by the Internal Revenue Service (IRS) will be accepted by the Revenue Division as a waiver to the mandate under sections (1) and (2). The paid preparer or business must notify the Revenue Division in writing when such a waiver is granted in accordance with Revenue Division instructions.
 - b. In addition to a waiver allowed under subsection (a), the Revenue Division may grant a waiver of the mandate in sections (1) and (2) if the following conditions are met:
 - A. The paid preparer or business requests a waiver in accordance with Revenue Division instructions; and
 - B. The paid preparer or business' facts and circumstances are such that complying with the mandate would cause the paid preparer or business an undue financial hardship. The paid preparer or business' refusal to purchase or use the requisite software or computer equipment does not, in and of itself, satisfy the conditions for a waiver under this subsection.
 - c. When circumstances warrant, the Revenue Division may issue an administrative waiver of the mandate in sections (1) and (2) when the Revenue Division determines it is necessary to promote the effective and efficient administration of the tax system.
5. If an electronic tax return cannot be accepted for processing electronically, the paid preparer or business must contact the Revenue Division for assistance in correcting the rejected return errors. If the rejected return errors cannot be corrected, the paid preparer or business must receive authorization from the Revenue Division prior to filing a paper return.

XX-XX-2024

Date

Director, Revenue Division

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