

TY 2010 Publication 1346 Draft

The Error Reject Code changes are identified by a single vertical bar in the right margin of Publication 1346 (|).

Deletions are indicated by a hyphen followed by a single vertical bar in Publication 1346 (-|).

The following changes are DRAFT updates effective January 10, 2011. Please be advised that some of these changes will change again in future updates.

ERC Changes:

- ERC 0030**
- o Taxpayer Identification Number (SEQ 0003) of all data records in a tax return must contain the same Primary SSN.
 - o Schedule Occurrence Number (SEQ 0005 of the Schedule Record Identification) and Form Occurrence Number (SEQ 0005 of the Form Record Identification) must be significant and in ascending, consecutive numerical sequence beginning with "0000001".
 - o **Note:** For multiple occurrences of a schedule or form, the Page Number (SEQ 0002 of the Schedule or Form Record Identifications) must be sequential within each occurrence of a Schedule or Form.
 - o All pages of a multiple-page schedule or form must be present. Listed below are exceptions to this rule:
 - Page 2 may be present without Page 1 and vice versa for the following: Schedule E, Form 4684, Form 4797, Form 8283, Form 8824, 8834 and Form 8853.
 - Page 2 need not be transmitted if there are no entries for that page (but Page 2 cannot be present without Page 1) for the following: Schedule A, Schedule C, Schedule C (5713), Schedule D, Schedule F, Schedule H, Schedule O(5471), Form 2241, Form 4562, Form 5329, Form 6251, **Form 8082**, Form 8275, Form 8275-R, Form 8582-CR, Form 8594, Form 8606, Form 8621, Form 8697, Form 8801, Form 8835, Form 8839, Form 8862, Form 8912, and Form 8930.
 - Pages 2, 3 and 4 are optional for Form 2210 and Form 8801 but Page 2, 3 and 4 cannot be present without Page 1
 - Pages 2 and 3 are optional for Form 8582 and Form 8801 but page 2 or 3 cannot be present without Page 1.
 - Form 3468 Page 1 can be present without Page 2 and Page 3. If Page 2 or Page 3 is present, then all pages must be submitted.
 - Form 4136 Page 1, 2, and 3 need not be transmitted if there are no entries for these pages (but Page 1, 2, or 3 cannot be present without Page 4).
 - Pages 2-4 need not be transmitted if there are no entries for those pages (but these pages cannot be present without page 1) for the following: Form 5471, Form 5713.
 - Form 3800 page 1 cannot be present without page 2 and 3, page 2 cannot be present without page 3 and page 3 can be present without page 1 and 2.
 - Form 8379, Page 1 cannot be present without Page 2 and Page 2 cannot be present without Page 1.

ERC 0030 (CONTINUED)

- Form 8865 Pages 3-7 need not be transmitted if there are no entries for those pages. But these pages cannot be present without pages 1 and 2.
 - Form 8889 Page 1 may be present without Page 2, but Page 2 can not be present without Page 1.
 - State Record ST 0001 may be present without ST 0002, but ST 0002 cannot be present without ST 0001.
- For Form 1040, Pages 1 and 2 must be present (Exception: State-Only returns), and the following cannot be present: Form 1040A Pages 1 and 2, Form 1040EZ, Form 1040-SS (PR) Page 1 and 2.
 - For Form 1040A, Pages 1 and 2 must be present, and the following cannot be present: Form 1040 Pages 1 and 2, Form 1040EZ, Form 1040-SS (PR) Page 1 and 2.
 - For Form 1040EZ, must be present, and the following cannot be present: Form 1040 Pages 1 and 2, Form 1040A Pages 1 and 2, Form 1040-SS (PR) Page 1 and 2.
 - For Form 1040-SS (PR), Pages 1 and 2 must be present, and the following cannot be present: Form 1040 Pages 1 and 2, Form 1040A Pages 1 and 2, Form 1040EZ.
 - Schedule K-1 (Form 8865) will not be accepted without a Form 8865 being filed.
- ERC 0038** ○ Form 1040A - Taxable Income (SEQ 0820) must be less than \$100,000 and only the following can be present: Schedule B, Schedule L, Schedule M, Schedule EIC, Form W-2, Form 1099-R, Form 1310, Form 2120, Form 2210, Form 2441, Form 8379, Form 8606, Form 8615, Form 8812, Form 8815, Form 8833, Form 8862, Form 8863, Form 8880, Form 8888, Form 8914, Form 8917, Form 8930, Form 9465, Schedule R, FEC/Pension Record, Authentication Record, Preparer Note Record, Election Explanation Record, Regulatory Explanation Record and Form Payment.
- ERC 0070** ○ **RESERVED**
- ERC 0189** ○ Form 1040 - If Total Adjustments (SEQ 0740) is significant, then at least one of the following fields must be significant: SEQ 0624, 0635, 0637, 0640, 0650, 0670, 0680, 0697, 0700, 0702, 0710, 0721, 0723 or 0735.
- ERC 0198** ○ Form 1040 - Total Payments (SEQ 1250) must equal the total of the following fields: Total Federal Income Tax Withheld (SEQ 1160), ES Payments (SEQ 1170), Making Work Pay Credit (**SEQ 1175**), Earned Income Credit (SEQ 1180), Additional Child Tax Credit (SEQ 1187), American Opportunity Credit (SEQ 1189), F4868 Amount (SEQ 1197), Excess SS & Tier 1 RRTA Tax (SEQ 1198), **Credit for Federal Tax on Fuels (SEQ 1200)**, Other Payments (SEQ 1210), and Form 8689 Amount (SEQ 1246).
- Form 1040A - Total Payments (SEQ 1250) must equal the total of the following fields: Total Federal Income Tax Withheld (SEQ 1160), ES Payments (SEQ 1170), Making Work Pay Credit (SEQ 1175), Earned Income Credit (SEQ 1180), Additional Child Tax Credit (Form 8812)(SEQ 1187), American Opportunity Credit (SEQ 1189), F4868 Amount (SEQ 1231), and Excess SS Tax (SEQ 1241).

- ERC 0233** ○ Tax Form - When Direct Deposit - No (SEQ 1263) equals "X", Direct Deposit Information (SEQs 1272, 1274, 1276, and 1278) of Tax Form, and (SEQ 0020, 0030, 0040 and 0060) of Form 8888 cannot be significant.
- **When Direct Deposit - Yes (SEQ 1262) equals "X", Routing Transit Number (SEQ 1272) of Tax Form or (SEQ 0020) of Form 8888 must be significant.**
- ERC 0297** ○ Form 2441 - SSN/EIN (SEQ 0040 or 0090) of Form 2441 cannot equal the Primary or Secondary SSN (SEQ 0010, 0030) of Form 1040/1040A.
- ERC 0464** ○ Form 2555 - If Separate Foreign Residence - Yes (SEQ 0170) is significant, then Yes - City & Country of Foreign Residence (SEQ 0190) and Number of Days at That Address (SEQ 0200) must be significant.
Exception: When (SEQ 0190) equals "STMBnn", then (SEQ 0200) does not have to be significant..
- ERC 0492** ○ Form 1040 - When Residential Energy Credits (SEQ 0988) is significant, **it** must equal Nonbusiness Energy Property Credit (SEQ 0175) plus Residential Energy Efficient Property Credit (SEQ 0335) of Form 5695.
- **When Residential Energy Credits (SEQ 0988) is significant, Form 5695 must be present.**
- ERC 0502** ○ Employer Identification Number (SEQ 0040) of Form W-2 **or** Payer Identification Number (SEQ 0026) of Form W-2G, and Payer Identification Number (SEQ 0050) of Form 1099-R, Company or Trust Identification Number (SEQ 0120) of Form 2439, and Employer EIN (SEQ 0200) of 499R-2/W-2PR Record must match data from the IRS Master File.
- **Note:** Form 1099-R is ONLY required when federal income tax is withheld.
- ERC 0505** ○ Employer Identification Number (SEQ 0040) of Form W-2 **or** Payer Identification Number (SEQ 0050) of Form 1099-R or Company/Trust Identification Number (SEQ 0120) of Form 2439, or Employer EIN (SEQ 0200) of 499R-2/W-2PR Record was issued in the current processing year.
- ERC 0517** ○ Secondary SSN (SEQ 0030) and the **Spouse's** Name Control (SEQ 0055) of the State-Only 1040 Return must match data from the IRS Master File.
- **(Text Removed)**
- ERC 0729** ○ **Form 3800 - If Eligible Small Business Credit Amt. (SEQ 0870) is significant, Eligible Small Business Credit Literal (SEQ 0860) must equal "SBC" and vice versa.**
- ERC 0733** ○ Form 8941 - If Full-Time Equivalent Employees (SEQ 0030) equals 25 or greater, the following fields must be blank: Average Annual Wages (SEQ 0040), Premiums Paid (SEQ 0050), Premiums Potentially Paid (SEQ 0060), Eligible Premiums Paid (SEQ 0070), Multiply Line 6 by 25% or 35% (SEQ 0080), **Amount from Line 7 if Line 2 is 10 or Less** (SEQ 0090), **Amount from Line 8 if Line 3 Equals \$25,000 or Less** (SEQ 0130), Total Amount of State Tax **Premium Subsidies Paid** (SEQ 0170), Subtract Line **10 from Line 4 (SEQ 0180) and Smaller of Line 9 or Line 11 (SEQ 190)** cannot be significant.
- ERC 0734** ○ Form 8941 - If Average Annual Wages (SEQ 0040) equals \$50,000 or greater, the following fields must be blank: Premiums Paid (SEQ 0050), Premiums Potentially Paid (SEQ 0060), Eligible Premiums Paid (SEQ 0070), Multiply Line 6 by 25% or 35% (SEQ 0080), **Amount from Line 7 if Line 2 is 10 or Less** (SEQ 0090), **Amt. from Line 8 if Line 3 Equals \$25,000 or Less (SEQ 0130)**, Total Amount of State **Premium Subsidies Paid** (SEQ 0170), Subtract Line **10 from Line 4 (SEQ 0180) and Smaller of Line 9 or Line 11 (SEQ 0190) cannot be significant.**

- ERC 0736 ○ Form 8941 - If Add Lines **18 through 20** (SEQ 0280) or Allowable Credit for Coop., Estates & Trusts (SEQ 0300) are significant, they must equal CY Credit for Small Employer Health Premiums (SEQ 1393) of Form 3800 and vice versa.

- ERC 0782 ○ Form 982 - When Discharge of Indebtedness in a Title 11 Case (SEQ 0020) **equals blank**, Discharge of Indebtedness to the Extent Insolvent (SEQ 0030) **equals blank**, Discharge of Qualified Real Prop Bus Indebtedness (SEQ 0050) **equals blank** and Discharge of Qualified Farm Indebtedness (SEQ 0040) **equals "X"** , then Amt Excluded From Inc: To Reduce Basis (SEQ 0150) must **be blank**.

- ERC 0967 ○ **RESERVED**

- ERC 0995 ○ **RESERVED**

- ERC 1112 ○ Form 8888 - If the Two Account Indicator Box (SEQ 0200) is significant, then Routing Transit Numbers (SEQ 0020 and 0080) and **Depositor** Account Numbers (SEQ 0060 and **0120**) must also be significant **and Routing Transit Number (SEQ 0140) and Depositor Account Number (SEQ 0180) must not be significant**.

- ERC 1199 ○ **Form 1040 - Per IRS records, a First-Time Homebuyer Credit installment is due; Form 5405 Page 2 must be present.**

- ERC 1221 ○ **RESERVED**

- ERC 1222 ○ **RESERVED**

- ERC 1277 ○ **Form 8910 - Year of Vehicle 1 (SEQ 0020), Year of Vehicle 2 (SEQ 0110) and Year of Vehicle 3 (SEQ 0200) can not be less than 2009.**