

Tax Administration Administrative Rule 7.05 – 1000

Requirement to File Returns Electronically

1. The Administrator will develop a schedule and phase in the electronic filing mandates for business and personal income tax returns. The Administrator will publish the schedule on its webpages.
2. Any paid tax preparer filing a personal income tax return is required to file it 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. Any business required to electronically file its federal tax return is required to electronically file its business license tax and/or business income tax return. The Administrator may reject a paper tax return filed by a business required to electronically file its business license tax and/or business income tax return, unless the Administrator has approved a waiver request before filing the paper return.
4. Waivers.
 - a. The Administrator will accept a waiver of the electronic filing requirement granted by the Internal Revenue Service (IRS) as a waiver to the mandate under sections (1) and (2). The paid preparer or business must notify the Administrator in writing when such a waiver is granted in accordance with the Administrator's instructions.
 - b. In addition to a waiver allowed under subsection (a), the Administrator may grant a waiver of the mandate in sections (1) and (2) if the following conditions are met:
 - i) The paid preparer or business requests a waiver in accordance with the Administrator's instructions; and
 - ii) 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, by itself, satisfy the conditions for a waiver under this subsection.
 - c. When circumstances warrant, the Administrator may issue an administrative waiver of the mandate in sections (1) and (2) if the Administrator 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 inform the Administrator and submit proof of both the timely filing and the rejection. In this situation, the paid preparer or business may file a paper return.

Effective: May 29, 2024

Metro Code 7.05