

## **Summary of IAT Call September 1 2009**

Here's a quick summary of today's call, for those who were unable to join us.

The call was attended by 22 states, DC, FTA, and IRS. IRS representatives were Joyce Colbert, who is moving on to another position within IRS, Betsy Gullick who will be replacing Joyce for fed/state, and several programmers

Terry Garber, SC and TIGERS chair, gave a brief background of the IAT issue. What is needed is an indicator for the results of "due diligence" to determine whether a direct deposit refund or a direct debit payment is in fact an IAT situation. If the result is positive, and a state decides to utilize the IAT, then additional data is required.

IRS has no plans to support the IAT at this time. States, however, have been notified by NACHA that they must comply.

Since all states must do the due diligence, it is desirable to place the one-character indicator in the generic record so that it is standard across all states. This will reduce the burden to the software developers of having to add the due diligence questions and the maintenance of the indicator to their software so late in the development season. States will have to add these requirements to their specifications for the software developers.

Options for the indicator included the unused 0004 position and the unused 0070e position. IRS expressed concern with the 0004 position or any position in the header, since IRS reformats the header. IRS will have to determine whether an indicator placed in a field currently marked as "filler" will be transmitted through to the states without change. If this is the case, then by agreement a field can be designated for this purpose for the 2010 filing season. A work request can be generated to create a designated "IAT Indicator" field for the 2011 filing season.

The Direct Deposit indicator in the header currently contains 1 for direct deposit and 2 for direct debit. A possible future solution would be to add additional values for IAT payment or refund.

By voice vote of all the states on the call, it was agreed to ask IRS to allow one character to be carved out of current filler to contain a blank if the direct deposit refund or direct debit payment is not an IAT, and "X" if it is an IAT. IRS will not perform any verification or validation on this indicator. Joyce agreed to research the availability of a field, and whether it can be passed through to the state without additional development work. She will get a response back within a week.

Connecticut and Illinois will work on a format for standardized fields in the unformatted record to contain the additional banking information for those state that plan to support the IAT.