North Carolina Department of Revenue

Josh Stein
Governor

McKinley Wooten, Jr.
Secretary

Trading Partner Agreement for Electronic Data Exchange

This Agreement is entered into by and between the North Carolina Department of Revenue ("Department") and _____ ("Licensee").

The Department and the Licensee wish to provide a means by which the Licensee will file its North Carolina Motor Fuel terminal operator, supplier and/or carrier return(s) by electronically transmitting data in substitution for conventional, paper-based documents and to assure that such return is legally valid and enforceable. To achieve this goal, the parties agree as follows:

1. **Terms and Amendments:** This Agreement shall be effective on the date it is signed by the Department and shall continue until terminated by either party. A copy of this properly signed Agreement shall be sent to the licensee. A party may terminate this Agreement by giving thirty (30) days written notice to the other party or by the cancellation of their Motor Fuels License. This Agreement may be amended at any time by executing a written addendum signed by both the Licensee and the Department.

2. **Standards:** The Licensee will electronically transmit return(s) to the Department according to the Department's standards and instructions that may be revised/updated by the Department from time to time. The Department will provide these standards and instructions to the Licensee in a reasonable time frame in advance of due dates to allow compliance with filing requirements.

3. **Transmission:** The Licensee shall access the Department's Internet website and upload the EDI file to the Department's secured web server.

4. **System Operations and Security Procedures:** The Licensee, at its own expense, shall provide and maintain the equipment, software, services and testing necessary for the Licensee to transmit the electronic return(s). The Department, at its own expense, shall provide and maintain the equipment, software, services and testing necessary for the Department to receive the electronic return(s). Each party shall use security procedures, which are reasonably sufficient to ensure that all transmissions of the return(s) are authorized and to protect its business records and data from improper access. In addition, the Licensee shall comply with all security procedures established and required by the Department.

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5. **Signatures:** The Licensee's identification number and password, when included as part of the return filed pursuant to this Agreement, shall constitute the signature of the Licensee on the return as if such return were signed by the Licensee. Each Party shall adopt as its signature an electronic identification consisting of codes in each electronic transmission transmitted by such Party (the Signature). Each Party agrees that any signature of a Party affixed to or contained in any transmitted electronic transmission shall be sufficient to verify the Party originated such electronic transmission. Neither Party shall disclose to any unauthorized person the Signature of the other Party. [Note: An electronic signature is not effective as the original signature needed on the Trading Partner Agreement.]

6. **Receipt of Transmission:** An electronically submitted return shall be deemed to have been filed with the Department when the return, in the stipulated format, is accessible to the Department or the Department's third-party service provider and meets the requirements of the Department. If the Licensee attempts to file and is unable to do so because the receipt computer is not available to receive a filing, the Department will not impose late filing penalties or interest provided the Licensee contacts the Department immediately when an access problem is identified and promptly remits the tax due.

7. **Acknowledgement of Transmission:** Upon receiving a successfully transmitted return from the Licensee, the Department or the Department's third-party service provider will transmit an acknowledgement in return within one (1) business day from receipt of the Licensee's return. The acknowledgement will communicate only that the Department has received the Licensee's transmission and that it has either passed or failed the syntax verification. An acknowledgement does not imply any findings by the Department about the correctness of the return. A transmission that is received by the Department but is not in the stipulated format will not constitute a valid return.

   The Licensee will receive a separate acknowledgement indicating that the transmission has passed or failed the Department's data validation process. It will be the Licensee's responsibility to retrieve the acknowledgement from the location specified by the Department.

8. **Garbled Transmissions:** If any transmission is received in an unintelligible or garbled form and the Department cannot identify the Licensee, no acknowledgement will be transmitted. The absence of an acknowledgement shall be treated as notice to the Licensee that the return was not received by the Department in the required format. The burden shall be on the Licensee to ensure that the Department receives a valid return in the required form and format within the time required.

9. **Record Retention:** The Licensee shall maintain records of the transactions covered by electronic filings for a period of not less than 3 years from the due date of the filing. Each Party agrees to maintain adequate back-up files to recreate electronic transmissions as required. Back-up files shall be subject to the terms of this Agreement to the same extent as the original data. Electronic transmissions shall be retained for such periods as required by relevant North Carolina statutes.

10. **Admissibility of Returns/Reports as Evidence:** A certified copy of any return may be introduced in paper form as evidence in any judicial or administrative proceeding by either party to the same extent and under the same conditions as any other business record. Neither party shall contest the admissibility of any return on the basis that it was not originated or maintained in paper form.

11. **Payments:** Any Licensee filing a return electronically under this Agreement shall make payment of taxes due by use of electronic payment regardless of the tax amount. The Licensee shall follow the procedures of the Department's Electronic Payment Application Program, which allows utilization of either automated clearinghouse (ACH) debit (a pay-by-phone program set up through the State's bank), ACH credit (a transaction arranged by the Taxpayer with its bank), or EDI 820 payments.

12. **Identifying Codes & Numbers:** To ensure proper identification of electronically transmitted returns, the parties will exchange the identifying qualifiers. Any changes in these qualifiers will be communicated to the other party before any transmission using the new qualifiers is sent.

13. **Certification:** An initial electronic transmission will not be authorized by either Party until subjected to reasonable testing to ensure compliance with the Department and its requirements. After the Department accepts the electronic transmission for production use, additional testing may be required for recertification.

14. **Recertification:** These are the instances when a Licensee will be required to repeat the EDI certification process:

    - Software Change - whenever a company makes a significant change to their EDI program, the company must repeat the EDI Certification process. This to ensure accuracy, reliability and compatibility with the company's new program. In this instance the company must successfully submit one to two months of each type of return(s) they file.

    - Company Name or Ownership Change – whenever there is a change in company ownership or name, the company must repeat the EDI Certification process. This is to ensure accuracy and reliability in the EDI program. In this instance the company must successfully submit two months of each type of return(s) they file.

    - Continuous Errors in EDI-Production Files – when a company fails to correct errors in their EDI production files for two or more consecutive months, the department may require the company to repeat the EDI certification process. This will ensure accuracy, reliability and timeliness of the EDI filings. In this instance the company must successfully submit two months of the applicable return(s).

    Note - In all the above instances the company is required to file online by manually keying returns in the online application until the completion of the EDI re-certification and once again approved for EDI production using Version 4030.

15. **Waiver:** The waiver of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of this Agreement. Any waiver shall operate as a waiver only with respect to the specific matter involved and in no way shall extend to any further matter.

16. **Entire Agreement:** This Agreement constitutes the final, entire, and complete agreement of the Parties with respect to the subject matter hereof; and supersedes any prior Agreement or understanding, whether written or oral, between or represented by the Parties relating to the subject matter.

17. **Amendment:** This Agreement shall not be changed, modified, or amended without the prior written consent of the Department.

18. **Governing Law:** This Agreement shall be governed by and interpreted in accordance with the laws of the state of North Carolina.

19. **Assignment:** The Licensee shall not assign or transfer any right or interest in and to this Agreement without the prior written consent of the Department. Any purported assignment without the prior written consent of the Department shall be void and of no force or effect.

The Trading Partner Agreement Partner Profile and signature box is on the next page.

Please complete the Trading Partner Agreement Partner Profile below.

Company Name: _____

FEIN or SSN: _____

Business Contact Name: _____

Phone Number: _____ **Fax Number:** _____

Address: _____ **City, State, Zip:** _____

E-Mail Address: _____

EDI Coordinator Name: _____

Phone Number: _____ **Fax Number:** _____

Address: _____ **City, State, Zip:** _____

E-Mail Address: _____

EDI Technical Contact Name: _____

Phone Number: _____ **Fax Number:** _____

Address: _____ **City, State, Zip:** _____

E-Mail Address: _____

Vendor Contact Name: _____

Phone Number: _____ **Fax Number:** _____

Address: _____ **City, State, Zip:** _____

E-Mail Address: _____

Access to the Internet to upload and download files from a secure site is required for participation in this program.

Licensee:

Print Name of Licensee or Authorized Agent	
Signature of Licensee or Authorized Agent	**Date**

Department (NCDOR):

Print Name of Department's Authorized Agent	
Signature of Department's Authorized Agent	**Date**

Return the original, signed Trading Partner Agreement to: NC Department of Revenue, Excise Tax Division, EDI Coordinator, 3301 Terminal Drive, Suite 125, Raleigh, North Carolina 27604, or Fax to: 919-250-7898. You may also scan the signed agreement and email it as an attachment to NCEDI@NCDOR.GOV.