

2016.02060  
Release Notes

February 19, 2017



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## Contact and Support Information

Product and account information can be accessed by visiting Customer Support online at [Support.CCH.com](http://Support.CCH.com). In addition to product and account information, the Customer Support site offers answers to our most frequently asked questions, forms release status, Knowledge Base articles, training videos, and operating systems compatibility. Access to these features is available 24/7.

The following Web site provides important information about the features and updates included in all CCH® ProSystem fx® Tax releases: [Release Notes](#)

Visit the [Application Status](#) Web page to view the current status of our CCH applications. The Application Status Web page is updated every 15 minutes.

Go to [Contact Us](#) to find information on topics such as Sales and Billing, as well as options to Open a Support Case or Chat with a Representative if you need assistance.

## Information in Tax Year 2016 Release Notes

Tax Release Notes inform you of the enhancements and updates that have been made to Tax products and systems with the current release.

Updates provided in the Release Notes include the following:

- Contact and Support information
- Updates to the Tax technology (electronic filing updates, Pro Forma/Roll Forward, Organizer, technology enhancements)
- Updates made to Tax products (form additions and updates, diagnostic updates, changes caused by regulatory updates)

# Highlights for Release 2016.02060

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## Tax Updates

### Corporation Extensions

Filing instructions and letters for federal and state extensions have been updated to reflect the federal 6 month extension due date of October 16, 2017.

### 2016 Tax Instruction Guides

The 2016 Tax Instruction Guides are now available on our Support website. To download a copy, click [here](#).

## Electronic Filing Updates

### Approved Products Available on this Release

The following federal and state products are approved and available on this release:

#### Individual

Missouri - Kansas City Form 109    Ohio Cities - RITA

#### Partnership

Massachusetts Composite                      Mississippi Extension  
Mississippi    New Hampshire BT-Summary

#### Corporation

Alaska    Mississippi    New Hampshire BT-Summary  
Alaska Consolidated                              Mississippi Consolidated  
District of Columbia                              Mississippi Extension

#### S Corporation

Alaska    Mississippi    New Hampshire BT-Summary  
District of Columbia                              Mississippi Extension  
Massachusetts Composite                      Nebraska

### Batch Electronic Filing of Extensions

#### Corporation

Florida, North Carolina

#### S Corporation

Florida, North Carolina

# Product Updates

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## Individual (1040) Product Updates

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### Federal

An option on Depreciation Options and Depletion Overrides > Depreciation Options and Overrides > Suppress AMT (Interview Form DP-9, Box 53) was added on Release 2016.02020 to suppress AMT adjustment calculations when bonus depreciation is suppressed for assets that would otherwise qualify. Due to new guidance from the IRS, this will become the default calculation, and the option will be made inactive. Prior year assets will continue to have AMT adjustments.

Form 3520-A, Page 3. All statements are included when the return is printed.

Form 5329. When there are multiple Forms 1099-R subject to the early distribution penalty and the Form 5329 code for the distribution going to Form 8606 is "2," for "Calculate 10% early distribution tax and not prepare Form 5329," then Form 5329, Line 4 will include the 10% tax from the Form 8606 distribution shown on Line 1.

Transmittal Letter. When a joint Form 114 is prepared and the combined transmittal letter is used, information about the filing of Form 114 will be included in the federal transmittal letter.

### Electronic Filing

Gambling Winnings. An issue causing IRS rejection F1040-034-05 has been resolved when federal tax withheld is present for gambling winnings and Other Income > Gambling Winnings > No W-2G received (IRS-W2G, Box 132) is checked.

### Arkansas

A Schedule C business owned by the spouse will correctly report depreciation differences on Form AR-OI, Line 10 for resident returns.

Taxable tax exempt dividend interest only carries once to Form AR4 when a Tax Exempt Code 1 or 3 is used on the IRS 1099-DIV.

### Maine

Form 1040ME. Line 20 unconditionally calculates Maine income tax below a \$5,100 threshold.

Form STFC. Line 14 unconditionally calculates the sales tax credit with the filing status of the head of household.

### Oregon

Entries coded for jointly filed returns for the Oregon special medical subtraction (Oregon subtraction code 351) are limited to \$3,600, \$2,800, \$2,000, or \$0 (depending upon federal Adjusted Gross Income) on a single subtraction record. Entries for both taxpayer and spouse are no longer required. Diagnostic 26260 will issue if multiple records are entered as only a single subtraction record is desired by the Oregon Department of Revenue.

### Oregon Electronic Filing

Dependents 13 years of age or older who are not disabled do not carry to Schedules OR-WFHDC and OR-WFHDC-NP.

## Pennsylvania

Schedule W2S picks up correct occurrences of Form 1099-R and excludes occurrences that only track basis in an IRA or Roth IRA.

## Vermont

Voluntary fund contribution input on Vermont > General > Contributions (Interview Form VT1) aligns to the correct fund on Form IN-111, Line 29a through 29d.

# Partnership (1065) Product Updates

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## Federal

An option on Depreciation Options and Depletion Overrides > Depreciation Options and Overrides > Suppress AMT (Interview Form DP-9, Box 52) was added on Release 2016.02020 to suppress AMT adjustment calculations when bonus depreciation is suppressed for assets that would otherwise qualify. Due to new guidance from the IRS, this will become the default calculation for current year assets only. The option will continue to be available for prior year assets that are placed in service in 2016.

Schedule K-1. The Export to 1041 will correctly handle the export of files for multiple Trust partners into separate target returns.

Schedule K. The Line 9c statement heading has been updated to reflect the line description.

## Batch Extension

Partnership returns with either the state of Louisiana or North Carolina present no longer stop the batch processing of electronically filed federal extensions.

## Alabama

The Alabama Department of Revenue requested print presentation changes to the following forms:

- AL 8453-PTE
- AL 8453-B
- AL BPT-E
- AL BPT-NW
- AL BPT-NWI

## Arkansas Electronic Filing

When exporting an Arkansas return that contains either the main AR1100S return or the AR1050 return and also contains the AR1000CR return, the correct return type will be submitted during electronic filing.

## District of Columbia

Form D-30. Line 32 has been changed so that it will require the amount to be entered. This line will no longer automatically calculate the deduction, but will still limit the amount entered to 30% of Line 31, per the District of Columbia OTR.

## Florida

The 2015 bonus depreciation subtraction on worksheet Florida > Income/Deductions > Addition and Subtractions has been updated.

## Iowa

Iowa Schedule K-1. Part III credit information will print on the form.

## Minnesota

The prior year references on the Minnesota > Income/Deductions > Partner Prior Year Section 179/Bonus Composite Information worksheet have been updated to show the previous five years.

The URL for payments using electronic funds transfer on the filing instructions has been updated and will print on two lines to prevent characters from not printing.

## Montana

Schedule III will default to Pass-Through Withholding for nonresident estates, nonresident individuals, nonresident trusts, nonresident corporations, foreign corporations, tax exempt entities, disregarded entities, partnerships, s corporations, and domestic 2nd tier pass through entities.

## New Hampshire

Form NH-1065-ES. The Line 1(b) amount will reflect the amount from Form NH-1065, Line 9.

## New York Electronic Filing

The system will allow Form IT-204LL to be exported immediately after filing the extension, without calculating between exports and without rejecting with reject code 04012 "Invalid filing composition."

## New York - New York City

Form NYC IT-204, Page 5, Part 3. Line 4B will calculate the weighted factor percentage with the factors present.

## Ohio

Form IT K-1 for Form IT 4708. The apportionment section and depreciation section will be completed by the system.

## Tennessee

The account number entered on worksheet Tennessee > Other Returns > Gross Receipts Income Tax Return will no longer disappear after the return is calculated.

The due date for Form FAE 183 will display the correct date.

## Texas

The letters and filing instructions will no longer reference electronic funds transfer when "No" has been selected for the EFT option.

# Corporation (1120) Product Updates

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## Federal

An option on Depreciation Options and Depletion Overrides > Depreciation Options and Overrides > Suppress AMT (Interview Form DP-9, Box 52) was added on Release 2016.02020 to suppress AMT adjustment calculations when bonus depreciation is suppressed for assets that would otherwise qualify. Due to new guidance from the IRS, this will become the default calculation for current year assets only. The option will continue to be available for prior year assets that are placed in service in 2016.

## Batch Extension

Corporation returns with the states of Connecticut, Florida, Louisiana, or North Carolina present no longer stop the batch processing of electronically filed federal extensions.

## Alabama

The Alabama Department of Revenue requested print presentation changes to the following forms:

- AL CPT
- AL 20C-C
- AL ET-1
- AL ET-1C
- AL ET-8
- AL BPT-NW

## Connecticut

The Connecticut Department of Revenue Services sent print presentation revisions of the following forms to software vendors between February 3rd, 2017 and February 7th, 2017 to address scanning issues the department was experiencing. As a result, the state required all forms to go through the approval process again. The print presentation revisions are available on this release and we will update Support as forms are approved.

- CT-1120-CU
- CT-1120CU-MI
- CT-1120CU-MTB
- CT-1120
- CT-1120CU-NCB
- CT-1120CU-NI
- CT-1120A-CU
- CT-1120 ATT
- CT-1120ESA/B/C/D
- CT-1120X



## New York

### Form CT-300:

- The State of Incorporation will always print on the form when the data is entered.
- The program has been modified to allow overrides for prior year overpayments to be applied to Form CT-300 based on the new input on Payments/Penalties > Estimates and Application of Overpayments > State Estimate Tax Additional Information > Line 35 ( Interview Form Common State > ST Pay/Est . > STEST2, Box 86). The pro formaed amount of prior year overpayment is applied to New York State or the MTA mandatory first installment on Form CT-300, Line 5, Total overpayments credited from prior periods. To override that credit on Form CT-300, enter a different amount of credit as per the input above. Zero is a valid input.



#### Notes:

- ◆ The instructions for Line 35 issued by New York Department of Taxation and Finance do NOT indicate that current year overpayment may be applied as a credit to reduce amounts owed with the Mandatory First Installment.
- ◆ Your override entry on this line of this form is used only to compute any Mandatory First Installments shown on Form CT-300. The entry is ignored in the determination of the amount due on other Forms, such as CT-3/3M, Extension Requests, and Estimated Tax.
- ◆ Carefully review prepayments and calculations of amounts due on these forms and use overrides to ensure correct calculations and reporting.

## South Carolina

The letters and filing instructions for Form 1101B have been updated to reflect the updated due date.

## Tennessee

Form 2220. The penalty calculation has been updated to use the correct rate of 2%.

## Wisconsin

Form 6, Page 5-7, Line 2b. The State tax add back reported by each sub will not change, regardless of the State tax accrual option selected at the consolidated level.

# S Corporation (1120S) Product Updates

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## Federal

An option on Depreciation Options and Depletion Overrides > Depreciation Options and Overrides > Suppress AMT (Interview Form DP-9, Box 52) was added on Release 2016.02020 to suppress AMT adjustment calculations when bonus depreciation is suppressed for assets that would otherwise qualify. Due to new guidance from the IRS, this will become the default calculation for current year assets only. The option will continue to be available for prior year assets that are placed in service in 2016.

Drill-down navigation from the Shareholder Basis worksheet, Line 28 to input and reconciliation has been added for "total disallowed losses" and "debt basis applied against excess losses and deductions."

When selecting the option to NOT carryover shareholder nondeductible expenses on General > Processing Options, Line 16 (Interview Form 2, Box 59), the amount of nondeductible expenses in excess of shareholder basis prints, along with an explanation on the Allocation of Losses and Deductions. A new line for this has been added within the Carryover summary at the bottom of the Shareholder Basis worksheet.

When Office Manager > Miscellaneous Options > General options > Do not automatically carry extension payment amount to the return is marked, the Extended Due Date on Return Summary will be blank if Form 7004 is not applicable.

## Batch Extension

S Corporation returns with the states of Florida, Louisiana, or North Carolina present no longer stop the batch processing of electronically filed federal and state extensions.

## Alabama

The Alabama Department of Revenue requested print presentation changes to the following forms:

- AL 8453-PTE
- AL 8453-PTEC
- AL 8453-B
- AL ET-1
- AL BPT-NW
- AL BPT-NWI

## Florida

The F-2220 menu name has been corrected.

## Kansas

The Kansas Annual Report reflects the Country as "US" if an address is present on Kansas > Annual Reports > Annual Report Basic Data (Interview Form KS5, Box 42) and the Checkbox to print "US" has been checked.

## New York

The program has been modified to allow overrides for prior year overpayments to be applied to Form CT-300 based on the new input on Payments/Penalties > Estimates and Application of Overpayments > State Estimate Tax Additional Information > Line 35 ( Interview Form Common >

State > ST Pay/Est . > STTEST2, Box 86). The pro formaed amount of prior year overpayment is applied to New York State or the MTA mandatory first installment on Form CT-300, Line 5, Total overpayments credited from prior periods. To override that credit on Form CT-300, enter a different amount of credit as per the input above. Zero is a valid input.

 **Notes:**

- ◆ The instructions for Line 35 issued by New York Department of Taxation and Finance do NOT indicate that current year overpayment may be applied as a credit to reduce amounts owed with the Mandatory First Installment.
- ◆ Your override entry on this line of this form is used only to compute any Mandatory First Installment shown on Form CT-300. The entry is ignored in the determination of the amount due on other Forms, such as CT-3/3M, Extension Requests, and Estimated Tax.
- ◆ Carefully review prepayments and calculations of amounts due on these forms and use overrides to ensure correct calculations and reporting.

## Oregon

The apportionment percentage on OR-20-S, Line 6 will display 0% to match Schedule OR-AP, Line 22.

## Pennsylvania

Pennsylvania RK-1. Line 16 has been updated to reflect amounts entered for detailed non-taxable income items entered in Pennsylvania Other Information > PA-20S Non-Taxable Income > Shareholder Non-Taxable Income Calculation (Interview Form PA21, Boxes 30-44).

Form REV-1605 has been updated to print when RCT-101 is not required, but the option to force it has been selected.

## Texas Electronic Filing

A diagnostic will issue for the Texas Taxpayer Number to prevent a connection to server error during upload.

# Fiduciary (1041) Product Updates

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## Federal

An option on Depreciation Options and Depletion Overrides > Depreciation Options and Overrides > Suppress AMT (Interview Form DP-9, Box 53) was added on Release 2016.02020 to suppress AMT adjustment calculations when bonus depreciation is suppressed for assets that would otherwise qualify. Due to new guidance from the IRS, this will become the default calculation for current year assets only. The option will continue to be available for prior year assets that are placed in service in 2016.

Form 1041-V will only redact the trust's identification number when requested.

The mailing address shown on Minnesota letters and filing instructions reflects the address shown on vouchers.

## Illinois Electronic Filing

The Standard Filing Instructions for an IL-1041 return with a balance due and without banking information have been revised to prevent duplicity of instruction for processing the payment.

## Indiana

Schedule Composite will include nonresident beneficiaries from a foreign country.

## New York

The NOL deduction limitation override is just an override for IT-205, Line 2. The NOL worksheet statement will not be issued if this field is used.

The NYTPRIN Exclusion code entered for staff in Office Manager will be picked up in the return.

## Wisconsin

If the option is chosen to mask Social Security numbers on the Wisconsin Schedule 2K-1, then masking will be done in print.

## Estate and Gift (706/709) Product Updates

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### New Jersey

Form IT-Estate is updated for revisions posted by New Jersey.

# Exempt Organization (990) Product Updates

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## Minnesota

### The Annual Report:

- Will produce a statement listing professional fund raisers used if there is insufficient space on the form.
- Has been corrected on Page 3, Line 11 to reflect the sum of Form 990, Page 11, Line 1, Column b and Line 2, Column b.