

2016.03020
Release Notes

March 26, 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. 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 website 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 2016.03020

Tax Updates

Individual, Partnership, Corporation, and Fiduciary

California

The California FTB released a new version of Forms 540, 540NR, and 541 on Friday, March 17, 2017. The required changes are reflected on the forms and in the electronic files.

S Corporation

Missouri

The Missouri Department of Revenue has revised Form MO-7004, Application for Extension to File, to allow use by S Corporations. Form MO-7004 is available for processing.

Electronic Filing Updates

Approved Products Available on this Release

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

Partnership

California Magnetic Media

Product Updates

Individual (1040) Product Updates

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Federal

Kansas City Transmittal Letter and Filing Instructions. When only a spouse return is prepared, letters and filing instructions will indicate electronic filing when it is requested.

QEPD Worksheet. A spouse QEPD worksheet prints when there are multiple payments from qualified education programs for the taxpayer.

Schedule A. The income used in determining the optional state and local sales tax deduction does not include an IRA rollover.

IRS Notice 2017-21, for high cost housing limitations, allows individuals to apply the higher limitation published in this notice to their 2016 taxable year for Form 2555 purposes. The higher limitations for the following cities have been implemented into the calculation:

- **Angola** - Luanda
- **Argentina** - Buenos Aires
- **Australia** - Melbourne, Perth, Sydney,
- **Austria** - Vienna
- **The Bahamas** - Grand Bahama Island, Nassau
- **Bahrain** - Bahrain
- **Barbados** - Barbados
- **Bermuda** - Bermuda
- **Brazil** - Rio de Janeiro, Sao Paulo
- **Canada** - Calgary, Montreal, Ottawa, Quebec, Toronto, Vancouver
- **Chile** - Santiago
- **China** - Beijing, Hong Kong, Shanghai
- **Colombia** - Bogota, All cities other than Bogota
- **Costa Rica** - San Jose
- **Democratic Republic of Congo** - Kinshasa
- **Denmark** - Copenhagen
- **Dominican Republic** - Santo Domingo
- **Ecuador** - Guayaquil, Quito
- **El Salvador** - San Salvador
- **Estonia** - Tallinn
- **France** - All cities other than Garches, Le Havre, Lyon, Marseille, Montpellier, Paris, Sevres, Suresnes, and Versailles
- **Germany** - Bonn, Cologne, Giessen, Wahn
- **Ghana** - Accra
- **Guatemala** - Guatemala City
- **Guinea** - Conakry
- **Guyana** - Georgetown
- **Hungary** - Budapest
- **India** - Mumbai, New Delhi

- **Indonesia** - Jakarta
- **Israel** - Tel Aviv
- **Italy** - Genoa, Gioia Tauro, La Spezia, Naples, Vicenza
- **Jamaica** - Kingston
- **Japan** - Atsugi, Camp Zama, Chiba-Ken, Fussa, Gifu, Haneda, Kanagawa-Ken, Komaki, Machidi-Shi, Nagoya, Okinawa Prefecture, Osaka-Kobe, Sagamihara, Saitama-Ken, Sasebo, Tachikawa, Tokyo, Tokyo-to, Yokohama, Yokosuka, Yokota
- **Kazakhstan** - Almaty
- **Korea** - Camp Colbern, Camp Market, Camp Mercer, K-16, Kimpo Airfield, Munsan, Osan AB, Pyongtaek, Seoul, Suwon, Taegu, Tongduchon
- **Kuwait** - Kuwait City, All cities other than Kuwait City
- **Macedonia** - Skopje
- **Malaysia** - Kuala Lumpur, All cities other than Kuala Lumpur
- **Malta** - Malta
- **Mexico** - Mazatlan, Merida, Mexico City, Monterrey, All cities other than Ciudad Juarez, Cuernavaca, Guadalajara, Hermosillo, Matamoros, Mazatlan, Merida, Metapa, Mexico City, Monterrey, Nogales, Nuevo Laredo, Reynosa, Tapachula, Tijuana, Tuxtla Gutierrez, and Veracruz
- **Mozambique** - Maputo
- **Namibia** - Windhoek
- **Netherlands** - Amsterdam, Aruba, Schiphol
- **Netherlands Antilles** - Curacao
- **New Zealand** - Auckland, Christchurch, Wellington
- **Nicaragua** - Managua
- **Nigeria** - Abuja
- **Norway** - Oslo
- **Oman** - Muscat
- **Panama** - Panama City
- **Paraguay** - Asuncion
- **Peru** - Lima
- **Philippines** - Manila
- **Qatar** - Al Udeid (in All Cities), Doha, All cities other than Doha
- **Russia** - Moscow, Saint Petersburg, Sakhalin Island, Vladivostok, Yekaterinburg
- **Rwanda** - Kigali
- **Saudi Arabia** - Jeddah, Riyadh
- **South Africa** - Pretoria
- **Spain** - Barcelona
- **Suriname** - Paramaribo
- **Switzerland** - Zurich, All cities other than Bern, Geneva, and Zurich
- **Taiwan** - Taipei
- **Tanzania** - Dar Es Salaam
- **Thailand** - Bangkok
- **Trinidad and Tobago** - Port of Spain
- **Turkey** - Izmir-Cigli, Yamanlar
- **Ukraine** - Kiev
- **United Arab Emirates** - Abu Dhabi, Dubai

- **United Kingdom** - Basingstoke, Bath, Bracknell, Cambridge, Caversham, Cheltenham, Farnborough, Gibraltar, High Wycombe, Reading, Southampton, Surrey
- **Venezuela** - Caracas
- **Vietnam** - Hanoi, Ho Chi Minh City

California

California has updated Form 540/540NR to change the Line 419 description from "Child Victims of Human Trafficking Fund" to "Reserved."

Iowa

Form 126. Line 29 calculates to 100% if Iowa source income is less than \$1,000.00, and there is no lump sum tax or alternative minimum tax.

Maryland

Credit for taxes paid includes New York City, Yonkers, and New York MTA taxes from New York Form IT-203, Lines 51, 52c, and 53.

Massachusetts

The "2-yr Comparison" for Massachusetts includes the credit for taxes paid to other jurisdictions amount from Form 1, Line 30 and Form 1NR/PY, Line 34.

Ohio

Preparer calculated late payment interest, penalty, and late filing penalty for the School District return (Form SD100) input is on Ohio School District > Underpayments > School District Late Payment Interest and Penalty section (Interview Form OH8).

The "Refund/Balance due" feature reports correctly for married filing jointly returns, and the Ohio resident return summary prints beside the federal return summary.

Ohio RITA Electronic Filing

RITA Form 37. The following adjustments have been made to the calculation of Form 37, Page 3, Schedule K:

- When a taxpayer has more than one W-2, and one W-2 is under withheld and the other over withheld, the calculation excludes amounts over withheld.
- Withholdings in excess of the tax on a wage item will no longer appear on Form 37, Page 1, Section A for a nonresident work city, nor will they be included on Page 2, Line 4A.
- A claim for reimbursement of excess withholding for a nonresident city may be made by filing Form 10A, available on the RITA website (www.ritaohio.com).
- A refund of excess withholding may not be claimed on Form 37.

Oregon

Form OR-WFHDC. The percentage on Line 25 matches the Oregon Department of Revenue's website calculation (https://revenueonline.dor.oregon.gov/tap/_/#1) when adjusted gross income is less than the midpoint of each income bracket.

Pennsylvania

Schedule D. Transactions are reported on Schedule F, Line 11 when it is indicated that the proceeds have been reinvested in the business.

Schedule RK-1. Line 5 includes royalties to match the Schedule E, Line 22 calculation.

Wisconsin

Form 1NPR. Line 71 can be calculated for part-year residents in addition to full-year residents.

Partnership (1065) Product Updates

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Federal

The Industrial Recovery Tax Credit (Code 824) is available.

Arkansas Electronic Filing

The electronic file will correctly include the federal ID number of a grantor trust composite member.

California

Form 540NR, Line 419 is obsolete and will be marked as "Reserved."

California Magnetic Media Filing

California magnetic media is available. Use Federal > General > Electronic Filing > State Electronic Filing Options > California Paperless Schedule K-1 or Electronic Return > Magnetic Media or Electronic Filing Qualification = Magnetic Media (Interview Form CA1, Box 66 = 1) to activate it.

Oklahoma

The "% Depletion Limited to Net Income" column on Schedule of Mineral Interest Properties will be limited to net income.

Corporation (1120) Product Updates

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Indiana

Form IT-20. Schedule PIC will print when applicable.

The instructions for Form IT-20 list a due date of April 18, 2017, but Indiana regulations put the return due date 30 days after the Federal due date, which would be May 15, 2017. The letters and instructions reflect April 18, 2017 as the due date. However, interest and penalties for late filing/payment is calculated from May 15, 2017, as is expected by Indiana.

Louisiana

The franchise tax beginning date will show 02/28/17 if the fiscal year beginning date is 02/29/16.

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Louisiana

DPAD is included in Line 23 deductions on Form CIFT-620, Schedule D.

Missouri

Form MO-7004 has been reinstated by the taxing authority when filing Form MO-1120S. Use Federal > Other > Extensions > State/City Extensions (Interview Form EXT-2) to generate Form MO-7004 when Form MO-1120S is present in the return.

Oklahoma

Form 504-C. The paid preparer signature will print in the paid preparer box.

Form 512-S, Page 3. The intangible drilling costs will no longer being included twice under the federal column amounts.

Wisconsin

Form 5S, Page 6. Line 10 will no longer show an adjustment when an adjustment is not present on Schedule 5K, Line 2, Column C.

Schedule 5K, Line 17d. An input override as been added to worksheet Wisconsin > Income / Deductions > Distributive Share Income and Deductions section (Interview Form WI10, Box 69). This is used to override the amount on the statement if the Federal and Wisconsin amounts have the same gain on the sale of assets that have taken Section 179.

Schedule MA-M, Lines 15a, 15e, and 16 will be blank when Line 11 is negative.

Fiduciary (1041) Product Updates

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New Mexico

Form FID-1 generates for Grantor returns with passthrough withholding.

New York

Form IT-205-A, New York Adjusted Gross Income Worksheet, Line E no longer adds back income taxes, municipal bond interest, or US interest for nonresident returns.

The nonresident, or part-year resident, Form IT-182 will fill out Worksheet 5 only if there are rental real estate activities, and other passive activities, and only a portion of the losses are allowed.

New York Electronic Filing

The New York extension letter reflects the last four digits of the account number.

New York 204LL Electronic Filing

Forms IT-204-LL with temporary ID numbers containing a dash export without issue.

Estate and Gift (706/709) Product Updates

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Massachusetts

Form M-706 is updated for revisions posted by Massachusetts.