

April 30, 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 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 2016.03040

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## Tax Updates

### Integration with CCH® ProSystem fx® Document

You will now be able to "browse" to CCH ProSystem fx Document or CCH Axcess™ Document to obtain a PDF to attach to the return as an e-file PDF attachment. This new feature allows you to attach the PDF without storing the document on your local workstation. This speeds up the process and eliminates a security concern with storing client documents locally. This feature is available for either "Optional" or "Required" PDF attachments, and applies to 1040, 1120, 1120S, 1041, 1065, 990, and 5500 returns.

### Individual

Form 114. New preparer PTIN and SSN override fields are available if the return preparer differs from the Form 114 preparer.

### Corporation

#### **New York State/New York City**

A new diagnostic will be generated to alert you to a program change that has been made. It is based on a recent clarification of instructions to new-for-2016 tax year Mandatory First Installment (MFI) Form CT-300 issued by the New York State Department of Taxation and Finance.

The diagnostic explains that overpayments reported on tax year 2016 Forms CT-3, CT-3-M, etc., will now be automatically applied as an "overpayment credited from prior periods" on Form CT-300. Previously, only tax year 2015 overpayments were automatically reported on that line, subject to input override. A similar change has been made to the New York City program to report tax year 2016 overpayments on Forms NYC-2/2S/2A as credits on Form NYC-300.

### New Expiring Password Emails (CCH® Global fx Only)

We will now send emails notifying users of expiring passwords ten days before the password expires. We will send another email five days before expiration. This new communication will give users ample time to reset their passwords.

## Electronic Filing Updates

### Approved Products Available on this Release

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

**Individual** - Louisiana NRA

**Corporation** - Connecticut Combined


### Individual

Supporting Forms 1042-S and 8805 are available as library forms to allow additional Form 1040NR electronic filing. Data entered on these forms is used for electronic filing purposes only, and does not carry into the return calculations.

## Electronic Filing Status System

**Batch Print History/Batch Export History** - When you batch print or batch export return histories, we now include the secondary grid (when applicable). You will find this beneficial, especially for multiple FBARs within the same return.

**Print Filter/Search Results** - Back by popular demand! We have re-enabled the ability to print the Filter/Search Results. Simply click the Print button located in the bottom-right of the screen. Due to the current HTML method used to present the data, the "Ctrl+P" or "right click" functions do not provide desired results, so please use the Print button instead.

 **Note:** Please remember there are size limitations to the print, so if you print more than the standard "default" columns, we recommend you use the export feature in order to obtain all of the data/columns shown.

**Print - Estimate Payment List; Release Returns Summary** - You may use the Print button to print from either of these locations once again.

**Column Sort Order** - You may sort most columns in descending (Z to A) order, in addition to ascending (A to Z) sort order.

**Status Filter** - You will be limited to selecting actual status points under each main category or sub-category. Categories such as *Not Released* and *Not Accepted*, and sub-categories such as *Rejected* and *Stopped - Action Required*, can no longer be selected as these confused users as to what the actual results would represent.

# Product Updates

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## Individual (1040) Product Updates

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### Federal

Form 2106. A Section 280F/179 Recapture calculated due to business use of vehicle dropping below 50% will carry the equivalent percentage to Form 1040, Line 21 as the vehicle expenses calculated on Form 2106.

Form 8606. When there is a Form 8606 and IRA distributions that are entirely qualified charitable distributions (QCD), Form 1040, Line 15a will include the QCD amounts.

Schedule D/Form 4797. When the following scenario exists (all three statements are true), the totals on Form 4797 and Schedule D will match:

1. There is a publicly traded partnership for which there is a loss that is to be reported on Form 4797 or Schedule D, and the loss is limited.
2. There is investment interest expense and the allowed expense is limited.
3. There is input for states only that would be included on the state equivalent of Form 4797 or Schedule D (the input may originate from a passthrough).

To support Form 1040-NR eFile, the following input is available:

- IRS 1042-S
- IRS 8805

### Indiana

Schedule IN K-1. Line 7 includes modifications from Line 24.

### Mississippi

Form 80-108. Part IV includes zero income when Schedule E is present in the return.

### New York Electronic Filing

Form IT-204-LL. Returns with a temporary ID entered (i.e. TF1234567) use the taxpayer's Social Security number instead of the temporary ID.

Returns with withholding from a 1099-INT or 1099-DIV may be filed electronically.

### North Dakota

Form ND-1ES. Line 6 calculated tax will not be overstated for Married Filing Jointly returns with taxable income of \$233,350 or more.

### Ohio - Ohio Cities

CCA. Negative withholding amounts for schedule income will not occur on part-year resident returns.

Overrides for credit for taxes paid to another city will properly flow to the resident city return.

# Partnership (1065) Product Updates

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## Federal

Credit for increasing research activities reported on the return reflects the pro rata portion of credit for members of the controlled group.

Net rental real estate income on a California Schedule of activity will match California Schedule K-1 when code "BK" is used for state depreciation.

The statement reference will no longer print over the owner's name on Line 4a of Form 8938 when the statement is present in a return.

You may enter a Schedule M-3 Deduction Code on the Worksheet for Income/Deductions > 11 - Schedule K - Nondeductible Expenses (Interview Form K-3, Box 114, when Box 30 is "NDE").

## Alabama

Form PPT shows the due date as the 15th day of the fourth month after the tax year end on the Extension Report.

## Alabama Electronic Filing

The statement for Form 65, Page 1, Line 20 will be automatically transmitted with the return as a PDF.

## California

When the Federal > General > Letters and Filing Instructions > Due date of electronic filing form code (Interview Form 9, Box 38) is a "1," the transmittal letter will no longer include the line to return Federal Form 8879-PE to us as soon as possible.

## Florida

The summary apportionment worksheet will show a 0.000000 factor for property.

## Illinois

Schedule K-1-P(3). Line 14, Replacement tax credits, can be larger than Line 13, replacement tax before credits and Line 17, income tax credits, can be larger than Line 16, income tax before credits. These amounts will also be reflected on Schedule B > Section B > Column I > Distributable share of credits.

## Massachusetts

Form PTE-EX. The Withholding Exemption Certificate prints the correct Partner/Shareholder in the K-1 copy when the Partner/Shareholder numbers are out of sequence.

## Michigan

Form 4918. The partner's entity type can be changed by using input worksheet Common State > Generic State K-1 Information > Generic Partner Input (Interview Form ST1, Box 123).

## New York

New options have been added to the New York > General Information > Printing Options > Suppress partners IT-204-IP code (Interview Form NY2, Box 30) to allow the New York IT-204-IP to be suppressed based on the type of entity.

## Ohio

An entry of "3" on Common State > Generic State Schedule K-1 Information > General Partner Input > Code 1 (Interview Form ST-1, Box 123) will suppress the IT K-1 (1140) for the specified partner.

Form IT K1 (1140)

- Line 4 matches the amount of PTE credit on IT 1140, Pages 4 and 5.
- It will use federal amounts when specially allocated.

The suffix will display correctly with each investor on the IT 1140, Schedule E.

## Wisconsin Electronic Filing

Wisconsin PW-1. Electronic payments of estimated tax have the correct dates for payments when using Wisconsin > Payments and Penalties > Estimates and Application of Overpayment Withholding Tax > Number of next year's installments unpaid if less than 4 or Make the first installment equal total estimate due (Interview Form WI36, Boxes 31 and 35).

# Corporation (1120) Product Updates

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## Federal

Detail supporting statement for Form 6198. Line 7 "Increases for the tax year" and Line 9 "Decreases for the tax year" are accumulated from separate company returns.

Schedule K (Form 1120-IC-DISC) will no longer print in the government copy of the return.

The extension due date prints on the Return Summary only when Form 7004 is produced.

## Electronic Filing - Form 4626

Form 4626 is no longer rejected under Business rule F4626-007-01 when Line 12 does not equal Line 10 minus Line 11, and the sum of Lines 3 and 4e is less than or equal to zero.

## Power Pack

An option to allow the application of discount factors to negative reserves has been added to Insurance > Trial Balance and Other Information > Options and Other Information (Interview Form STAT-O, Box 48).

## Alabama

Alabama footnotes will properly filter between federal and state selections made.

The CPT apportionment factor will default to 100% instead of 0% for consolidated returns.

## Hawaii

Form N-30. The statement for contributions carryover has been updated to reflect the proper years in the statement.

## Louisiana

The correct refund amount will flow to the State Tax Refund carryover form.

## New York

New York State/New York City - A new diagnostic will be generated to alert you to a program change that has been made. It is based on a recent clarification of instructions to new-for-2016 tax year Mandatory First Installment (MFI) Form CT-300 issued by the New York State Department of Taxation and Finance.

The diagnostic explains that overpayments reported on tax year 2016 Forms CT-3, CT-3-M, etc., will be automatically applied as an "overpayment credited from prior periods" on Form CT-300. Previously, only tax year 2015 overpayments were automatically reported on that line, subject to input override. A similar change has been made to the New York City program to report tax year 2016 overpayments on Forms NYC-2/2S/2A as credits on Form NYC-300.

## Oregon

Form OR-20 and Form OR-20-INC. Line 1 will pull taxable income from Line 19 of federal Form 1120-H instead of Line 17.

## Oregon Corporate Consolidated

The consolidated Charitable Contributions statement will no longer include other deductions.



# S Corporation (1120S) Product Updates

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## Federal

Multiple loans entered for the states, such as California with state, if different beginning of year debt basis on Shareholder Basis > 4-Shareholder Analysis of Loan Account (Interview Form SB-3, Box 33) will properly show on the state version of Analysis of Loans Schedule.

## Alabama

Schedule K-1. The Shareholder SSN/FEIN will be masked in print when the option is selected.

## Alabama Electronic Filing

Schedule K-1. The State of Residency displays nonresident state code "DC" for District of Columbia.

## California

Form 3531, Line 9. The California Competes Credit carryover available to future years has been updated to properly account for prior year credits carried into 2016.

## Maine

The shareholder's footnotes will print behind the Schedule K-1.

## Michigan - Lansing

The prior year overpayment credit is correctly applied on Form CF-2220, Line 10.

## Montana

The Tax Exempt Entity box will be checked on the Montana PT-AGR instead of the Nonresident Individual box when the Shareholder Entity type is Tax Exempt.

## North Carolina Electronic Filing

Form CD-401S, Schedule K.

- Disqualifying Diagnostic #40538 has been added for North Carolina business rule NCCD401-2100.
- Informational Diagnostic #30586 has been added when there is a rounding difference less than 0.01% and the difference has been added to the last shareholder's ownership percentage.

## Ohio

When using the Basic Data > State Information > Bonus/Section 179 depreciation (Form 5) taken in prior years (federal amounts), the statement for Line 42 of IT 4708 will include the 2015 amounts.

# Fiduciary (1041) Product Updates

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## Federal

ESBT Form 3800. Line 14 will pick up the amount from the ESBT Schedule I, Line 54 when the Foreign Tax Credit overrides have been used on the ESBT.

Form 1041. Federal withholding from the 1099-R will no longer be included in the calculation for back up withholding to be distributed to the Schedule K-1.

Form 5227, Page 7. Line 3 will net to zero for capital gains and any remaining distributions will come from corpus when the distribution amount exceeds income.

The calculation for back up withholding will no longer include the 1099-R federal withholding for distribution to the Schedule K-1.

## Electronic Filing

When there are multiple entries for Bank Information where the first entry does not select either direct deposit nor direct debit, then the extension letter will no longer incorrectly reference mailing a check instead of direct debit.

## Arizona

Arizona electronically filed extensions will show the correct letter references indication to either mail the Form 141AZ EXT or not to mail it because the file has been sent electronically.

## Minnesota

The extension filing instructions address matches that found on the Minnesota extension voucher.

## Mississippi

Form 80-107. The taxpayer SSN will include the Estate or trust EIN.

## New Mexico

The P.O. box number has been updated in the filing instructions for Form FID-EXT.

## Wisconsin

Form 2, Page 2, Line 16. The Wisconsin income tax withheld has been updated for when the required distribution amount is greater than the allowed amount.