

**2016.04020**  
**Release Notes**

August 20, 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)

### Tax Updates

#### Partnership, Corporation, and S Corporation

The new IRS Form 8975, the Country-by-Country Report, and Schedule A (8975), Tax Jurisdiction and Constituent Entity Information, have been added to this release. Input for these government forms can be found on the worksheets Other > 8975 and Other > Schedule A (8975), or on Interview Forms FCR-1 and FCR-2. These forms are available for paper and electronic filing.

#### S Corporation

New York City Form NYC-1, Tax Return for Banking Corporations, has been added to this release. Input for this return can be found on the worksheet New York > New York City Banking (NYC-1) or on Interview Forms NYCB1 through NYCB6.

#### Estate and Gift

**Federal**- Preliminary Federal Form 706 and accompanying schedules are available for dates of death in 2017.

**Illinois** - Final Form 700 is available for dates of death in 2017.

**New Jersey** - Final Forms IT-Estate, ET-PMT, and Schedule E-3 are available for dates of death in 2017.

# Product Updates

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## Individual (1040) Product Updates

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### Kentucky

The mailing address for correspondence related to Forms 725 without tax due is Kentucky Department of Revenue, P. O. Box 856905, Louisville, KY 40285-6905.

Disallowed investment interest on Schedule A, Line 14 that is disallowed due to basis limitations is accounted for only once.

### Oregon

The Oregon standard deduction is not calculated on returns when filing federal Forms 1040NR or 1040NR-EZ.

### Pennsylvania - Pennsylvania Cities

Updated school district tax rates for jurisdictions with special school district taxes present.

# Partnership (1065) Product Updates

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## District of Columbia

The input override for dividends is updated to override the detail entries for dividends on Schedule 1B, Line 4.

## Michigan

The cross reference and carry forward credit input is updated for the overpayment applied line on the composite Form 807.

## Mississippi

Long term capital losses on the MS Reconciliation is limited to the amount of Short Term Capital Gains. If there is no STCG or there is a Short term loss, the LTCL will be "0."

## Nebraska Electronic Filing

The total of Schedule II, Column c, Percent of Ownership is updated to round to three decimal places (100.000). This will cause the system to use a stricter parameter for issuing a disqualifying diagnostic for this amount and prevent schema validation errors.

## New York

Form IT-639, Lines 2 and 7 only pick up the amounts from the IT-639-ATT associated with that entity.

K-1 footnotes are produced for the IT-204-CP partnership partners. An option is also added to allow the footnotes to go only to the IT-204-IP or the IT-204-CP.

- To have the footnotes go only to the IT-204-IP, enter a "1" on Federal > Partners > Schedule K-1 Footnotes > Schedule K-1 Footnotes > State/city use (Interview Form 12, Box 37).
- To have the footnotes go only to the IT-204-CP, enter a "2" on Federal > Partners > Schedule K-1 Footnotes > Schedule K-1 Footnotes > State/city use (Interview Form 12, Box 37).

## Texas

Form 05-102 is referenced in the letter when paper filing is selected.

# Corporation (1120) Product Updates

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## Federal

You can navigate to the supporting detail for "Total other deductions, expenses and losses" from the Form 8903, Line 3(b) drill-down.

## California

The Form 100ES worksheet recognizes a zero input for a tax credits override when entered at the federal level.

When present, Form 5471, Schedule I prints with the California copy of federal forms.

## Indiana

The interest calculation on Form IT-20, Line 43 is updated to reflect the proper amount of interest.

The transmittal letter and filing instructions reflect the extended due date once the original due date of the return has passed.

## Massachusetts

Form M-2220, Line 14 dates changed for 1120 returns with an original due date on or after 01/01/2018 reflect the new due date of 4 months and 15 days after the end of the tax year. This increases the underpayment penalty.

## Rhode Island

Schedule CRS, Lines 17, 18, and 19 are updated to exclude elimination amounts entered at the consolidated level.

## Texas

Form 05-160 is prepared in the return when Form 05-178 Research and Development Activities Schedule is present in the return.

Form 05-169, Line 10 no longer displays a negative amount.

Penalty and Interest calculate on Form 05-170 when the prior tax is greater than \$10,000 and an extension is selected.

## Virginia

Virginia grants up to a seven-month filing extension to corporations beginning with taxable year 2016.

# S Corporation (1120S) Product Updates

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## Federal

The standard filing instructions are updated to show the Form 3115 filing fee, when applicable.

## Arizona

The version of Form 308 to support the nonresident Schedule K-1 is updated to reflect the shareholder percentage from the nonresident Schedule K-1.

## Kentucky

Custom filing instructions for the nonresident withholding estimate Form 740NP-WH-ES reflect amounts entered as already paid towards the estimate.


## Oklahoma Electronic Filing

Form 512-S, Page 6, Line 16, Reinstatement fee is \$150 when Oklahoma > Franchise Tax Return General Information > 6 Reinstated corporation (Interview Form OK7, Box 35) is marked "X."

## Utah

### Utah K-1

- Line H, Utah amount is calculated as TC-20S, Schedule J, Line 5h, Column A multiplied by that shareholder's percentage of ownership on Utah K-1, Line E.
- Line H, Total is calculated as TC-20s, Schedule J, Line 5h, Column B multiplied by that shareholder's percentage of ownership on Utah K-1, Line E.

 **Note:** These can be overridden on Utah > Income/Deductions > Allocation and Apportionment > 21 Sales (Interview Form UT7, Line 52).

# Fiduciary (1041) Product Updates

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## Alabama

Losses no longer print on AL 41, Schedule K-1, Line 5a.

## Colorado

Line 1 of the Schedule F (DR 0105) calculates using the increased federal exemption amount.

## New York

Amounts on Form IT-205 interest/penalty statements and transmittals match the amounts on the return.

New York sourced adjustments from federal income taxes, interest income on state and local bonds other than New York, and interest income on U.S. obligations appear on Form IT-205-A, Line E, NYS Income Percentage statement and therefore factor into the percentage calculation for Form IT-205-A, Line 12.

## Vermont

Net taxable income for estimate purposes will not include current year extension and estimate payments.



# Estate and Gift (706/709) Product Updates

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## Federal

A second line can be added to the message that prints at the top of Form 706, Page 1 using Estate Tax > Elections and Options > Options > Message to print at top of page 1 - line 2 (Interview Form EST-5, Box 39).

The following preliminary forms are available for dates of death in 2017:

- Form 706
- Schedule A
- Schedule A-1
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- Schedule G/H
- Schedule I
- Schedule J
- Schedule K
- Schedule L
- Schedule M
- Schedule O
- Schedule P/Q
- Schedule R
- Schedule R-1
- Schedule U
- Schedule PC

## Illinois

Final Illinois Form 700 is available for dates of death in 2017.

## New Jersey

The following final New Jersey forms are available for dates of death in 2017:

- Form IT-Estate
- Form ET-PMT
- Schedule E-3

# Exempt Organization (990) Product Updates

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## Massachusetts

The Form M-2220 worksheet calculation changed for the number of days in the last quarter. This changes corporation returns with an original due date on or after 01/01/2018 to reflect the new due date of 4 months and 15 days after the end of the tax year. This increases the underpayment penalty.