

2017.04000
Release Notes

June 24, 2018



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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 2017 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

Section 965

The following states have been revised to reflect the guidance on Section 965 reporting:

Individual

California	New Jersey	Rhode Island
Idaho	New York	

Partnership

California	Oregon	Rhode Island
Illinois	Pennsylvania	Tennessee

Corporation

Connecticut	Oregon	
Illinois	Tennessee	

S Corporation

California	Oregon	Rhode Island
Illinois	Pennsylvania	Tennessee

Fiduciary

Alabama	Illinois	Rhode Island
Arizona	Montana	Utah
Connecticut	New Jersey	
Idaho	Oklahoma	

Section 965 Issue Resolved

Individual

We correctly print the SSN, instead of 111-11-1111, on the Section 965 Transition Tax Statement.

Electronic Filing Updates

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

Individual

New Hampshire BPT

Product Updates

Individual (1040) Product Updates

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Federal

Section 965 Transition Tax Statement. The social security number will print on the TTS for all individual returns instead of 11-11111111.

Diagnostic 36438 issues when the Section 179 deduction is incorrect due to the 8582 loss limitation.

Form 1040X, Line 5. Column A includes capital construction fund adjustments when the transfer option on Amended Return > Options > Transfer original information (Interview Form X-1, Box 30) is selected.

Form 114, Line 15a. Unknown maximum account value is loaded for signature authority accounts when the account value is not entered and there are more than 25 financial accounts.

Form 6251

- When an activity is coded as subject to recharacterization, is marked as 100% disposition, and there is an overall gain, then the AMT adjustment from the sale is included on Form 6251, Line 17.
- When there are AMT preference items and adjustments entered for a passthrough and coded as Active Rental Real Estate for both the federal return and a state return, the federal amounts are included on Form 6251.

Form 8582-CR. When a passthrough activity is coded as Active Rental Real Estate and there is a section 1231 gain reported on the K-1, the recalculated tax (income less income from passive activities) does not include the section 1231 gain.

Form 8582. When a passthrough activity is coded as Materially Participating Real Estate Professional, there is a passive activity loss carryover, and there is an overall loss, the loss allowed due to sale of assets (section 1231) is included in the calculation of Form 8582, Line 7.

Form 8621. When there is an excess distribution day allocation involving funds purchased in a prior tax year and then becoming a PFIC at a later date within that same tax year, then the combined total days allocated to the pre-PFIC and the PFIC periods will not exceed the total days in the tax year.

Form 8889. Line 14a includes total distributions only if the HSA box is checked on Deductions, Distributions From an HSA or MSA (IRS 1099-SA) worksheet, HSA field (Interview IRS 1099-SA, Box 64).

Form 8962. If the amount calculated for Form 8962, Line 5, is greater than 400% on the last calculation of the iterative method, the full amount of the SE health insurance premiums entered on the IRS 1095-A, unless limited by the net income from the entity the policy is associated with, is included in Form 1040, Line 29.

Form 926. Lines 10-17 are left blank when Line 9 is checked Yes and instructions are provided to skip the rest of Part III.

Form 8829. Line 10 pulls mortgage interest allowed on the Mortgage Interest Worksheet when there are multiple homes for that interest.

Schedule A. Line 10 will be 0 or a positive number.

Section 965 Election 965(i)(1). The election will print the name of the S Corporation instead of the date on the leading paragraph.

Arizona

Form 204E will no longer produce if the federal extension is being used for Arizona.

If Form 221, Line 1, is checked and an amount to be waived is entered on Line 30b, then the waiver requested box will check.

Arkansas

The personal representative address will display on Arkansas returns for deceased taxpayers.

Georgia

Georgia letters instruct to pay estimated payments by EFT when required.

Schedule 1 and Schedule 3 calculate nonresident/part-year resident NOL carryforwards being used in subsequent years.

Idaho

Non-Resident or Part Year resident filings generate "NRF" if Idaho source income is less than \$2500.

Illinois

Credit for taxes paid amounts are split between taxpayer and spouse for use by separate return states.

Indiana

An entry of zero is valid on Indiana Estimates / Underpayments > Section 2 - Underpayment Penalty Preparation > Indiana 2016 taxable income (Interview Form IN6, Box 69). Returns that already have a zero entered may drop any 2210 penalty if applicable.

Form CT-40PNR. Line 4A may be adjusted by \$1 to correct a rounding error.

Schedule 6/G Public Educator Credit 861 is reduced to the amount entered if the amount displayed was more than what was entered.

Kentucky

State withholding for capital transactions flows to Schedule KW-2, Form 740, and Form 740-NP.

The mortgage interest deduction calculation combines all mortgage interest paid on a single worksheet when multiple entries are present.

Maine

ME1040. Line 25b calculates payments from the original return on amended returns.

Maine Electronic Filing

Schedule PFTC/STF. Line 2 will print zero when Federal 1040, Line 22, equals zero to prevent schema validation error.

Mississippi

Form 80-108. Part I includes personal casualty losses from designated disasters.

Form 80-205. Line 58 no longer rounds when amounts entered in the Nonresident/Part-year state overrides are entered and the amounts are not even.

North Carolina

Form D-400TC. Line 1 reflects the amount on Schedule PN, Line 22, when overrides are entered for Schedule PN on North Carolina, Income/Deductions > Nonresident and Part-Year Information (NC15).

North Dakota

Form ND-1. Line 7, bond Premium, reduces interest on US Savings Bonds and Treasury Obligations.

Oregon

Passive activity loss adjustments (Form OR-ASC addition code 155 and subtraction code 356) calculates only against Oregon source entries.

The scan lines on Form OR-40-ES reflect the spouse's name and Social Security number as the primary filer when the taxpayer is deceased.

Pennsylvania - Pennsylvania Cities

Estimate address overrides have been updated to look at each override individually on Pennsylvania Cities > Estimates/Underpayments > Tax jurisdiction/collection agency, Street (Address Line 1) and City, state ZIP code - override fields (Interview Form PAC3, Boxes 72-74) when using jurisdiction codes P01-P99 with corresponding jurisdiction address information in Office Manager.

Corporation (1120) Product Updates

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Power Pack

Schedule M-3, Part III, Line 37. Other Expense/Deduction Items with Differences includes investment expense from an electing small P & C insurance company when selecting "INV" for the Return Code on Schedule M-3 > Other Information > Other Deduction Items to Schedule M-3 (Interview Form L8, Box 180).

Arizona Consolidated

The Arizona consolidated program has been updated to calculate the correct state tax addback when the accrual option 2 has been selected.

California Combined

Intercompany sales will no longer be separately stated on Schedule R, Page 3, Other Receipts. Instead, it will be netted into the total sales line with a reference to see the combined apportionment schedule for intercompany sales details.

When using the tax accrual option, Michigan taxes will be included in the addback for state taxes based on income.

New York - New York City

New York City Form 2.4 has been updated to accommodate post-2014 income years when there are no loss years entered.

Fiduciary (1041) Product Updates

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Federal

The grantor letter will net municipal bond interest with PAB interest and expenses when requested in Office Manager.

Recharacterized loss on 1116 AMT foreign loss worksheet clears if there is no income to offset.

The nonresident grantor letter will process an override for depreciation adjustments at the Virginia level if the option to net the depreciation with the income option has been selected utilizing the ordinary income percentage.

Schedule K-1

- It will not calculate an ordinary income percentage greater than 100% for the beneficiary when foreign taxes are distributed.
- It will show the correct amount of short term capital gains distributed when the option to distribute capital gains when distributions exceed ordinary income is selected and there is no ordinary income.

California

Form 3510 will no longer produce when the credit for prior year alternative minimum tax input is not for California.

Connecticut

Schedule B. Tax exempt interest no longer flows to Beneficiaries' share of Federal Distributable Net Income when there is not any distributable net income in the return.

Schedule 1041B. Part 2 will no longer fill if there are not any nonresident beneficiaries in the return.

Schedule 1041FA. If ordinary income percentages are overridden for the beneficiaries, these percentages will flow to Part 2 of Schedule 1041FA.

Schedule K-1T. The number of resident and nonresident beneficiaries listed on Schedule K-1T will account for beneficiaries with a residency in a foreign country.

Delaware

Returns no longer double report penalties and interest on Form DE 400-V.

District of Columbia

Form D4, Page 1. Line 1 will be 0 when the return is a Charitable Remainder Unitrust or Annuity Trust.

Illinois

Schedule K-1-T. If the beneficiary is a resident then Column B is blank. If the beneficiary is a nonresident then Column B calculates.

Maryland

Form 504A. Lines 9a-10g will no longer populate if the trust retains 100% of the income.

Form 504UP will no longer produce if one of the exceptions has been met.

Pass-Through Entity withholding will flow to Form 504, Line 29, for nonresident returns and to Form 504, Line 27, for resident returns.

Massachusetts

Schedule B. Line 12 will include federal short-term amounts only. Massachusetts short-term differences are included on Line 21.

Montana

NOL nonbusiness deductions and nonbusiness income may change due to MT additions and subtractions.

New York

A change in the NYC estimate will produce if there wasn't a tax in the current year for recalculated estimates.

Oklahoma

Schedule K1

- Depletion related to rental property flows to Line 8b of the Schedule K-1 instead of Line 8A.
- Withholding for nonresident beneficiaries on Form 500B will flow to Line 12 of the Schedule K-1.

Virginia

The statement for explanation of amended reason prints in the return.

Wisconsin

Schedule 2M no longer prints in Grantor returns as all the information is included in the grantor letters.

Estate and Gift (706/709) Product Updates

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Connecticut

The following final Connecticut forms are available for dates of death in 2018:

- Form CT-706 NT
- Form CT-706/709
- Form CT-706/709 EXT