

**2018.03020**  
**Release Notes**

March 24, 2019



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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 2018 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 2018.03020

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## 2018 Tax Updates

Detailed information about the tax updates is available in our Knowledge Base. See the [Hot Topics](#) page on the Tax Support site for links to articles that can help you apply these updates.

### Individual

The IRS announced new relief for taxpayers. The underpayment of estimated tax penalty will be waived for individuals who have paid in 80% of their 2018 tax liability. Previously 85% of tax was required to have been paid to qualify for penalty relief.

### Corporation and S Corporation

Iowa retroactively increased the Section 179 expense deduction.

### Corporation

Nebraska - The interest rate on underpayment of estimated tax for Form 2220N is updated to 5% for the period beginning January 1, 2019. A scan is available to identify returns calculated before release 2018.03020 with interest for the underpayment of estimated tax on Form 2220N.

## 2018 Electronic Filing Updates

### Approved Products Available on this Release

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

#### Corporation

Ohio Municipal Net Profit Tax Estimates  
Wisconsin Combined

#### Partnership

Ohio Municipal Net Profit Tax Estimates

#### S Corporation

Ohio Municipal Net Profit Tax Estimates

# Product Updates

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## Individual (1040) Product Updates

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### Federal

Business income limitation doesn't separately include income from 1099Misc when already included in Schedule F.

Form 3520-A. Part I information is loaded with the taxpayer's 3520 information when the option to include on 3520-A is selected and the TSJ option on 3520-A Annual Info Return of Foreign Trust - US Owner > Foreign Trust Income Statement (Interview Form 13-B) is the default option.

Form 8990, Page 3, Schedule A, now generates when partnerships activity numbers are different than the entity numbers.

QBID Worksheet. The QBI Deductions Worksheet will not include any income on a Schedule C that is considered statutory employee income that is also excluded when computing Schedule SE tax.

Schedule A. The 2007 50% conservation real property carryover will use the amount allowed after any 2006 carryover is used.

Transmittal Letter. The Schedule A 60% limit contributions carryover amount will now be stated in a paragraph.

### District of Columbia

Schedule ELC is produced when a qualifying child is present, the filing status is MFS on the same return, and the income is below the threshold for the filing status.

Schedule UB prints when there is a refundable Schedule SR credit entered.

### Georgia

Schedule 2, credit code 136 is no longer limited unless a "1" is entered for the tier.

### Indiana

Schedule 6, Line 5 credit for taxes paid calculation will not calculate amounts less than zero.

### Iowa

Schedule A, Line 5 picks up the personal portion of real estate taxes for home office when standard deduction has been checked for federal.

### Kentucky

The charitable contributions limitation and carry over calculation aligns with the federal calculation.

### Montana

Form 2, Page 10 prints when only 2/3 of gross income is from farming.

### New York

Itemized deductions include only federal depreciation amounts.

## Oregon

Input records for Schedules OR-PTE-FY, OR-PTE-NR, and OR-PTE-PY align with the forms.

Schedule OR-A, Line 5, excludes Oregon withholding that is not specifically coded to Oregon when Oregon is the home state.

## Oregon Electronic Filing

Non-game Wildlife contributions flow to Schedule OR-DONATE, Line 3.

## Philadelphia

Philadelphia BIRT returns that have zero Philadelphia gross receipts and a positive amount of gross receipts outside of Philadelphia will no longer prepare the BIRT-EZ by default. They will instead prepare the BIRT long form. This can be overridden with the form override on PHI NPT/BIRT > 1 - General > Line 18 Form print option (Interview PHI2, Box 36).

## South Carolina

Form I-385 Motor Fuel Income Tax credit is available for both paper and electronic filing. Input for the form is found on South Carolina Credit > Motor Fuel Income Tax Credit (Interview Form SC11).

# Partnership (1065) Product Updates

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## Federal

Assets on the AMT report take into account when an asset has a 100% business exclusion.

Global intangible low-taxed income (GILTI) now automatically carries to Schedule M-3, Page 2, Line 25, which can be modified by entering "GI" in Schedule L/M > Schedule M-3 > 4-Other Information > Line 7 > Return Code (Interview Form L-8, Box 160).

When filing Form 1065 for an LLC, the To Be Signed and Dated by section of the Federal Filing Instructions will show "A member of the LLC".

## Arkansas

Inputs for Bonus depreciation adjustment or State adjustment on disposition of bonus depreciation assets, the amounts will not flow to Line 14 of the Arkansas Schedule K-1.

The option to print only the Arkansas Annual Report will suppress the print of all pages of the AR1050.

## Colorado

The "Nonresident" box on a resident partner's CO Schedule K-1 will no longer be checked if there are any foreign partners in the return. The "Resident" box is correctly checked.

## Connecticut

Form 1065/CT-112SI, Page 6, Part III: Member 3 will fill with the correct address when any other partner has a Canadian address.

## Illinois

Excess business interest expense is no longer included on IL-1065, Line 11 and Schedule K-1-P, Line 31.

## Iowa

IA 1040C, Schedule NR displays all included partners correctly when one or more has been excluded.

## Mississippi

The MS 84-132 Line 14 description will show Excess Business Interest Expense.

## Pennsylvania

Added new input overrides for guaranteed payment on Partners Schedule K-1 overrides > Pennsylvania Schedule K-1 to adjust calculated amounts when the amounts on Form RK-1 and Form NRK-1 are different.

## Tennessee

Forms FAE 170, 174, 183, and 173 displays the entire account number.

Letter updates for Form FAE 183 when form is electronically filed.

Website for INC 250 and 251 displays correct address for payment.

## Utah

Form TC-65K, Line 18, Schedule K - Partners' Distribution Share Items. Information input from Utah > Credits > 1 - Credits > Line 2 (Interview Form UT6) with a code 46A will now flow correctly to TC-65K.

## Virginia

Virginia Updates for Conformity Changes Published March, 2019 for Federal Form 8990 (Business Interest Deduction):

- A statement will be produced behind Schedule VK-1 showing each partner's share of the disallowed interest expense from Form 8990, Line 31.
- A new special allocation code #49911 has been installed.
- Diagnostic #38749 will issue when the statement is produced.
- New subtraction code "56" has been added for Schedule 502ADJ - the statement will not be produced when there is input for this code.
- Code VA18 has been added to Federal > General > Electronic Filing > PDF Attachment - Required (Interview Form EF-PDF1, PDF Attachments: Specific Forms) to allow Federal Form 8990 to be attached as a PDF.
- Note #1: Code 56 for business interest deduction is not used by Form 765 per instructions. Code 53 (Venture Capital Account Investment) reverts to Code 56 for Form 765.
- Note #2: Code 56 is not available for electronic filing on schema versions prior to release 2018.03020 (3/24/19).

# Corporation (1120) Product Updates

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## Federal

Computation of taxable income after the exclusion of capital gain net income has been updated to include new limitations for dividends received deduction.

Proration of Tentative Minimum Tax (TMT) for fiscal year 2017-2018 returns no longer includes AMT foreign tax credit. Proration will be performed based on Line 10 of Form 4626, TMT before AMT foreign tax credit instead of Line 12, TMT after foreign tax credit.

## Power Pack

Schedule M-3 (1120-PC) Page 3, Line 29(d) will no longer carry to Line 29(a) for returns in which NAIC import is not being used.

## Massachusetts

Reaction to TCJA for MA per final instructions: addback of IRC Sections 965c, 245A and 250. This affects Schedule E, Line 13 for 355 filers, Schedule A, Line 10 for 63Fi returns.

Schedule FE. Line 8 and Line 20 changed to include several lines from Federal Form 5471, Schedule C.

## Montana

Input is available for the Apprenticeship Tax Credit on the Montana Schedule C. This credit will be included in the electronic file.

## Nebraska

The Nebraska Form 2220N will calculate the interest on underpayment of estimated tax using the 5% interest rate that was put into effect as of January 1, 2019.

## Oregon

OR-ASC-COR. Carryforward credit amount is now amount available limited by minimum tax.

## Virginia

Apportionment Information will now aggregate correctly on Schedule 500A at the consolidated level and flow through to the consolidated Form 500.

Virginia Updates for Conformity Changes Published March, 2019.

Federal Form 8990 (Business Interest Deduction) Reaction:

- New subtraction code "65" has been added for Schedule 500ADJ.
- The system will automatically create this code with 20% of the disallowed interest expense from Form 8990, Line 31 - 80% of the disallowed interest expense will show on the carryover report.
- Code "65" can also be input on Virginia > Virginia Corporation Return > Income/Deductions > Subtraction (Interview Form VA2) which will create an additional entry on Schedule 500ADJ.
- Code "65" information will flow to Schedule 500ADJ and Schedule 500AC on the consolidated return.



- Code VA18 has been added to Federal > General > Electronic Filing > PDF Attachment - Required (Interview Form EF-PDF1, PDF Attachments: Specific Forms) to allow Federal Form 8990 to be attached as a PDF.

Federal Form 8992/8993 (GILTI) Reaction:

- The calculated amount from Federal Form 8992, Line 3 less Federal Form 8993 Lines 8 + 9 will flow to Schedule 500ADJ, Section B subtractions, Line 6.
- An input override has been added on Virginia > Virginia Corporation Return > Income/Deductions > Subtractions > Global Intangible Low-Taxed Income (Interview Form VA2, Box 57).
- This information will also flow to Schedule 500ADJ and 500AC on the consolidated return.
- Input has been added to Virginia > Virginia Corporation Return > Consolidated Returns > Eliminations and Adjustments Subtractions > Global Intangible Low-Taxed Income (Interview Form CC-VA1, Box 49).
- This adjustment will flow to the Virginia Consolidated Adjusted Federal Taxable Income workpaper, Consolidated Adjustments column and the Virginia Schedule of Combined Adjusted Federal Taxable Income workpaper, Subpart F/GILTI line.

# S Corporation (1120S) Product Updates

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## Federal

Global intangible low-taxed income (GILTI) now automatically carries to Schedule M-3, Page 2, Line 25, which can be modified by entering "GI" in Schedule L/M > Schedule M-3 > 4-Other Information > Line 7 > Return Code (Interview Form L-8, Box 160).

## California

CA Net Operating Losses that are originated on or after Jan. 1, 2008 are now carried over for 20 years.

## Illinois

IL-1120ST, Line 44 will now equal 0 if the check box on Line P is marked.

## Kentucky - Kentucky Cities

Form 228 EXT will activate when applicable when using option to create all state first extensions.

## Maryland Electronic Filing

Maryland S-Corp reject 500CR-54575-010 is being issued for returns with an amount on MD 500CR, Part AAA, Line 1. Issue is fixed for Release 2018.03020. Return can be edited to get submitted before then.

## Massachusetts

Form 63FI

- Federal amendment check box has been updated to fill when MA Amended Return is checked and Federal 1120 Amended return is checked or Massachusetts Other > Amended Return Information and Application for Abatement > Amending return due to a federal amendment (Interview Form MA28, Box 30) is checked.
- Federal audit check box has been updated to fill when MA Amended Return is checked and Massachusetts Other > Amended Return Information and Application for Abatement > This amendment is a result of a federal audit (Interview Form MA28, Box 31) is checked.

Schedule FE. Line 8 and line 20 changed to include several lines from Federal Form 5471, Schedule C.

## New York

NY shareholder basis worksheet, Line 13 includes gains on loan repayments when applicable.

## Virginia

Virginia Updates for Conformity Changes Published March, 2019 for Federal Form 8990 (Business Interest Deduction):

- A statement will be produced behind Schedule VK-1 showing each partner's share of the disallowed interest expense from Form 8990, Line 31.
- A new special allocation code #49911 has been installed.
- Diagnostic #38749 will issue when the statement is produced.

- New subtraction code "56" has been added for Schedule 502ADJ - the statement will not be produced when there is input for this code.
- Code VA18 has been added to Federal > General > Electronic Filing > PDF Attachment - Required (Interview Form EF-PDF1, PDF Attachments: Specific Forms) to allow Federal Form 8990 to be attached as a PDF.
- Note #1: Code 56 for business interest deduction is not used by Form 765 per instructions. Code 53 (Venture Capital Account Investment) reverts to Code 56 for Form 765.
- Note #2: Code 56 is not available for electronic filing on schema versions prior to release 2018.03020 (3/24/19).

# Fiduciary (1041) Product Updates

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## Federal

Form 5227. Line 21 will no longer include amounts for QBID for charitable remainder trusts.

QBID (Section 199A). QBID Summary, Line 4b will correctly net short-term losses and long-term gains.

## Colorado

When the Property Code for an Installment Sale is LTCAP (Long-term Capital), Colorado Form DR 1316 will now be created.

## Mississippi

The 8990 Interest Adjustment is reported under MS 81-110, Page 2, Other Deductions, Lines 20g through 20i.

The Qualified Business Income Deduction Addback is reported under MS 81-110, Page 2, Other Additions, Line 17g through 17i. For Form MS81-110 NR, the QBID will no longer be deducted in Line 15.

## New Jersey

Line 13 on Form NJ-1041 will no longer include excess business loss adjustment.

## North Dakota

Schedule BI, Column 7 will now allow nonresident grantor calculation of composite income tax. This same amount will flow to the ND Schedule K-1.

## Virginia

VA Form 770, Page 3. Line 6b now fills when a beneficiary is nonresident and there is an amount on Line 4.

# Employee Benefit Plan (5500) Product Updates

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## Federal

The calculation of Schedule SB, Line 11b(1)(b) has been revised, and input has been added to the Schedule MB/SB - Actuarial Information > Beginning of Year Carryover and Prefunding Balances > Amount from prior year Schedule SB, Line 38b (portion of excess contributions attributable to use of prefunding and funding standard carryover balances) field, (Interview Form B-5, Box 39) for use in the calculation. The new calculation takes the excess, if any, of Schedule SB, Line 11a and the new input amount, and multiplies it by the prior year's effective interest rate. The override on the Schedule MB/SB - Actuarial Information > Beginning of Year Carryover and Prefunding Balances > Interest on present value of prior year's excess contribution - override field (Interview Form B-5, Box 57) is also available.