

CCH® ProSystem fx® Tax

2022.03030

Release Notes

April 2, 2023



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## Contact and Support Information

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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 Release Notes

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CCH® ProSystem fx® 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/Recall, Organizer, technology enhancements)
- Updates made to Tax products (form additions and updates, diagnostic updates, changes caused by regulatory updates)

To access a list of CCH ProSystem fx Tax Release Notes for the current year and for prior years, visit the [Release Notes](#) page on our Customer Support site.

## Highlights for Release 2022.03030

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### Tax Updates

#### Exempt Organization

**Schedule D and Form 8949** have been added for Form 5227, Split Interest Trusts. Input is available on Other Returns > 5227 - Split Interest Trusts > Stocks, Securities, and Other Transactions (Interview Form SI-D1).

#### Partnership & S Corporation

Indiana legislation authorized certain pass-through entities to voluntarily elect to pay tax at the entity level on each owner's total share of adjusted gross income. This is retroactively effective for taxable years beginning on or after January 1, 2022. We are projecting the election Form IN-PTET will be available on release 2022.03040, which is scheduled to post on April 23rd. The composite changes and ability to pay this tax will also be included on a future release. Please watch Software News for an update when this is available.

The Form IN-PTET is the election form that will need to be signed and mailed in. To review the PTET instructions, read the state's FAQs, or if you like to file this election prior to the form being available in the software, please visit their [website](#).

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

**Form 3468, Line 12c.** The calculation uses 30% as the rate.

### Arkansas

**AR IRICTW** calculates the credit correctly for all incomes.

**Arkansas Form IRITCW** calculates the credit correctly for all incomes.

IRA income designated as eligible for the retirement exclusion flows to Line 18 of AR1000F.

The credit for taxes paid calculation is correct when the Arkansas tax is less than the amount taxed to the other state.

### Illinois

**Form IL-4562, Line 10** reflects prior year fully bonused assets.

### Michigan – Michigan Cities

The cities of Big Rapids, Grayling, Highland Park, and Port Huron no longer have the amount of excludable dividends flowing to both Form CF-1040 Lines 2 and Line 3. The amount of excludable dividends flows to only Line 3.

When carrying federal wages input, Michigan Cities will only include the "state use" code if the corresponding city code is keyed in as well.

### New York

Multiple passthrough activities with the same EINs are reflected on Form IT-653.

### Oklahoma

**Form 511-NR, Line 3** equals Schedule 511-NR-A, Line 8.

### South Carolina

Letters and filing instructions for South Carolina returns selected for electronic filing will reference Form SC8453.

## Corporation (1120) Product Updates

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### Kansas Combined

Data from the subsidiaries' K-120EX flows into the consolidated return.

### Maryland

Form 500DM has been updated to limit NOL to 80%.

### Montana

Form MT CIT, Page 1. The foreign address presents on the same output line as the domestic address.

### Pennsylvania

When other states in the return are marked as final and PA is not final, the return will export for electronic filing as a regular return for PA.

# S Corporation (1120S) Product Updates

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## Federal

Form **8822-B** instructions reflect being included as a PDF file when electronic filing.

## Colorado

Form DR106K.

- **Line 10, Column B** has been updated to use the apportioned amount.
- **Line 33** has been updated to include all credits that are not included on Form DR106K, Lines 16-32.

## Colorado Electronic Filing

E-filing diagnostic 62213 has been updated to clear when the elective pass-through entity credit is attached to the return using code CO21.

## Georgia

**Schedule K-1** equivalent includes Form 600S, Page 2, Schedule 5, Line 6, net income allocated to GA, for nonresident and electing PTE shareholders.

Form IT CR. Standard deductions have been updated.

## Hawaii Electronic Filing

When PDF code HI19 is used more than once, diagnostic 62475 will issue asking the customer to remove one of the HI19 codes and to attach all PDFs in one attachment.

## Idaho

State, municipal, and local taxes measured by net income on the state's main forms no longer excludes Michigan.

## Kansas

**Schedule ID K-1, Part XI, Line 64**, calculates based on the investment tax credit found on Form 44, Part I, Line 1. The amount that previously appeared on this line is split between Schedule ID K-1, Part X, Lines 59 and 60.

## Mississippi

The 2023 estimated tax for Electing Pass-Through Entities will be calculated as 0% for the first \$5,000, 4% for the next \$5,000, and 5% on all income above \$10,000.

## Mississippi Electronic Filing

The financial transaction amount can no longer be different than the amount due with the extension to conform to state business rules.

## Missouri

Form MO-PTE, Page 4, Column 5 is computed by taking the percentage entered on Column 4 by the amount on Page 2, Line 12.

## New Jersey

Form 329, Line 15, total credit available, excludes the amount on Line 13 when Box B or C is checked at Line 13.

## Ohio

Form IT 4738, Schedule V. The total cannot exceed the combined amount of the IT 1140 and IT 4708 sections on Ohio > General Information > Depreciation Add-back > Lines 15 through 38 (Interview Form OH20, Boxes 30 through 67). The amounts entered in the totals section (if greater) are used to allocate to all investors.

## Oregon

Form OR-21, Line 19 will use the apportionment percentage from Schedule OR-21-AP when the pass-through box is marked.

## South Carolina

Form SC1120S, Line 1 has been updated to include Form Sch K, Lines 11 and 12.



## Partnership (1065) Product Updates

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### Federal

**8865 Schedule K, Line 13d** no longer doubles when the automatic 1065 calculation is used.

**Schedule K-2 and Schedule K-3, Part II, Section 2, Line 50** statement headings have been updated with the correct descriptions.

The business code 441227 has been added to the Business codes table.

The Schedule K-3 information will be exported and imported into the same Passthrough entity in the 1041 return as the other activity information, instead of getting imported to separate entities.

### Arkansas Electronic Filing

Disqualification issued when business code missing for electronic filing of extension.

### Indiana

**Schedule IN-COMPA** produces if a partner is using exception codes 03 through 13.

### Kansas

Shareholders/partners that are considered estates or trusts (besides grantor trusts) will no longer be included in pass-through entity calculations, such as those on Form K-120S, Page 5 and Form K-9.

The calculation of Form K-120S, Line 27 can be overridden from Kansas > Income / Deductions > Subtractions > Line 4 (Interview Form KS6, Box 62).

When calculating a Pass-through Entity return, Form K-120S, Page 3, Part I will include refundable and nonrefundable credits from partners that are considered grantor trusts.

### Kentucky

Letters in passthrough returns with gross receipts greater than or equal to \$1,000,000 have been updated to reflect that electronic payment is required.

### Missouri

**Form MO-PTE, Page 4, Column 5** is computed by taking the percentage entered on Column 4 by the amount on Page 2, Line 12.

### New York – New York City

**NYC PTET** worksheet includes estates and trusts in all calculations.

### Oregon

Diagnostic 62411 will only issue for disqualifying members of the OR-21.

Diagnostic 62413 will issue if there is more than a \$25 difference between OR-21, Line 22 and OR-21-MD, Line 3

**OR-CAT**.

- Filing instructions display the correct amount of penalty within the return.
- The full description displays on the cover letter.

## Oregon Cities

Diagnostic 61860 will only issue if Line 2 and/or Line 5 are negative on Form P-2022.

## South Carolina

Form SCH K-1 has been updated to check Box I-309 for every nonresident partner in previous years when selected.

## Fiduciary (1041) Product Updates

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### Federal

States that allow electronic filing when the return type is 5227 (type U or R) can be electronically filed as state only returns by using Electronic Filing > General > Do not transmit the federal return/extension at this time (Interview Form EF-1, Box 60). The following states are available: CO, CT, DE, HI, IN, KY, MA (Form 2G only), ME, MD, MI, NH, NJ, NY, OK, PA, RI, SC, VA, and WV.

### Alabama

**Schedule K-1.** PTET credit is distributed to both resident and nonresident beneficiaries on Schedule K-1, Line 15.

### Nebraska

The calculation of the NOL carryover for final year returns has been updated to pull to non-resident beneficiary K-1's.

### New York

**Form IT-205, Page 2.** Line 33 includes the New York City PTET credit amount.

## Exempt Organization (990) Product Updates

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### Federal

**The Schedule D and 8949** have been added for Form 5227. The input for Form 8949 is located under Federal > Other Returns > 5227 - Split Interest Trusts > Stocks, Securities, and Other Transactions (Interview Forms SI-D1).