

CCH® ProSystem fx® Tax

2022.03040

Release Notes

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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. 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 2022.03040

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Tax Updates

Individual

Form 4868 - Any extension that needs to be filed after 4/23/23 must be paper filed as the IRS will not accept any 4868's after this deadline. This date includes the 5-day perfection period granted by the IRS. The only extensions that are allowed to be filed after this deadline are those where Lines 8 or 9 are checked. Even though a disaster is approved by the IRS, extension and payment rejections are not updated because of the disaster. Any payment due after the 4/18 deadline will be assumed as the same date filed when banking information is present in the return/extension. The scheduling of payments can be completed on the [IRS website](#), or by sending a check prior to the extension deadline date.

Partnership

North Carolina PTE

North Carolina Session 2023-12 was issued on April 4th. As a result of this new law, a partnership is no longer disqualified from being a Taxed Partnership if one (or more) of its partners is a Partnership or S Corporation. This means that an eligible partnership owned by a Partnership or S Corporation partner can make the election to be a Taxed Partnership for Tax Year 2022. To apply this update, the following entries must be made:

- Common State/City > State PTE Generation > North Carolina (Interview Form PTE-ST1, Box 186) or North Carolina > General Information > Partnership elected to be a Taxed Partnership (Interview Form NC1, Box 40)
- North Carolina > General Information > Calculate Taxed Partnership based on Session Law 2023-12 (Interview Form NC1, Box 41)

Partnership & S Corporation

Indiana PTE

Indiana signed the Senate Enrolled Act 2 into law on February 22, 2023. This authorized certain pass-through entities to voluntarily elect to pay tax at the entity level based on each owner's total share of adjusted gross income. It is retroactively effective for taxable years beginning on or after January 1, 2022. To make this election and generate the PTE calculation an entry can be made on Common State/City > State PTE Generation > Indiana (Interview Form PTE-ST1, Box 86).

Form IN-PTET, Pass Through Entity Tax Election has been added and can be prepared by going to:

- Indiana > IN-PTET (Interview Form IN16) (Partnership)
- Indiana > Other > Indiana Composite Return and Nonresident Tax Withholding (Interview Form IN16) (S Corporation)

As a reminder, the IN-PTET must be printed and mailed to the state. For clarification as to what information is available in the software on this release and what is coming in a future release, please see these KB articles for [Partnership](#) and [S Corporation](#).

Electronic Filing Updates

Corporation

Alabama Form ET-1

S Corporation

Alabama Form ET-1

Fiduciary

Maryland

Tax Product Updates

Individual (1040) Product Updates

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Federal

8865 Schedule K-3, Lines 16 through 18. All Columns on Page 4 of Schedule K-3 will now be included in totals on Line 24.

Form 1040. State and city withholding on the wages statement no longer includes Excess Deferrals.

Form 1040NR with 1040 Statement. Form 1099-K marked as a personal item at a loss or incorrect Form 1099-K now shows adjustments on Schedule 1(NR), Line 24z instead of Schedule 1(NR), Line 8z.

Form 6252 AMT. Form 6252 AMT, Part III only prints for the first 3 years of the installment sale and in the final year of the installment sale.

Form 8995. At risk loss allowed shows as a loss on Form 8995.

Form TEC 1040, Line 1z equals the sum of Lines 1a through 1h when the actual return is a Form 1040-NR.

Triggered deferred 965 tax will reflect on Form 1040, Line 16.

Arkansas

AR1000F L18A and L18B will no longer double when 1099-R IRA income is coded to State code 2.

Pass-through adjustment subtractions entered on Arkansas > Income / Deductions > Income > Other Income using code 14 (Interview Form AR1, Box 71) flow to the correct line of AR-OI.

California

Schedule CA, Line 4b, Column c correctly calculates a partial Roth conversion with no basis.

Colorado

The automatic PDF generation of federal Form 8283 works when there is more than one entity of Form 8283.

Form DR 8454. Taxpayer and spouse signature and date blocks for electronic signing have had their positions updated to the correct location.

District of Columbia

When Schedule A (Form 1040), Line 9 limits a negative amount to zero, the DC-40, Line 18 statement shows zero to match Schedule A.

Iowa

Diagnostic 32118 reflects the current limit of \$500.

Kansas

The Routing Number and Bank Account Number for Form K-40H, K-40PT, and K-40SVR Banking Information reflects the respective entries. This is a presentation issue; electronic filing is not impacted.

Kentucky

All KY Form 725 government forms print when paper filing and the option on Electronic Filing input is selected as N to not print the entire government copy, rather than just forms that were not included in the electronic file.

Maine

Amended Form 1040ME, Line 25b, has been updated to include estimated tax payments, credit carried forward, and extension payments.

Diagnostic 36473 no longer issues if direct debit has been selected.

Form 2210ME, Line 10b, Column A includes payments made by 4/19/2022.

Schedule 1S, Line 7 includes the state amount from the 1099-R if State code "20" is entered on the 1099-R.

Maryland

Form 502 includes exception code 506 per MD instructions/Efile Handbook.

Form 502CR, Part A includes the PTE credit when calculating credit for taxes paid.

The web pay address reflects .gov in lieu of .com on transmittals.

Michigan

Michigan > General > Basic Data > Line 17 (Interview Form MI1, Box 57) will mark Schedule 1, Box 23C or 23G based on whether the taxpayer or spouse is older. This input will no longer control Boxes 23D and 23H.

Schedule NR, Lines 5b, 11A, and 11B will report other income from Federal Schedule 1, Lines 8r through 8u.

Web pay paragraph options under Federal > General > Letters and Filing Instructions > General Letter > Lines 16 and 17 (Federal Interview Form 16, Boxes 47 and 48) will generate an informational web pay paragraph based on the applicable Michigan instruction letters selected under Federal > General > Letters and Filing Instructions > Filing Instructions and Cover Letter (Federal Interview Form 12, Box 30).

Michigan – Michigan Cities

Detroit Form 5121, Part 3, Columns B, C, and D have had their calculations updated to make the W-2 input easier.

Detroit Form 5121, Part 3, Column C will be automatically calculated if there is W-2 input entered for Columns B and D but no input for Column C.

The "Salaries, wages, tips, etc." line on Form 5119 and 5120 will now be the amount allocated from Form 5121, Part 3, even if the W-2 input corresponding to Form 5121, Part 3, Column D does not match the amount calculated and shown for Column D.

"Nonqualified Plans" reported on W-2 Box 11 will not be added to the "Wages, salaries, tips, etc." amount on Form CF-1040, Line 1, Column C.

New Jersey

Form NJ-1040, Line 18 and Schedule NJ-BUS-1, Part I no longer include hobby income.

New Mexico

Form PIT-ADJ, Line 24 uses taxable social security benefits included in AGI rather than the total social security benefits received.

North Carolina

Form NC-NOL prints in the Client and Government copies of the return.

Oregon

The Disaster relief box on page 1 of Forms OR-40, OR-40-P and OR-40-NR now populates if input is present on General > Electronic Filing > Additional Information > Disaster designation (Interview Form EF-4, Box 66).

Oregon - Multnomah/Portland/TriMet

The wording for Schedule PTI input has been updated to match the government forms.

Pennsylvania

The limited partner field on the Schedule RK-1 no longer fills with "Y" when coming from an IRS-K1 1041.

Pennsylvania – Pennsylvania Cities

When an estimate is prepared for only the spouse, the estimate shows in the standard filing instructions.

Rhode Island

The Taxable Social Security Income Worksheet calculates the correct modification for taxable social security income flowing to Schedule M, line 1s.

West Virginia

West Virginia Schedule M will no longer print a blank form when printing.

Corporation (1120) Product Updates

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Iowa

Form 148, Column F will not calculate when the credit is less than the taxable liability.

Form IA 8453-FI prints in the Government copy when included in the return.

Pennsylvania – Philadelphia

BIRT Line 9 and **BIRT-EZ, Line 9** will subtract Line 8 from Line 7.

S Corporation (1120S) Product Updates

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Federal

Form 1120S. When overriding the amount of Foreign Taxes Paid or Accrued, Box 14 on Schedules K and K-1 will no longer be checked.

Form 7203. The Line 28 calculation will no longer compare the nondeductible expenses to a negative shareholder basis. It will limit the shareholder to basis to 0 on that calculation.

Schedule K-1. Requesting to print blank pages of Schedules K-2 and K-3 will no longer interfere with the Schedule K-1 calculation of Foreign Taxes Paid or Accrued.

Schedule K-3 Electronic Filing. Requesting to print blank pages of Schedules K-2 and K-3 will no longer cause the Foreign Tax Paid/Accrued Indicator on the electronic file to drop.

Arkansas

Form AR1100REC, Part B, Line 3. Calculation has been updated to be the correct Arkansas income tax amount.

Georgia

Form IT CR no longer prints "1900" for the estimate due dates in the letters when entries are made on the Federal > Payments/Penalties/Estimates > Estimates and Application of Overpayment > Estimates Overrides (Interview Form T-9) for any state.

Special allocation code 12100 can be used for "Other Additions."

Special allocation code 12200 can be used for "Other Subtractions."

The print option on Federal > Payments/Penalties/Estimates > Penalties > State/City Underpayment Penalty > Print Option (Interview Form UP-2, Box 32) forces or suppresses Form 600 UET.

Idaho

For returns that had an original balance due in Idaho but were amended to have a refund, Form ID-VP and Form 41S Banking Info are no longer included.

Form 41S, Line 71 reflects the amount present on Line 69 for amended returns with an original refund.

Form PTE-12 has owner's ABE tax paid by entity and totals for each column that accurately match what is entered on Idaho > Composite Return > Idaho Schedule For Nonelecting Owners (PTE-12) (Interview Form ID14).

Iowa

Form IA PTE-C, Nonresident schedule of members, Column E will print the decimals on all pages.

Kentucky

Letters for Kentucky Withholding return reflect electronic filing or paper filing based on Office Manager settings.

Kentucky – Kentucky Cities

Form OL-3D, Line 4, **expected apportionment factor**, calculates the proper value, the sum of Lines 2 and 3 divided by 2.

Louisiana

Form LA R-6981, **TOTAL line, Column 2** calculates correctly per instruction by adding all amounts which, in turn, flows correctly to the R-6982.

Massachusetts

Form M-63D-ELT and M-63D-EXT due dates are 3/15 when Form 355S is part of a Unitary return.

Mississippi

Form 84-381 will print all 9 characters of the entity FEIN.

Montana

The MT Composite includes nonresident trust shareholders.

North Carolina

Form CD-425, **Line 38a** calculation accounts for each state's separate tax credit limitation, matching the statement provided next to it.

North Carolina footnote statements no longer print footnotes coded to Federal or other states.

Ohio

Form IT 4738, **Pages 5 and 6, Schedule VI, Owner Information**. SSNs/FEINs print correctly.

Partnership (1065) Product Updates

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Federal

Form **8865** will no longer be included in the Partners' K-1 copy when the option to suppress attachment of other forms for Part I, Box 9 is present on Partners > Schedule K-2 - Distributive Share Items - International Parts I-V > Schedule K-2 General Information and Part I > Line 21 (Interview Form KF-1, Box 84).

Colorado

DR **0106K**, Line **9** includes state tax addback from rental and farm entities.

Colorado Electronic Filing

Diagnostic 46632 has been updated to 39225 to notify that DR 0204 needs to be sent to Colorado either as a PDF attachment, uploaded online, or mailed.

Georgia

Payments made with extension on Georgia > Payments / Penalties > Tax Payments (Interview Form GA6, Box 62) carry to the return.

The option for an electing pass-through entity to make an irrevocable election to pass through all or part of any credit to its owners for the taxable year the credit is generated is available by selecting option "3" or "5" in the Application of Credit field on Georgia > Credits > Credits (Interview Form GA5, Box 160). This election is not available for the Qualified Education Expense Tax Credit, the Qualified Education Donation Credit or the Qualified Rural Hospital Expense Tax Credit.

Iowa

Form **IA 1065**, Schedule **K-1**, Line **17b** no longer includes the amount already included on Form **IA 1065**, Schedule **K-1**, Line **14b**.

Kansas

In addition to individuals and grantor trusts, regular trusts are included in the Kansas PTE election.

Kentucky

The Kentucky version of Form 8825 will make no adjustment for 100% meals deduction.

Louisiana

Auto generated PDF's for LA will no longer trigger diagnostic 62462 when Form CIFT-620 is present in the return.

Mississippi

Disqualifying diagnostic 62488 has been added to prevent returns being stopped for a schema validation error. This diagnostic is issued when Mississippi Form 84-132 Part V is a negative amount.

The 84-105 statement "List of Partners in Composite Return" generates when Mississippi > Composite Return > Section 1 > Line 3 is checked (Interview Form MS9, Box 31).

Missouri

MO-PTE, Page 4. Membership % column prints 100 when a member has 100% ownership.

New York - New York City

New York City resident trusts and estates will automatically be excluded from New York City PTET reporting.

North Carolina

North Carolina Session 2023-12 has passed. To apply this update, please select North Carolina > General Information > Calculate Taxed Partnership based on Session Law 2023-12 (Interview Form NC1, Box 41). This update will only apply if Taxed Partnership return via Comon State/City > State PTE Generation > North Carolina OR North Carolina > General Information > Partnership elected to be a Taxed Partnership - override (Interview Forms PTE-ST1, Box 186 OR NC1, Box 40) was selected.

Virginia

Form VK-1, Line E has been updated to never include withholding amounts when the 502PTET return is being filed.

Fiduciary (1041) Product Updates

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Federal

An override entered on Beneficiaries > Distribution Options, Schedule B and Other K-1 Information > Other Information > Percentage of qualified dividends to be retained by trust - override (Interview Form K-11, Box 65) will be reflected on Lines 2b(1) and 2b(2) when there are no qualified dividends remaining after expenses are applied.

Schedule H, Line 23 properly calculates a credit reduction state for VI, CA, CT, IL, and NY.

When the current year income of an entity/activity is large enough to allow all of the prior year carryovers, the amount of carryover allowed on Form 8995, Line 3/Form 8995-A, Schedule C is no longer reduced by any QBI already utilized in a prior year.

Electronic Filing

A diagnostic will issue when an incomplete address has been entered on 5227 - Split Interest Trust Information Return > Asset and Donor Information (Interview Form SI-7, Boxes 30 through 195).

Form 5227. A diagnostic will issue when there is incomplete information entered on 5227 - Split Interest Trust Information Return > Distribution for Charitable Purposes (Interview Form SI-6, Boxes 40 through 114) for information that flows to Page 2, Part III, Line 2.

Iowa

Form IA 1041, Line 36 is limited to total tax and cannot be negative.

Form IA 1041, Schedule E. Input for nonresident or part-year resident will fill when appropriate.

IA 1041, Page 5 has overrides available on Iowa > Income/Deductions > Schedule A & B Overrides section (Interview Form IA9).

The amount for Lines 2 and 3 of Page 9 of IA 1041 will be the full amount instead of fiduciary percentage due to it being ESBT.

IA Form ESBT will only calculate 75% of Federal ESBT, Line 11.

Montana

Form Fid-3, Schedule A. The full amount of all additions will populate on the Schedule A, including the amounts being distributed to the beneficiaries.

New York

Schedule K-1. The New York PTET subtraction no longer shows twice on statements attached to Form IT-225.

Oregon

The surplus credit calculation statement no longer prints.

Exempt Organization (990) Product Updates

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California

Beginning and ending tax year dates on Form 3539 will show the correct year when return is a calendar year return.

Massachusetts

Form M-2848 has been updated to match the new government version.

Forms M-990T and M-990T-62 can be produced if a federal 990T is not present in the return by using the Massachusetts > Form 990-T > General Information > Preparation option field or the Massachusetts > Form 990T-62 > Income, Deductions, and Credits > Preparation code field (Interview Form MA15, Box 30 or Interview Form MA21, Box 50).

Michigan

Form 4892 -MICHIGAN Corporate Income Tax Amended Return, has been added to the MI 990 system. Input for the form is on Michigan (1120) > Other > Form 4892 - Amended Annual Return (Interview CIT4).

Minnesota

The NOL carryover reports will no longer produce for Minnesota due to the inconsistency in the way Minnesota tracks the NOL on the form versus the way the NOL carryover detail report tracks the NOL.