

CCH® ProSystem fx® Tax

2022.04000

Release Notes

June 25, 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. 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 2022.04000

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Tax Updates

All Tax Products

Disaster Extension Input - The software has been enhanced to provide input in all tax products to adjust the date when late payment interest and late payment/filing penalties should be computed due to a declared disaster area. This is available for both the Federal return, as well as any states involved. Estimate payments can also be extended during these declared disasters, and the dates associated with those payments can be overridden in the letters by using the available input. This [Knowledge Base article](#) provides the detail of what is available.

Currently, the following taxing authorities are still a work in progress and will be available on a later release. Please watch Software News and Release Notes for further updates on these states.

Individual

Arkansas	Kentucky	Rhode Island
Hawaii	Maine	St. Louis
Iowa	New Hampshire	Texas
Kansas City	New York City	

Corporation

Colorado	Maryland	Oregon
Delaware	Montana	Utah
Hawaii	New Mexico	

S Corporation

Delaware	Maine	Oregon
Hawaii	New Mexico	Utah
Kentucky Cities		

Partnership

Arkansas	Mississippi	South Carolina
Connecticut	Montana	Utah
Kentucky Cities	New Hampshire	Virginia
Maine	New Mexico	West Virginia
Maryland	Ohio Cities	

Fiduciary

District of Columbia	South Carolina	Texas
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Minnesota

Exempt Organization

Oregon

Corporation

Tennessee - After additional clarification from the state, Form RVR-00104, Tennessee Estimated Franchise and Excise Tax Payments Worksheet, has been updated to leave Line 1 (Current year total franchise and excise taxes) blank. Our default has also been updated to include the current year tax on Line 3 (Prior year total franchise and excise taxes). If an amount is wanted on Line 1, an entry must be made. This [KB article](#) details how to adjust Line 1. The Individual tax product is projected to be updated with the same changes on release 2022.04010, available July 23rd.

S Corporation

Oklahoma - The tax rate on Form 512S, Line 2a, Nonresident Oklahoma tax, has been updated from 4.75% to 4.0% based on information received from the state. No action is required by the taxpayer or preparer as the state will correct returns on its end.

Kentucky - Form 740-PTET is available in this release and can be produced by going to Common State/City > State PTE Generation (Interview Form PTE-ST1) with additional information available on Kentucky > Composite Return > Pass-Through Entity Return (Interview Form KY16). Diagnostic 39516 remains in the software since electronic filing is not available on this release. Electronic filing is projected to be available with release 2022.04010, available July 23rd.

Tennessee - After additional clarification from the state, Form RVR-00104, Tennessee Estimated Franchise and Excise Tax Payments Worksheet, has been updated to leave Line 1 (Current year total franchise and excise taxes) blank. Our default has also been updated to include the current year tax on Line 3 (Prior year total franchise and excise taxes). If an amount is wanted on Line 1, an entry must be made. This [KB article](#) details how to adjust Line 1. The Individual tax product is projected to be updated with the same changes on release 2022.04010, available July 23rd.

Partnership

California- Input is available on California > General Information > Basic Data > X to use new Capital Account, M-1, and M-2 calculations (Interview Form CA1, Box 59). When this box is marked, the partners' capital accounts will reflect tax basis and carry to the Schedule M-1/M-2.

Note: If the option "inactive" is used on California > General Information > Options > Schedule M-1 (Interview Form CA1, Box 62) calculation options, this can result in inaccurate calculations.

Kentucky - Form 740-PTET is available in this release and can be produced by going to Common State/City > State PTE Generation (Interview Form PTE-ST1) with additional information available on Kentucky > Composite Return > Pass-Through Entity Return (Interview Form KY16). Diagnostic 39516 remains in the software since electronic filing is not available on this release. Electronic filing is projected to be available with release 2022.04010, available July 23rd.

Tennessee - After additional clarification from the state, Form RVR-00104, Tennessee Estimated Franchise and Excise Tax Payments Worksheet, has been updated to leave Line 1 (Current year total franchise and excise taxes) blank. Our default has also been updated to include the current year tax on Line 3 (Prior year

total franchise and excise taxes). If an amount is wanted on Line 1, an entry must be made. This [KB article](#) details how to adjust Line 1. The Individual tax product is projected to be updated with the same changes on release 2022.04010, available July 23rd.

Fiduciary

Federal - Forms 8879-TE and 8453-TE are available in the Fiduciary tax product as signature forms for Forms 5227 and 8868.

Exempt Organization

Oregon - Additional forms have been added to the Oregon 990 tax product. These newly added forms allow the filing of the Oregon return when the Form 990-T is filed as a corporation. Electronic filing will be available for these forms on a later release this year.

Tax Product Updates

Individual (1040) Product Updates

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Federal

BNA Export. When the residential energy credit is present an error will no longer be generated when tax return data is imported into Income Tax Planner.

Form 1116.

- Foreign capital loss is calculated correctly when the overall foreign loss is limited and at least one foreign income category has a net capital gain.
- Returns with both US and foreign sourced qualified dividends, taxed at 15% and 20%, where a portion of the US qualified dividends are being re-sourced as foreign by treaty, the amount of 20% US qualified dividends subject to re-sourcing by treaty is limited to the difference between worldwide 20% capital gains and foreign sourced capital gains.

Form 2106 / Statement SBE. The lease inclusion amounts included on Line 24b have been updated for vehicles placed in service between 2015 and 2020.

Form 2555. Foreign sourced scholarship income reported on Schedule 1, Line 8r is included on Line 23.

Minister Worksheet 2, Line 2 picks up actual expenses correctly when there is more than one vehicle.

Section 933, Line 2 allocation ratio is limited to zero when it otherwise calculates to a negative figure.

8865 Schedule K-2

Form 8865, Schedule K-2, Page 5. Net income line includes total deductions when multiple Forms 8865 with corresponding Schedule K-2s are present.

Form 8865, Schedule K-2/K-3. The values "GEN" and "PASS" are invalid codes for Form 8865, Schedule K-2/K-3, Part II, Section 1, Column e and similar columns for other Sections. These convert to "OTH."

8865 Schedule K-3

Form 8865, Schedule K-3, Page 1, Line E. Questions for Parts I, II, and III answer "Yes" or "No" for the respective partner with corresponding information present.

Arizona

Form 140, Line 21 losses are limited to the summation of net short term and net long term capital losses.

Form 140ES, Line 19 calculates as applicable.

California

Form 3805P, Line 2 includes new exception codes 20, 21, 22, 23, and 99 per revised FTB instructions.

Colorado

Form DR 0104PN, Line 23. Colorado amount of Health Savings Account Deduction is flowing without the use of an input override.

Connecticut

Schedule CT-SI, Line 28, Other adjustments. Includes overrides for nonresidents from Connecticut > Income / Deductions > Nonresident and Part-year Information > Other adjustments or Percentage of federal or CT-coded activity (Interview Form CT8, Box 107 or Box 50).

Form CT-1040NR/PY, Line 9 calculates when Line 8 is zero.

Form CT-1040, Schedule 2, Line 57, Income tax paid to a qualifying jurisdiction for Virginia includes the passthrough entity credit.

Delaware

DE PIT-RES, Line 6 pension exclusion has been updated for returns with railroad retirement amounts.

Hawaii

Form N-356 produces when there is a carryover of unused earned income tax credit from a prior year but no current year federal earned income credit.

Idaho

Form 43, Line 16 losses will now be limited to zero.

Illinois

Qualifying second year assets are now included as a Form IL 4562, Line 10 subtraction.

Indiana

The calculation for Schedule IT-40NOL Carryforward Worksheet, Line 5 (Intervening year's Indiana AGI) uses rounded amounts from Lines 3 and 4.

Kentucky

Schedule ITC, Line 6. Worksheet calculation now uses Line 7, rather than Line 3, when calculating the credit for taxes paid.

Maryland

Form MD 502CR, Line 11 no longer includes PTE for New Jersey when calculating credit for taxes paid.

Minnesota

Due to a change in MN business rules, on e-file returns when late payment/filing penalty and/or interest is requested, the penalty and/or interest amounts will now be included on the MN Payment Voucher and must be paid by check.

Form M1PR, Line 18 and Line 22 rate tables have been updated per new MN instructions received. Please recalculate returns on Release 2022.04000 and resubmit to prevent rejection code 0118.

New Mexico

Form PIT-ADJ, Line 24. Calculation no longer includes amounts from Line 9 of the same form.

Ohio

IT NRC, Page 1, Part B completes if the taxpayer is a nonresident and the spouse is a part-year resident.

The credit for taxes paid calculation to Ohio includes withholding amounts.

Ohio – Ohio Cities

Ohio Cities. When the taxpayer moves to a city after a mid-year tax rate change has occurred, the newly enacted rate will be applied instead of a blended rate.

Ohio Cities Schedule Y. All zero apportionment factors are now supported for Schedule Y calculations.

Ohio – Ohio Cities Electronic Filing

Cincinnati Electronic Filing. When the return contains a refund, the first estimate is calculated on the return, and the refund is not applied to the first estimate, direct deposit is no longer supported. The estimate must either be excluded from the return or the refund must be applied to the first estimate in order to allow direct deposit of any remaining refund amount.

Oregon

The interest rate for underpayment of taxes has been updated to 6% for 2023.

Oregon – Multnomah/Portland/TriMet

The 4th estimate due date for MET-40 and MC-40 is correctly reflected in the letters/filing instructions.

Pennsylvania – Philadelphia

Form S-1, Line 2 incorporates the allocated tax exempt amount in its calculation.

The Direct Debit Report includes BIRT and NPT payments.

Rhode Island

Schedule M, Line 1s calculates the correct modification for taxable Social Security income.

Virginia

Form 760PY, Page 2 name no longer only shows the spouse's name when the name is longer than allowed on the form.

Wisconsin

Nonresident married filing jointly returns cannot have a dependent child tax credit unless at least one of the spouses was a full year Wisconsin resident.

Corporation (1120) Product Updates

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Federal

Form 6252. The interest/underpayment rate for the Section 453A deferred interest calculation equals the interest/underpayment rate on the last day of the corporation's taxable year.

Schedule B (M-3), Lines 1-10 are marked "No" with overrides for "No" entered in Sch L/M > Schedule M-3 > General and Net Income (Loss) Reconciliation > Schedule B (1120) (Interview Form L-10, Boxes 40 - 51). Otherwise, Lines 1-10 continue to be marked "No" when the overrides for "No" are not used.

Schedule P, Line 1c(j) calculates correctly.

Idaho

The calculation of three factor apportionment for combined returns matches the input placed on Idaho > Income / Deductions > Apportionment and Allocation > Elect to use three factor apportionment (Interview Form ID6, Box 59).

Iowa

Iowa produces an amended letter when the Form IA 1120 is marked as amended and the Form 102 has been included in the return. Iowa also displays Iowa amended when electronic filing has been requested.

Kentucky Consolidated

Kentucky 720U. Filing instructions have been updated to show details of the tax due and payments applied.

Louisiana

Schedule G-1, Line 18 can no longer be negative, and is subtracted in the calculation of Line 19.

New York – New York City

Form NYC-2 updates to the calculation of the tax based on gross receipts to automatically accommodate short New York/New York City tax years when the federal tax year is a full year.

Texas

When entering a taxpayer number in the Texas > Combined Report > 6. Affiliated Member Information > Affiliated Combined Reports - Detail > Line 3 - Affiliate taxpayer number, a dialogue box will appear when an invalid number is entered and the entry will clear.

West Virginia

Schedule B, Line 24 takes the value from Schedule B-1, Line 9. Schedule UB-CR, Page 1, Part 2, Line 4j reflects the change as well.

S Corporation (1120S) Product Updates

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Federal

Schedule K-2. New input has been added to Shareholders > K-2 - Distributive Share Items - International Parts I-IV > Section 1 - Schedule K-2 General Information and Part I to suppress the Form 5471 information from automatically flowing to Schedules K-2 and K-3 Part VII. The previous worksheet input for that item would instead suppress the Form 5471 information for Part V.

8865 Schedule K-3

8865 Schedule K-3, Part III, Section 4, Foreign tax paid or accrued box checks for all partners when multiple partners are present.

Arkansas

AR PET tax will no longer flow to 1120S Page 1, Line 12 when no PET return is present.

Indiana

The letters will now show that the PTE can be filed via email.

Kansas

The calculation of Form K-120S, Page 5, Kansas taxable income now properly allocates the amounts for each owner on Form K-120S-IAW, column h. Special allocation code 18101 on Special Allocations > Special Allocation Detail > Allocation Code (Interview Form K-4) allocates the entire Kansas taxable income on Form K-120S, Page 5 purely based on the allocation ratios as before, even if no percentages or amounts are used for this code.

New Jersey

New Jersey letters accurately reflect overpayment amounts when an overpayment is present on Form PTE-100.

Oklahoma

Oklahoma has changed the nonresident withholding rate from 4.75% to 4%. Clients will not need to file an amended return, as the state will correct returns on its end.

Oregon

When the address change box is marked for the Federal return, but not on Form SC-2022, diagnostic 61751 will issue to prevent electronic filing.

Partnership (1065) Product Updates

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California

A new input has been added to California > Basic Data > Use new Capital Account and M-1 and M-2 calculations (Interview Form CA1, Box 59) to request tax basis calculations. When the box is marked, the partners' capital accounts will reflect tax basis and carry to the Schedules M-1 and M-2.

Note: The option "Inactive" on California > Options > Schedule M-1 calculation options (Interview Form CA1, Box 62) can cause inaccurate calculations if still present.

Colorado

Colorado Form 106, Line 5 includes amounts from Federal Schedule K, Lines 13a and 13b regardless if the election to file composite, SALT, or no elections have been made.

North Carolina

North Carolina taxed partnerships report non-resident pass-through partner tax on D-403 Part 4, Section C, and the amount on Line 20 matches the NC K-1, Line 9.

Ohio

An Ohio Schedule K-1 Overrides summary grid has been added to the Partners > State Schedule K-1 Overrides worksheet. Any lines on IT K-1 that are not filled from the Partners > Partner Information worksheet can be filled from the Ohio Schedule K-1 Overrides summary grid.

Oklahoma

Form 500-B. Partnerships and LLCs partners are carried to the 500-B when requested, marking the correct box and completing the calculations.

Virginia

The PTET has been updated to take into account the new pro rata clause of the VA Tax bulletin 23.3.

Wisconsin

Wisconsin Form 3, Line 19 includes an apportionment schedule or has the 100% apportionment box checked when using separate accounting.

Fiduciary (1041) Product Updates

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Federal

Form 5227. The transmittal letter and filing instructions reference to the date the signature forms must be returned to electronically file the federal Form 5227 will now reference the due date of the 5227.

Form 8879-TE/8453-TE produce appropriately for Form 5227 returns.

Grantor Letter. Nonresident Grantor letters no longer double depreciation overrides entered at the state level.

Schedule K-1. PTP carryovers distribute when applicable.

Electronic Filing

Form 5227. When the 5227 is being electronically filed, only the forms needing to be sent in separately for paper will print in the Government copy by default.

Signature Forms 8453-TE and 8879-TE are available for 5227 and 8868 electronic filing. These will function similarly to Forms 8453-FE and 8879-F for the 1041. If signature PINs are entered, Form 8879-TE will be prepared. If no signature PINs are entered, Form 8453-TE will be prepared and must be attached as a PDF.

Arkansas

AR K-1, Lines 7a and 7b will no longer double if both a distribution amount and decimal is entered for long-term capital gains for the same beneficiary.

Georgia

Net operating loss carry forward amounts will no longer be included on Schedule 4, Line 6 for part-year and nonresident Georgia returns.

Maryland – Electronic Filing

Binary Attachment. If optional PDFs are added, the return will no longer be rejected for a missing Document ID.

Form 504.

- A diagnostic will issue if the tax year beginning date does not start on the first day of the month, or if the tax year ending date is not on the last day of the month.
- If direct deposit is not used, the return will no longer reject for incorrectly filling the authorization check box.
- In a return with an underpayment penalty, Line 35 calculation will no longer include Line 36.

Form MD 504NR. The return will no longer be rejected if it is a nonresident trust and all federal income is distributed.

Massachusetts – Electronic Filing

Letters now reference either direct debit or webpay.

Michigan – Electronic Filing

Form MI-1041. If entry is made for other addition or other subtraction and either a description or amount is missing, diagnostic 49132 will now issue and disqualify the return.

Missouri

Form MO-1041 statements for Grantor Letter returns produce correctly.

Oregon – Multnomah/Portland/TriMet

Diagnostic 49404 will now issue correctly when the SHB account number has leading zeros.

South Carolina

SC I-41 will not print when "Printed in previous years" (option 2) is selected on South Carolina > Income / Deductions > Other Adjustments, Taxes and Credits > Form I-41 print option code field (Interview Form SC2, Box 38).

Exempt Organization (990) Product Updates

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Federal

Form 990-T, Part III, Line 6g, Other credit/payment statement has been added to prevent new rejection R0000-057.

Oregon

Forms CT-12, CT-12F, and CT-12S are now indicated as extended using State code "OR" and Federal Form Type "990" on Federal > Extensions > State Extension Information (Interview Form EXT-2, OR in Box 30 and 1 in Box 32). The default extended due date is 180 days after the original due date unless an extension date is entered.

Signing officer name, title, and phone number on Form CT-12 may now be entered using input under General > Basic Data > Principal Officer or Officer Signing Return, if Different (Interview Form 10)

New forms have been added to file Oregon when Form 990-T is filed as a corporation. Electronic filing will be added on a future release. Forms added:

- Form 20 – Corporation Excise Tax Return
- Form 8868 – Application for Automatic Extension
- Form 20-V – Corporation Tax Payment Voucher
- Form OR-24 – Like-Kind Exchanges / Involuntary Conversions
- Form OR-AP – Apportionment of Income (Library)
- Form OR-PI – Schedule of Partnership Information
- Form OR-DEPR – Depreciation Schedule (Library)
- Form OR 37 – Underpayment of Estimated Taxes

Estate & Gift (706/709) Product Updates

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Connecticut

The following final Connecticut forms are available for dates of death in 2023:

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