

CCH® ProSystem fx® Tax

2022.04010

Release Notes

July 23, 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 2022.04010

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Tax Updates

All Tax Products

Disaster Extension Input - The following states have been updated to include the disaster extension enhancement that was previously released. Please see this [Knowledge Base article](#) for additional detail as to what is available with this enhancement.

Individual

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

Corporation

| | | |
|----------|----------|---------|
| Colorado | Hawaii | Montana |
| Delaware | Maryland | Oregon |

S Corporation

| | | |
|----------|-----------------|--------|
| Delaware | Kentucky Cities | Oregon |
| Hawaii | Maine | |

Partnership

| | | |
|-----------------|---------------|---------------|
| Arkansas | Mississippi | Ohio Cities |
| Connecticut | Montana | Virginia |
| Kentucky Cities | New Hampshire | West Virginia |
| Maryland | | |

Fiduciary

| | | |
|----------------------|----------------|-------|
| District of Columbia | South Carolina | Texas |
| Minnesota | | |

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

Corporation

Utah

S Corporation

Utah

Partnership

Utah

Maine

Exempt Organization

Oregon

Individual

Tennessee. Originally, it was projected that the Individual tax product would update the Form RVR-00104, Tennessee Estimated Franchise and Excise Tax Payments Worksheet, on this release. This update was to adjust the calculation of Line 1 (Current year total franchise and excise taxes) and Line 3 (Prior year total franchise and excise taxes) to match the state clarification. Due to complications, this has been moved to release 2022.04020, which will be available on August 27th. Until this release is available, overrides will need to be used in the Individual tax product.

S Corporation & Partnership

Kentucky. Form 740-PTET is not available for electronic filing with this release as originally projected. Due to additional testing and approval from the state, diagnostic 39516 remains in the software. Electronic filing is projected to be available with release 2022.04020, which will be available on August 27th.

West Virginia. West Virginia [Senate Bill 151](#) became effective on June 8, 2023. This bill created an elective pass-through entity tax retroactive to tax year 2022. An election must be made prior to filing the entity pass-through return using form EPT-100ELF, Election for Elective Pass-Through Entity. The election can be made between now and September 15, 2023. No electronic filing will be available for this form as it must be filed through the West Virginia portal or mailed to the address on the form. This [website](#) provides additional information from the state on this election, filing of the form, as well as any estimate payments.

For the S Corporation tax product, we are awaiting approval from the state. Once that approval is received, the “Pending Approval” watermark will be removed and available to file. For the Partnership tax product, we are still reviewing the form through our quality assurance process and project to have it available on release 2022.04020 which will be available on August 27th. It also has the same watermark on it.

Note: No transmittal/filing instructions are available for this form and it should be filed through the West Virginia portal or mailed to the address on the form.

Fiduciary

Federal. The Fiduciary tax product has been enhanced by now including Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. The form is available for paper and electronic filing. Currently, help/cross references and interaction with Form 8858 are not available with this release but will be coming on a later release.

Note: The print collation issue that is currently present in the other entities will also be present when printing multiple 5471's from the Fiduciary tax product. The print collation issue is projected to be resolved on release 2023.01000 which is scheduled to be available on December 3rd.

Iowa. Additional forms have been added to the Iowa Fiduciary tax product and are available for electronic filing. They include:

- Form PTE-C – Composite Return
- Form 102 PTE-C – Amended Return Schedule for PTE-C
- Form 8453 - PTEC – Iowa Composite Tax Declaration for an E-File Return

Estate Tax

Connecticut. Form CT-706 NT, Connecticut Estate Tax Return (for Nontaxable Estates), is available for dates of death in 2023.

Tax Product Updates

Individual (1040) Product Updates

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Federal

Form 1040, Schedule 1, Line 17 calculates for a Form 4029 filer.

Arkansas

Form AR1000F, Line 6 may be updated due to rounding.

Colorado

When claiming Credit for Tax Paid to Colorado on the return of other states, the Passthrough Entity Credit is included in the amount of tax paid.

Hawaii

Form N-15, Line 38d includes 60% cash contribution carryovers.

There is no longer a separate line for Hawaii long and short-term capital loss carryovers listed on the carryover report since Hawaii doesn't have a separate calculation.

Illinois

Form IL-1040 reflects changes from Form IL-1040X as applicable. Form IL-1040X and filing instructions will not change with this update.

Iowa

Form 148, Part I, Line 1, Column D carries from Form 134, Part V, Line 38 for part-year resident returns.

Kansas

Form K-40X includes Line 26, Credit for tax paid on Form K-120S.

The print version of the Kansas return includes the state Form 461, Limitation on Business Losses, when applicable.

Kentucky

Forms 62A500, 62A500-A, and 62A500-W reflect changes received from Kentucky on 6/15/2023.

Massachusetts

Passthrough PTE credit for taxes paid from Massachusetts now includes all passthroughs.

Minnesota

Form M1X, Line 22 no longer includes the PTET from Schedule M1REF, Line 9.

Schedule M1NC, Line 13 only calculates when the MN NOL is not already included in the Federal Adjusted Gross Income.

Montana

Form 2, Page 11, Line 4. Loan-out Withholding will now populate as entered on MT input.

New Mexico

The calculation of Form PIT-CR credit S04 now takes into account refundable credits in place for tax year 2022 and later.

Corporation (1120) Product Updates

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Kentucky Consolidated

Form 720U, Schedule U10, Line 8 is 80% of Line 4, if Line 4 is greater than zero, otherwise Line 8 is zero.

New Mexico

New Mexico carryover NOL calculations now include the previous nine years, when applicable amounts exist.

Oklahoma

Form 512, Page 9, Part 2, Line 8 is computed by dividing Line 7 by 26.

Pennsylvania – Electronic Filing

Diagnostic 47620 will now issue when there are negative amounts on any of Form RCT-101, Page 2, Lines 2A, 2B, 2C, 3B, 3C, 11, or 13.

Virginia

Carryover of disallowed business expense has been updated from 80% to 70%.

S Corporation (1120S) Product Updates

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Federal

Form 7203. Lines 11 and 12 are considered when calculating Line 28 if the Regulations section 1.1367-1(g) election has been selected.

Idaho

The Idaho Credit Carryover form now includes all relevant credits when using any valid input method.

Kansas

The community college and technical college contribution credit, as well as the commercial restoration and preservation credit, now accurately allocate. The total credit calculated will not change due to this.

Massachusetts

Schedule SK-1 will include K-1 Statements.

Michigan – Electronic Filing

Form 4908 will correctly show Lines 10-18 in the XML upon exporting and submitting to the state.

Ohio

Form IT K-1 - Received from Passthrough will correctly show the entity's city, state and ZIP code.

Form IT 4708, Page 3, Schedule II, Line 34. The correct ratio now checks when a current year depreciation add-back is present.

Oregon

Diagnostic 61867 will issue with Form SC-2022 when amounts are present on Line 14 or 22, but Line 9 is 0.

Virginia Electronic Filing

Form 502 PTET, Page 2, Lines 1-5 have been updated to include all shareholders.

Partnership (1065) Product Updates

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Federal

Form 8865, Schedule K-3, Page 6, Part III, Section 1 allocates to all partners when using 8865 automated method of 8865 generation.

Schedule K-3, Part IX will be generated with amounts when both the Parts IX and VIII amounts are allocated to specific partners using ratio IDs.

California

Additional updates are now available for the tax basis calculation of Schedule K-1, Column C when selecting California > General Information > Options > Use new Capital Account, M-1, and M-2 calculations (Interview Form CA1, Box 59).

Maryland

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

North Carolina

If the return is extended using the Federal automatic extension, when recalculating the return after the extension due date, the Federal extension selection on D-403 page 1 will remain until overridden using Federal > Extensions > North Carolina Extension - Line 6 (Interview Form NC9, Box 35), or unlocking the extensions.

Schedule K-1, Section 179. Adjustments can be specially allocated using codes 35651, 35652, and 35653.

Ohio

Form 4708, Line 12, tax liability after nonrefundable business credits is distributed to Schedule IT K-1, Line 3 instead of Form IT 4708, Line 10, tax liability.

Form IT K-1 will no longer calculate a negative PTE credit on Line 3 when taxable income is negative.

Fiduciary (1041) Product Updates

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Federal

ESBT, Line 1 calculation no longer includes state coded Maryland income entered in the "Other Income Adjustments" section of the 1120S pass-through input.

Form 5471 and accompanying schedules are now available for paper and electronic filing in Fiduciary.

Form 8995/8995-A. Non Grantor Charitable Lead Trusts calculate Qualified Business Income Deduction carryovers.

NOL. Line 11 calculates the disallowed NOL amount for final year returns.

Iowa

Iowa forms PTE-C, 102 PTE-C, and 8453-PTEC are available for electronic filing in the Fiduciary tax product.

Maryland

Form 504NR. Column A will now fill with 0 when another column has an amount allowing the return to be accepted.

Maryland – Electronic Filing

As of this release, the Electronic Filing Status Report will not show a status of "Not Allowed" for Maryland.

New Jersey

The NJ estimate prints when the return is a multi-state return and one of the other states has the estimate prevented.

New York

Form IT-205, Line 63 and associated statement now match, resulting in Schedule C calculating correctly.

Form IT-205T now prints in an Estate type return.

South Carolina

The South Carolina Form 1041, Page 1 statements connected to Line 3 and Line 14 previously were not printing with the return, but with this update they will both print when relevant.

Virginia

State 461. The State 461 for Virginia will now report all amounts including ESBT income since ESBT is not differentiated for Virginia tax purposes.

Estate & Gift (706/709) Product Updates

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Connecticut

The following final Connecticut form is available for dates of death in 2023:

- Form CT-706 NT