

CCH® ProSystem fx® Tax

2022.04020

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](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 2022.04020

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### Tax Updates

#### Individual

**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 [Knowledge Base](#) article has been updated to include the details of how to adjust Line 1.

#### Individual and Partnership

**New York** – New York has divided the MCTMT into two zones that are now taxed at different rates with a change that came mid-August. This change will affect the IT-2105, Estimated Tax Payment Voucher for Individuals, as well as Form IT-2658-MTA, Report of Estimated Tax for Nonresident Individual Partners and Shareholders. This change is retroactive to the previous quarter estimates. However, per the state, no penalty will apply to any shortage if the shortfall is included in the September 15th payment. For more information on the change that was made by the state, please review the information on their website.

For Individual returns, a diagnostic has been added on this release to alert users of the change. If the IT-2105 estimate needs to be updated, please use the overrides on New York > Estimates / Underpayments > Estimate Preparation > Voucher - Overrides (Interview Form NY5A, Boxes 44 - 45).

For Partnership returns, the following overrides are available:

**Form IT-2105.** New York > Payments/Penalties > Estimates and Application of Overpayment - MCTMT Group Return > Voucher Overrides (Interview Form NY7, Boxes 80 - 83).

**Form IT-2658-MTA.** New York > Payments/Penalties > Estimates and Application of Overpayment > MTA Voucher Overrides (Interview Form NY19, Boxes 165 - 168). The partner's ownership percentage of the IT-2658 will be applied to the amount entered in these override fields to determine the amount of estimated MCTMT paid on behalf of the partner.

#### Corporation, S Corporation, Partnership, & Exempt Organization

**Disaster Extension Input** – The following state has 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.

Utah

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

New Mexico

## S Corporation

Maryland

New Mexico

## Partnership

Maryland

New Mexico

South Carolina

## Exempt Organization

Oregon

## S Corporation & Partnership

**West Virginia** – We have received form PTE EK-1, Schedule of WV Partnership/Shareholder/Member Beneficiary Elective Pass-through Entity Income Credit and are currently working on adding it to the software. We are projecting to have it available for paper filing by release 2022.04030, which will be available on September 24th. If you need this form before then, we suggest using the state’s [website](#) as it provides additional information about the election filing, filing of additional forms, as well as any estimate payments that may need to be made. Please note that the state has indicated that Form EPT-100 (Return) must be filed through the portal. At this time, we are not planning on adding it to the 2022 tax software.

## Corporation, S Corporation, & Exempt Organization

Florida. It was recently discovered that the Estimated Tax Worksheet located on Page 6 of the Form F-1120, Florida Corporate Income/Franchise Tax Return, was not updated to the latest form provided by the state. This omission affects the estimate tax rate on Line 4 of this worksheet. Currently the form and system is calculating at a rate of 4.458% when it should be 5.5%. We will be updating the affected tax products on release 2022.04030, scheduled to be available on September 24th. Until this release is available, we suggest that you override the net estimated tax at Payments/Penalties/Estimates > Estimates and Application of Overpayment > State Estimates and Application of Overpayment with a state code of FL. To adjust the remaining quarters to account for the additional tax, please use Payments/Penalties/Estimates > Estimates and Application of Overpayment > State Estimates and Application of Overpayment > Detail - Number of next year installments unpaid if less than required & amount paid toward next year estimate.

## Electronic Filing Updates

### Electronic Filing Website

**EFIN Manager.** In our efforts to continue providing the best user experience for you, we will be removing the Name column from the EFIN Manager within the Electronic Filing website. Please note, this column’s information was not used as part of submission to the IRS and will have no impact on your return filings.

You can verify the data being sent to the IRS for the Firm in your Office Manager Groups. You can find details on validating your settings in this [Knowledge Base](#) article.

## S Corporation & Partnership

**Kentucky** – Form 740-PTET, Kentucky Pass-Through Entity Tax, is available for electronic filing with this release.

## Exempt Organization

**Oregon** – Form OR-20, Corporation Excise Tax Return, is available for electronic filing with this release.

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

**Form 5329.** The Line 2 statement shows "Corrective Distributions" as the description when exclusion code 21 is entered on IRS 1099-R.

**Form 6251.** The AMT Charitable Contributions worksheet shows the correct 2007 and 2008 carryover amount when the filing status comparison worksheet is present.

**Form 6765.** When multiple entities are calculating a credit on Form 6765, the full calculated credit appears on states for Form 3800, Part III, Lines 1c and 4i.

**Form 8865.**

- **Schedule K-3, Page 1, Line 4** is answered "Yes" only when Page 15, Section 1 or Section 2 has values.
- **Schedule K-3, Page 3, Line 15** is completed when input is present.

Nondeductible net operating loss carryovers are disregarded in the calculation of the NOL charitable contribution absorption amount.

**Tax Equalization.** The cash flow statements include the correct amount of penalty and interest in the Idaho balance due amounts.

### Colorado

**Form DR 1305G, Line 33, Credit you are using this year,** has input available to make the amount greater than the amount of net tax after applying other credits. The software will limit this input to the amount on Form DR 1305G, Line 32, Credit available for you to use this year. This new input can be found on Colorado > Credits > Gross Conservation Easement Credit Schedule > Credit Use > Credit you are using this year (Interview Form CO7, Box 93).

### Idaho

The NOL Carryover on Form 39R or 39NR, Part B, Line 1 no longer appears on the main Carryover Report.

### Kentucky

PTET-CR input in worksheet view has been updated to allow additional occurrences.

### Minnesota

Form M1AR input for worksheet view allows more than 1 M1AR entry.

### New York

Form IT-653 prints the last page when there are multiple pages, exceeding 96 passthrough entities.

## Oklahoma

Form **OW-8-P** uses 4/15/23 as the start date for the first quarter underpayment calculation.



## Corporation (1120) Product Updates

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### Federal

**Form 1120, Line 20.** Taxable income limitation calculation for the Section 179 expense deduction includes the allowable amount of business interest expense.

### Florida

**Form F-1120.** NOL calculation applies the unlimited NOLs before 2018 first before the limited NOLs are applied to 80% of remaining taxable income.

### Iowa

**Iowa 1120, Schedule E, Line 10** statement produces to reflect the name of the passthrough and amounts for gross receipts.

### Kansas

**Form K-121, Line 26** takes the Net Operating Loss 80% rule into account when the criteria is met. Furthermore, the NOL no longer calculates when Form K-121, Line 17 is a negative value.

### Louisiana

NOL's older than 20 years starting in 2001 will no longer be marked as expired and be included in the calculation for LA. These NOL's will also appear on the carryover report.

### New Hampshire

**Form BT-Summary** has been updated to always populate Line 6a.

### New Jersey

**Form CBT-100, Page 13, Worksheet 1, Lines 8 and 9** carries from Federal > Income/Deductions > Business > Other Depreciation and Amortization > Totals > State Totals > MACRS Depreciation - State, Residential Rental Property and Nonresidential Real Property (Interview Form DP-7, Boxes 93 through 99).

# S Corporation (1120S) Product Updates

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## Federal

### Form 1120S.

- If accruing taxes, IN PTE taxes accrued will appear on the Form 1120S, Page 1, Line 12 statement.
- If accruing taxes, OH PTE taxes accrued will appear as "Based on Income," rather than "Other," when listed on the Form 1120S, Page 1, Line 12 statement.

**Form 7203.** Updated the calculation of Form 7203, Part III, Column D so that the total amount of column D is limited to the amount present on Line 29.

**Schedule K-2/K-3.** The overflow worksheets for Schedules K-2/K-3, Part II, Section 1 are accessible on screen and not just available to view in the Print Preview.

## Georgia

**Form IT-CR Schedule** prints when tax calculated is \$1.00.

## Iowa

**Iowa Form PTE-C** produces when all shareholders are exempt organizations.

## Kentucky

Charitable contributions will no longer be include in distributable income on Form 740-PTET.

Custom filing instructions will properly reflect e-filing status of return.

### Form PTET:

- **Form PTET-CR** will print in K-1 print package
- **Form PTET-CR** will print the LLET account number if entered
- **Form PTET-CR** will calculate correctly when a residency code of "RE" is entered
- **Form PTET-ES** estimated tax rate is adjusted to 4.5%

Kentucky withholding return 740NP-WH is able to send electronic banking information. Direct debit ability has been turned on in the current release.

## Maryland

**Form 511, Line 2** has been updated to include taxes and licenses from Federal input.

## Mississippi

**Form 84-122, Line 33** will pull directly from Line 28 of the same form.

## New Mexico

**Form RPD-41367, Line 13** has been updated to clear when inputs are removed.

## North Carolina

Schedule K-1, Line 8, Nonresident's share of net tax paid by the S Corporation, and Schedule K Line 13 of Schedule K will no longer calculate nonresident when an NC Taxed PTE election is made.

## Ohio

The amount paid toward next year estimates entered on Payments/Penalties/Estimates > Estimates and Application of Overpayment > State Estimates and Application of Overpayment > Detail for State Code OHS > Line 28 - Amount paid toward next year estimate (Interview Form STES-1, Box 56) is included in the estimated tax filing instructions.

## Partnership (1065) Product Updates

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### Federal

**Form 8283** behind the Schedule K-1 prints Part I, Column H correctly for all properties and partners.

**Recap of Passthroughs Worksheet.** Fixed spelling of "Receipts" for Current year gross receipts for section 448(c) entry.

**Form 8865, Schedule K-2, Page 1.** Checkbox for presence of Part 3 now checks only when Part 3 has information present under Pages 5, 6, or 7 of Schedule K-2.

### Schedule K-3

- **Part VII, Section 2, Column L,** Dates PFIC shares disposed of during tax year (if applicable) will be filled with the applicable dates for all PFICs listed on Section 1.
- The blank copies of the different Schedule K-3 parts will print correctly in the Accountant, Client, Government and K-1 copies when the Partners numbers are not entered in sequential order.

### Alabama

Sections : Alabama > Allocation and Apportionment, Section 1 - Property Factor Overrides and Section 2 - Payroll Factor Overrides are inactive.

### Alabama – Electronic Filing

**PTE-C** returns with an amount on Line 5c must include a copy of the Schedule CP-B listing the corresponding amounts.

### California

**Form 8453-BE** prints the firm name.

### Georgia

Credits on Schedule K-1 will clear when a return is changed from a regular return to a PTE electing return.

### Hawaii

**Schedule K-1, Lines 1-3 and 5-11** changed to insure allocations flow correctly. Schedule K-1; Lines 4, 12-15, 31a, and 31b changed back to original code.

### Iowa

**Form 8979** prints with the government copy when electronic filing is selected for Iowa.

**Form PTE-C** entity type reflects Limited Liability Partnerships correctly when an LLP is selected.

## Kentucky

Kentucky Nonresident Income Tax Withholding Transmittal 740NP-WH is able to send electronic banking information. Direct debit ability has been turned on for the current release.

## New Hampshire

Combined Form BET has been updated to apply the current year BPT tax to the current year BET tax paid.

## North Carolina

New electronic filing diagnostic 62526 will issue when either Form NC-PE, Line 14 or Line 38 is populated. These lines must be blank or zero per new electronic filing business rule.

## Ohio

**Form IT-4738, Schedule VI.** When changing or allocating an investor's ownership percentage from an amount to zero, the share of EPTE tax (tax credit) now updates to zero after calculating.

## South Carolina

The composite income tax rate has been updated.

## Virginia

**Form 502FED-1** has been updated to allow for multiple copies to be created.

**Form 502PTET** has been updated to calculate the penalties and interest using the tax due.

## Fiduciary (1041) Product Updates

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### Federal

The cover letter will reference Federal Form 5227 when Form 5227 is present in the return.

### Iowa

**IA PTE-C, Page 3, Column I** will be limited to \$0.

## Exempt Organization (990) Product Updates

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### Electronic Filing – 8865

E-file Diagnostics 47383 and 47282 are issued when Form 8865, Schedules A-1 or A-3 have an invalid or missing EIN/SSN. Entering all zeros is no longer allowed, but entering all nines can represent applied for identification numbers.

### Federal

The detail carryover report has been updated for states with prior year used amounts.

### Oregon

Electronic filing has been added for Form OR-20 and supporting forms.