

CCH® ProSystem fx® Tax

2022.04030

Release Notes

September 24, 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 2022.04030

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## Tax Updates

### 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.

#### Exempt Organization

Oregon

Currently, the following taxing authorities are still a work in progress and are projected to be available with tax year 2023. 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

### S Corporation & Partnership

**West Virginia** - Schedule EK-1, Schedule of WV Partner/Shareholder/Member/Beneficiary Elective Pass-through Entity Income Credit, is available on this release. To generate this form, please see the Knowledge Base article for [S Corporation](#) or [Partnership](#).

## Electronic Filing Updates

### Exempt Organization

**Efile Report** – A new Efile report showing which forms are included in the electronic file is available under the Federal Government Menu > Efile Info area. The entries listed in the column indicate where the forms will be included in the electronic file once uploaded and released to the taxing authority.

**Note:** The same form could show under each column depending on selections made within the return.

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

**Form 4797.** An issue for states that do not conform to bonus depreciation surrounding Form 4797, Part II has been resolved. The issue primarily affected Wisconsin 1040 returns and caused the other gains amount on the main form not to match the Wisconsin Form 4797.

**Form 8865, Schedule K-3, Page 6, Part 3, Section 1** no longer duplicates and is now reported to the relevant partner.

**Tax Projector.** Increasing or decreasing the number of dependents will affect the projected child tax credit from Schedule 8812.

### California

**Form 3804-CR, Line 4** is updated when Schedule P (540NR) or other credits are present, and the exclusion override option indicating that the gross receipts are greater than \$1,000,000 is selected on the Schedule P AMT.

### Electronic Filing

#### Form 1040X.

- Update made to issue electronic filing diagnostic 61512 in order to prevent IRS reject 1040X-037.
- Update made to prevent electronic filing diagnostic 47636 from being issued on Form 1040X when filing status is MFS on original and amended return.

### Hawaii

Amount entered on Hawaii > Estimates / Underpayments > Payments > Withholding on Form N-288A from a passthrough entity (Interview Form HI6, Box 59) will now be included in payments and credits on the Hawaii transmittal letter.

### Kansas

The Kansas Department of Revenue phone number listed in transmittals and letters is now (785) 368-8222.

### Mississippi

Tax Return Filing Instructions and Return Summary no longer include Consumer Use Tax or Catastrophe Savings Tax in the Tax amount. Consumer Use Tax will be reported as Sales and Use Tax while Catastrophe Savings Tax will be reported as Other Taxes on the Return Summary. Taxpayer and Spouse tax bracket percentages have also been updated to reflect the current tax rates.

## Corporation (1120) Product Updates

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### Florida

The Florida estimated rate calculates using the current year tax rate of 5.5%.

### Iowa

Form IA 1120, Page 4, Schedule C1, Line 2 includes the correct amount for credit on Form 148.

### Louisiana

Form CIFT-620, Line 7 has been updated to allow the exception codes 6 and 7.

### Maine

Schedule NOL limits net operating loss deductions taken.

### Mississippi

The website for the EFT paragraph in the transmittals and letters has been updated to "[www.dor.ms.gov](http://www.dor.ms.gov)."

### Wisconsin

Form 6BL, Line 30, Column i decreases by amount in Column h if the expired amount is present.

# S Corporation (1120S) Product Updates

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## Federal

### Form 7203.

- Line 46, Column D calculates correctly as it will reference the correct Column C value in its calculation.
- Print positions have been updated on the Form 7203 overflow if you have a shareholder with 4 or more loans.

## Arkansas

Footnotes for an AR1100PET return are only produced for AR coded footnotes.

**Schedule AR-AIS** will no longer show rental loss as a negative.

## Colorado

**Form DR0106, Line 5** will include charitable contributions from Form 1120S, Page 3, Line 12.

## Iowa

**Form 1040C, Line 7** calculates correctly for the \$26,145 - \$34,860 tax bracket.

## Kentucky

**Form PTET-CR** will no longer print both the NR withholding number and the LLET account number in the same spot when both are entered in the return.

Letters are updated when gross receipts are over \$1,000,000.

The cover letter will no longer reference Form 740-PTET extension when it is not active in the return.

## Louisiana Electronic Filing

The "Timely requested extension for federal income tax purposes" checkbox on Form CIFT-620 is now included in the electronic file.

## Maryland

Form 511, Line 13a has been updated to no longer included the duplicate overpayment amount.

## North Carolina

### Schedule K-1.

- **Schedule K-1, Line 10 and Schedule K, Line 15, Share of North Carolina Taxable Income** calculate income allocated for residents and nonresidents.
- **Schedule K-1, Line 10** calculates based on Lines 16, 17, and 18 when a Taxed S Corporation election is made.

The overpayment field of transmittal letters correctly prints amounts from NC CD-401S, Page 2, Line 31.

## West Virginia

**Schedule EK-1** is now available. To generate this form, use input on Common State/City > State PTE Generation > State PTE Return Generation > Generate state PTE return - West Virginia (Interview Form PTE-ST1, Box 258). The amounts from the regular Schedule K-1 will flow to the Schedule EK-1 by default. To override these amounts use, West Virginia > Taxes > General Information > Form EK-1 Overrides (Interview Form WV4, Boxes 70-91). Corporate and exempt partners are excluded from Schedule EK-1.



## Partnership (1065) Product Updates

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### Federal

**Form 8865 Schedule K-2, Part II, Line 49** flows when using the 8865 automatic calculation. When that is the only item in Part II, all pages of 8865 Schedule K-2, Part II generate.

**Form 8997, Columns E and F** can go by the term code entered on Income/Deductions > Sch D/4797/4684 - Gains and Losses > Term column (Interview Form D-1, Box 52).

### California

Section 743b adjustments will be included in the California Schedule K-1 "Other Deductions" but will not be included in the California Schedule K-1 Capital Account, Other Increases and Decreases.

### Illinois

**IL Schedule B, Line K** is calculated to be each member's share of the partnership's own PTE tax credit.

### Kentucky

**Form PTET-CR** populates when appropriate if partner's Federal Schedule K-1 shows no income.

### Kentucky Electronic Filing

**Form 8879(C)-K** has been updated to contain 740NP-WH information. The letters have been updated to reflect this.

### Mississippi

The diagnostic 43317 has been removed as Mississippi allows electronically filed amended partnership returns.

### North Carolina

The Direct Deposit report will not generate an entry for extensions if the extension is not being electronically filed.

**Form NC-40 PTE** includes resident partners on Line 7.

**Schedule TC Part 5, Line 21** equals Line 20 divided by Line 19 rounded to 4 decimal places.

### West Virginia

**Schedule EK-1** is now available. To generate this form, use input on Common State/City > State PTE Generation > State PTE Return Generation > Generate state PTE return - West Virginia (Interview Form PTE-ST1, Box 258). The amounts from the regular Schedule K-1 will flow to the Schedule EK-1 by default. To override these amounts use, West Virginia > Composite > Form NRW-4 > Form EK-1 Overrides (Interview Form WV4, Boxes 70-91). Corporate and exempt partners are excluded from Schedule EK-1.

## Fiduciary (1041) Product Updates

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### Federal

**Form 5471.** Inputs have been updated to allow for multiple entries for the 5471 Schedule B, Schedule G-1, Schedule I, Schedule I-1, Schedule J, and Schedule M.

**Form 8865.** Disqualifying diagnostic 60175 only issues when the 1065 version that is present behind Form 8865 is not supported for e-file.

### Idaho Electronic Filing

**Form 8879-SO** prints with Idaho when appropriate.

## Exempt Organization (990) Product Updates

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### Federal

A new Efile report has been added and will show the forms and schedules being filed with either the 990, 990EZ, 990-PF, or the 990-T at the time of export. This new report can be viewed under Federal > Efile Info > Forms included in the electronic file.

### Florida

The estimate tax rate has been updated to 5.5% instead of 4.458%.

### Massachusetts

Effective September 1, 2023, charitable organizations are required to file Form PC and pay any fees using the Massachusetts Attorney General's Charity Portal. A diagnostic has been added and the letters and filing instructions have been updated to reflect this requirement. A modification has also been made to allow Form PC to produce without a Form 990, 990EZ, or 990PF in the return if the form has been forced on the Massachusetts > Form PC > Form PC General Information > Form PC preparation option field (Interview Form MA1, Box 30).

### Oregon

Forms **CT-12**, **CT-12F**, and **CT-12S** now print in the government copy when electronic filing is selected. A copy of federal forms will also be printed.