

CCH® ProSystem fx® Tax

2023.02060

Release Notes

February 18, 2024



<b>Contact and Support Information</b>	<b>2</b>
<b>Information in Tax Release Notes</b>	<b>3</b>
<b>Highlights for Release 2023.02060</b>	<b>4</b>
Electronic Filing Updates .....	4
<b>Tax Product Updates</b>	<b>6</b>
Individual (1040) Product Updates .....	6
Corporation (1120) Product Updates .....	7
S Corporation (1120S) Product Updates .....	8
Partnership (1065) Product Updates .....	10
Fiduciary (1041) Product Updates .....	12
Exempt Organization (990) Product Updates .....	13

## Contact and Support Information

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[Return to Table of Contents.](#)

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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[Return to Table of Contents.](#)

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 2023.02060

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Return to [Table of Contents](#).

### Electronic Filing Updates

#### S Corporation

**Form 7203.** Diagnostic 49001 has been resolved on this update to not include this form, which allows the return to be electronically filed. If you would like to include Form 7203 when filing electronically, please include it as a PDF.

#### Individual

District of Columbia	Iowa Estimates	Multnomah Form SP-2023
District of Columbia Estimates	Missouri	Multnomah Form SP-2023 Extension
District of Columbia Extension	Multnomah Form ARTS	Multnomah Form TM
Georgia	Multnomah Form LTD	New York City
Hawaii	Multnomah Form MC-40	New York City Estimates
Iowa	Multnomah Form MET-40	Oregon CAT

#### Corporation

Federal Form 1120F	Florida Consolidated	Montana
Alabama Consolidated	Indiana	Montana Consolidated
Alaska	Indiana Consolidated	New Jersey Combined
Alaska Consolidated	Iowa	New Mexico
Arkansas	Iowa Form 1120F	New Mexico Consolidated
Arkansas Consolidated	Kentucky Cities – Louisville Extension	North Dakota
Arkansas Extension	Louisiana Extension	North Dakota Consolidated
Connecticut Consolidated	Massachusetts	Rhode Island
Delaware Extension	Missouri	Rhode Island Consolidated
Florida		

#### S Corporation

Alabama	Iowa	New Jersey Combined
Alabama Composite	Kentucky Cities – Louisville Extension	Philadelphia
Alabama Form EPT	Louisiana Extension	Rhode Island
Alaska	Montana	Vermont

## Partnership

Alaska  
Kentucky Cities – Louisville  
Extension

Louisiana Extension

Vermont

## Fiduciary

Federal Form 5227  
Georgia

Rhode Island

Utah

## Exempt Organization

Federal Form 5227

## Tax Product Updates

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### Individual (1040) Product Updates

Return to [Table of Contents](#).

#### Federal

**Form 8978.** Tracking Numbers entered with correct associated Tracking Number Type flow to Form 8978, Schedule A.

**IRA worksheet, Line 12f** correctly calculates Line 12a times Line 12e.

#### Minnesota

**Schedule M1M, Line 12** has been updated to allow 100% of federal social security if under thresholds.

**Schedule M1SA, Line 26** worksheet calculation has been updated for Line 6 and 10 to calculate limitation properly.

#### Missouri – Kansas City Electronic Filing

**Form RD-112** is not included in the electronic file unless it is prepared with the return.

#### Pennsylvania – Pennsylvania Cities

The London Grove Twp tax rate is now 1%.

## Corporation (1120) Product Updates

Return to [Table of Contents](#).

### Texas

The transmittal letter will list the 2024 Public or Ownership Information Report only when filling the PIR and/or OIR.

## S Corporation (1120S) Product Updates

Return to [Table of Contents](#).

### Federal

**Schedule K-2 and Schedule K-3.** The following items have been adjusted for the new option to pull Form 1120S Schedule K information to Schedule K-2/K-3, Part II:

- Line 25 will calculate from Form 1120S, Page 1, Line 21 less any depreciation or amortization deduction.
- Line 54 will correctly total the Schedule K-2/K-3, Part II deductions when using the option as well.

### Alabama

Form PPT letters and return summary only produce when Form PPT is active in the return.

### Arizona

Shareholders Participating in Composite statement will display the correct tax rate.

### Iowa

**IA Form 1120S, Schedule A, Lines 16a and 16b** will calculate correctly and will not include amounts not on Schedule A, Line 1 - 15.

### Kansas

A new special allocation code "18102" was added for electing pass-through entity income tax due, which mirrors code 18101 for total Kansas taxable income. This affects Form K-120S Page 5, Form K-9, and the Form K-120S Schedule K-1 Equivalent. If code 18101 is used, it is recommended that code 18102 is used as well, and vice versa.

**Form K-120S, Lines 19 and 23**, takes into account all allocation codes from Common State/City > Allocation / Apportionment > Allocation (Interview Form MST-D).

**Kansas information reports, Line 4**, reporting year will now display the year after the tax year instead of the tax year. Additionally, the reporting year can now be overridden on Kansas > Annual Report Gen Info > Annual Report Basic Data > Reporting year - override (Interview Form KS5, Box 36).

The shareholder code for shareholders in Kansas can now be affected by input on Shareholders > Shareholder Information - State Specific > Shareholder State Information > Entity type (Interview Form STK-1, Box 32).

### Nebraska

**Form 1120-SN, Schedule II** calculates if all shareholders are residents of Nebraska.

### New Jersey

**Schedule K, Part II, Line 4b** reflects the calculation to automatically report the addition for state taxes.



## New York

Form CP-34-SH reflects the corrected amount for farming franchise tax information.

## Ohio

Depreciation amounts pro formaed from the prior year IT 4738 may not carry to the current year IT 4738 (if applicable) if amounts were also entered in the IT 1140 and IT 4708 section of the Ohio Depreciation Add-back worksheet, prior year add-back information fields (Interview Form OH20).

Form IT 4738, Pages 5 and 6 will clear any investors that have been removed after the initial calculation of the return.

## Tennessee Electronic Filing

Apportionment diagnostics 42494 and 46438 no longer will issue incorrectly for apportionment percentages greater than 5.0.

## Virginia

Input has been updated for credits to no longer change to zero after calculation.

## Partnership (1065) Product Updates

Return to [Table of Contents](#).

### Federal

**Schedule K-3, Part II, Section 2** will be generated with amounts when the option to automatically carry the Form 1065 page 1, Schedule K, Form 8825, Other rental Schedule and Royalty Schedule income and deductions amounts to Schedule K-2, Part II, Sections 1 and 2 is selected on Partners, Schedule K-2 Distributive Share Items - International Parts I-V , Section 1: Schedule K-2 General Information and Part I, Print and Calculation Options, Line 31 (Interview Form KF-1, Box 106) but there are no Income amounts to report in Part II, Section 1.

The Schedule K-1, Box 13 Code AE amount will be included in the calculation of the Item L Amounts when the option to exclude both the Section 743(b) and Section 754 adjustments from item L is present on Partners > General Options > Schedule K-1 Calculation options > Line 27 (Code 2 is present on Interview Form 5A, Box 93).

The Schedule K-1 Payment Obligations Including Guarantees and DROs statement has been updated to pull information from Other > Schedule K - Other Items > Schedule K - Other Information (Interview Form K-3, Box 30 with code "INF" and Box 31 with an option code of "E"), or Other > Schedule K- Other Items > Schedule K Payment Obligations Including Guarantees and DROs (Interview Form K-3, Box 30 with Code "PMO").

### California

**Schedule M-1 and Schedule K-1, Analysis of Partner's Capital Account.** Both include tax exempt and nondeductible expenses.

Warning diagnostics now issue if the balance sheet is out of balance.

### Colorado

**CO K-1, Page 3** will now mask the SSN/EIN when the option has been selected.

### Indiana

Transmittal letters will no longer state the Form IN-PTET should be mailed or e-mailed to the Indiana Department of Revenue when the election for PTE is made with the annual return.

### Iowa

**Form IA, Schedule K-1**, will calculate the partner's percentages when the K-1 percentages print code is a 6 on Interview Form 5A, Line 30 or on the Partners, General Options worksheet, Schedule K-1 Calculation Options, K-1 percentages print code option.

### Kansas

**Kansas Information Reports, Line 4**, reporting year will now display the year after the tax year instead of the tax year. Additionally, the reporting year can now be overridden on Kansas > Other Returns > Annual Reports > Reporting year - override (Interview Form KS3, Box 47).

## Maryland

Maryland batch extension will now included either checkbox A or checkbox B in the electronic file that is submitted to the state.

## Minnesota

**MN PTE-RP, Line 5** will now auto calculate instead of relying on direct input.

## Nebraska Electronic Filing

Diagnostic 60985 no longer prevent electronic filing for short year returns.

## North Carolina

**Form D-403, Page 2, Line 14d** is no longer picking up other states' payments.

## Fiduciary (1041) Product Updates

Return to [Table of Contents](#).

### Iowa

**Form Iowa K-1, Lines 1 and 9** will fill with all applicable modifications that can be distributed.

## Exempt Organization (990) Product Updates

Return to [Table of Contents](#).

### Federal

**Form 8879-TE** produces for the Form 4720 extension when the General > Electronic Filing > Do NOT print nonfileable message on signature forms field is "Y" (Interview Form EF-1, Box 60).