

CCH® ProSystem fx® Tax

2023.03010

Release Notes

March 17, 2024



Contact and Support Information	2
Information in Tax Release Notes	3
Highlights for Release 2023.03010	4
Tax Updates	4
Electronic Filing Updates	4
Tax Product Updates	5
Individual (1040) Product Updates	5
Corporation (1120) Product Updates	8
S Corporation (1120S) Product Updates	9
Partnership (1065) Product Updates	12
Fiduciary (1041) Product Updates	17
Exempt Organization (990) Product Updates	19
Employee Benefit Plan (5500) Product Updates	20

Contact and Support Information

[Return to Table of Contents.](#)

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

[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 2023.03010

Return to [Table of Contents](#).

Tax Updates

Exempt Organization

Statement Pursuant to Regulation Section 1.351-3(a) & 1.351-3(b) is now available to be produced in the Exempt Organization software. To produce, please use Federal > Other > Statement Pursuant to Reg. Sec. 1.351-3 (Interview Form STMT-8).

Electronic Filing Updates

Individual

Individual Reject F1040-034-07. The IRS originally disabled this business rule for prior year returns (Tax Year 2021 & 2022) on February 10th. This rule was re-enabled on March 10th. The IRS informed us that they will disable this business rule again on March 17th. If you have received this rejection for prior year returns, please resubmit on or after March 17th.

Exempt Organization

The IRS will begin accepting Forms 1120-POL, 990-T, and 8868 beginning March 17th. All are available to file with this release.

Corporation

Vermont Consolidated

Exempt Organization

Federal Extension	Florida	Michigan Form 1120
Federal Form 990-T	Florida Extension	New York
Federal Form 1120-POL	Maryland Extension	New York Estimates
California Extension	Maryland Form 1041	New York Extension
California Form 109	Maryland Form 1120	Oregon
District of Columbia	Michigan Form 1041	Virginia Form 500
District of Columbia Extension		

Tax Product Updates

Individual (1040) Product Updates

Return to [Table of Contents](#).

Federal

Basis Limitation. Partner's share of liabilities will flow to the basis worksheet, Lines 3a and 3b, if beginning year amounts are entered on 1065 K-1, Line K.

Basis Limitation AMT. Line 15a will no longer produce a positive amount that offsets the remaining Line 15 deductions.

Form 2555, Income earned in U.S. on business, Lines 14(d) or 18(f), is calculated using only the days in the U.S. on business within the bona fide residence test or physical presence test periods.

Form 8881. Lines 6a-6g no longer require Lines 1-5 to be present in order to calculate.

Form 965-A. 965-A, Part II, Column (k) calculates correctly.

Qualified Business Income After Deductions worksheet, Lines 4b - 4f use long term care premiums on Form 7206.

Schedule E. Input for Paycheck Protection Program (PPP) expenses has been removed since it is no longer applicable. Diagnostic 29243 has been updated to reflect this.

Arkansas

The Self-employed health insurance deduction on AR 1000ADJ, Line 9, is now reduced by any Premium Tax Credits received on Form 8962.

Colorado

Form DR 0104, Line 4, Federal Deduction addback will not subtract general sales tax that was deducted on Federal Schedule A. Only state income tax already added back on Form DR 0104, Line 2 will be subtracted.

Georgia

GA 500-NOL is now GA Schedule 4 and is no longer required to be paper filed. Letters and filing instructions have been updated to reflect this.

Indiana

Custom filing instructions and return summary correctly reflect PTE and other refundable credits.

Schedule 1, Line 2 correctly limits federal NOL to 80% if applicable.

Schedule 5, Line 3 and Schedule F, Line 3 pulls directly from IN Schedule K-1. This will resolve business rule S5-IT40-028.

Iowa

Form 1040, Line 5 calculates correctly for married filing jointly returns. This was an issue in returns created prior to release 2023.02000.

Kentucky

Kentucky Schedule M, Line 13 properly includes amounts in the correct taxpayer/spouse column.

Maryland

Checkboxes indicating authorization of MD issuing refunds by direct deposit and if the refund will go to an account outside of the United States are being printed in the correct location on the paper form.

Form 502UP, Line 14, is applying the correct due dates of installments for the first and second periods when determining the amount of estimated tax paid and tax withheld per period.

Michigan

MI-461, Line 5. Rates have been updated to match Federal 461.

Minnesota

Form M1, Line 13b correctly reflects the amount from Schedule M1NR, Line 29.

M1SA, Itemized Deductions Worksheet Line 26. Calculation of Line 5 has been updated for income levels for married filing separately of \$152,485 and all others \$304,970.

Schedule M1M, Line 29. Worksheet has been updated to reflect Lines 8 through 10 calculations properly.

Updated Schedule M1CR and M1RCR. Minnesota requires an addback of any pass-through entity tax that was paid and deducted in calculating federal AGI. This includes any state's pass-through entity tax for which the pass-through entity tax credit allowed to the taxpayer was limited.

Missouri

Form MO-A, Part 1, Lines 17Y and 17S now subtract agriculture disaster payments from federal Schedule F and Federal Form 4835 entities.

Nebraska

1040N, Lines 32 through 39 are included in the calculation of the default estimate on Form 1040N-ESW.

New Mexico

Form PIT-1, Line 29 includes PTE credits from entries on the pass-through forms.

Form PIT-ADJ, Line 24. The maximum amount allowed is now \$20,000.

Ohio

The SD 100 extension payment voucher will produce even if no balance due is present.

Oregon – Multnomah/Portland/TriMet

Form SP-2023, Part III, Line 27, City of Portland subject net income subtracts the owner's compensation deduction from the City of Portland net income in joint returns.

Rhode Island

RI estimate voucher print issue has been corrected.

Corporation (1120) Product Updates

Return to [Table of Contents](#).

Alabama

Form 20C, Page 5, Schedule F, Balance sheet produces statements if negative amounts are entered on the schedule.

Arizona Consolidated

Form 51. Diagnostic 60428 will no longer issue for valid dates entered on Form 51, Section 1, Column (e).

Arkansas

Extensions with a foreign corporation address can be submitted through batch processing.

California

Form 8453-C, Part 5 displays the banking account information correctly when requested in the return.

Illinois

Schedule UB, Step 2, Line 25 reflects the Federal Energy Efficient Buildings Deduction from Form 7205.

Massachusetts

Added input to further adjust the Federal Energy Efficient Buildings Deduction from Form 7205 on Schedule U-M at the separate and at the unitary level.

New input for the separate return is on MA > Massachusetts Corporation > Separate Co Unitary Info > Schedule U-M Member's Income and Expenses > Energy efficient commercial buildings deduction (Interview Form MA31, Boxes 128 to 131).

New input on the unitary level is on MA > Massachusetts Corporation > Unitary Return > Schedule U-M Member's Income and Expenses > Energy efficient commercial buildings deduction (Interview Form CC-MA2, Boxes 138 to 141).

New Jersey

Form CBT-100, Page 10, Schedule R, Line 9 displays the correct information when dividend exclusions are included in the return.

Form CBT-100U, Page 1, Line 1, Total Amount of Tax from Combined Group carries the minimum tax from CBT-100U, Page 10, Line 4(b), for tax years ending after June 30, 2023.

S Corporation (1120S) Product Updates

Return to [Table of Contents](#).

Federal

Form 8752, Heading, "Due by May 15, 2024" is presented properly.

Alabama

Diagnostic 62745 issues for Schedule CP-B if Column C payment is present when Column A and/or Column B are not populated.

Form 20S, Schedule K-1 produces footnotes when Form EPT is also activated in the return.

Arizona

AZ 120S, Line 36 has been corrected when application of overpayment information was entered.

Form 308, Line 85 now calculates correctly based upon 6 percent.

Connecticut

Forms 1065 and 1120SI have been updated to include Part 1, Schedule C, Line 11, Column D.

Delaware

Grantor trusts can now be included in the composite return for electronic filing.

District of Columbia

Electronic filing has been updated to include the preparer email address from Office Manager settings.

Georgia

Form GA-8453S. ERO date signed now prints the date with proper activation or overrides used.

Form IT-CA 23 input is available.

Hawaii

Form N-35, Page 2, Line 22F will pull from Schedule PTE, Line 4.

Illinois

Form 4562, Line 16 calculates the Federal depreciation amount as if the asset had no bonus depreciation taken also for autos.

Schedule UB, Step 2, Line 25 now reflects the Federal Energy Efficient Buildings Deduction from Form 7205.

Indiana

Indiana PTE. Tax correctly accrues to Line 12 of the 1120S when requested.

Iowa

Form IA 1065, Schedule K, Line 21 no longer calculates when the IA Form PTE-C is not included in the return. This change originally appeared in the 2023.03000 release.

Kentucky

Kentucky Election to file Form 740-PTET prints as expected.

Maine

Form 1040C-ME will only print when requested.

Maryland

Form 510 Banking information has been updated to populate when there is a refund.

Form 511, Line 2 has been updated to subtract MD prior year refund from Federal Form 1120S, Line 5.

Massachusetts

Schedule SK-1, Line 2 has been updated to not have the amount increase every time the return is calculated when MA > Massachusetts Corporation > Other > Other Distributive Share Items (Interview Form MA13, Boxes 30-39) is used.

Minnesota

MN Schedule PTE, Line 27 no longer doubles.

Mississippi

Form 84-122, Line 33 always reflects the amount from Line 28.

Form 84-132, Part V allocates from Form 84-105, Line 8.

Nebraska

Nebraska Schedule PTET, Column C allows percentages to be more than 2 decimals.

Nebraska Schedule PTET, Line 2. Credits for tax years 2018 through 2022 now calculate using special allocations.

New Jersey

Form CBT-100S, Page 9, Part V, Column E, and Part VI, Column (F), Share of Pass-Through Business Alternative Income Tax, properly carry from Schedules PTE-K-1.

Form PTE-160, Line 7D, 4th Quarter Due Date is reported as the first month succeeding the close of the tax year.

New York

NYC 3L Schedule B, Line 7C calculates the foreign taxes paid.

North Carolina

NC-PE and K-1. If 179 Expense is entered, it will not calculate on either Supplemental Schedule.

Schedule K, Line 13 and Schedule K-1, Line 8 are applicable to returns not making the Taxed S-Corporation election and to partners not filing the NC-NA form.

North Dakota

PDF attachments will be included in the PDF report and the electronic file when coded with FS code S and State Code ND.

Ohio – Ohio Cities

Form RITA 27, Schedule B has been updated to apportion income per city.

Pennsylvania

Pennsylvania Electronic Filing. When a foreign address is present for the 1120S return, the phone number field calculates correctly for the electronic file.

Rhode Island

Form RI-1120S, Line 8b will always reflect the amount from Line 8a.

Schedule PTW, Line 2 will round to 4 characters after the decimal to stay at or below 100%.

Vermont

Form BI-477, Part 3, Lines 10 and 11 flow from the Federal when there's a Federal amount.

Wisconsin

Schedule 5K-1, Line 1, Column (c) will include the capital loan deduction.

Form U. The underpayment penalty will flow to Form WI 5S, Page 2, Line 18.

Partnership (1065) Product Updates

Return to [Table of Contents](#).

Federal

Forms 3468 and 3800. Percentages and credit amounts on Form 3468, Parts III and VI calculate for credits transferred to another taxpayer and Form 3800 is activated.

The ITC adjustment based on facility information for the reduction of basis of an asset now automatically calculates.

The Partners' share of the Pass-through Deductions - Portfolio Income amount will not get doubled on the Partners' Schedule of Activities Investment Expense line when it is included in the Portfolio Deductions line amount.

The State Transmittal letter Estimates paragraph has been updated so that the State Estimate Form name is not printed twice.

Alabama

Rejection error code 471 no longer issues.

Arizona

Arizona Form 165, Line 9. Items requiring separate computation are calculated for PTE returns.

Az Form 165 Part 2, Lines 14, 16, and 18 are correctly looking at Line 10 to multiply for nonresident and part year income totals.

Arkansas

Investments and other items on Line 19a of Schedule K-1 will now display proper amounts from Federal Schedule K-1.

Overpayment from AR PET will display in the overpayment section of transmittal letters correctly.

California

Form 3804, Part II:

- No longer issues a disqualifying diagnostic for Line b amounts of zero.
- Now exports all partner types correctly, even if they have a non-applicable type identification number.
- Now properly handles disregarded entities, allowing them to both print on the form and be included in its calculation.

Form 565 and Form 568, Schedule M-1, Lines 7a and 7b will no longer calculate unless Federal amounts are used, they are overridden, or the checkbox to treat state-if-different assets as book assets is checked on General > Depreciation/Depletion Options and Overrides > Depreciation Options and Overrides > Treat state-if-different assets as book assets (Interview Form DP-9, Box 36).

Form 568, Page 1, Line 3 now displays the \$800 annual tax for initial returns based on the year they first started in California.

Form 592-PTE (2023) includes grantor trusts.

Schedule K-1 (565), Page 1, Question B, Lines 11b and 11c and Schedule K-1 (568), Page 1, Question A, Lines 11b and 11c no longer incorrectly contain data for non-disregarded entity (DE) partners. In the event they still do, such as through government form overrides, a disqualifying diagnostic now issues.

Schedule K-1 (565), Page 2, Part L, Column c and Schedule K-1 (568), Page 2, Part K, Column c properly include health insurance premiums as calculated on their respective Lines 13f.

Schedule K-1 (565), Page 2, Question L, Column c and Schedule K-1 (568), Page 2, Question K, Column c now display the correct Federal amount when the option to use the Federal Schedule M-1 copy is selected on California > General Information > Options > Schedule M-1 calculation options (Interview Form CA1, Box 62, option "3").

Schedule K-1 (565), Question B, Line 11b, Schedule K-1 (568), Question A, Line 11b and Form 3804, Part II, name fields now only display characters that are valid for electronic filing. If these fields attempt to fill with only invalid characters, they will be treated as blank, producing disqualifying diagnostics if necessary.

Schedule K-1, Deductions, Line 13f no longer fills with portfolio amortization that is also on Schedule K-1, Deductions, Line 13e. Input for Schedule K-1, Deductions, Lines 13a-13f now calculates correctly, regardless of how input is entered. Input for Schedule K-1, Deductions, total cash contributions and total noncash contributions can now be found on California > Income / Deductions > Schedule K Other Adjustments / Overrides > Schedule K Deductions.

The electronic filing overrides for Form 3893 payment and Form 3893 estimate have each been given their own inputs separate from the standard electronic filing override for California. This will also control their respective banking information forms. The inputs for these can be found on both Federal > General > Electronic Filing > State Electronic Filing Options > Other Electronic Filing and on California > Passthrough Entity Tax (Interview Form CA29, Boxes 38 and 39).

Colorado

Diagnostic 46625 no longer issues when the state amount on Form DR 0106, Part V, Line 5 is zero and everywhere is negative.

The "SALT" box has been updated to check for all partners on Form DR 0106K when the election is made.

Delaware

Form CMP-TAX, Line 6 prints a 0 when there is no balance due or refund. A 0 is required for electronic filing in this scenario.

Form PRT-EXT letters and filing instructions now show the efile paragraph instead of the mailing instructions when applicable.

Form PRT-PSI, Lines 11 and 16 now reflect other income and other deductions coded as ZZ from Federal Schedule K-1.

Georgia

Forms IT-CA 2012 and IT-CA 2023 tier input option is now available to input for mandatory cells.

Hawaii

Schedule K-1, Line 5 attributable everywhere column will populate.

Illinois

Schedule UB, Step 2, Line 25 reflects Federal Energy Efficient Buildings Deduction from Form 7205.

Indiana

A corporate partner will no longer calculate tax on the Indiana Schedule Composite-COR when they have been marked as exempt.

Adjusted gross income for partners listed on the schedule composites and Schedule PTET will now load directly from the IN Schedule K-1.

Schedule PTET will now load the adjusted gross income and calculate tax without a composite form active in the return.

Iowa

Form IA Schedule K-1, Part II, Line 16, Column b calculates the amount of investment interest expense for Iowa.

IA direct deposit will now show correctly on the direct deposit/debit report.

IA Form 1065, Line 34 no longer pulls the amount from the Schedule CC unless the 1065 checkbox is selected.

Kentucky

Form 740-PTET no longer includes a deduction for charitable contributions in calculating distributable income for Line 2 of this form.

Kentucky – Kentucky Cities

Forms OL-3E and OL-3D. The company name prints correctly.

Form OL-S, Line 1b will remain blank if a 0 is entered in the gross receipts everywhere override on Federal > Allocation and Apportionment > Sales Factor (Interview Form MST-C).

Maryland

Form 511 has been updated to pull the overpayment from Form 511 instead of Form 510.

Massachusetts

Form 63D-ELT, Line 13 will no longer calculate interest when there is overpayment.

Minnesota

Defaults for Lines 15 and 22 of Schedule PTE are now correctly based on whether the partner is a resident/non resident and/or the partner has their income fulfilled/not fulfilled.

Schedule PTE Line 27 will no longer double.

Schedule PTE, Line 8 will act correctly based on input overrides.

Schedule PTE-RP, Line 5 will now pull directly from Federal Schedule K-1.

Missouri

MO-1040, Line 36. Tax rate is 4.95%.

Nebraska

Filing instructions now display the electronic filing paragraph when selected on Nebraska > General > Basic Data > Line 10 (Interview Form NE1, Box 51).

Form 1065N, Line 13 will display the amount of credit generated on Form PTET-E 2018 - 2022 when the election Form PTET-E 2018 - 2022 has been marked as already submitted.

Form 1065N-ES - Partnership Estimated Income Tax Worksheet and Vouchers have been added on this release. Estimates will automatically generate if estimated tax liability is greater than \$400.00.

New Hampshire

Form DP-132 has been updated to limit NOL to 80% for 2018 and later.

New Jersey

The apportionment percentage now displays for New Jersey on the apportionment summary forms.

New York

The total PTET credit for NYS on the partnership information worksheet has been updated to match the PTET tax due report on the PTET worksheet, Line 19 when overrides for NY additions and/or NY subtractions are used for the PTET worksheet calculation.

North Carolina

Entries on worksheet Federal > Common State/City > Generic State Partner Information Input (Interview Form ST-1) will correctly match according to the partner number entered.

Form NC-NPA, Disregarded Entity name line prints both first and last name for Individual entities.

NC D-403, Part 4. When Section A, Line 5 is populated with "C Corp," "Foreign Gov," "Partnership," or "S Corp," Part 4, Line 24 will always be blank.

Ohio – Ohio Cities

Form 27 has been updated to apportion the income on the Schedule B taxable income.

Oklahoma

Form 514. Filing deadline is 4/15/2024 instead of 4/14/2024.

Form 514, Page 4, Line 13, Column B. Other Schedule K items with option code B and class code DED will be included.

Oregon

OR K-1, Line 13 will display correct amounts from Federal K-1.

South Carolina

SC Form I-435, Line 17 has been updated to prevent the calculation of negative tax.

Utah

Schedule K, Line 12 and Schedule K-1, Line 12 PTE taxes display when information is entered on Federal > Income/Deductions > Business > Taxes and Licenses (Interview Form A-3).

Schedule 3-ET, Line 16 has been updated to no longer double the amount.

Vermont

Schedule K-1, Lines 15-17 now allocate based on the partners' ownership percentage. Special allocation can also be used to allocate amount to the partners.

Fiduciary (1041) Product Updates

Return to [Table of Contents](#).

Federal

Form 7004. Field for "Entity requesting extension does not have an office or place of Business in the U.S." is now accessible.

Form 8621. The 8621 Excess Calculation form in tree menu now matches the form in print.

QBIID. If there is a passthrough activity with multiple QBIs attached, the ordinary loss is divided by the number of multiple QBIs.

Schedule K-1. Schedule K-1 rental real estate depreciation calculation reflects the applicable depreciation and amortization in relation to rental real estate.

Arizona

AZ 141, Page 1, Line 19; AZ K-1, Line 12; and AZ K-1 NR, Line 14 will no longer allow negative amounts.

AZ Sch K-1 Res and NR Form, Page 2. Net long-term capital gain or loss amounts must have an amount reported on Federal Schedule K-1 column for electronic filing.

California

Form 541-B, Line 20 calculation has been updated to correctly calculate the 2% AGI limitation.

Iowa

When there is farm income being distributed to nonresident beneficiaries on the IA K-1, income will be properly allocated against farm, business and rental.

Maine

ME Schedule NR will no longer consider intangible income Maine sourced unless specified with an ME state code entry.

Maryland

Form 504, Line 18 calculates accurately allowing efile acceptance. This change originally appeared in the 2023.03000 release.

Minnesota

Diagnostic 48830 will issue when electronic filing is requested, an agricultural credit is present and an associated certificate number is missing. This change originally appeared in the 2023.03000 release.

Nebraska

Nebraska 1041N, Line 26 has been updated to properly calculate the trust portion of the PTET credit.

North Carolina

NC NOL, Line 6 no longer allows negative amounts for electronic filing. This change originally appeared in the 2023.03000 release.

New York

Electronic Funds Transfer is now included in letters for Form IT-205 balances due when requested.

Form IT-205, Page 1, Line 4 correctly includes Fiduciary amounts from Page 3, Schedule C, Column 5.

Rhode Island

RI Schedule K-1. The taxpayer identification number fills as expected and will no longer result in a schema validation error. This change originally appeared in the 2023.03000 release.

Texas

Diagnostic 47972 will not issue for entities that are passive or qualify as a New Veteran Business due to 05-152 and 05-167 not being required for those entities. This change originally appeared in the 2023.03000 release.

Exempt Organization (990) Product Updates

Return to [Table of Contents](#).

Federal

Statement Pursuant to Regulation Section 1.351-3(a) & 1.351-3(b) is now available to be produced in the Exempt Organization software. To produce, please use Federal > Other > Statement Pursuant to Reg. Sec. 1.351-3 (Interview Form STMT-8).

The 1120-POL Federal return has been added to the tax exempt system and can be generated using Federal > Basic Data > Prepare Form 1120-POL (Interview Form 1, Box 58). Inputs for the 1120-POL have been added and can be found under Federal > Other returns > Form 1120-POL (Interview Form POL-1 and POL-2). Electronic filing is now available and can be selected using Federal > Electronic Filing > File Form 1120-POL Electronically (Interview Form EF-1, Box 111).

Employee Benefit Plan (5500) Product Updates

Return to [Table of Contents](#).

Federal

Schedule DCG. Individual Plan Information has been added.