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1.1 How do I set up an 1120 Consolidated return using worksheet view in CCH® ProSystem fx® Tax and CCH Axcess™ Tax?

Parent and Subsidiaries

1. Create and complete the parent and subsidiary returns as if you were filing them as stand alone. Ensure that each has a unique Employer identification number (EIN).
    - **In the parent return, do the following:**
        - Go to the General > Basic Data worksheet.
        - Select Section 1 - General.
            - In Line 47 - Code for consolidated return, use the lookup value (double click or press F4) to select Parent.
            - In Line 48 - Return may be included in a consolidated return, select the checkbox.
        - Calculate the return.
        - Save and close the return.
    - **In the subsidiary returns, do the following:**
        - Go to the General > Basic Data worksheet.
        - Select Section 1 - General.
            - In Line 47 - Code for consolidated return, use the lookup value (double click or press F4) to select Subsidiary.
            - In Line 48 - Return may be included in a consolidated return, select the checkbox.
        - Calculate the return.
        - Save and close the return.

Consolidated Shell

2. Create a brand new return, with a unique client ID, for the purpose of consolidating the lower level return information.
    - **In the consolidated return, do the following:**
        - Go to the General > Basic Data worksheet.
        - Select Section 1 - General.

    - In Line 47 - Code for consolidated return, use the lookup value (double click or press F4) to select Consolidation.
- Go to the Consolidated > Membership Information worksheet.
- Select Section 1 - Membership Information.
    - In the grid, for Company Number 1, enter the name and EIN of the consolidated corporation.
    - In the grid, for Company Number 2, use the lookup value (press F4) to select the parent corporation.
    - Click OK.
    - In the grid, for Company Numbers 3+, use the lookup value (press F4) to select the subsidiary corporations.
    - Click OK.
    - Recalculate the return.

1.2 How do I set up an 1120 Consolidated return using interview forms in CCH® ProSystem fx® Tax

Consolidation is a mechanism for bringing together several corporate returns into a single return to be filed. The components of a consolidation are the Parent, Subsidiaries, and the Consolidating Unit. The Parent and Subsidiaries are complete Corporate returns; the Consolidating Unit is a “shell.”

- **Note:** the parent return and subsidiary return(s) must be successfully completed before a consolidation can be done.

Parent and Subsidiaries

In order to include these returns in a Consolidation, the separate Parent and each separate Subsidiary 1120 return must be completed and then designated as part of a consolidation:

1. Go to Federal Interview **Form 1 – Basic Data**.
2. In box **90 - Code for consolidated return**, input a 'P' or use the lookup feature (double-click or click F4) and select 'Parent'.
    - **Note:** On the subsidiary returns, in this box input an S for 'Subsidiary' or D for 'Dominant Subsidiary' (as applicable).
3. In box **91 - X if Return may be included in a consolidated return**, checkmark this box.
4. Repeat for all companies that are to be included in the consolidation.
5. Calculate the return.

Consolidated Shell

After each member’s return has been completed the Consolidation can be assembled.

1. Create or open a new return with a unique client ID (it cannot be the same as the Parent).
2. Go to Federal Interview **Form 1 - Basic Data.**
    - Complete the following general information:
        - Box **40 - Corporation name**.
        - Box **42 - Employer identification number**.

        - Box **43 - Street address**.
        - Boxes **44 through 46 - City, State,** and **Zip Code**.
        - Box **48 - Corporation telephone number**.
        - Box **49 - Signing officer's title**.
        - Boxes **50 & 51 - Fiscal year dates**.
        - Box **52 - Date incorporated**.
        - Box **53 - Business code**.
        - Box **54 - Principal business activity**.
        - Box **55 - Principal product or service**.
3. In Box **90 - Code for consolidated return**, use the lookup feature (double-click or click F4) to select 'C' for 'Consolidation'
4. Navigate to the **Federal Interview forms** > **Consolidated** > **Form CC-1 - Consolidated Corporation General Information**.
5. In Box **30 - Company Number (Row A)**, leave this number as '1'.
6. In Box **31 - Corporation Name (Row A)**, use the lookup feature (double-click or click F4) to select the appropriate name.
    - **Note:** This information is from step 2 Box 40 above.
7. In Box **40 - Client ID (Row B)**, use the lookup feature (double-click or click F4) to select the appropriate client ID of the 'Common Parent'
    - **Note:** It is recommended to use the lookup feature rather than typing the client ID in; that assures correct spelling and version match the return in the system.
    - **Note:** Use the remaining rows (Rows C through J) to input the subsidiaries.
8. In Boxes **47 down to 96 - Client ID**, use the lookup feature (double-click or click F4) to select the appropriate client ID(s) of the subsidiary return(s).
9. Calculate the return.

Return Group Navigation and Processing

- Each member return can now be accessed via the 'Return Group' tab that appears as a tab similar to Federal Interview, Federal Government and State tabs.

- The entire group can be calculated by clicking Calc in the main menu and then clicking Return group.
- A series of very useful Help screens can be accessed behind this CC-1 Interview Form by clicking F2 or by right-clicking and selecting This forms instructions.

1.3 How do I generate extension Form 7004 for a Consolidated 1120 return using Worksheet View?

Procedure

1. Go to Worksheet View > Extensions
2. Line 1 > Produce Form 7004 > Check the Box
3. Line 2 > Type of return to be filed > Form 1120
4. Line 5 > Include Form 7004 in federal government copy > Check the Box
5. Line 18 > Unlock Form 7004 > Check the Box
6. Calculate the tax return

1.4 How do I create a Consolidated S Corporation return using CCH® ProSystem fx® Tax and CCH Axcess™ Tax worksheet view?

A consolidation is a mechanism for bringing together several corporate returns into a single return to be filed. The components of a consolidation are a Parent, Subsidiaries, and the Consolidating Unit. The Parent and Subsidiaries are complete Corporate returns; the Consolidating Unit is a “shell.”

As noted above, the units that will comprise the Consolidation are the Parent and the Subsidiaries. These returns must be successfully completed before a consolidation can be done.

After each member return has been completed the Consolidation can be assembled:

1. Create a new return with a unique client ID (It cannot be the same as the Parent return).
2. Go to **General** > **Basic Data**.
    - Select Section **1 - General**.
        - In Lines 1 **through 37 - General Information**, enter all applicable information.
3. Go to **Consolidated** > **Membership Information**.
    - **Note:** This worksheet is used to create the consolidation.
4. The consolidated "shell" must be **Company Number** 1.
    - Enter the **Company Name** and **FEIN** in the applicable columns.
5. The common parent must be **Company Number** 2.
    - In the row for company 2, use the lookup feature (double-click or click F4) to select the **Client ID**.
6. The third and subsequent corporations are the subsidiaries.
    - **Note:** These can be in any order desired.
    - Select each line, and follow the instructions for number 5 to select the subsidiaries.
7. Calculate the return.

Notes:

- Each member return can now be accessed via the return group tab that appears as an organizational chart in the lower left-hand corner of your screen in the navigation bar.
- The entire group can be calculated by clicking Calculate > Return Group in the main menu.
- A series of help screens can be accessed behind Membership Information by hitting F2. These help screens are very useful in completing the consolidation.

1.5 How do I create a Consolidated S Corporation return using Interview forms in CCH® ProSystem fx® Tax?

A consolidation is a mechanism for bringing together several corporate returns into a single return to be filed.

- The components of a consolidation are a Parent, Subsidiaries, and the Consolidating Unit. The Parent and Subsidiaries are complete Corporate returns; the Consolidating Unit is a “shell.”
- The units that will comprise the Consolidation are the Parent and the Subsidiaries.
- These returns must be successfully completed before a consolidation can be done.
- After each member return has been created the Consolidation can be assembled.

The consolidation must consist of 1 "shell" company, 1 Parent and at least 1 Subsidiary:

1. Open a new return with a unique client ID (not the same as the Parent).
2. Go to Federal Interview Form **1 - Basic Data**.
    - Enter the following General information:
        - In Box **40 - Corporation name**.
        - In Box **42 - Employer identification number**.
        - In Box **43 - Street address**.
        - In Box **44 - City**.
        - In Box **45 - State**.
        - In Box **46 - Zip Code**.
        - In Box **48 - Corporation telephone number**.
        - In Box **49 - Signing officer's title**.
        - In Boxes **50 and 51 - Fiscal year dates**, if applicable.
        - In Box **52 - Date of election as S Corporation**.
        - In Box **53 - Business code**.
        - In Box **54 - Date incorporated**.
        - In Box **55 - State of incorporation**.
3. Navigate to **Federal Interview Forms Consolidated**.
4. Go to Consolidated Interview Form **CC-1 - Consolidated Corporation General Information**.

- In the first line leave Company Number - Box 30 as 1 and enter the information from step 4 Box 40 above in the column titled Company Name.
- The second company MUST be the 'Common Parent'; enter its Client ID under the heading Client ID - Box 39 on the second line of this interview form.
- This is best done using the look-up feature rather than typing; that assures correct spelling to match the return in the system.
- For more information see our article on the Look-up Feature for Membership Information.

5. The third and subsequent companies are the subsidiaries, enter their Client IDs under the heading Client ID or use the look-up feature.
6. Calculate the return.
    - Each member return can now be accessed via the Return Group tab.
    - The entire group can be calculated by clicking Calc > Return Group in the main menu.
    - A series of help screens can be accessed behind the CC-1 - Consolidated Corporation General Information by hitting F2 or by right-clicking and selecting This forms instructions.
    - These help screens are very useful in completing the consolidation.

1.6 How do I create a Consolidated 1065 Partnership return using CCH® ProSystem fx® Tax and CCH Axcess™ Tax worksheet view?

Consolidated 1065 returns were added in 2010 to assist with preparing 1065 returns that are divisions or disregarded entities. Consolidated 1065 returns cannot be prepared prior to 2010. A minimum of two 1065 returns must be prepared before creating the consolidated return. You must create a third 1065 return to be the consolidated (shell) return.

1. Go to the **Consolidated > Membership Information** worksheet.
   - Click **Detail**.
   - Select Section **1 - Member Information**.
     - In Line **1 - Number**, verify the entry is **1**.
     - In Line **2 - Name**, enter the name of the consolidated unit.
     - In Line **3 - Employer identification number**, enter the EIN of the consolidated unit.
2. At the top of the detail window, click the next arrow to go to the next member input.
   - In Line **2 - Name**, use the lookup value (double-click or press **F4**) to find the next member(s) of the consolidation.
   - Repeat as needed until all members are included.
3. Calculate the return.

Notes:

- One member must me selected as the Common Parent. This may not be the top (number 1) company.
- Tiered Consolidated Returns and 1065-B Consolidated Returns are currently not supporting in the 1065 program at this time.

1.7 How do I create a Consolidated 1065 Partnership return using Interview forms in CCH® ProSystem fx® Tax?

Note: Consolidated Partnership returns cannot be prepared in ProSystem fx Tax prior to 2010.

A minimum of two Partnership returns must be prepared before creating the consolidated return. Create a third Partnership return, which will be called the consolidated (shell) return. This return will be used to consolidate the separate Partnership returns into one return.

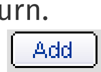
1. Open the consolidated return.
2. Navigate to Federal Interview Forms Consolidated.
3. Select Interview form CC-1 **- Partnership Consolidated General Information**.
    - In box **31 - Partnership Name**, enter the name of the consolidated member.
    - In box **32 - Employer ID**, enter the EIN of the consolidated member.
    - In box **37 - Partnership Name**, use the lookup feature (double-click or click F4) to select the name of a member to the included in the consolidated return.
        - Repeat for each additional member that is to be included in the consolidated return.
    - In box **40 - X if** Common Parent (or the box on the line related to the member to be identified as the parent), checkmark this box.
4. Calculate the return.

Notes:

- The Return Group tab will generate allowing navigation between the members of the consolidated return.
- Tiered Consolidated Returns and 1065-B Consolidated Returns are currently not supporting in the 1065 program at this time.

1.8 How do I prepare Form 8865 in a 1065, 1120S, 1120, 1040, 1041, and 990 return using worksheet view in CCH® ProSystem fx® Tax and CCH Axcess™ Tax?

Method 1 - Manual (non-automated) - Available with a 1065, 1120S, 1120, 1040, 1041, and 990 return types:

1. Go to **Foreign** > **8865** worksheet.
2. In line **Form 8865 number**, leave as the system assigned entity number, or create a unique entity number (other than **99**).
    - **Note**: Using entity **99** in return types other than 1065 may stop the Form 8865 preparation.
3. Populate fields in each section as needed.
4. Calculate the return.
5. (Optional) Select 

 or  to create additional 8865 entities and repeat steps 2-4.

Method 2 - Automated from Form 1065 Inputs - Available with a 1065 return type:

1. Populate the 1065 return (adding **Basic Data**, **Partner Information**, **Income and Deductions**, **Balance Sheet**, etc.).
2. Go to **General** > **Return Options** worksheet.
3. Expand section **Processing Options**.
4. In line **Print options for 1065 and 8865**, select either **8865 stand alone** or **8865 with 1065**.
5. Calculate the return.
6. Review the Form 8865 prepared.

Populate sections of Form 8865 not connected with Form 1065 input:

1. Go to **Foreign** > **8865** worksheet > section **U.S. Filer Information**.
2. In lines **Category (x) filer,** select the applicable **Category** type checkbox(es).
3. In line **Form 8865 number**, change the number to **99**.
4. Calculate the return.

5. In ProSystem fx® Tax navigate to the Worksheet Header, select the next worksheet sheet button where the **Form 8865 number** will be **99**.
    - 

6. Populate below 8865 worksheet input sections as needed, periodically reviewing the prepared 8865 form Schedules and lines.

Notes

- Any additional sheets of **8865** worksheet (**8865 Number** = **1-98**) will prepare an additional Form 8865(s).
- This will make the automated 8865 entity and the manually keyed 8865 entity line up with the manually keyed 8865 entity, applying the manually 8865 keyed information to the automated 8865 entity.
- Important:
    - Manual 8865 entities with K2/K3 should not be used in same return that is also using automated entity with K2/K3. Each automated 8865 and manual 8865 with any number of manual entities only should have its own client ID and then use Cross-over Automation feature to link those separate client IDs into a destination return, which could be another partnership return, S Corporation, Exempt Org, or Individual return type.

Cross-over Automation - Absorb Form 8865(s) Prepared in Other Client Returns - Available with a 1065, 1120S, 990, and 1040 return types:

This is the process of consolidating Form 8865(s) generated and populated within separate company return(s).

1. Create or Open each separate company client ID return.
2. Create Form 8865(s) using either method mentioned above as applicable.
3. Create or Open the shell company client ID return for the purpose of absorbing 8865s from separate companies.
4. Go to **Foreign** > **8865** worksheet > Section **8865 Automated Feature**.
5. In Row **1**, column **8865 Entity Number**, column **8865 Client Name**, input the company name of the shell company 8865 Reporting Entity.

6. In Row **2**, column **8865 Client ID**, select **Lookup Value**, keyboard (**F4**) and select an applicable separate company client ID from the list with form 8865 prepared.
    - The Lookup Value (F4) will list all client IDs in your system in the order of Corps, Fiduciaries, Individuals, Partnerships, S Corps, then Exempt Orgs.
7. In Rows **3**, **4**, **5**, etc. repeat step 6 as needed.
8. Calculate the return group.

What is the 8865 Crossover functionality and Automation using the 1065 calculation using CCH® ProSystem fx® Tax and CCH Axcess™ Tax?

New for 2021: Schedule(s) K-2 and K-3(s) with Form 8865 for 1065

- **To prepare multiple 8865 Schedule K-2 / K-3(s), it is recommended to use the crossover function.**
    - Manual 8865 entities with K2/K3 should not be used in same return that is also using automated entity with K2/K3.
    - Each automated 8865 and manual 8865 with any number of manual entities only should have its own client ID and then use Cross-over Automation feature to link those separate client IDs into a destination return, which could be another partnership return, S Corporation, Exempt Org, or Individual return type.
- **Separate Client return with Form 8865 Schedule K-2/K-3(s) prepared can be consolidated with the Client return using the 8865 crossover functionality.**
- **The 8865 crossover feature (consolidation) will not work if there is existing K2/K3 input in the filing return before consolidating.**

1065 Return Type Input (8865 Cross-Over Consolidation)

- Interview Form: **FOR-CC**, boxes **30-59.**
- Worksheet View: **Foreign** > **8865** worksheet > section **8865 Automated Feature**.

Note

- Once consolidated, the only way to add additional 8865's to the filing return is to add another return ID to the above input.

8865 Crossover functionality

- The Form 8865 can be prepared in one return and then accessed from another return. Also, from within a return, we can access Form 8865 from many other returns using your current return as a master or combined return for e-file or paper filing purposes. A Form 8865 prepared this way is called a “crossover 8865".

- A return can access the Forms 8865 in another return by using input mentioned above. We can use this feature across 5 systems such as Partnership, S Corporation, Corporation, Individual and Exempt Organization. The capability to send a 8865 from one system to another and file it, include both automated and non-automated 8865. We will call the top unit (filing entity) as 8865 reporting entity.
- Additional 8865 level forms available are 4797, 8825, 4562, Sch F and 3468. These are 8865 versions of corresponding return level forms.
- Cross over 8865 will read TS code to flag an 8865 for spouse or for taxpayer. The TS code for this reason will not be limited to just 1040 return types.
  - TS code is located under Interview form FOR-5 box 41 (Foreign > 8865 worksheet > section U.S. Filer Information > line TS Code (1040 and crossover 8865 only) to be selected at the separate company level.
- In a married filing joint 1040 return, when both taxpayer and spouse are partners in same partnership, we default to position that only one 8865 may be necessary with K1 for both taxpayer and spouse included. Considering attribution rules however, if you take a different position and would like to attach two separate automated 8865s, you could do so by creating two versions of the partnership return and flag one of those with a TS code of S and then link both versions to the 1040 return.

Electronic Filing Crossover 8865

- 8865 created through crossover feature is available for electronic filing.
- Additional forms 4797, 8825, 4562, Sch F and 3468 behind Form 8865, are not currently available for electronic filing since IRS has no schema for those, however 8865 will still qualify for e-filing and transmit when these forms are present.
  - **Note:** This exception is only for 8865 version of these forms.
- When you would export the 8865 reporting entity return, only the top return will export, crossover feature already includes 8865 with that return and in the e-file.
- A standalone 8865 will not export since it cannot be transmitted to IRS, please see additional detail on 8865 automation (below), standalone 8865 is created when interview Form 1, Box 70, titled Print options 1065, 1065-B, and 8865, select code

2. 8865 stand alone could be used when Federal 1065 is not intended to be filed out of this return but just 1065 level calculation is to be used to generate 8865.

Example: Creating Automated (Stand Alone 8865) and Crossover 8865:

Note: 8865 created out of partnership system and to be filed with a 1040.

Here is an example how a typical 8865 in this manner can be set up, assuming the partnership PEF001B is to be set up so that an 8865 from this return is created using automated 8865 calculate and then this 8865 along with 8865 level K1 for one such partner is to be sent to their 1040 return. Here are the steps for this example:

- Within a partnership return called PEF001B, go to Interview Form 1, Box 78, titled Print options 1065 and 8865, select code 2 for automated 8865 calc.
- Select the partner for whom 8865 level automated K1 is to be created, for an individual it can be a taxpayer with code T or spouse with code S for 1040 purposes.
- In our example assuming it is partner 1, go to Interview Form K-2, Box 134, titled X for 8865 Sch K-1, please note this selection is made per partner for the respective partner.
- By default we assume for an individual, the 8865 is for the taxpayer, if this is not the case. In order to put S code or to add any other additional information such as a schedule to be added for 8865, calculate the return and then go to Interview Form FOR-5 Box 39 titled Form 8865 number, key in 99, and make a choice to flag this K-1 for spouse, select code S for spouse under box 41 titled TS code. If you need to add any schedules for 8865 not created through automated calculate you can add those using existing 8865 level input. The entity no. 99 would match those schedules and attach those with the automated 8865.
- Now open an existing 1040 return in which this 8865 is to be brought in or setup a new one, if you are e-filing, preferably the 1040 should qualify for e-filing before bringing 8865 that would make it easier to see if there are any additional 8865 level diagnostics that are created.
- Depending on whether 8865 was flagged for T (default) or S, the name and address and Social of T/S in 1040 will be same as in the source 8865 K-1 from partnership return.

- In order to link these returns, go to Interview Form FOR-CC under Form 8865 and type the name of the filer on first line under 8865 Client name, no client ID would be allowed on first line since this line corresponds to the return you are already in. In order to drill down to the partnership return double click on 8865 name or Client ID column of second line, and select the partnership return in our example.
- If you are e-filing, calculate the 1040 return and then look at your e-file diagnostics. If there is any 8865 level diagnostic, using the return group tab (This is a way to navigate back and forth to returns linked together without having to open the return through client ID). You can just click on the partnership return out to open that return and then clear any 8865 level e-file diagnostics generated out of that return and go back to 1040 from same return group tab
- After all diagnostics are cleared and you have validated that all the 8865 level forms are present, look at 8865 page 1, filer information, since the 8865 was flagged for spouse, the Social that prints should be for the spouse, this is what we use the spouse flag for.

1.9 Electronic Filing

How do I electronically file an 1120 or 1120S Consolidated returns using worksheet view in CCH Axcess™ Tax?

When electronically filing a Consolidate C Corporation or S Corporation return, there can only be:

- One consolidated return
- One parent and at least one subsidiary present in the return group.

Select an e-file for each return:

1. All returns, within the return group, must be qualified for electronic filing.
    - Before the 1120 or 1120S consolidated return can be exported and released to the taxing authority.
2. Select e-filing for a C Corporation or S-Corporation.
    - Select **General > Electronic Filing.**
        - Select **Section 1 - General.**
            - In line **1 -** input **Yes**.

Notes:

- After a return is selected for electronic filing, all disqualifying diagnostics for the return must be cleared.
- These can be viewed by calculating the return and selecting the diagnostics icon in the Tax Preparation toolbar.
- All diagnostics beginning with the number 4 (eg: 43042) or number 5 (for extentions eg: 56567) are disqualifying diagnostics.
    - They must be cleared for the return to qualify for e-filing.

Verify electronic filing setup:

1. Select the Return Group icon in the navigation panel.

    - This will determine which returns are qualified or disqualified for electronic filing.
2. The Q to the left of the company name indicates it is selected and qualified for electronic filing.
3. Those without the Q still have disqualifying diagnostics, or have not been selected for electronic filing.

Exporting a consolidated return:

1. Open the consolidated return and select **File > Export > Electronic Filing > Return.**
    - The "Export ELF" dialog will display a listing of all returns in the return group.
    - This file automatically includes the parent and subsidiary return information and one file is transmitted to the IRS.
2. The "Select Return for Export" dialog will appear.
    - This will show any returns that have been selected for electronic filing and their status.
    - If you unmark the Units box next to the taxing authority, that return will not be uploaded.
3. Verify what should be e-filed.
4. Select the **export** button.
5. The "Electronic Filing Document Print Options" dialog will appear.
    - This regards the printing of the signature forms.
        - **Chose to Efile and print the form(s)**
        - **Efile Only**
        - **Cancel**
6. The "Upload Returns" dialog will appear.
    - **Upload and Hold** the return or **Upload and release to tax authority**.

Releasing a consolidated return to the taxing authority:

1. Open the Electronic Filing Status site.
2. Select **Manage > Electronic Filing Status**.
    - Alternatively, click the **Electronic Filing Status** icon in the toolbar.

3. Log in using your unique user name and password.
4. The Electronic Filing Status site will open.
5. Select the **Release Return(s)** tab.
6. Select the applicable search criteria for this return and select **Go**.

To narrow the search:

1. Select **Specify Client by section** and choose one of the following:
    - **Return ID Name (Last, First)**
    - **SSN/FEIN**
2. Input the corresponding data and select **Search**.
3. Select the return to release from the results list.
4. Select **Release to Taxing Authorities**
5. Select **Release Selected Return(s)** on the confirmation dialog.

How do I electronically file an 1120 Consolidated Standalone State return using worksheet view in CCH® ProSystem fx® Tax and CCH Axcess™ Tax?

If the federal return is consolidated, but the state is not, then state must be e-filed by itself from the separate client file where that state return is prepared.

Electronic filing of stand alone state returns is not allowed when the return is accessed through the Return Group tab. To export a stand alone state (other than MA if filing on combined basis and AL 20C) you must close the consolidated return and with CCH Axcess™ Tax Return Manager window, or CCH® ProSystem fx® Tax Open Returns window, open the specific separate company return as a stand alone return.

Warning! Before starting, we recommend creating a second version for efiling stand alone state returns. This will ensure that your federal return remains unchanged.

1. Open the separate company return.
2. Verify the Groups / Return Group tab is not active.

3. If the Groups / Return Group tab is still active, close the tax program, reopen the tax program, and then reopen the separate company return.
4. Remove the input indicating it is part of a consolidation:
5. Go to the **General** > **Basic Data** worksheet.
   A. Select Section **1 - General**.
      i. In **Line 47 - Code for consolidated return**, clear the checkbox.
      ii. In **Line 48 - Return may be included in a consolidated return**, remove any entries in this box.
         1. **Note:** If a second version of the return was not created, the steps above will need to be reversed once the separate state return(s) have been exported.
6. If the federal return was previously exported, suppress it by doing the following:
7. Go to the **General** > **Electronic Filing** worksheet.
   A. Select Section **1 - General**.
      i. In **Line 12 - Do not to transmit federal return/extension at this time**, select the checkbox.
8. To indicate which states / cities to file:
9. Go to the **General** > **Electronic Filing** worksheet.
   A. Select Section **4 - State Electronic Filing Options**.
      i. In **Lines 1 through 46 - File State Electronically**, select **Yes** for all applicable states.
      ii. In **Lines 47 through 50 - Other State Electronic Filing**, select **Yes** for all applicable states.
      iii. In **Lines 51 through 57 - City Electronic Filing**, select **Yes** for all applicable cities.
10. Suppress all state, all city, and other returns options:
11. Go to the **General** > **Electronic Filing** worksheet.
   A. Select Section **1 - General**.
      i. In **Line 3 - File all states returns electronically - (Y),(N) ***, select **No**.
      ii. In **Line 4 - File all city returns electronically - (Y),(N) ***, select **No**.
      iii. In **Line 6 - File all states electronically - (Y),(N) ***, select **No**.
12. Calculate the return.

13. Verify that the state returns being electronically filed have qualified.
14. Export the state only return.

Notes

- Prior to export of stand alone state return, verify that any previous uploads into "Ready to Release Status," from that client, in the same tax year, has been released to the taxing authority from the ELF Status Site.
- Arizona, Arkansas, and Oregon do not currently allow separate company returns to be e-filed without having sent the federal return. Please paper file these states if they use an EIN / client ID that is part of the federal consolidated return group.

States are not available for e-filing as a single unit exported from inside the consolidated shell company return group (except Massachusetts and Alabama 20C). Do not e-file from the consolidated level if any of the following states are active for electronic filing in the parent and subsidiary returns: AL BPT/CPT, CA, GA, KS, MD, MI, SC, WI.

How do I e-file an Alabama Standalone return that is part of a consolidated group in an 1120 return using CCH Axcess™ Tax?

Electronically file a stand alone Alabama return where Federal is consolidated.

Procedure

The software must send the Alabama standalone return from inside the Consolidated Group. This is a change which began with tax year 2017 and is a result of an Alabama business rule requiring the Federal Consolidated XML file to be included with the Alabama standalone return. Alabama has not rescinded the previous business rule requiring the PDF copies and so the diagnostic requiring those is still present and needs to be cleared at the separate company return preparing Alabama Form 20C.

Important: The Federal Consolidated return must be Accepted before attempting to efile separate Alabama stand alone state returns.

Note: If the client ID contains letters, all letters must be in uppercase. If they are not, the customer will need to change the client ID to all uppercase letters. Please confirm that all client ID's are in uppercase by reviewing the client ID in the Return Group tab.

The returns must be exported from the consolidated return.

The steps to successfully e-file the Alabama stand alone returns from a return included in the Federal consolidated return are as follows:

In the parent/subsidiary returns via the return group tab, follow steps 1-24 below (A red asterisk ***** represents input only required at returns preparing Alabama):

1. *****Go to the Common State/City > State / City Common Data worksheet.
2. *****Select Section 1 - General Information.
3. *****In Line **1 - State/City code**, use the lookup value (double-click or press F4) to select AL - Alabama.
4. *****Select Section 4 - Consolidated/Combined Return Information.
5. *****In Line **2 - Parent's name**, enter the name of parent return.

6. *In Line **3** - **Parent's FEIN number**, enter the federal employer identification number of the parent return.
7. *In Line **9** - **Member of a consolidated/combined or affiliated group**, use the lookup value (double-click or press F4) to select Not a member.
8. *In Line **10** - **Member of federal consolidated but not for state**, use the lookup value (double-click or press F4) to select Yes.
   - Note: Alabama Form 20C, Page 1, This company files as part of a consolidated federal return (at top of form), is required to be checked for stand-alone returns.
9. Clear any disqualifying electronic filing diagnostics.
   - *If you are filing Alabama from the Parent return, you will need to contact support for the Upload Override code. This will need to be issued because you will be filing another return with the same FEIN as the consolidated return and with a different client ID.
   - For more information, see our article [reviewing, clearing, and signing off on diagnostics in CCH Axcess™ Tax and CCH® ProSystem fx® Tax].
10. Go to the General > Electronic Filing worksheet.
11. Expand Section 1 - General.
12. In Line **1** - **Electronically file the federal return and enable electronic file for return types selected below**, enter **Y**.
13. In Line **2** - **File extension electronically**, enter **N**.
14. In Line **3** - **File all states returns electronically**, enter **N**.
15. In Line **4** - **File all city returns electronically**, enter **N**.
16. In Line **12** - **Do not transmit federal return/extension at this time**, select the check box.
17. Expand Section 4 - State Electronic Filing Options.
18. *In Line **1** - **Alabama**, enter **Y**.
19. In Lines **2-46** - **File State Electronically,** leave blank or enter **N** in states (as applicable).
20. In Lines **47-51** - **Other Electronic Filing**, leave blank or enter **N** (as applicable).
21. In Lines **52-61** - **City Electronic Filing**, leave blank or enter **N** (as applicable).
22. Calculate the return.

23. Repeat steps 1-22 for every return filing an Alabama stand alone return in the consolidated group.
24. Repeat steps 1-22 in every return NOT filing Alabama stand alone returns, with the exception of step 18; leave this field blank or enter N with returns not filing Alabama.

In the top consolidated return, follow steps 1-22 below:

1. Go to the General > Electronic Filing worksheet.
2. Expand Section 1 - General.
3. In Line **1 - Electronically file the federal return and enable electronic file for return types selected below**, enter **Y**.
4. In Line **2 - File extension electronically**, enter **N**.
5. In Line **3 - File all states returns electronically**, enter **N**.
6. In Line **4 - File all city returns electronically**, enter **N**.
7. In Line **12 - Do not transmit federal return/extension at this time**, select the checkbox.
8. Expand Section 4 - State Electronic Filing Options.
9. In Line **1 - Alabama**, enter **N**.
10. In Lines **2-46 - File State Electronically,** leave blank or enter **N** in states (as applicable).
11. In Lines **47-51 - Other Electronic Filing**, leave blank or enter **N** (as applicable).
12. In Lines **52-61 - City Electronic Filing**, leave blank or enter **N** (as applicable).
13. Verify that Alabama is not a state return generated in the top consolidated return.
14. Clear any disqualifying electronic filing diagnostics.
    - For more information, see our article reviewing, clearing, and signing off on diagnostics in CCH Axcess™ Tax and CCH® ProSystem fx® Tax.
15. Calculate the return group.
16. Go to the Import/Export tab > EFS > Return.
17. You will see the consolidated export tree listing all of the returns in the consolidated group, with only AL listed under those entities filing the standalone Alabama return.
18. Click OK > Upload and HOLD the return.
19. Open efile.prosystemfx.com.

20. Log in using a user profile associated with the account number of the Axcess software install that uploaded the Alabama separate company returns.
21. Release the separate Alabama returns located under each individual return ID.
22. If steps were missed above and the Federal consolidated return appears in "Ready to be released" status, to remove from the e-file web site, please contact support.

Note

- After upload of the stand alone Alabama state return using the above steps, Axcess tax may display an **Exception Occurred** message with reference to the consolidated client ID. This message can be disregarded.