CCH Axcess™ Tax

2014-2.6 Release Notes

February 15, 2015

CCH Axcess™

At the Center of the Firm in Motion

Contact and Support Information

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Product and account information can be accessed by visiting Customer Support online at Support.CCH.com/Axcess. 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 for each CCH Axcess module. Access to these features is available 24/7.

The following Web site provides important information about the features and updates included in all CCH Axcess Tax releases: Release Notes

Visit the Application Status Web page to view the current status of our CCH Axcess applications. The Application Status Web page is updated every 15 minutes.

Go to Contact Us to find Support calendars, as well as options to enter Web tickets for assistance.

Information in Tax Year 2014 Release Notes

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CCH Axcess Tax Release Notes inform you of the enhancements and updates that have been made to Tax products and systems with the current release.

The updates provided in the Release Notes include the following:

- Contact and Support information
- Updates to Tax technology (electronic filing updates, Organizer, roll forward, technology enhancements)
- Updates made to Tax products (form additions and updates, changes in diagnostics, changes caused by regulatory updates)

To access a list of CCH Axcess Tax Release Notes for the current year and for prior years, visit the Release Notes page on our Customer Support site.

Highlights for Release 2014-2.6

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2014 Electronic Filing

The following federal and state returns are approved and available on this release:

Partnership

Illinois

Corporation

Illinois

S Corporation

Illinois

Tax Product Updates

Individual (1040) Product Updates

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Federal

State Extension Filing Instructions. The taxpayer will no longer be instructed to sign and return a form if no signature form is produced for the federal or state extensions.

Estimate Filing Instructions. The federal estimate mailing address for taxpayers with a Missouri mailing address has been updated to P.O. Box 37007, Hartford, CT 06176-7007.

Form 114. Filer address override information is used for the spouse address on financial accounts jointly owned with the spouse.

Form 8889. The form is calculated as self-only by default when Health Savings Accounts > General Information > Value of the HSA is the only amount entered in the section.

Form 8960. Form 8960, Line 7, Worksheet will calculate any state income tax refund recovery on the state income tax refund minus any refund attributable to the estimate paid in the following year.

Form 8962. If Form 8962, Line 6, is answered *No*, and the monthly premium amounts are all equal, Line 11, Columns A through E, are left blank.

Tax Equalization. An option to calculate hypothetical foreign tax credit for both regular tax and alternative minimum tax is available with this release. Hypothetical Forms 1116 and 1116 AMT are provided to facilitate the hypothetical return review process by displaying amounts from both the actual return and the hypothetical return. The hypothetical foreign tax credit calculation may be selected on Tax Equalization > Federal Calculation Options > Calculate hypothetical foreign tax credit or Tax Equalization > Tax Equalization Engagement > Engagement - Federal Calculation Options > Calculate hypothetical foreign tax credit.

Tax Equalization. Cash Flow Statement #10, Informational Only section, Federal Tax Balance Due Paid by Taxpayer, is properly including the penalties and interest.

Tax Equalization. Cash Flow Statement #10, Informational Only section, line for amount to include in W2, equals the Net Payment Due Taxpayer/Company.

Direct Deposit/Debit Report

The Direct Deposit/Debit Report for federal electronically filed estimates reflects bank information entered for estimates.

Alabama Electronic Filing

Schedule OC no longer prints if the form only contains credit for taxes paid.

California

Form 568, Line S, calculates correctly when multiple single-member LLC entities are present for California.

Massachusetts

Massachusetts Schedule B is included in the printed return when short term capital loss carryovers are present.

Minnesota

Schedule M1M, Additions and Subtractions, Line 6, Federal section 179 expensing addition, calculates for part-year/nonresidents with assets placed in service in the tax year.

Missouri

Form MO-A, Line 7y, now reflects $36,442 per the line instruction.

The preparer address prints correctly on Form MO1040.

Nebraska

When a partnership passthrough/K-1 has a state use code of 1 for LLC, Schedule K-1N 1065 automatically selects the LLC box.

New York

A preparer code is no longer required to enable the New York exclusion code in the return configuration set to flow to the tax return.

New York Electronic Filing

New York State Tax Preparers. All return filers must include the following paid preparer information on all paper and electronically filed returns, if applicable:

- Preparer's name
- Firm's name
- Address
- Preparer's NYTPRIN or NYTPRIN exclusion code (if applicable)
- Preparer's PTIN
- Firm's EIN
- Preparer's signature

New York State e-file mandate. Visit the following Tax Department's Web site to learn more about the e-file mandate for tax professionals: www.tax.ny.gov. If you don't file and pay electronically when required to do so, you will be subject to penalties from the New York State Tax Department.

Oregon

Form 40N, Line 41, uses federal itemized deductions from Form 1040NR, Page 3 (Schedule A), if greater than Standard Deduction.

Pennsylvania

Form RCT-101, Step D, Column B, totals.

Pennsylvania - Pennsylvania Cities

Five Pennsylvania Cities jurisdiction names have been abbreviated for transmittal letter and filing instructions due to character limitations. The updates are as follows:

- Cameron County Earned Income Tax Bureau is now Cameron County EIT Bureau
- Danville Area Earned Income Tax Office is now Danville Area EIT Office
- Keystone Central School District Tax Office is now Keystone Central SD Tax Office
- Lancaster County Tax Collection Bureau is now Lancaster Co Tax Collection Bureau
- Municipal and School Earned Income Tax Office is now Municipal and School EIT Office

Updates have been made to Pennsylvania Cities for payment due, no payment/no refund, refund due, and estimate mailing addresses based on updated information from the tax collectors Web site.

Philadelphia

Overpayment on BIRT, Line 10b, and NPT Worksheet E, Line 3, carries to the NPT return.

Virginia Electronic Filing

Virginia Forms 763, 763SP, and Schedule VAC are available with this release.

West Virginia

Form IT-140, Line 11, pulls the correct withholding for sale from Federal Schedule D.

Wisconsin

Wisconsin 179 amounts are now $500,000/$2,000,000 for 2014.

Partnership (1065) Product Updates

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Federal

Form 3115. Diagnostic 34112 now only prints when multiple change codes are entered.

Form 3115. Part III, Question 24, is now blank when the entity is treated as a small business.

Form 3115. The IRS provided additional filing address information for Form 3115. Most automatic change requests will be filed in Ogden, Utah and those unavailable for the automatic consent will be filed at the national office in Washington, D.C. The filing instructions and diagnostic files have been revised to reflect these changes.

Mailing Sheets. The state mailing sheets are updated to properly present electronic filing being qualified or disqualified and if a payment must be mailed when the return is being electronically filed.

Schedule K-1. Schedule K-1, Line 11E, and the K-1 Recap no longer hold data that is deleted from the return when the return is recalculated.

Alabama Electronic Filing

Form BPT-NW is no longer automatically activated if the Form PPT entity type is Qualified Family LLE.

Electronic filing diagnostic 48534 is now issued when the Form BPT-NW balance sheet is not present and is required for filing.

The *PDF FAMILYLLE* is no longer duplicated when exporting the PPT return.

California

Diagnostic 25227 is updated to reflect the current link to the Franchise Tax Board to be https://www.ftb.ca.gov/professionals/busefile/Business_eFile_Waiver_Request.asp.

The special instructions section for Form 592 filing instructions now includes the form name *592*.

California Electronic Filing

Returns that include Form 568 are now able to upload without entering a Secretary of State file number on California General Information > Basic Data.

Georgia

Form 700, Page 1, date signed by preparer, now prints to the right of the preparer identification number.

Letters and filing instructions for Form CR-ES, Estimated Income Tax payments, will now default to *Electronic funds transfer required* when the estimated tax payment is over $10,000. New input is available on Georgia Basic Data > General to override this default.

Hawaii

Partner Number and Ratio ID are available for use on Hawaii > Credits > Capital Goods Excise Tax Credit > Other Excise Tax Credits.

Indiana

Diagnostics 30013 and 30010 will only produce when a partner has opted out of a composite return and Form WH-18 is produced.

Kansas

The Form K-120S, Line 19, total will no longer include the expensing deduction from Form K-120EX.

Massachusetts

Partner number input for Nonresident partner payment and credit information on Massachusetts Other worksheet > Passthrough Entity Members' Information section will now allow a six digit partner number.

Michigan Cities

Michigan Cities Common Form. A cover sheet will now print before each city return. This facilitates printing of all city returns.

Minnesota

Descriptions on Minnesota Income / Deductions > Partner Prior Year Section 179 / Bonus Composite Information have been updated to reflect the correct years.

Mississippi

Form 84-131, Column B, Ownership %, will now display as 99.9999 instead of .999999.

Form 84-132, Line 14, now displays the total of other deductions included on statement.

New York

Form IT-606, Schedule F, Related Partners, now only prints the name once.

Private Delivery Service mailing addresses are updated to reflect the published addresses in New York Publication 55.

New York Electronic Filing

The preparer's NYTPRIN entered in the return configuration set r is now included on the New York return.

North Carolina

Partner's schedule K-1 Section 179 informational statement has been added.

North Dakota

North Dakota forms have been updated for composite filings to include all nonresident partners (Partnerships, S Corporations, Trusts, and Grantor Trusts).

Pennsylvania

Pennsylvania Schedule E Other Expense Worksheet has been added to the Government and Client copies of the tax return.

Pennsylvania - Philadelphia

NPT Estimated Payment Coupon will no longer zero out if an amount is entered in the override entries, and then the override entries are removed.

Vermont

Form BI-471. For a non-composite return, real estate withholdings will no longer be applied to the entity level taxes on Lines 1 and 4. Any overpayment from the real estate withholding payments will be distributed to the nonresident partners. The transmittal letters and filing instructions have been updated accordingly.

Wisconsin

Depreciation adjustments to income on Form 3, Part II, accumulate when the return has multiple assets.

Fields have been added to the Wisconsin > Credits > Manufacturing and Agriculture Credits worksheet section for the amount of credit from the prior year to the extent not included in federal income.

Form PW-2, Part I fields show information in the proper location and format.

Special Allocation code 53981 has been added for allocation of the basis adjustment for pre-2014 assets. If the code is not used, the amount allocates based on the partner's percent of ownership.

Corporation (1120) Product Updates

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Federal

The patronage amount field for domestic production activities deduction in Other Returns >1120-C >2 - Patronage Amounts > Line 36 now carries to Schedule G (1120-C), Line 6a.

Electronic Filing

Form CBT-100 Schedule E, Question 1, regarding the Internal Revenue Center, where the corresponding tax return was filed, will now show *e-file* when the federal return is electronically filed.

Power Pack

Form 1120-L. Policyholder acquisition expenses on returns that are not imported from NAIC spreadsheet are no longer included on Line 18 of 1120-L, Page 1, when Schedule G, Line 9, does not exceed Schedule G, Line 8.

The prior year composite factor for short-tail lines of business has been updated to .985856.

Arkansas Consolidated

AR Consolidated Adjusted Federal Income *Total Apportionable Income* combined amount will only include AR amounts.

Colorado Combined

Form 112 and the corresponding Consolidated worksheets have been modified. The Colorado Marijuana Deduction will now flow from the subsidiary to the top level. Previous releases include an invalid amount in the Marijuana Deduction. Calculations and filings of Colorado consolidated returns should be prepared with this or a later release to ensure proper filing.

Georgia

Form 600, Page 3, Schedule 8, now populates from input on Georgia Income / Deductions > Allocation and Apportionment > Lines 4 and 5. Input fields not working previously have been inactivated. Input will need to be moved from the inactive fields to new fields in the same section.

Form 600 Preparer firm name and preparer signature now print correctly.

Form 600, Page 1, Question F, now prints the two letter state code for the state of incorporation entered on General > Basic Data > General > Line 28.

Indiana

IT-20, Page 1, Line 20, has been updated to display the correct amount of NOL from Form IT-20NOL.

Kansas

Form K-120EX will not automatically generate for Form K-130 when the expensing deduction has been requested.

Kentucky

The RTN for the Kentucky Bank Franchise Tax Return is now entered on Federal > Common State > State/City Common Data > General Information > Account/File Number (Other Form).

Michigan - Detroit

Michigan Cities Common Form. A cover sheet will now print before each city return. This facilitates printing of all city returns.

New Mexico

Form CIT-A, Line B, for tax year will now only populate when input is present.

Texas

Principal place of business/Principal office information on Form 05-102 will now fill State and Zip Code correctly if entered on Texas > Public or Ownership Information Report.

Vermont

Form CO-411. The Federal Tax Return Filed section will no longer check the Form 1120 box when Form 1120-H is filed.

S Corporation (1120S) Product Updates

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Federal

An option has been added to suppress the qualified production activity schedule on Income/Deductions > Domestic Production Activities Deduction Other Information > 1-General > Line 5.

Schedule M-3 - Contribution from qualified conservation property is now automatically carried to Schedule M-3, Part III.

California

Schedule M-1 (Form 100S), Page 5, Line 3, other additions to the other adjustments account, will no longer include refunds of nondeductible state income taxes. State refunds are already included in the other additions to the accumulated adjustments account from Line 2, Form 100S, Page 1, Line 1, ordinary income (loss).

Iowa Electronic Filing

The Form IA8453-S *This is not a fileable copy* message will not appear when the Federal > General > Electronic Filing worksheet > General section is *Y*.

Minnesota

Schedule KS, Line 34, will now be calculated as Line 33 times .0985, when Line 21 is greater than the filing threshold amount ($10,150).

New Jersey

Forms CBT-100 and CBT-100S, Schedule E, question 1, regarding the Internal Revenue Center where the corresponding tax return was filed, will now show *e-file* when the federal return is electronically filed.

New York

The NY tax preparer exclusion code will now be populated from the return configuration set, even if GEN-1 (Common State > General Info) does not exist in the return.

North Carolina

The scope of Form 401S, Page 3, Sch I, additions and deductions details from federal income(loss), have been expanded.

Form CD-401S Page 2, Sch F, Lines 3a and 3b, will accept alphanumeric entries.

The Schedule K-1, Section 179 informational statement, is updated for North Carolina business income limitation.

Philadelphia Electronic Filing

A disqualifying diagnostic will no longer execute if the fiscal year dates are entered for a calendar year return. Fiscal year returns are not allowed for electronic filing for Philadelphia.

Tennessee

If *Final Return* is checked on General > Basic Data > Line 23, the franchise tax will prorate for short year return filings.

Vermont

Form BI-471. For a non-composite return, real estate withholdings will no longer be applied to the entity level taxes on Lines 1 and 4. Any overpayment from the real estate withholding payments will be distributed to the nonresident shareholders. The transmittal letters and filing instructions have been updated accordingly.

Wisconsin

The *Depreciation Adjustment Detail* statement for Form 5S now generates when a depreciation adjustment is calculated for the return, regardless of what income line the adjustment is made to.

Fiduciary (1041) Product Updates

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Federal

Losses on Schedule D, Lines 4 - 7 and 11 - 16, now use brackets in lieu of a negative sign.

Ordinary income on 6198 AMT reflects the Schedule E investment interest carryover amount correctly.

State filing instructions with new custom paragraphs entered in the return configuration set now print properly.

The detail for the statement associated with Schedule D, Line 1, is correct.

The PTIN entered in the return configuration set now carries to Form 2848 when a preparer code is entered.

The recapitulation of the Schedule K-1s properly reflects the long term capital gains when the last beneficiary has zero distributed.

The state column properly aligns with the descriptions and the federal amounts for Other Returns > Electing Small Business Trust > ESBT Income, Deductions, Form 8582, Taxes and Credits.

New York 204LL Electronic Filing

Each qualified occurrence of Form IT-204-LL is included in the electronic file and displays on the status system.

Returns where the IT-204LL is not being paid when filed are no longer rejected by New York.

Exempt Organization (990) Product Updates

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California

Diagnostic 25227 is updated to reflect the current link to the Franchise Tax Board to be https://www.ftb.ca.gov/professionals/busefile/Business_eFile_Waiver_Request.asp.