

CCH Access™ Tax
2015-4.2 Release Notes

August 21, 2016



CCH Access™
At the Center of the Firm in Motion

Contact and Support Information	2
Information in Tax Release Notes	3
Highlights for Release 2015-4.2	4
Tax Updates	4
Electronic Filing	4
Notifications	5
Tax Product Updates	6
Individual (1040) Product Updates	6
Partnership (1065) Product Updates	9
Corporation (1120) Product Updates	10
S Corporation (1120S) Product Updates	12
Fiduciary (1041) Product Updates	13
Estate & Gift (706/709) Product Updates	15
Exempt Organization (990) Product Updates	16

Contact and Support Information

[Return to Table of Contents.](#)

Product information can be accessed by visiting Customer Support online: [CCH Access Product Support](#).

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 Access™ 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 Access Tax releases: [Release Notes](#).

Visit the [Application Status](#) Web page to view the current status of our CCH Access 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 Release Notes

[Return to Table of Contents.](#)

CCH Access™ Tax Release Notes inform you of the enhancements and updates that were made to Tax products and systems with the current release.

Information provided in the Release Notes include the following:

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

To access a list of CCH Access™ Tax Release Notes for the current year and for prior years, visit the [Release Notes](#) page on our Customer Support site.

Highlights for Release 2015-4.2

Return to [Table of Contents](#).

Tax Updates

Individual, Partnership, Corporation, S Corporation, Fiduciary

Confirmation of Banking Info and Deposit/Withdrawal Options

With this release, selection of the "Confirm Options" box on Basic Data > Direct Deposit/Electronic Funds Withdrawal is required prior to electronically filing the return.

Previously, the box was required only if the banking options conflicted with the return results (i.e., only direct deposit requested with balance due result or only direct debit requested with refund result). The box now represents confirmation that the preparer has checked the banking options and account information for accuracy. If multiple banking entries are present, they must all be confirmed before the return can be qualified for electronic filing.

Individual, Corporation, S Corporation, Fiduciary

Louisiana. The calculation of the Ad Valorem tax credits was updated to reflect the recent law change that raises the refundable threshold from \$10,000 to \$500,000. We are awaiting word from Louisiana on the proper presentation of this change, but the calculation of the credit is updated to reflect the new threshold amount.

Corporation

New York City. New York City Combined Form NYC-2A, Schedule H, has been updated to reflect two new lines recently added by New York City. New Lines B and E will be filled automatically based on data in the return. There is no additional input necessary.

Fiduciary

Form 8865 is now available for processing including:

- Schedule K-1
- Schedule O
- Schedule P
- Schedule D
- Form 8949 versions

Electronic Filing

The following products are approved and available on this release:

Fiduciary

Form 8865

Notifications

Delete Old Notifications Automatically

The software automatically deletes notifications from Dashboard that are more than 90 days old. This will improve Dashboard performance and make it easier to manage notifications that are still relevant.

Tax Product Updates

Individual (1040) Product Updates

Return to [Table of Contents](#).

Federal

Form 8865. The cross-reference is updated to reflect filing period only for a calendar year ending in December when the filer is an individual filing Form 8865 with Form 1040.

Form 8962. When there is a Form 8814 present in the return and Form 8962, Worksheet W is prepared, the lesser of Form 8814, Line 4, or \$2,100 is included on Worksheet W, Line 1.

Arkansas

When a taxpayer has capital gains transactions in January, AR1000D, Line 7B, is limited to zero when there is an overall net long term capital gain for the calendar year.

Indiana

Depreciation add-backs are no longer included on IN Schedule B when the IN Source farm income reported on IN Schedule A accounts for the difference between federal and state depreciation.

Kansas

Form 200, Line 14, no longer allows a negative number.

Louisiana

The tax law update provides for adjustments to the calculation of the refund and carryforward of a certain portion of the income and franchise tax credit for the inventory tax credit and the ad valorem natural gas credit. Therefore, when the new law calculations are implemented, the calculation of the refundable portion of the credit will not reconcile to the printed instructions on Form R-10610, Line 8.

Previously, a fully refundable tax credit for local ad valorem taxes paid on inventory was allowed if the tax was less than \$10,000. For taxes of \$10,000 or more, the credit was allowed to offset state tax liability, but any excess credit was limited to a 75% refund with the remaining 25% carried over as a credit against subsequent tax liability for a period not to exceed five years.

The new legislation allows 100% of any available excess credit to be refunded for qualified taxpayers with up to \$500,000 of ad valorem taxes paid. For qualified taxpayers with over \$500,000 to \$1 million of tax paid, 75% of the excess credit is refundable and 25% is nonrefundable, with up to a five-year carryforward allowed against future state tax liabilities for the nonrefundable amount. For taxpayers with more than \$1 million of tax paid, a maximum of \$750,000 is refundable with the remaining balance available as a nonrefundable credit with a 5 year carryover provision.

If you are not a manufacturer entity and your business entity was formed or registered to do business in Louisiana after 4/15/16, then the credit is 100% refundable if the credit amount is less than \$10,000. If it is equal to or more than \$10,000, then 75% of the credit is refundable, with a maximum of \$750,000 of the credit refundable. The excess credit is treated as a nonrefundable credit with a 5 year carryover provision.

Legislation prevents manufacturers from claiming the Ad Valorem tax inventory tax credit as a refundable credit. For manufacturers the credit is nonrefundable and has a five year carryover provision. Legislation also prevents manufacturers from claiming the Ad Valorem natural gas credit as a refundable credit when all or part of the natural gas purchased is converted to new products. When the natural gas purchased was strictly used as a fuel, these taxpayers could benefit from the expanded refundable ad valorem natural gas credit applicable to non-manufacturer entities noted above.

The changes made by the new legislation apply to all claims for ad valorem tax credits on any return filed on or after July 1, 2016, regardless of the taxable year to which the return relates. However, the changes do not apply to an amended return filed on or after July 1, 2016, provided that the credits were properly claimed on an original return filed before July 1, 2016.

To accommodate for this update, a new field/box has been added on Louisiana > Credits worksheet > Inventory Tax Credit - Ad Valorem Taxes Paid on Inventory Held section, Credit was not claimed on a return filed prior to July 1, 2016; apply new law calculation for returns filed after June 30, 2016 field to indicate the entity qualifies for the new rules when calculating both of these credits on Form R-10610, Page 2.

When the new rules are applied, diagnostic number 39671 will issue to inform the preparer that the new rules were used to calculate the credit and assuring the preparer that the amounts for the credit are correct, but that we do not yet have guidance on the proper presentation of the credit from the LA DOR.

Additional fields/boxes were also added to indicate:

- Inventory held is related to the business of a manufacturer, Natural gas used strictly as fuel and not converted to new products.
- New business entities formed or first registered to do business in Louisiana after 4/15/2016; allowing the program to calculate the credits using the appropriate new standards.

Minnesota Electronic Filing

Form M1 now includes electronic withdrawal when direct debit is selected on the Basic Data > Direct Deposit/Electronic Funds Withdrawal section, and the State direct deposit option of 2 is selected for M1PR when a balance due is present on Form M1.

Missouri - St. Louis

Only a taxpayer's personal address from the Federal Form 1040 will be listed on Form STL E-234. You do have the option to use a different address using St Louis input.

North Carolina

Form D-400, Line 28, now excludes previous refunds for amended returns.

Ohio

When amending SD100, Lines 9 and 11, the correct previous refund or balance due amounts calculate.

Form NRC, Nonresident Credit, Part V, Line 5, calculates when the spouse hypothetical amounts allow for a credit on Schedule A Adjustments, but actual married filing jointly numbers do not allow the credit.

Form SD40XP, Amended payment voucher for School District, calculates and prints correctly for all variations of amended returns.

The preparer's name prints on IT 1040 and SD 100 unless suppressed without regard to the selection for the *Taxing authority authorized to discuss return with preparer* and *Print preparer signature* options.

Section 1231 gains from a passthrough flow to Form IT-BUS and Form IT-NRC if a part-year or nonresident.

The wages on W2 input tied to an entity flow to Form IT-BUS and to Form IT-NRC if a part-year or nonresident for spouses who own more than 20% of an S Corporation entity.

Oklahoma

Form 506 entity choice check boxes now fill based on input in Oklahoma > Credits > Investment/New Jobs Credit > Type of business.

Oregon

Oregon income tax deducted as an itemized deduction flows to Form OR 40N, Line 38, when filing Federal Form 1040NR.

Partnership (1065) Product Updates

Return to [Table of Contents](#).

Federal

Form 8865. When generated using feature of Form 1065 calculations and additional Forms 8865 are also present, Schedule M -1, Line 2, will not duplicate.

Alabama

Form 65, Schedule K-1, Line J, Single Member LLC name field, is now blank when a city code is entered without a state code in Generic State Schedule K-1 Information > State/city Information > State code.

California

Form 540NR, Line 60, credits statement amount, now reflects the amount reported on the form.

Maine

The General information section now includes an option to suppress Schedule 2P.

New Hampshire

The NOL carryover information was revised on the carryover data report.

Corporation (1120) Product Updates

Return to [Table of Contents](#).

Arizona

Several statements for Form AZ120, Pages 1 and 2, are now properly referenced to respective schedules and line numbers.

Arkansas

AR1100CT, Line 24, rolls forward contribution carryovers for 5 years.

Iowa

Consolidated IA 4562A now prints see statement when more than 5 assets are present.

IA Consolidated Taxable Income Totals Before Net Loss Deduction now prints in the government copy.

Louisiana

CIFT-620, Page 1, Line 1C1, no longer utilizes 28% of the loss carryforward from Line 1C.

The calculation of the Ad Valorem tax credits was updated to reflect the recent law change that raises the refundable threshold from \$10,000 to \$500,000. We are awaiting word from Louisiana on the proper presentation of this change, but the calculation of the credit is updated.

Minnesota

The research credit limitation on Schedule RD, Line 32, calculates using the lesser of Line 12 or Line 16 minus Line 21 of the member's column of the Combined Schedule M4T. A statement produces showing the calculation used in the combined return.

Nevada

The Nevada > General > Basic Data > NAICS code is no longer required data entry. Instead, a diagnostic will indicate that the tax rate for "unclassified business" is used when the NAICS code is left blank.

New York City Combined

Form NYC2 A/BC was updated to include parent company information.

North Carolina

NC Form CD-405, Page 1. The Non U.S./Foreign check box now fills if the corporation is classified as a foreign corporation for Federal Income tax purposes.

North Dakota

Members of a North Dakota consolidated return with only a sales factor are now included on the Schedule CR.

The Renaissance zone income exemption credit from a subsidiary return no longer appears on the Schedule CR, Part III, of the consolidated return. It now appears on Schedule CR, Part I, Line 10, in the consolidated return.

Oregon

Form 20, Line 32, no longer reduces minimum tax by tax credits.

Oregon Combined Income and Deductions white paper statements print when applicable.

Schedule AFF prints when a consolidated return is present.

Rhode Island

The combined apportionment percentage will now be calculated from the total of the sales factors from the separate entities. The combined apportioned income will be calculated using this combined apportionment ratio.

Texas Electronic Filing

Diagnostic 40202 was added for returns where officer's title information is missing.

Wisconsin

Form 6BL. When all prior year pre-2009 NOL is absorbed, the form no longer carries over to the next year.

Wisconsin Electronic Filing

Form A-1. When both Part I and Part III are present, a disqualifying diagnostic is now issued.

S Corporation (1120S) Product Updates

Return to [Table of Contents](#).

Federal

Form State 4562, Line 26. Property used more than 50% in a qualified business use includes assets with a life of 39 years.

Arizona

Form 120S, Page 1, Line 27, Total Due, includes Line 24, Penalty & Interest. Letters reflect the same.

Arkansas

AR1100CT, Line 24, rolls forward contribution carryovers for 5 years.

California

Form 3520 now prints as a fileable form when the alternate print sequence is selected.

Georgia

Form 600S, Page 5, Line 15, Potential Carryover amount, no longer has an amount if there is an amount remaining after a credit amount has been applied to tax. This amount is now allocated to the shareholders on Form 600S, Page 5, Line 13.

Louisiana

The calculation of the Ad Valorem tax credits was updated to reflect the recent law change that raises the refundable threshold from \$10,000 to \$500,000. We are awaiting word from Louisiana on the proper presentation of this change, but the calculation of the credit is updated.

Maine

The Capital Investment Credit Worksheet, Line 1, now uses the override present in Maine > Adjustments > Maine Addition and Subtraction Modifications > Maine capital investment credit bonus depreciation addback.

Oregon

Form ASC-Corp now allows code 399 for other subtractions.

Wisconsin

Schedule MA-M now prints if passthrough information is present on Line 17.

Fiduciary (1041) Product Updates

[Return to Table of Contents.](#)

Federal

Custom Extension Filing Instructions now indicate to make checks payable to United States Treasury when there is a balance due.

Expenses allocated to tax-exempt interest now present on the grantor letter when tax-exempt interest is not netted.

Form 1040NR, Page 5, now calculates for grantor returns.

Form 1116. Form 1116 AMT no longer prints if the Schedule I is not present in the return.

Form 8960. Section 1411 NOL carryover amounts, no longer print in duplicate on the carryover report.

Other tax amounts are now limited to the sum of net investment income tax and alternative minimum tax on Form 2210, Page 4, Line 14, Column D.

Schedule E. Schedule E statements now print for grantor returns.

Schedule I. Nonrecaptured Section 1231 losses from the difference between Form 4797, Line 8, and Form 4797 AMT, Line 8, is now limited to Line 9 on the respective forms. This amount then carries to the Schedule I, Line 13.

Schedule K-1. When computing foreign expenses on the Schedule K-1, the ratio of foreign income to all source income is now limited to 100%.

The extension transmittal letter now produces only one lead paragraph stating Form 7004 was prepared and filed, indicating electronically filed only, when applicable.

California

California 541, Line 20b, now clears if ESBT is no longer selected.

Colorado

The Nonresident Grantor Letter is now produced for a part-year estate or trust when Colorado > Basic Data > Part year estate or trust is checked.

Louisiana

The tax law update provides for adjustments to the calculation of the refund and carryforward of a certain portion of the income and franchise tax credit for the inventory tax credit and the ad valorem natural gas credit. Therefore, when the new law calculations are implemented, the calculation of the refundable portion of the credit will not reconcile to the printed instructions on Form R-10610, Line 8.

Previously, a fully refundable tax credit for local ad valorem taxes paid on inventory was allowed if the tax was less than \$10,000. For taxes of \$10,000 or more, the credit was allowed to offset state tax liability, but any excess credit was limited to a 75% refund with the remaining 25% carried over as a credit against subsequent tax liability for a period not to exceed five years.

The new legislation allows 100% of any available excess credit to be refunded for qualified taxpayers with up to \$500,000 of ad valorem taxes paid. For qualified taxpayers with over \$500,000 to \$1 million of tax paid, 75% of the excess credit is refundable and 25% is nonrefundable, with up to a five-year carryforward

allowed against future state tax liabilities for the nonrefundable amount. For taxpayers with more than \$1 million of tax paid, a maximum of \$750,000 is refundable with the remaining balance available as a nonrefundable credit with a 5 year carryover provision.

If you are not a manufacturer entity and your business entity was formed or registered to do business in Louisiana after 4/15/16, then the credit is 100% refundable if the credit amount is less than \$10,000. If it is equal to or more than \$10,000, then 75% of the credit is refundable, with a maximum of \$750,000 of the credit refundable. The excess credit is treated as a nonrefundable credit with a 5 year carryover provision.

Legislation prevents manufacturers from claiming the Ad Valorem tax inventory tax credit as a refundable credit. For manufacturers the credit is nonrefundable and has a five year carryover provision. Legislation also prevents manufacturers from claiming the Ad Valorem natural gas credit as a refundable credit when all or part of the natural gas purchased is converted to new products. When the natural gas purchased was strictly used as a fuel, these taxpayers could benefit from the expanded refundable ad valorem natural gas credit applicable to non-manufacturer entities noted above.

The changes made by the new legislation apply to all claims for ad valorem tax credits on any return filed on or after July 1, 2016, regardless of the taxable year to which the return relates. However, the changes do not apply to an amended return filed on or after July 1, 2016, provided that the credits were properly claimed on an original return filed before July 1, 2016.

To accommodate for this update, a new field/box has been added on Louisiana > Credits worksheet > Inventory Tax Credit - Ad Valorem Taxes Paid on Inventory Held section, Credit was not claimed on a return filed prior to July 1, 2016; apply new law calculation for returns filed after June 30, 2016 field to indicate the entity qualifies for the new rules when calculating both of these credits on Form R-10610, Page 2.

When the new rules are applied, diagnostic number 39671 will issue to inform the preparer that the new rules were used to calculate the credit and assuring the preparer that the amounts for the credit are correct, but that we do not yet have guidance on the proper presentation of the credit from the LA DOR.

Additional fields/boxes were also added to indicate:

- Inventory held is related to the business of a manufacturer, Natural gas used strictly as fuel and not converted to new products.
- New business entities formed or first registered to do business in Louisiana after 4/15/2016; allowing the program to calculate the credits using the appropriate new standards.

Pennsylvania

Schedule RK1 no longer shows "no taxable income" when there is a non-resident Pennsylvania estate/trust with Pennsylvania income, a Pennsylvania extension, and at least one Pennsylvania beneficiary.

The residency state on Form PA-41 can now be changed using Common state worksheet, State Information and overrides section, State of residence -override field.

Estate & Gift (706/709) Product Updates

Return to [Table of Contents](#).

Connecticut

The final Connecticut Form CT-706/709 is available for dates of death in 2016.

Illinois

The final Illinois Form 700 is available for dates of death in 2016.

New York

Form ET-706 late filing penalty is limited to 5 months.

Exempt Organization (990) Product Updates

Return to [Table of Contents](#).

California

The California transmittal letter and filing instructions for Form RRF-1 will include the paragraph that a copy of the federal return is provided, if applicable, or when requested on California Registration/Renewal Fee Report > General > Form RRF-1 General Information > Federal attachment paragraph code = force.