

CCH Access™ Tax  
2019-4.1  
Release Notes

July 26, 2020



**CCH Access™**  
*At the Center of the Firm in Motion*

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## Contact and Support Information

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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 open a Support case or chat with a representative for assistance.

## Information in Tax Release Notes

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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 2019-4.1

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## Common Updates

### Updated Terms of Use

All users must accept modified terms of use the first time they log in. These terms may be accepted during login to any one of the following:

- CCH Access products that are installed on your computer
- Web sites that include cchaccess.com in the address, such as [collaboration.cchaccess.com](http://collaboration.cchaccess.com), [financialprep.cchaccess.com](http://financialprep.cchaccess.com), and [knowledgecoach.cchaccess.com](http://knowledgecoach.cchaccess.com)
- Third-party applications using [Open Integration Platform Token Authentication](#)

CCH Access users who attempt to log in to some third-party applications using OAuth 2.0 Preview APIs will receive an error message until terms are accepted using one of the login methods described above.

### User Phone Number Prompt During Login

To prepare for IRS mandates regarding 2-step verification, a phone number is now required for all users if your firm uses the [CCH Access login method](#). This change does not affect firms using Active Directory or Federation Services to log in.

After a user enters their password and completes 2-step verification, if the phone numbers on the staff profile are empty, CCH Access prompts the user to enter a direct phone number. The user must verify the phone number by either:

- Entering a code sent by SMS text message
- Pressing # after answering an automated call

After verification, the new phone number is saved to the business phone on the staff profile.

Users without permission to edit staff profiles are required to enter and verify their phone as described above. The behavior and permissions for managing phone numbers in Staff Manager and Open Integration Platform are unchanged.

### Secure Connections During Active Directory Sync

As [previously announced](#), this release updates the connection used for Active Directory sync from standard to secure. If your domain supports a secure connection, then no action is required. If necessary, you may downgrade to a standard connection. This change does not apply if your firm uses the CCH Access login method or a custom staff synchronization solution.

### Replace Federation Services Secondary Certificate

If your firm is using the [Federation Services login method](#) it is important to have a secondary token signing certificate to ensure uninterrupted use of CCH Access when the primary certificate expires. Previously, you were required to repeat pilot mode, metadata upload, and other steps. Now, you may [add or replace the secondary certificate](#) without these other steps.

## Client Access Group Limit

CCH Access allows up to 1,000 client access groups per account. If more than 1,000 groups exist, the software will not allow new groups until the number of groups is reduced below the limit.

## Technical Corrections

Return Group Can Be Changed Client APIs - Previously, return group was not used when included in Open Integration Platform [client APIs](#) used to add or modify clients. Now, the return group is saved when a client is created or modified.

## Tax Updates

### PDF Print

We have added State/City code to the 8879-SO PDF Bookmark (for tax year 2019 and above). This update applies to Individual, Fiduciary, Partnership, Corporation, S Corporation, and Tax Exempt return types.

### Tax Equalization (TEQ)

- Select version to overwrite or create new.
- New dialog displays when a TEQ version is detected. The dialog will display the following options:
  - ◆ Overwrite existing return
  - ◆ Choose the version to overwrite
  - ◆ Create new return version
- A confirmation is available that prompts the user if they want to open the TEQ return.
- Batch Manager will provide the same capability except that the process will always overwrite the last version and you cannot choose a specific version number.

### Signer Middle Initial

The middle initial has been added to Signer name in the following locations:

- Return Manager
- Batch Manager
- Return Configuration Sets
- DataScan
- Open Integration Platform

### Schedule K-1 Import/Export

1065 and 1120S export to 1040 has a new target form to carry Section 199A, Qualified Business Income.

### All Systems

The following states decoupled from the CARES Act: Colorado, Iowa, Maine, Minnesota, New York, North Carolina. Restoration of the pre-CARES federal calculations required to complete certain elements of these state returns will be available on future releases. State level overrides for Colorado, Minnesota, New York and North Carolina are available with this release.

## Corporation

New Jersey CBT-100U is available for processing.

## Electronic Filing Updates

The following system is available for electronic filing:

## Corporation

New Jersey CBT-100U

## Issues Resolved

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The following issues were resolved with release:

- Partnership EIN not masking on Maryland/Montana/North Carolina Schedule K-1's.
- Unable to Export Return for E-file (DCN).
- Passthrough EIN is incorrectly masked when the option to NOT mask is unchecked in RCS. Occurs when using Print > Return Sections > K-1 Copy.
- Transfer to Axxess - When transferring a "U" file to Axxess Tax from ProSystem fx Tax, common data info is not populating the client profile.
- Organizers appearing as Returns in the Return Manager Grid.
- Server Stack Error when password protecting the returns.
- Return Manager View: After a saved view that was set as the Default View in User Options was deleted, launching Return Manager will display System Error: Object reference not set to an instance of an object.
- 8829 - unable to attach IRS-1098 to the Form 8829 or Schedule E - 1040 returns.
- California 568 won't select Schedule K-1 input and flow to the form - 1065 returns.
- Print - Michigan Cities bookmarks for Pontiac (PTK) - 1040 returns.
- When a Grantor Trust is printed, Entire return all copies, the bookmarks are missing in the Schedule K-1 copy - 1041 returns.
- With masking selected, the Partner's SSN/TIN on the Schedule K-1 is masked if it is formatted as a SSN, but not if it is formatted as an EIN - 1065 returns.
- Oregon PTE-FY - Entity name, it's not picking up when selecting from the Picklist - 1065 returns.
- Individual Preparer code in Return is case sensitive - all return types.
- Printing of the K-1 package for the large return does not complete - 1065 returns.
- Return Notes Not Saving.
- Prohibit changes box does not remain checked.
- Tax Elf Status Notification Requests are Generating Errors When a Version of an Uploaded Return is Deleted.
- SSN is not printed on the Organizer when "On File in Lieu" is set to Yes and then changed to No.

## Tax Product Updates

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### Individual (1040) Product Updates

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#### Federal

Custom Filing Instructions.

- Texas letters will show the correct amount due in the special instructions section when the return is electronically filed, paid with a check and the electronic filing paragraph is something other than standard.
- The private delivery service address is now correct when the ITIN service center is used.

Form 1040. The Student loan interest statement, Line 2 for modified adjusted gross income now includes the excluded income from Sec 933 worksheet.

Form 1116. When there is an overall foreign capital loss but an income basket has a foreign capital gain, the gain will net against the overall foreign loss on the income summaries and Form 1116.

Form 4684. Form 4684, Page 2, Line 28 will no longer include state-coded entries in the total.

Form 5405. Lines 9, 10 and 12 are split between taxpayer and spouse when two forms 5405 are prepared and the sale of the home is coded as jointly owned.

Form 6251. When the passthrough activity is a Partnership or S Corporation, zero is entered for Sec. 1231, the amount of Sec. 1250 gain entered is included in the calculation of the AMT Schedule D, Line 19.

Form 8978. The 8978 Schedule A, Columns A and B have been updated to allow for the input of letters as well as numbers.

Form 8995-A. 8995-A, Schedule B will print if 8995-A, Schedule C is in the return or if there are prior year PTP carryovers.

The contribution limitation worksheet will now reference tax year 2019 on Line 35.

#### Arizona

140PY, Line 33 no longer includes federal coded short term loss carryovers.

#### California

CA Form 461, Line 10 no longer includes other states' royalty income.

Schedule CA (540NR), Part III, Line 8d, Column A, no longer populates when Federal Form 1040NR is being filed.

Schedule S, Line 7 now includes New Hampshire business tax.



## Colorado

Colorado has not conformed to any of the provisions in the Federal CARES Act. This includes the following:

- Sec 163(j) Form 8990 - Limitation changed from 30% to 50% for federal; still 30% for Colorado.
- Sec 461 - Repealed by federal; Excess Business Losses are still applicable to Colorado.
- Net Operating Losses 80% limitation - Repealed by federal; Colorado still limits NOL's generated in 2018 to 2020 to 80% of taxable income.
- Depreciation - Federal decreased depreciable life of qualified improvement property; the life is unchanged for Colorado purposes.

If any of the CARES provisions were applied to the federal return, it may be necessary to use the entries on Colorado > Income / Deductions > Federal Overrides for Colorado to adjust the federal numbers reported on the Colorado return. These entries will change the amounts reported on Form CO DR 0104 and Form CO DR 104PN.

Form DR 0104AD, Lines 5 and 6 will flow to DR 104PN, Line 30.

## Kansas

Kansas now supports Credit for Taxes Paid in part-year returns, where the taxpayer has moved out of state during the tax year.

## Maryland

When electronic filing is turned on for Maryland estimates, the letters and filing instructions will reflect 07/15/2020 as the due date for second estimate. If the date is after the due date, it will reflect the current date.

## Massachusetts

Schedule C.

- Line 11 is updated to pick up MA amounts when NY is the home state.
- Line 36 is updated to pick up passive activity loss carryovers for 100% disposed businesses.

## Minnesota

Form M1SA, Line 18 reflects the 60% contribution limitation instead of 50% when 60% contributions carry from Minnesota M1SA Line 15 to Line 18.

Minnesota updated their forms in response to federal tax law changes under the Families First Coronavirus Response Act (FFCRA), Coronavirus Aid, Relief and Economic Security Act (CARES) and the Paycheck Protection Program Flexibility Act (PPFPA).

Schedules KS, KPI, and KF have each added lines for IRC Section 461, net nonbusiness income/loss, and business interest expense limitations. Input for these have been added to the Minnesota General > Schedule, KS, Schedule KPI, and Schedule KF. Input for the section codes have also been added that carries to the additions/subtractions lines of Schedule KS, KPI, and KF due to changes not adopted by Minnesota.

Schedule M1NC added new lines for excess business loss and business interest limitation adjustments as well as new section codes for amounts that carry to Line 3. Calculations will be done for excess business loss and business interest limitation adjustments. Overrides are available. All of this input is available on the Minnesota Income/Deductions > Schedule M1NC.

Mortgage interest coded as not deductible will not flow to M1SA, Line 11.

The Minnesota social security benefit subtraction worksheet, Line 4 uses the rate for Married Filing Separately instead of using a percentage of Line 3 when input is present that a married filing separately couple lived apart in 2019.

## Mississippi

Form 80-401 is now optimized to match the Form 80-105 and Form 80-205 filing status.

The tax amount on the letters reflect the optimization generated by the force code input now for joint and separate filings.

## Montana

The elderly homeowner credit is unavailable for part year returns with less than 9 months of residency.

## New York

Federal 461 NOL entries do not carry to Form IT-201, nor to the federal column of Form IT-203.

New York has decoupled from all provisions of the Federal CARES Act, requiring a pre-CARES calculation of the federal amounts reported on the New York return. The ability to override the federal source income on Form IT-201 (Lines 1-19) and Form IT-203 (Lines 1-19, Column A) has been added. Use New York > Income / Deductions > Federal Source Income and Adjustments to indicate the amounts are federal source. Additionally, selective lines of Form IT-196 may be overridden using entries on New York Income / Deductions > Itemized Deductions. Pre-CARES numbers will flow automatically to the New York return from federal entries on a future release.

## New York Electronic Filing

Disqualifying diagnostic 41916 will look at 1099-Misc, Line 14 (Gross proceeds paid to an attorney) before being issued.

## North Carolina

As of June 30, 2020 North Carolina passed legislation decoupling from various CARES Act provisions:

1. Sec 163(j) Form 8990 - North Carolina limits the interest expense to 30% of taxable income. An adjustment can be made on North Carolina > Income/Deductions > Additions > Other Additions to Federal Taxable Income.
2. Expenses that were paid with loans that were subsequently forgiven and the debt forgiveness was excluded from federal income is not allowed. An adjustment can be made on North Carolina > Income/Deductions > Additions > Other Additions to Federal Taxable Income.
3. Discharge of qualified principal residence indebtedness - An addback will need to be made for the amount excluded from gross income. An adjustment can be made on North Carolina > Income/Deductions > Additions > Other Additions to Federal Taxable Income.
4. Tuition and Fees Deduction - An addback will need to be made on Schedule S, Line 5 for the amount of the taxpayer's deduction for qualified tuition and related expenses.
5. Sec 461 - North Carolina will calculate a Sec 461 loss limit. An adjustment can be made on North Carolina > Income/Deductions > Additions > Other Additions to Federal Taxable Income.

6. Net Operating Losses - North Carolina limits NOL's generated in 2018 to 2020 to 80% of taxable income. North Carolina is currently automatically adding back unabsorbed federal losses. At this time an additional adjustment will need to be made on the North Carolina forms to account for the difference created by the 80% limitation. An adjustment can be made on North Carolina > Income/Deductions > Additions > Other Additions to Federal Taxable Income.
7. North Carolina now follows the 7.5% itemized medical expense deduction threshold.

## Ohio

OH Form NRC, Page 2, federal business income now uses the amount from Form NRC, Page 3, Line 13.

## Ohio - Ohio Cities

RITA Form 37. Income/Losses from passthrough entities will no longer be included with the income of the non-resident city it is sourced from when calculating the net operating loss limitation.

## Vermont

IN-111 Line 5B would print "1" when someone can not claim the spouse as a dependent and when the filing status is not married filing separately or qualifying widow. IN-111, Line 5C would change depending on what is on the Federal 1040 for dependents.

## Corporation (1120) Product Updates

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### Federal

On the Partnership Passthrough worksheet, Lines 123, 124, and 125 for Section 704(c) Information, Section 751 Gain (Loss), and Section 1(h)(5) Gain(Loss), respectively, were not being included in Other Income on Form 1120, Page 1, Line 10 or Other Deductions on Form 1120, Page 1, Line 26. Section 751 Gain(Loss) and Section 1(h)(5) will now be included in Other Income if entered as a positive amount. If entered as a negative amount they will be included in Other Deductions. Section 704(c) information will always be included with Other Deductions.

When Form 8990 - Limitation on Business Interest Expense Under Section 163(j) was present in a return, the Section 179 business income limitation on Form 4562, Line 11 was being computed by limiting business interest expense to 30% of adjusted taxable income instead of 50%.

### Colorado

CARES Act Tax Law Changes and Colorado Impact - June 2020.

<https://www.colorado.gov/pacific/sites/default/files/CARES%20Act%20Tax%20Law%20Changes%20%26%20Colorado%20Impact.pdf>

Net operating loss:

The following input overrides are available to adjust net operating losses if needed.

- Form DR 0112: Colorado > Income/Deductions > Other Adjustments and Overrides
- Form DR 0112X: Colorado > Other Returns

Increased business interest expenses and changes in treatment of qualified improvement property:

The following input overrides are available to adjust federal taxable income if needed:

- Form DR 0112: Colorado > Income/Deductions > Other Adjustments and Overrides
- Form DR 0112X: Colorado > Other Returns

Alternatively, modifications to federal taxable income can be made on:

- Form DR 0112 and DR 0112X: Colorado > Income / Deductions > Additions and/or Subtractions
- Form DR 0112X only: Colorado > Other Returns > Other additions and/or subtractions

Additional clarification from Colorado on some items is pending as is providing automatic calculations on a possible future release.

### Minnesota

Minnesota passed legislation decoupling from the CARES Act provisions. Codes have been added for adjustments on M4I, Lines 2i and 4o: 7001, 7003, 1106, 2205, 2206, 2301, 2306, 2307. M4I, Line 1b has been updated to include the individual amount of Interest expense limitation adjustment. If code 2306 is used it will act as an override for this line.

## North Carolina

As of June 30, 2020, North Carolina passed legislation decoupling from various CARES act provisions.

- Sec 163(j) Form 8990 - North Carolina limits the interest expense to 30% of taxable income. An automatic adjustment for this difference is made as an addition to income.
- Net Operating Losses - North Carolina limits NOL's generated in 2018 to 2020 to 80% of taxable income. North Carolina is currently automatically adding back unabsorbed federal losses. At this time an additional adjustment will need to be made on the North Carolina forms to account for the difference created by the 80% limitation. This adjustment needs to be reported as an addition to federal taxable income by entering an amount on the North Carolina > Income\Deductions > Additions worksheet.

## Oregon

OR Portland Refund on Federal Carryover sheet now matches the refund shown on Form C-2019 for returns that have additional Portland fees.

Schedule R. The calculation for the total rental units is now deducting the units disposed during the year.

## Philadelphia

Philadelphia has been updated for the deferral of capital gains invested in a qualified opportunity fund. The change will apply to Method II filers only. The income on BIRT Schedule B and BIRT-EZ, Line 1 will pull the amount from federal income since for income purposes Philadelphia conforms to the federal treatment of the gain deferral.

Gross receipts for Philadelphia do not conform to federal and the amount of deferral must be added to Philadelphia's gross receipts to recognize the amount of deferral in the year that the sale of an asset takes place. Because the amount has already been recognized there will be a subtraction for the amount federal recognizes from the deferral in the year that the capital gain is recognized on the federal return.

## South Carolina

Form SC1120, Line 1, is now adjusted when there is a disallowed business interest expense deduction in the return (Form 8990).

The transmittal letters and filing instructions will print the mailing address on zero balance due returns.

## South Carolina Consolidated

The South Carolina consolidated level return will now print Form SC 1120 for all subsidiaries and the parent return.

## S Corporation (1120S) Product Updates

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### Federal

In Axxess the separate transmittal for state composite returns will produce when there is an extension active for that return.

Schedule K-1. Ratio IDs will not create phantom entries on the Schedule K-1.

### Minnesota

Schedule KS, Lines 13 and 14 now clear when input overrides are removed in Income/Deductions > Federal Adjustments Not Adopted by Minnesota > Box 4 and 5.

### North Carolina

As of June 30, 2020, North Carolina passed legislation decoupling from various CARES act provisions.

- Sec 163(j) Form 8990 - North Carolina limits the interest expense to 30% of taxable income. An automatic adjustment for this difference is made as an addition to income.
- Net Operating Losses - North Carolina limits NOL's generated in 2018 to 2020 to 80% of taxable income. North Carolina is currently automatically adding back unabsorbed federal losses. At this time an additional adjustment will need to be made on the North Carolina forms to account for the difference created by the 80% limitation. This adjustment needs to be reported as an addition to federal taxable income by entering an amount on the North Carolina > Income\Deductions > Additions worksheet.

### Oklahoma

Form 512-S, Part 3, Line 18, Column B. Zero apportionment will now carry to Line 18, Column B.

Form 512-S, section three Line 28. Overpayment from 512-S section two, Line 24 will now carry to Line 28 when requested.

Form 586 will now show in the cover letter as "2019 Oklahoma Pass-Through Entity Election Form".

Oklahoma Schedule K-1 equivalent. The line "included in distributable income" will no longer print.

### Oregon

Schedule R, "Total number of units owned as of the last day of the tax year" will subtract out those that have been disposed.

### South Carolina

The SC1040 Composite letter will now generate in Axxess.

### Wisconsin

Form PW-1, Section 1231 gains are now included in the 30% long-term capital gain exclusion.

## Partnership (1065) Product Updates

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### Federal

The Interest and Dividend Income amounts entered in Income/Deductions > Interest Income or Dividend Income sections will be included with the regular Passthrough activity, not the Section 199A activity on the Schedule of Activities when the same activity number is present in Income/Deductions > Partnership Passthrough > Partnership Passthrough > IRS K-1 1065 > Activity Number and also present in Income/Deductions > Interest Income or Dividend Income worksheet sections.

The Section 951A(c)(1)(A) Tested Income will be included as part of the Other Foreign Transactions amount in the Reconciliation of Schedule K to K-1.

### Colorado

Schedule K-1, Federal Income now includes the excess business interest deduction from Federal Sch K-1, Line 13k.

### Connecticut

Form CT-1065/CT-1120SI will no longer pick up input for prior year tax from other states.

### Kansas Electronic Filing

K-1205 Part II Partner's name will pull from the name entered for the Partner under Partners > Partner Information (K-1).

### Michigan - Michigan Cities

CF-1065 Schedule C, Income Distribution to Partners. The overrides from MI > Cities > Michigan Cities > Section 4 will now flow to CF-1065 Schedule C, Columns 6 and 7.

CF Schedule K-1, Line 2, Column C. Taxable income for trust residents will now flow to Line 2, Column C.

### Minnesota

Minnesota has updated their forms based on the following legislation passed in 2020:

- Families First Coronavirus Response Act (FFCRA) of 2020
- Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020
- Paycheck Protection Program Flexibility Act (PPPFA) of 2020

Forms KPI and KPC have added lines regarding IRC Section 461 nonbusiness income/loss and business interest expense limitation. In addition, sections related to the aforementioned acts have been added to adjust any additions/subtractions due to federal changes not adopted by Minnesota. Any adjustments can be made on Minnesota > Income/Deductions > Other Adjustments.

### Montana Electronic Filing

Disregarded Entity information entered on K-1A (Partners > Partner Information > Detail > Section 5: DE's Information / Section 704(c) Gain (Loss) / Other options) will flow to the MT K-1. If only a Disregarded Entity name is entered on K-1A, then the ID number will flow to the MT K-1 as it does on the Federal K-1.

When disregarded entity information is input on K-1A (Partners > Partner Information > Detail > Section 5: DE's Information / Section 704(c) Gain (Loss) / Other options), and then removed, the information will be removed from the return.

## Nebraska

"See Statement" will now print on Form NE K-1, Lines 11A and 14A when more than one item of detail is present.

## New York

New York has not conformed to any of the provisions in the Federal CARES act. If any of the CARES provisions were applied to the federal return, it may be necessary to use the entries on Common State/City > Nonresident Schedule K-1 Equivalent > Income (Loss) to adjust the federal numbers reported on the New York return. These entries will change the amounts reported on the New York IT-204, Page 6, Lines 86 - 89. Entries in these fields will also change the amounts reported on the New York IT-204-IP, Page 2, Lines 1 - 3.

## Ohio - Ohio Cities

Form R, Line 3 for net operating loss will now allow 100% deduction for the city of Wooster.

## Oregon - Portland

Schedule R, "Total number of units owned as of the last day of the tax year" will subtract out those that have been disposed.

## South Carolina

The custom filing instructions will now reference Form SC-8736V when electronically filing.



## Fiduciary (1041) Product Updates

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### Federal

ESBT 8995-A, Line 1, Column C is now marked for aggregations.

### Colorado

Colorado has not conformed to any of the provisions in the Federal CARES Act. This includes the following:

Sec 163(j) Form 8990 - Limitation changed from 30% to 50% for federal; still 30% for Colorado.

Sec 461 - Repealed by federal; Excess Business Losses are still applicable to Colorado.

Net Operating Losses 80% limitation - Repealed by federal; Colorado still limits NOL's generated in 2018 to 2020 to 80% of taxable income.

Depreciation - Federal decreased depreciable life of qualified improvement property; the life is unchanged for Colorado purposes.

If any of the CARES provisions were applied to the federal return, it may be necessary to use the entries on Colorado > Income / Deductions > Federal Overrides for Colorado to adjust the federal numbers reported on the Colorado return. These entries will change the amounts reported on Form CO DR 0105, Schedule A/B, Schedule C/D, Schedule E, Schedule F, Schedule G, and Schedule K-1.

### Iowa

As of this release, if "X to allocate indirect expenses to state tax exempt income" is selected then real estate property tax will be included on Line 11 of Form IA-1041.

### Kentucky

Kentucky Form KY740ES worksheet will now account for "High income tax payer(\$150,000)" rule of 110%. This will affect the amount that will flow to the worksheet Line 10b.

### Maryland

MD 504A. Line 5 will no longer be reduced by allocated expenses.

MD Estimated Tax Payments. Transmittals and filing Instructions will now show correct estimated tax payments due when an overpayment is applied but there is a remaining amount that is due.

### Michigan

MI-1041, Pg 3, Sch 3. Schedule 3 will no longer be created when there is no distribution to beneficiaries.

### Minnesota

Minnesota has updated their forms based on the following legislation passed in 2020:

- Families First Coronavirus Response Act (FFCRA) of 2020
- Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020
- Paycheck Protection Program Flexibility Act (PPPFA) of 2020

New lines have been created for excess business loss limitation, NOL deduction adjustments and business interest expense on the following forms:

- Form M2, Lines 35 and 36
- Schedule M2SB, Lines 22 and 23
- Form M2X, Lines 40 and 41

Schedule KF, Lines 10 and 11 have been updated to include IRC Section 461 net nonbusiness income/loss and business interest expense limitation.

In addition to the new lines created, sections related to the aforementioned acts have been added to adjust any additions/subtractions due to federal changes not adopted by Minnesota.

Any adjustments can be made on Minnesota > Income/Deductions > Federal Adjustments Not Adopted by MN. ESBT adjustments can be made on Minnesota > Other > ESBT Adjustments and Overrides.

## New York

New York has not conformed to any of the provisions in the Federal CARES Act. This includes the following:

- Sec 163(j) Form 8990 - Limitation changed from 30% to 50% for federal; still 30% for New York.
- Sec 461 - Repealed by federal; Excess Business Losses are still applicable to New York.
- Net Operating Losses 80% limitation - Repealed by federal; New York still limits NOL's generated in 2018 to 2020 to 80% of taxable income.
- Depreciation - Federal decreased depreciable life of qualified improvement property; the life is unchanged for New York purposes.

If any of the CARES provisions were applied to the federal return, it may be necessary to use the entries on New York > Income / Deductions > Federal Overrides for New York to adjust the federal numbers reported on the New York return. These entries will change the amounts reported on New York Form IT-205, Page 2 and Form IT-205-A, Page 2 and flow through the rest of the return as applicable.

## North Carolina

An entry for credit for taxes paid on the North Carolina forms with a code of {FC} indicating that the source is a foreign country will now override any automatically generated credit for taxes paid to a foreign country.

As of June 30, 2020, North Carolina passed legislation decoupling from various CARES Act provisions.

- Sec 163(j) Form 8990 - North Carolina limits the interest expense to 30% of taxable income. An automatic adjustment for this difference is made as an addition to income. A state 8990 Form may be viewed in print preview in the accountant and client copies of the return or in the Federal 8990 menu.
- Sec 461 - North Carolina will calculate a Section 461 loss limit. An automatic adjustment for this difference is made as an addition to income. A state 461 Form may be viewed in print preview in the accountant and client copies of the return.
- Net Operating Losses - North Carolina limits NOL's generated in 2018 to 2020 to 80% of taxable income. North Carolina is currently automatically adding back unabsorbed federal losses. At this time an additional adjustment is needed on North Carolina > Income/Deductions > Other Additions to account for the difference created by the 80% limitation.

## South Carolina

SC electronic filing returns with foreign addresses must enter the numeric country code.

## Exempt Organization (990) Product Updates

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### California

Form 100-ES taxable year dates will be 01-01-20 and 12-31-2020 for calendar year returns.

### Georgia

Georgia > Credits worksheet > Credits section > input for Amount, Sort Order, Credit Sold and Credit Carryover are now accessible.

## Estate & Gift (706/709) Product Updates

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### Connecticut

The following final Connecticut forms are available for dates of death in 2020:

- Form CT-706 NT
- Form CT-706/709
- Form CT-706/709 EXT