

CCH Access™ Tax
2019-4.2
Release Notes

August 23, 2020



CCH Access™
At the Center of the Firm in Motion

| | |
|---|----------|
| Contact and Support Information | 2 |
| Information in Tax Release Notes | 3 |
| Highlights for Release 2019-4.2 | 4 |
| Tax Updates | 4 |
| Electronic Filing Updates | 4 |
| Tax Product Updates | 5 |
| Individual (1040) Product Updates | 5 |
| Corporation (1120) Product Updates | 9 |
| S Corporation (1120S) Product Updates | 10 |
| Partnership (1065) Product Updates | 11 |
| Fiduciary (1041) Product Updates | 12 |
| Estate & Gift (706/709) Product Updates | 13 |

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 open a Support case or chat with a representative 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 2019-4.2

[Return to Table of Contents](#)

Tax Updates

All Systems

The following states decoupled from the CARES Act:

- Colorado
- Iowa
- Kentucky
- Maine
- Minnesota
- New York
- North Carolina

Pre-CARES federal calculations will be available for states to use the pre-CARES amounts, including new pre-CARES passthrough input capability. Iowa, North Carolina, Maine, Minnesota, and New York Individual, and all applicable Fiduciary states, will automatically use the pre-CARES calculations. Iowa, North Carolina, Maine, Minnesota, and New York Partnership Business states also will automatically use the pre-CARES calculations. All states have state-level overrides, if needed. All current year carryover calculations will be available for roll forward from 2019 to 2020. A new pre-CARES carryover report is available in Individual returns. Automatic pre-CARES calculations for Colorado and Kentucky Individual returns and applicable Business returns, a Fiduciary pre-CARES carryover report, Business-Business import/export for pre-CARES passthrough data, and pre-CARES carryover input fields will be available with the next release.

Corporation, S Corporation, Partnership

Georgia - Schedule IT-RZ, Rural Zone Tax Credits, is available for processing as a library form.

Electronic Filing Updates

Individual

Form 1040X for Individual amended return electronic filing is now available.

Tax Product Updates

Individual (1040) Product Updates

Return to [Table of Contents](#).

Federal

Form 1040X. Electronic filing of Form 1040X, Amended U.S. Individual Income Tax Return, is supported. The input to electronically file Form 1040 will also enable electronic filing for Form 1040X. See the Electronic Filing worksheet.

At this time, the IRS only allows tax year 2019 amended returns to be e-filed. The IRS allows direct debit for balance due returns, but the IRS does not allow direct deposit for refunds.

Form 2210. Itemized deductions on the annualized income calculation will no longer have phase outs applied.

Form 2555. "Revenue Procedure 2020-27" prints at the top of Form 2555 when the option is selected on the Foreign > Foreign Earned Income Exclusion (Form 2555) > Print Options.

Form 8845. The EIN of the passthrough entity may be entered under the Credits > Other Credits and Credit Adjustments > Flowthrough Credits - Form 8845 - Indian Employment Credit.

Form 8995. The amount on Form 8995 and the QBI Carryover Worksheet will reflect the amount used on Form 8582 when amounts were partially used for carryovers and partially used in the current year.

Multiple states have announced deconformity with the CARES Act and are requiring some version of pre-CARES federal calculations. To date, the following states have deconformed: Colorado, Iowa, Kentucky, Maine, Minnesota, New York and North Carolina.

The following changes are now available:

- Iowa, Maine, Minnesota, New York and North Carolina will automatically use pre-CARES federal amounts, as needed.
- All these states have added state level overrides to create state return adjustments.
- Pre-CARES versions of TY 2019 -> TY 2020 carryover amounts will be retained with this release to track these special carryovers in future years.
- A pre-CARES Carryover report has been added.
- New fields have been added to all Passthrough Income areas to accommodate pre-CARES calculations done at the passthrough level.

The following will be added on a future release, tentatively scheduled for September 20, 2020.

- Colorado and Kentucky will automatically use pre-CARES federal amounts, as needed.
- Pre-CARES federal prior year carryover input fields.
- Business to Business (pre-CARES passthrough export from business systems).
- Transfer of TY 2018 carryover amounts into TY 2019 returns via our Pro Forma Update feature.

California

For taxpayers that are out of the country, the late payment penalty now calculates from July 15 instead of June 15.

Iowa

Iowa has deconformed to the CARES Act, Public Law 116-136, Section 2307 (Qualified Improvement Property). If a taxpayer placed QIP in service and classified it as 15-year (MACRS) or 20-year (ADS) property for federal depreciation purposes, the taxpayer must use the IA 4562A/B Depreciation Adjustment Schedule to treat the QIP as 39-year property for Iowa purposes. This will automatically be calculated from entries on the federal depreciation input.

Iowa did not conform to the increase from 30% to 50% of a taxpayer's (other than a partnership's) adjusted taxable income (ATI) used in calculating the IRC 163(j) deduction for tax year 2019 as enacted in the CARES Act. This adjustment can be made on Iowa Form 101, Line 3a and 3b.

Kentucky

Kentucky Schedule A properly presents 60% cash contribution carryovers from the prior year.

Personal tax credits from Schedule ITC, Section B now match Form 740-NP, Line 11 when married filing separately.

The Kentucky Schedule A has been updated to allow proper presentation of 60% cash contribution carryovers from the prior year.

Kentucky - Kentucky Cities

The Tax District Address for Warren County Public Schools has been updated for Form OL-S.

Maine

Maine has announced deconformity with the CARES Act and is requiring selected pre-CARES federal calculations. Maine has added the 2019 Additional Worksheet to Report Certain Other Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019. In addition state level overrides are available for these differences.

Maryland

Form 502UP. Line 16c Interest Factor for Period 3 will not round .0365 to .037 in the electronic file for Access.

Michigan

Diagnostics produce when Form MI-4 has been locked.

An entry of "M" in the State Use 2 Field for Capital Gains transactions will now allow the entry to flow to MI-8949. (Included with Release 2019-4.1)

MI-8949 matches Federal 8949 presentation of Section 1202 Exclusions. (Included with Release 2019-4.1)

When taxable social security and Tier 1 railroad retirement benefits are combined on the federal return, they will now be reported on the Michigan return by taking a percentage of each and comparing to the total of both sources of income. (Included with Release 2019-4.1)

Minnesota

Minnesota Schedule M1NC is required to be used when an individual tax return is affected by aspects of the CARES, FFCR, and TCDTR Acts. As of this release, Schedule M1NC, Line 3 calculates two adjustments

automatically. Those adjustments are Sections 2307, Quality Improvement Property Technical Fix, and Section 2205, Charitable Contribution Limitation Modification. They can be overridden on the Minnesota Income/Deductions > M1NC by using 2307 and 2205 in the Code field.

Mississippi

The NOL carry forward worksheet is present in the Worksheet Menu Tree view.

Montana

Form 2 includes the most recent NOL form to include the federal changes under the CARES Act. As a result, an NOL from 2018 and 2019 is fully deductible and may be carried back five years. Additionally, an NOL from 2018 and 2019 may be carried forward indefinitely. Previously, a Montana NOL was limited to 80% of taxable income and only certain farming losses could be carried back.

Line 1 of the NOL form will use Montana source income as calculated on Page 8 of Form 2. The update will also apply to the 2018 tax year.

Non-Resident and Part-Year returns will use Montana source income when calculating Column II of Page 1 of the NOL form. The update will also apply to the 2018 tax year.

The calculation used to determine how much of an NOL is absorbed for Non-Residents and Part-Year residents will use the ratio as calculated on Page 8 of Form 2. The update will also apply to the 2018 tax year.

Nebraska

Nebraska Description of Beneficiary or Partner for Nebraska K-1N will now flow to the correct 1065N entity.

New York - New York City

A new override exists for Form NYC 202, Line 22.

Form NYC 202, Line 15 has been updated to not allow exemption if Line 14 is less than or equal to zero.

North Carolina

North Carolina has deconformed with the federal Sec. 163(j) (Form 8990) provision limiting the interest expense to 50% of adjusted taxable income. Instead the original 30% of adjusted taxable income limit applies. The adjustment will be added back on NC Schedule S, line 5. North Carolina has also deconformed with the federal provision repealing the Sec. 461 loss limit (Form 461) for 2018 through 2020 tax years. This excess business loss is added back for North Carolina tax purposes. The adjustment will be added back on NC Schedule S, line 5. North Carolina deconforms to CARES NOL - Subject to 80% of taxable income limitation. An addback calculates on Schedule S, Line 5 if there is a difference between the pre-CARES NOL calculation and the current NOL calculation.

Ohio

Form SD 100, Line 25 includes SE income from Federal Schedule SE, Line 3 (total SE earnings) not the amount subject to SE tax.

Ohio - Ohio Cities

Schedule Y produces when there are zero apportionment amounts entered for the city categories and there are non-zero amounts entered for the everywhere categories.

The credit rate for Oakwood (OA02) has been updated. Credits are now allowed up to 90% of the lesser of the tax rate for the city where the tax was paid or 2.5%.

Vermont

VT Form IN-119, Part II, Line 1 is no longer limited. The amount will be 10% of the contribution.

Wisconsin

Schedule R carryovers are accounted for when the only amount on the form is from prior year carryover.

Corporation (1120) Product Updates

[Return to Table of Contents.](#)

Maine

Form Other Modification Worksheet was installed due to the CARES Act. Line 6 on the worksheet should match Form 1120ME, Line 2o. Line 11 on the worksheet should match Form 1120ME, Line 4g.

Form 1120ME, Line 2g should zero if the 2019 federal income tax return (original or amended) was filed claiming an NOL deduction in accordance with Section 2303 of the CARES Act.

Massachusetts

Form MA 355, Page 2, Line 3 now calculates tax for 1120-REIT returns.

Michigan

Form 4588, Line 57c and Form 4590, Line 42c late interest amounts will calculate zero if the amount due with the return is zero in an amended return.

Forms 4567, Line 69c, Form 4588, Line 57c, and Form 4590, Line 42c amended penalty and interest calculations will calculate based on the amended amount due on line Form 4567, Line 67, Form 4588, Line 55, and Form 4590, Line 40.

Michigan Electronic Filing

Combined Form 4891, Line 12 or Form 4567, Line 28 automatic adjustment for the business interest deduction difference due to the CARES Act will no longer be made.

Minnesota

Elimination's for MN consolidated return can now be entered on Minnesota > Combined Return > Section 2. Elimination's and Adjustments (overrides), Lines 24 through 41.

Minnesota deconformed from the CARES Act provision for Qualified Improvement Property as detailed in Section 2307, and the difference between federal and state amounts for QIP will be automatically calculated and flow to Form M4I, Line 2i or Line 4o. Additionally, if an override is required this can be entered on Minnesota > Income / Deductions > Federal Adjustments Not Adopted by MN using code 2307.

New Mexico

Form RPD-41379, Column 7 will now calculate the amount of NOL available for carry forward correctly based on the amounts previously used.

S Corporation (1120S) Product Updates

[Return to Table of Contents.](#)

Maine

Qualified Improvement Property (QIP) depreciation adjustment will be added to the ME Schedule K-1 equivalent, Other Additions Modifications line for current year acquisitions. This is calculated based on the difference between FD and ME QIP property. The client can override this calculation with an entry under Maine > Adjustments > 1 - Maine Addition and Subtractions Modifications > Line 16. An override of zero will remove the item from the statement and form altogether. Special allocation code 21300 will be added to K-4 for QIP Depreciation Adjustment.

Minnesota

CARES Act Section 2307 for Qualified Improvement Property Technical Fix will now be automatically calculated based on the difference in depreciation between Federal and Minnesota. Any adjustments made on Minnesota > Income/Deductions > Other Adjustments that flow to the statement behind Form M8 will now be considered an override.

North Carolina

Section 163(j) Form 8990 - An add back will occur as an adjustment to taxable income when the Form 8990 federal amount is different than the state calculated amount. This will appear on the additions to taxable income statement for the North Carolina return, and a copy of the state North Carolina 8990 will be generated and included in the paper copy.

Pennsylvania

RK-1's and NRK-1's will print when the option is selected to print the K-1 copy.

Partnership (1065) Product Updates

Return to [Table of Contents](#).

Kansas

K-1205, Line 8 will show interest income entered as a positive or negative amount.

Maine

The Schedule K-1 Equivalent has been updated to include a QIP Depreciation Adjustment on the Other Additions line. QIP property will not be included in the capital investment tax credit calculation.

Michigan

Transmittal letters and filing instructions for all return types will now show the updated internet address for electronic payments.

Minnesota

MN CARES Act depreciation update - CARES Act Section 2307 for Qualified Improvement Property Technical Fix will now be automatically calculated and flow to the statement behind Form M3, Schedule KPI (Line 9 or 16) and Schedule KPC (Line 12 or 19) based on the difference in depreciation between Federal and Minnesota. Any adjustments made on Minnesota > Income/Deductions > Other Adjustments will now be considered an override.

Montana

Interest rate for 2021 updated to 3%.

New York

Trade or Business Income, Rental Real Estate Income and Other Rental Income on Form IT 204, Page 6, Lines 86 - 89 and Form IT-204-IP, Page 2, Lines 1 - 3 will be adjusted for the difference between pre-CARES NY depreciation and CARES federal depreciation on QIP assets. These assets will no longer carry to Form IT 398. Statements grouping the QIP assets will be prepared for Forms IT 204-IP and IT 204-CP.



Note: Form IT 204-CP does not have any income adjustments.

Oklahoma

Form OKEF, line ERO PTIN, now applies override input entered in Electronic filling > Electronic Return Originator Overrides > Social security number/ PTIN.

OK WTP 10003 Instruction will only show up once in Aaccess.

Fiduciary (1041) Product Updates

[Return to Table of Contents.](#)

Federal

ESBT 1116. Line 18 will factor in capital gains correctly when there is an ordinary ESBT loss.

Estimate Reminder Letters. The date of the letter has been adjusted to be in the month the estimate is due.

Form 1116. Line 1a correctly factors in qualified dividend/capital gain exclusion when there is more than one foreign income category.

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- Business to Business import/export (pre-CARES passthrough export from business systems).
- Transfer of TY 2018 carryover amounts into TY 2019 returns via our Pro Forma Update feature.

Schedule D ESBT. Unrecaptured Section 1250 gain from the sale of partnership interests will not be included in the ESBT calculation. It will only be included in the regular tax calculation.

Correspondence Manager

Cover Letter. Paragraph 1857 mentioning 2020 estimated tax vouchers will no longer be issued in returns without estimated tax vouchers.

Form 1045 Filing Instructions. The conditions for issuing the Axxcess filing instructions for Form 1045 have been updated.

Maryland

Tax paid by PTE input now flows to MD Form 504, Line 29 regardless of whether there is tax withheld in the return or not.

Estate & Gift (706/709) Product Updates

Return to [Table of Contents](#).

Federal

The filing address for Form 8971 is updated to the following address posted by the IRS:

Department of the Treasury
Internal Revenue Service
Stop 8307F
7940 Kentucky Drive
Florence, KY 41042-2915

Illinois

The following final Illinois form is available for dates of death in 2020:

- Form 700

Minnesota

The following preliminary Minnesota form is available for dates of death in 2020:

- Form M706

New York

The following form is updated for revisions posted by New York State:

- Form ET-706 (9/19 version date)