CCH Axcess™ Tax

2019-5.0

Release Notes

November 8, 2020

Contact and Support Information

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Product information can be accessed by visiting Customer Support online: CCH Axcess 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 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 open a Support case or chat with a representative for assistance.

Information in Tax Release Notes

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CCH Axcess™ 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 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 2019-5.0

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Common Updates

- We will be installing the Chromium embedded framework as part of the Common components within Install and Update Manager. The Chromium embedded framework which is replacing the Internet Explorer® embedded browser requires the Microsoft® Visual C++ Redistributable. Install and Update Manager will be installing this redistributable as part of the prerequisites for CCH Axcess if it does not already exist.
- We will no longer install the Microsoft® Office Access Database Engine 2007 as a prerequisite within Install and Update Manager. Additionally, we will not be uninstalling this component on any machine.

2-Step Verification

Beginning Thursday, May 28, 2020, we required 2-Step Verification across all our CCH Axcess software solutions. At that time, we asked that you ensure each of your staff members have a valid phone number and e-mail address in their staff profile because the e-mail option to receive an access code would be removed on our November release.

Reminder: 2-Step Verification is not applicable with our Active Directory or Federated Services modes of authentication.

There have been several changes to our 2-Step Verification process:

- All users must complete 2-Step Verification when they log in to CCH Axcess Dashboard, Document, Practice, Tax, or Workstream the first time following this release. Staff who previously selected *Trust this device* must complete this verification because the trust was stored in Internet Explorer® cookies/cache. The login for CCH Axcess products no longer uses Internet Explorer®. Logins to other CCH Axcess products are not affected by this change. Staff may still select *Trust this device* to reduce the frequency of 2-Step Verification for subsequent logins.
- A new Firm Configuration option is available which allows the Firm Administrator to enable/disable the use of the Authenticator apps for all users, if they choose.
- Two new modes are available for 2-Step Verification, and both will require the apps to first be downloaded/installed to your device from the Apple® App Store® or Google Play™ in order to pair them. They are:

  Apple® Store

  - Wolters Kluwer Authenticator
  - Google Authenticator

  Google Play™

  - Wolters Kluwer Authenticator
  - Google Authenticator
- Once the apps are downloaded to your device, pairing will need to occur. This manual process can be done under a new User Configuration option in the CCH Axcess applications.

- Additionally, we added a phone number verification window on this release which requires users to enter a valid phone number if one does not exist. The system will now require you to verify this new/existing phone number for 2-Step Verification. What this means is that every user will now be challenged with this window upon login until at least one valid phone number has been configured and verified for each user.
- As we previously noted, we're removing the ability to receive an access code via e-mail for 2-Step Verification. The following behavior will be in force due to this change:
  - There will be a first-time use flow process using e-mail to authenticate the user credentials and thereby allow the user to receive the access code. After a successful authentication, SMS Text or Phone Message will be the only method allowed on subsequent logins unless the firm has configured the Authenticator methods noted in the first bullet above.
  - Along with the first-time use flow process, e-mail will also be available as a valid method to receive the access code for all new users.
- If using the Phone Message method to authenticate, the # key was traditionally used to acknowledge the second factor. This is changing whereby you must now key in an access code when using the Phone Message.

Note: The 2-Step Verification enhancements noted here do not apply to client logins for CCH Axcess Portal and CCH Axcess Client Collaboration. Client users of those solutions can still receive the 2-Step Verification access code via e-mail, text, or voice call.

See the knowledge base article Upcoming 2-Step Verification Changes for November for more information regarding the changes and how they may impact users of our cloud-based software solutions.

Batch Manager Features

Print Entire Return - We have added the option to print separate Schedule K-1 PDFs for Partnerships, S Corporations, and Fiduciary returns. In Tax Preparation, there is no change. You must still select Return Sections > K-1 packages.

Resume/Restart PDF Download - If a PDF download is interrupted, the Ready for Download link is available, and a new window displays indicating to either resume or restart the download. Selecting **Resume** continues the download with the next file. Selecting **Restart** begins the download again from the beginning.

Tax Preparation Feature

Tax Equalization (TEQ) Watermarks - We have removed the "Do not file" watermark from the letters in all copies of the TEQ return. All other forms in the TEQ return continue to use the watermark. You can manage TEQ returns by clicking **Tax Equalization** in the Activity group on the Manage tab.

Tax Updates

Organizers

Individual and Fiduciary Organizers are now available for processing.

Corporation, S Corporation, and Partnership

Illinois - The Power of Attorney Form IL-2848 has been redesigned and includes new supporting forms. Form IL-2848-A reports additional Power of Attorney representatives granted authority as a continuation of IL-2848, Step 2. Form IL-2848-B describes the specific authority granted to the Power of Attorney when it is limited.

Corporation

Maine - Maine has automatically extended the Form 1120ME filing deadline for state corporate taxpayers on extension from October 15, 2020 to November 16, 2020.

Electronic Filing Updates

Corporation, S Corporation, and Partnership

Philadelphia - Amended Forms BIRT and BIRT-EZ can now be electronically filed.

Issues Resolved

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The following issues were resolved with release 2019-5.0:

- Signature block and property names print twice when masking and signer signature is requested, and the preparer name and descriptions exceed 18 characters. This also occurred on depreciation statements and is also corrected on this release.
- Partner/Shareholder EIN is not masked on Schedule K-1 unless Partnership/S Corp EIN is also masked.
- Data Migration fails in TaxService call in sporadic cases after 2019-4.1 release.
- Individual 1040 Return
  - Partnership passthrough information does not flow to Schedule E, Page 2 when Name of Entity field exceeds 42 characters.
  - Form 8829, Expenses for Business Use of Your Home - unable to attach IRS-1098, Mortgage Interest Statement to Form 8829 or Schedule E.
  - Schedule E, Page 2 print drops the detail line for Section 59 (e)(2) expenditures.
- S Corporation 1120S Return - Tax Preparation - 1120S return calculation hangs when Per user "Preferences selection" (Default) is selected for Export Options.
- Partnership 1065 Return - Rental Special Allocation codes (7003/7013) do not work with Qualified Improvement Property (QIP) Depreciation in the return.
- Fiduciary 1041 Return
  - Unable to create new occurrences of 1041 Electing Small Business Trust (ESBT) Form 1116, Foreign Tax Credit
  - Unable to export return to the Electronic Filing Status System due to Unspecified PDF 2019 1041.
  - When a Grantor Trust is selected for printing Entire return all copies, the bookmarks are missing in the Schedule K-1 copy.
  - Import/Export creates "Validation Failed" when exporting Qualified Business Income Deduction information to an individual 040 beneficiary.
- CCH Axcess Tax has stopped working when navigating between data entry worksheets and government forms, when using four tabs and vertical tab view.
- Print set no longer available while resubmitting the job which has original print set other than default.
- Tax Transfer - Government Form 8879, IRS e-file Signature Authorization - Taxpayer PIN is not exported completely if it contains zeros.

Tax Product Updates

Individual (1040) Product Updates

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Federal

Form 1040-V. Form 1040-V will print when Form 1040X is electronically filed but direct debit is not selected.

Form 1116 AMT. The AMT allocation of foreign losses calculates when the foreign branch basket has a net loss but other foreign baskets have net income.

Form 1116.

- The housing deduction for the foreign branch income basket is included on the Income Summary 4 when applicable.
- The total of the current year foreign loss and prior year unrecaptured loss is reported on the carryover report.

Form 3800. Research Credit carryover for a passive activity will now appear on Form 3800 if there is no current year research credit.

Form 8995-A. Schedule C, Line 2 only includes the 2017 carryovers that are applicable.

Form 8995. Line 3 only includes the 2017 carryovers that are applicable.

Initial & Annual Statement of Qualified Opportunity Fund (QOF) Investments - Form 8997

- Form 8997, Part III includes the QOF date sold instead of the date acquired.
- Form 8997, Part IV no longer includes deferrals into a QOF if they were acquired after the end of the current tax year (12/31).

Alabama

Late payment interest now calculates from July 15 rather than April 15.

Colorado

Form DR 0104. Line 6 now always calculates using the right Colorado taxable income per pre-CARES standard.

Michigan - Michigan Cities

The Direct Debit Report and diagnostic 36135 will contain banking information for the returns where Detroit is filed with a Michigan city that does not allow e-filing.

Minnesota

The charitable contribution adjustment is limited correctly in all scenarios.

Mississippi

Form 80-105, Line 38 now takes Form 80-108, Schedule N into account for depreciation adjustments.

North Carolina

On September 4, Governor Roy Cooper signed into law the House Bill 1105 (Session Law 2020-97). The law includes the Extra Credit Grant program to be administered by the North Carolina Department of Revenue ("NCDOR"). According to Section 4.12.(d) of the law, North Carolina residents who filed a 2019 return are eligible for an automatic grant award of $335 if they reported at least one qualifying child on Line 10a of Form D-400. If the income limit exceeds the amount specified for the applicable filing status for North Carolina on Line 10b of Form D-400 the number of qualifying children will show as 0 although there may be qualifying children for the federal tax credit.

Corporation (1120) Product Updates

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Federal

Line 2m "No" box will not be checked when Form 8991, Line 1g is checked "No".

Schedule PH, Part VI, Line 4, first preceding year carryover, is now shown as a "reduction" (rather than limited to zero) when dividends paid exceed taxable income.

California Combined

Form 3523, Line 10 correctly prints at the California Combined level. It was a print issue only and did not affect the correctness of the return.

District of Columbia

Form D-20, Page 2, Line 38 will now flow to Schedule 1A on the consolidated return when the amount is negative.

Illinois

Schedule UB, Step 4, Line 11 calculation updated to not use amounts from other columns (other members of the combined group).

The Power of Attorney Form IL-2848 has been redesigned and includes new supporting forms. Form IL-2848-A reports additional Power of Attorney representatives granted authority as a continuation of IL-2848, Step 2. Form IL-2848-B describes the specific authority granted to the Power of Attorney when it is limited.

Kentucky

Economic Development Credit Schedule L - Section C now calculates when conditions are met.

The extension due date has changed from 6 months to 7 months.

Kentucky Consolidated

Form 851-K now prints all pages when more than one page is generated in the consolidated return.

Massachusetts Combined

Form 355U, Schedule U-MSI, Line 26, sales factor weight will be calculated for corporations not taxable in another state if the apportionment sales percent has been overridden in the shell return on MA > Unitary Return > Schedule U-MSI.

Montana Electronic Filing

Schedule K will be included in the electronic file when it is active, even when apportionment is 0.

New Jersey

Form CBT-100, Schedule A, Part III, Line 4, Tax Base, now includes Line 3b, Nonunitary Partnership Income.

Pennsylvania - Philadelphia

Amended Form BIRT or BIRT-EZ can now be filed electronically.

S Corporation (1120S) Product Updates

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Federal

Schedule K to K-1 reconciliation. Qualified REIT dividends will be included with the amount on the Schedule K-1 column.

Illinois

The Power of Attorney Form IL-2848 has been redesigned and includes new supporting forms. Form IL-2848-A reports additional Power of Attorney representatives granted authority as a continuation of IL-2848, Step 2. Form IL-2848-B describes the specific authority granted to the Power of Attorney when it is limited.

Maine

Maine has automatically extended Form 1120ME filing deadline for state corporate taxpayers on extension from October 15, 2020 to November 16, 2020.

Massachusetts

Amount that shows in the e-file status will now show as zero when Form NRCR has the whole overpayment applied to estimates and there is a penalty present.

Oklahoma

Oklahoma extension due date will now show October 15 if only Federal extension is present and no Oklahoma extension.

Philadelphia

Amended Form BIRT or BIRT-EZ can now be filed electronically.

Partnership (1065) Product Updates

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District of Columbia

Schedule 1B, Line 33 will now include the exemption amount from subsidiary returns and the total will flow to Schedule 1A on the consolidated return.

The letters and filing instructions for amended consolidated returns will no longer report a refund when there is a balance due.

Illinois

The Power of Attorney Form IL-2848 has been redesigned and includes new supporting forms. Form IL-2848-A reports additional Power of Attorney representatives granted authority as a continuation of IL-2848, Step 2. Form IL-2848-B describes the specific authority granted to the Power of Attorney when it is limited.

Montana Electronic Filing

Disqualifying diagnostic 43307 will issue if there is a Disregarded Entity entered without a name or FEIN.

Pennsylvania - Philadelphia

Amended Form BIRT or BIRT-EZ can now be filed electronically.

Philadelphia e-file signature form will now generate even if only NPT return is present.

Fiduciary (1041) Product Updates

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Federal

Form 2439. Form 2439 items are no longer included for ESBT returns in paper or electronically filed returns.

Schedule D / 6781 ESBT. Only ESBT coded Form 6781 items will be included on the ESBT version of Schedule D.

State 461. Line 10 will no longer subtract losses that are business income from Schedule E.

The duplicate statement printing for ESBT NOL has been removed.

District of Columbia

No deduction for qualified business income is made on Form D-41, Line 4.

Iowa

Iowa will now calculate as conforming to QBI for ESBT purposes.

Kansas

K-41 will now print and be filed for Grantor returns.

North Carolina

The adjustment for federal NOL addition on Form D-407, Line 2 that is included in taxable income but was not used in the current year is no longer distributed to the beneficiaries.

Oklahoma

IRC Section 671 text will now print on OK 513NR when appropriate.

Oregon

Oregon ESBT will now include all Net Capital Gains that apply to Oregon. The updated ESBT amount will be on OR 41 PG 2.

Estate & Gift (706/709) Product Updates

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Federal

The following final forms with August 2019 version date are available for dates of death in 2020:

- Form 706
- Schedule A
- Schedule A-1
- Schedule B
- Schedule C
- Schedule D
- Schedule E
- Schedule F
- Schedule G/H
- Schedule I
- Schedule J
- Schedule K
- Schedule L
- Schedule M
- Schedule O
- Schedule P/Q
- Schedule R
- Schedule U
- Schedule PC
- Schedule R-1

Minnesota

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

- Form M706

New York

The following final form with September 2019 version date is available for dates of death in 2020:

- Form ET-706