

CCH[®] ProSystem *fx*[®] Fixed Assets

Welcome to CCH[®] ProSystem *fx*[®] Fixed Assets 2018.01000

This bulletin provides important information about the 2018.01000 release of CCH[®] ProSystem *fx*[®] Fixed Assets. Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#). As previously communicated, we now provide software downloads for all releases. For more information on how to use Software Delivery Manager, [click here](#).

File Open Enhancements

- ◆ Ability to filter the client list based on entries in the client name field
- ◆ Faster build of the client file list on file open dialog

Federal Updates

Tax Cuts and Jobs Act of 2017

Section 168(k) Special allowance depreciation. Step down of bonus depreciation percentages in years 2023 through 2026. State conformity has been projected to reflect the current tax year legislation.

Section 179. Expense and investment limits for 2019 tax years updated to \$1,020,000 and \$2,550,000 respectively.

Qualified Improvement Property. Alternative lives, as indicated in the Senate letter to the IRS, can be manually entered for such property. Available lives when using MACRS are 39/15. Available lives when using ADS are 40/20.

Farm Machinery and Equipment. A new property type, 'Farm Equip,' has been added. This property type will default to a 7-year life using MACRS 150 method if placed in service before 2018 and a 5-year life using MACRS Calc method for assets placed in service after 2017. States that do not conform with the post 2017 method and life will continue to default to a 7-year life with MACRS 150 method.

Principal Business Activity is Related to Farming. New checkbox on the client setup dialog. When selected, all applicable assets placed in service prior to 2018 will default to MACRS 150 method.

Income Tax Credits. Several Income Tax Credits involving Energy items have been extended.

Section 199A Qualified Business Property Report. This new report lists the assets qualified to be included in the unadjusted basis immediately after acquisition (UBIA) in the current tax year. The UBIA is totaled per tax link and per taxpayer to be used in the calculation of the qualified business income deduction.

Exclude from UBIA. Checkbox is available on the detail tab. Should an asset appear on the Section 199A Qualified Business Property report that you do not wish to have included, simply select this box.

Note: Some continuation assets from non Sec. 1.1168(i)-6(i)1 exchanges may be incorrectly included on the Section 199A UBIA report. Please review these assets and select the Exclude from UBIA box if necessary. This will be resolved on version 2018.01010, which is anticipated to be available on January 6, 2019.

Form 4562

The Federal Depreciation and Amortization form has been updated to the draft 2018 version.

State Updates

Conformity to the Tax Cuts and Jobs Act of 2017

Connecticut - Does not conform to 100% bonus depreciation. Nonconformity occurs through an addback and future year subtraction of the additional bonus claimed. To maintain depreciable basis, Fixed Assets will show Connecticut as conforming to bonus. When imported to your tax software, the Connecticut module will calculate the addback and subsequent subtractions.

Iowa - Section 179 expensing and investment limits for 2018 have been updated for Corporations and S-Corporations to reflect \$25,000 and \$200,000 respectively. 2018 limits for other entities have been updated to reflect \$70,000 and \$280,000 respectively. 2019 Section 179 expensing and investment limits have been updated to reflect \$100,000 and \$400,000 respectively for all entity types.

New Hampshire - Section 179 expense limit is maintained at \$500,000 for tax years post 2017.

As of the 2018.01000 release, the states listed below do not conform to the 280F luxury auto limits as modified by the Tax Cuts and Jobs Act of 2017:

2017 Tax Years: Arkansas, California, Hawaii, Iowa, Kentucky, Maine, New Hampshire, South Carolina, Texas, Virginia, and Wisconsin.

2018 Tax Years: Arkansas, California, Iowa, Maine, Minnesota, New Hampshire, South Carolina, and Texas.

Note: Minnesota handles non-conformity through a state income tax addback and subsequent subtractions. To maintain depreciable basis integrity, Fixed Assets will calculate as though they conform to the Federal limits. Tax will calculate the necessary income tax addition and subtractions needed.

Important: The 2018 versions of Fixed Assets will only open files last saved in Fixed Assets v2016.01000 or later. Please ensure you have saved all of your existing Fixed Assets client files in the 2016 or 2017 versions before installing a 2018 version. Support will not be able to open any files last saved on a version prior to Fixed Assets Release 2010.01000.

New Technologies Supported

- Microsoft® Windows 10® 1803
- Microsoft® Office 2019
- Citrix® XenApp® version 7.18
- Amyuni® 5.5.2.7

Conversion Notes

At the time of this release, the last supported versions of the following third party fixed assets software are:

- Asset Keeper Pro v2017
- BNA v2018.0.0.22
- Fixed Assets CS v2017.1.7

- Sage® Fixed Assets v2018.1

Tip

States that do not conform to Federal legislation, such as Special Allowance Section 168(k) depreciation, may do so by recalculating depreciation using the state basis for depreciation or by calculating an Addition to Taxable Income in the year acquired and Subtractions from Taxable Income in subsequent years.

States that recalculate depreciation using the state basis for depreciation will show 'No' in the autoflow selection for bonus on the Book Setup Tab of the Client Information/Book Dialog. These states will maintain their own depreciable basis, and thus may calculate different current depreciation than is allowed in the Federal book.

States that utilize the additions and subtractions to Taxable Income will show 'Yes' in the autoflow selection for bonus in the Book Setup Tab of the Client Information/Book Dialog. These states depreciable basis will match the Federal depreciable basis, and thus have matching current year depreciation deductions. The additions and subtractions to Taxable Income will be calculated in the tax preparation software.