

2014.03020
Release Notes

March 29, 2015



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Contact and Support Information

Product and account information can be accessed by visiting Customer Support online at Support.CCH.com. 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. Access to these features is available 24/7.

The following Web site provides important information about the features and updates included in all ProSystem fx Tax releases: [Release Notes](#)

Visit the [Application Status](#) Web page to view the current status of our CCH 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 Year 2014 Release Notes

Tax Release Notes inform you of the enhancements and updates that have been made to Tax products and systems with the current release.

Updates provided in the Release Notes include the following:

- Contact and Support information
- Updates to the Tax technology (electronic filing updates, Organizer, Pro Forma, technology enhancements)
- Updates made to Tax products (form additions and updates, diagnostic updates, changes caused by regulatory updates)

Highlights of This Release

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Please note that we are changing the release schedule and cancelling release 2014.03030, originally scheduled for April 5, 2015. This will reduce risks associated with making additional changes to the tax application, and help ensure uninterrupted service and successful processing during the final weeks of the tax season. Release 2014.03020 will be the final release prior to the April 15, 2015 filing deadline, and the next release will be 2014.03040 targeted for April 26, 2015.

Tax Updates

Partnership and S Corporation

Iowa. Form IA 1040V, Individual Income Tax Payment Voucher, is now available for processing payments of composite tax in S Corporation tax returns.

Illinois. Schedule K-1-P(3)-FY, Passthrough Withholding Calculation for Nonresident Members (for Fiscal Filers) is now available for processing S Corporation and Partnership tax returns.

Corporation

Illinois. Schedule SA, Specific Accounting Method of Computing Net Income for Corporations, is now available for processing Corporation tax returns.

Exempt Organization

Form 3115 is now available for processing for both paper and electronic filing. Input is available on Worksheet Federal > Other > Form 3115 - Change in Accounting Method (Interview Forms J-1 through J-12).

Product Updates

Individual (1040) Product Updates

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Federal

Cover Letter. When custom letterhead is used and standard letterhead has been entered for the office group the standard letterhead is suppressed if the custom letterhead is being used.

Form 1040. The Form 1040, line 7 statement total no longer includes statutory wages entered on the Wages, Salaries and Tips worksheet (IRS W-2).

Form 6251. When a passthrough activity is coded as nonpassive and there is section 1231 passive activity loss carryover for either regular tax or AMT, but not both, the amount reported on Form 6251, line 17 is the difference between the amounts calculated for regular tax and AMT purposes.

Form 6251. When an installment sale is nonpassive and coded as STCAP, the difference between the gain for regular tax and AMT is included on the Form 6251 - AMT Capital Gain/Loss Transaction worksheet, in the Form 6251, line 17 column.

Form 8962. Form 8962, Alternative Calculation for Year of Marriage Totals Worksheet, line 13, column A is equal to the sum of lines 1 through 12, column A.

Form 8965. If a dependent was born in 2014 and had no insurance, the shared responsibility payment worksheet only counts the first full month the dependent was alive and subsequent months as not having insurance.

FSC. The amount of AMT calculated for FSC purposes will reflect the amount of depreciation taken on a Section 1250 installment sale that is using the automatic sale feature.

Schedule E, page 2. When an activity is subject to the basis limitation and there is a disallowed loss for the amount to be reported on Schedule E, page 2 and then the Basis Limitation Information worksheet (Interview Form N-1) is deleted, the amount that was disallowed on the previous calculation is not included in the calculation of Schedule E, page 2.

Tax Projector. The amount of override of wages for Tax Projector purposes will also be used on the Projector Form 8959 when multiple W-2's are entered.

Virginia Estimate Filing Instructions. Filing Instructions have been updated to include all applicable addresses when the initial estimate is filed to a different address than subsequent estimates.

Electronic Filing

Form 1040A. Diagnostic 40013 only issues in Form 1040A returns filing as married filing separately.

Form 2441. Disqualifying diagnostic 41185 issues when the same qualifying dependent has been entered more than once to claim dependent care expenses. The entries should be combined.

Schedule EIC. Disqualifying diagnostic 46272 issues when a dependent has been marked as deceased, but a PDF attachment for Death Certificate is missing.

First Extensions

New York batch extension will be disqualified when the preparer's SSN/PTIN or NYTPRIN/Exclusion code are missing.

Alabama

Schedule E, mortgage interest expense is limited by the percentage of ownership.

Alabama Electronic Filing

Form PPT, Page 2, Part B, line 17 is limited to zero when negative to prevent reject ALPPT-063.

Arizona

Amounts entered for 2013 federal IRC Section 179 disallowed by Arizona will no longer be included in the calculation of the subtraction on Form 140, Line 26 and Form 140PY, Line 43 and Form 140NR, Line 39.

Arizona Electronic Filing

Arizona Form 8879 is required and prints in nonresident and part-year returns.

Arkansas Electronic Filing

Arkansas alimony input on Other Adjustments > Alimony Paid with code 'S' entered in the FS field (Interview Form M-2, Box 31) is included in the electronic return.

California

Section 1244 transactions with a class code of "X" (Investment income), flow to the CA Schedule D, as needed.

Section 59(e)(2) expenditures entered for publicly traded partnerships (PTPs) flow correctly to the CA return.

The statement for Schedule CA, Line 9 matches the amount on the form when dividend income is entered from passthrough input.

Connecticut

When there are multiple sheets of the Connecticut Foreign Compensation Allocation worksheet, the legend information prints on all pages.

Georgia

Form GA 500, page 2, line 19 includes withholding only from GA sources.

Indiana

The statement for IN State 8960, line 10 includes county tax withheld as shown on Form IT-40, Sch 5, Line 2 or Form IT40PNR, Sch F, Line 2.

Iowa

Iowa pension exclusion calculation excludes military retirement pay.

The name of the personal representative entered on Basic Data > General > Name of personal representative for a deceased taxpayer (Interview Form 1A, Box 36) will not display in the taxpayer's address line on IA 1040.

Kansas

Schedule S, Part A, Line A8 ignores self employment tax for ministerial income that is entered on the Wages and Salaries worksheet, Other section, and the income type field is Minister or clergy (Form IRS W-2 with a code of 3 in Box 127).

When voucher overrides equal the Kansas estimate threshold of \$500, the estimates will not drop off of the transmittal letter.

Kentucky

Form 725 will print all pages for all versions when multiple forms 725 are prepared.

Maryland

Form 502, line 5, code A - other adjustments, now excludes student loan interest when indicated as Maryland source.

Massachusetts

Amounts from Form 8621 show as Massachusetts Differences on Massachusetts Schedule D when allocated to Massachusetts.

Form 1NR/PY Line 14e includes foreign earned income excluded from the federal return up to a maximum of \$80,000.

Line 11 of the Schedule B includes long-term capital gains on collectibles and pre-1996 installment sales from Schedule D, Line 12.

Line 20 Excess Exemptions on Massachusetts Schedule D is limited to the Line 19 subtotal.

Schedule B prints and is included in the electronic file when Excess Exemptions are included on Line 36.

Schedule B prints and is included in the electronic file when long-term losses are applied against interest and dividends on Line 32.

Schedule DI does not include the spouse when filing status is Married Filing Separate - Spouse Not Filing.

Schedule HC correctly computes the penalty amount when filing status is Head of Household but no dependents are claimed due to release of claim for dependent exemption.

The AGI and No Tax Status/Limited Income Credit worksheet, Line 6 includes Schedule D-IS, Lines 22 and the sum of Part 2, Line 7, Columns A through F when Schedule D-IS is present instead of Schedule D.

Massachusetts Electronic Filing

Form M-4868 includes the spouse Social Security number only when filing status is Married Filing a Joint return.

Minnesota

Calculation for Schedule M1NR, Line 19B, Other Subtractions - MN portion, has changed. Current input for prior year addback amounts is now attributed to non-passthrough activities. New input on MN Income/Deductions worksheet, Carryovers section and Nonresident and Part-year Information section (Interview Forms MN13 and MN11) is installed with statements to handle passthrough and non-passthrough breakdown, if needed. Cautionary diagnostic 26332 issues to notify about the calculation change.

Form M1WFC, Working Family Credit, now gives a credit on line 2 for taxpayers with filing status of married filing jointly with earned income between \$43,700 and \$43,900 with one qualifying child and earned income between \$43,700 and \$49,100 with two or more qualifying children.

Montana

Form MT2, Schedule 1, line 2 is limited to zero.

Nebraska

For nonresidents who are claiming a non-Nebraska S Corporation or LLC adjustment on Schedule I, when a portion of the income is claimed by Nebraska, the adjustment on line 52 or 63 includes the full amount claimed by the home state and is reduced by the Nebraska portion.

Form 1040N, line 28B includes 2015 withholding payments from passthrough entities.

New Mexico

A statement will issue when Form RPD-41358, Part III, Section 1, includes more than 4 owners, members, or partners.

Forms RPD-41326, RPD-41358 and RPD-41227 will not prepare when the taxpayer is a dependent of another.

New York

Form IT-201, line 56 matches Form Y-203 when the property tax freeze credit has been entered.

New York Electronic Filing

Nonresident New York returns with 'NR' as the school district code are able to be filed electronically.

North Carolina

For part-year and nonresident returns, the North Carolina sourced income on Schedule S line 20 ignores 2014 bonus depreciation and 2014 section 179 expense deduction add backs. Bonus depreciation add backs from prior years on Schedule S, lines 9f and 10e are included in calculation of North Carolina sourced income.

Form 478, line 22i, income tax credits not subject to 50% limits, uses Form 400-TC, line 16, instead of line 18.

When more than one credit for taxes paid is taken a statement is produced to support Form D-400TC, Lines 1 through 6.

North Dakota

Form ND-1, Line 7 includes, amortizable bond premium for US government interest.

Ohio

Form IT 1040X, line 4 "As Amended" column now calculates correctly.

Form IT SBD, line 9a is now limited to the federal self employment tax.

Ohio - Ohio Cities

Toledo. When the taxpayers are filing a married filing jointly federal return the estimated tax payments are applied to the taxpayer's or spouse's Toledo return on Line 17.

Pennsylvania

Form RCT-101, Schedule A-1, Line 5 calculates the ratio when less than three factors are present.

Form RCT-101, Schedule A3, Part A, Line 10 automatically pulls an amount from Part B, Current-Year Reduction.

Form RCT-106, Table 1 shows Inside PA amounts and Inside and Outside PA amounts.

Schedule A picks up exempt interest from both 1099INT and 1099DIV to match Federal 1040, Line 8b.

Schedule A will not include interest from an irrevocable trust already reported on Schedule J.

Schedule B adds back state taxable exempt-interest dividends.

Schedule B will not include dividends from an irrevocable trust already reported on Schedule J.

Schedule B, Line 9 picks up spouse coded dividends from an S Corporation.

Schedule D prints when information is present, even if taxable amount is zero.

State Form 8960, Line 1 excludes federal tax-exempt interest that is taxable at the state level when requested.

Pennsylvania - Philadelphia

The form NPT payment coupon recalculates the amount due when the overpayment on form BIRT is applied to the form NPT balance due.

The second entity of Form AR produces when employer name is the same as the first entity.

Wisconsin

Form W-RA prints when the only item present is the Veterans and Surviving Spouses property tax credit.

Line 2 of the medical care insurance worksheet uses the allowed PTC instead of the full amount from Form 8962.

Nonresident returns containing Schedule MA-A in which a business income limitation applies now correctly include the additional disallowed amount in the carryover to next year.

Sch HR line 3 calculates 20% of line 2b.

Wisconsin Form 8960, line 5a now reflects a 30% capital gain exclusion in situations where the only item on Schedule WD is a capital gain distribution.

Partnership (1065) Product Updates

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Federal

Form 8804 Schedule A will calculate the underpayment penalty the same way Corporation Form 2220 calculates.

Form 8804, Schedule A, line 1 will pull directly from Form 8804, line 5f .

Input is available to override Form 3115, Schedule E, Questions 1 through 4.

Multiple Activity Schedule. The activity schedule is updated to include the net gain or loss after adjustment for cost of replacement or roll-over.

Schedule K-1. The K-1 overrides for Part II, Lines K and L, are now included on the Schedule K-1.

The heading for the net investment income detail schedule has been updated to reflect Schedule K, instead of Form 1065.

Alabama Electronic Filing

Form BPT-NW, lines 26b and 26d will now be populated only if Form PPT, Type of Taxpayer is "L".

Electronic filing disqualifying diagnostics 43591, 43597, 43598 and 43599 will no longer issue for rounding differences on Form PTE-CK1.

California

Schedule K-1, Column C Reconciliation statement will print when requested in Office Manager.

Colorado Electronic Filing

An adjustment has been made to ensure the Form 8453, Line 1 includes all of the income from the Federal Schedule K per the change made by the state for 2014.

Connecticut

Schedule K-1 taxable income and tax have been updated when contributions exceed subtractions due to rounding.

Illinois

Illinois. Schedule K-1-P(3)-FY, Passthrough Withholding Calculation for Nonresident Members (for Fiscal Filers) is now available for processing Partnership tax returns.

Personal service income will no longer be included in IL-1065, line 21, loss distributable to partner subject to replacement tax, or line 27, income distributable to partner subject to replacement tax.

Indiana

IT-65 Comp no longer shows corporations, partnerships and fiduciaries per government instructions.

Iowa

Adding Form IA 1040V - Composite Tax Payment Voucher to pay amount due on IA 1040C.

Kentucky

If Schedule K amounts are zero then the Federal allocation codes for the specific amount that is zero will not be used to calculate the Schedule K-1.

Louisiana

Form R-8453P, Declaration for Electronic Filing, has been added and is available for processing.

Maryland Electronic Filing

Three digit code numbers entered in the boxes at the bottom of Form 510 will now be included in the electronic file.

Michigan

The MBT Net Operating Loss will no longer flow to the NOL Carryover report when the MBT form 4567 is not getting prepared.

Michigan - Grand Rapids

Schedule 2, columns 4 and 7 have been revised for returns without apportionment.

The apportionment percentage on Common Form Schedule C and K-1 will now print for nonresidents partners.

Minnesota

A supporting statement will now be produced behind Schedule KPC detailing prior year Section 179 and bonus depreciation amounts when such data is input for the partner on Minnesota Income / Deductions > Partner Prior Year Section 179 / Bonus Composite Information section [Interview Form MN11].

For returns with no balance due, extension letter will now include reference to Minnesota granting automatic extension.

Form M3 Line 17 will now populate with amount of overpayment applied to next year estimates when bank account information is present in return.

New Hampshire

Form BET, Business Enterprise Tax Return, has been updated to print when BET Credit Worksheet is being filled out, but there is no BET Tax. The BET Credit that is being used in the current year will flow to Form NH-1065, Business Profits Tax Return, line 11(a), BET Credit only.

New York

Form IT-204IP will only print statements when required for Additions to Federal Itemized Deductions or Subtractions from Federal Itemized Deductions.

Oregon

An override on worksheet Oregon > Income/Deductions > Schedule K-1 (Interview Form OR17) is now available for line 20 of the Schedule K-1.

Schedule K-1 and K-1 equivalent will no longer utilize the state if different residency code available in the federal input to affect the partners mailing address.

Schedule K-1 line 18 will no longer double the small employer health insurance adjustment.

Vermont

Guaranteed payments will be apportioned before allocating to partners. When it includes guaranteed payments, Line 1 of the Form K-1VT will adjust accordingly.

Virginia Electronic Filing

Electronic filing disqualifying diagnostic 46190 will issue when the owner's percentage on Schedule VK-1 is less than zero or greater than 100.

Wisconsin

Schedule 3K-1, a statement has been added for nonresident partners, for the pre-2014 basis adjustment.

Schedule 3K-1, a statement has been added that will include the remaining depreciation basis adjustment for a final year return.

Schedule MA-M will now be an active form if information has been entered on the Credits Worksheet > Credits Passed Through from Other Entities section, or on Interview Form WI-32, boxes 50 through 90.

Wisconsin Electronic Filing

All Form PW-1 preparer information is suppressed when the option to suppress the printing of preparer information has been selected using the Federal > General > Return Options > Preparer Information > (Suppress printing of preparer information) (Interview Form 3, Box 30).

Diagnostic 45279 has been added to prevent a schema validation error when information for a foreign and domestic address has been entered on the Federal > Partners > Partner Information > Basic Partner Data (Interview Form K-1, boxes 60 through 77).

Corporation (1120) Product Updates

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Alabama Electronic Filing

Form BPT-NW, line 32 will not be populated for CPT forms as stated in a new business rule.

District of Columbia

The link to the government form instructions has been activated.

Florida

Form F-1120, Schedule IV has been updated to correctly pull the transportation apportionment fraction.

The carryover report will no longer show a NOL carryover when it has been utilized.

The extension amount will no longer flow to the FL-1120 when the extension has been deleted.

Illinois

Illinois. Schedule SA, Specific Accounting Method of Computing Net Income for Corporations, is now available for processing Corporation tax returns.

Illinois Electronic Filing

Schedule UB, Step 5, FEIN information will be included in the electronic file when Illinois Combined Worksheet Unitary Return Auto Feature (Interview Form IL-UBG1) is used.

Kansas

Form K-120 part I ,line 12 High Performance Incentive Program Credit, will reflect the amount on form K-59, line 9, Amount of credit allowable for training and education.

Louisiana Electronic Filing

Form 8453C, Declaration of Electronic Filing, will now print upon exporting the Louisiana extension.

Minnesota

Option to present Schedule NOL in alternative method no longer suppresses print of the AMT version.

New Hampshire

The NOL on the Carryover Data and Detail Carryover Schedule has been updated to match the NOL that is being used on Form DP-132, Net Operating Loss Deduction. A Diagnostic will produce if there is any NOL that is greater then the limitation allowed per year entered.

New York - New York City Electronic Filing

Line 2 of the foreign filer business name will now appear in the electronic return in the appropriate location.

West Virginia

The threshold to require payment via electronic funds transfer has been updated from \$100,000 to \$10,000 in order to follow the West Virginia change effective January 1, 2015.

S Corporation (1120S) Product Updates

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Federal

Form State 4562 Totals, line 7 brings over the amount from line 29.

The filing address override field has been improved because of IRS updates to the filing requirements.

Direct Deposit/Debit Report

The federal extension return electronic withdrawal information will now appear on the Direct Deposit/Debit Report.

Arkansas

Arkansas Schedule K-1, Line 13 will include Arkansas depreciation difference from AR 1100S, Page 2, Schedule A, Line 10.

Colorado

An adjustment has been made to have the filing instruction print before the signature document or voucher.

Illinois

Illinois. Schedule K-1-P(3)-FY, Passthrough Withholding Calculation for Nonresident Members (for Fiscal Filers) is now available for processing S corporation tax returns.

Iowa

Ability to make IA1040C, payments by dates on Federal > Payment/Penalties > Tax Payments > State Quarterly Payments (Interview Form STPAY-1) is available.

Adding Form IA 1040V-EXT - Composite Extension Tax Payment Voucher to pay amount due on IA 1040C when an extension is selected for a composite return filing.

Adding Form IA 1040V - Composite Tax Payment Voucher to pay amount due on IA 1040C.

Kansas

Form K-59K1, Line 11S, will now reflect \$1,000,000 if Form K-59, Line 11S, has \$1,000,000 present.

Oregon

When partner's have the same SSN/EIN the Schedule K-1, line 20 will now use the partner number instead of the SSN/FEIN to pull the corresponding amount.

Virginia

Letters and diagnostic 29526 have been updated to show the payment options website instead of the PDF guide page which is <http://www.tax.virginia.gov/content/payment-options>.

Virginia Electronic Filing

Disqualifying diagnostic 46276 will issue when Schedule VK-1 is missing in the return.

Wisconsin

Form A-1 Part III, Lines 9a and 9b include amounts from Lines 7a and 7b.

Schedule 5K, Line 13P and Schedule 5K-1, Line 13P, are now limited to not allow negative amounts.

Wisconsin Electronic Filing

Form 1CNS allows shareholders whose Social Security Number shows "Applied For" or "Tax Exempt" to be included without schema validation errors.

Fiduciary (1041) Product Updates

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Federal

Disqualifying diagnostic will issue if a Canadian province is entered without Canada being in the foreign country for a beneficiary's address.

Federal and states will now reflect the OID and amortizable bond premium adjustments against tax-exempt interest.

If a negative number calculates for tax-exempt interest, it will be limited to zero.

If "Require the user to be the preparer for signature to print" is checked in the Office Manager, the firm name will not appear in the preparer's signature.

NOL nonbusiness income no longer doubles royalties from a pass-through entity.

Ordinary gains will no longer include recaptured gains. If a recapture is involved with a section 1245 gain, the description will note that it is recharacterized as section 1231.

Pooled income funds and charitable lead trusts will be treated like complex returns for investment income and alternative minimum tax calculations.

Prior year qualified dividends will now not be included in both prior and current year amounts for net investment income on the ordinary income worksheet.

Electronic Filing

Diagnostic 46260 will now generate if a negative amount has been entered on Form 6781 that is not allowed by IRS.

Diagnostics 49019 and 56773 will no longer issue for valid MO ZIP codes 63300 - 63399 and 64400 - 64499.

Form 3115 will print in the government copy that is mailed via USPS to the taxing authority.

Return will be disqualified if Sch G, net investment income tax does not match Form 8960, line 21.

Arkansas Electronic Filing

A disqualifying electronic filing diagnostic will be issued when negative amounts are on Forms AR1002F or AR1002NR, lines 9 - 13.

California Electronic Filing

The estimated tax vouchers will now print in government copy for California.

Connecticut

On a nonresident Connecticut trust, the total Connecticut sourced income on Schedule K-1T, Part 3 will now be the total of the Connecticut sourced Portion of Items on the Schedule K-1, Part II regardless of the beneficiaries' residency status.

The province, country code, and foreign zip code will now print in the address of a foreign beneficiary on the Schedule K-1.

District of Columbia

The amount on federal Form 1041, line 11 will no longer flow to DC D-41, line 7.

Georgia Electronic Filing

A disqualifying diagnostic will now issue if State of Georgia required information for electronic signature is not complete; this includes Taxpayer self selected PIN, Originator self selected PIN, PIN authorization indicator, Trustee name, Date signed by taxpayer, and Trustee's title.

Indiana

Indiana form IT-41, line 2, Indiana Additions or Add-backs will now populate for Out-of-State Municipal Bond Interest entered.

Iowa

In a partial grantor trust, the Iowa Schedule K-1 Equivalent will now generate when the Beneficiary Type selected in the Beneficiary Information is "B" for Both Trust and Partial Grantor. The Schedule K-1 Equivalent will no longer generate when the Beneficiary Type selected is "P" for Partial Grantor Portion Only.

Michigan

Form 1041-ES will now always generate when applicable even in multi-state returns where one of the other state's estimate forms is suppressed.

New Jersey

Business income from all sources on a nonresident grantor return will now flow to the K-1.

New York

The grantor letter's U.S. interest will now net with expenses. However, if it nets to zero, it will not print anything.

New York Electronic Filing

New York returns will be disqualified if the estimated tax penalty is suppressed from the main form when an estimated tax penalty is calculated.

Transmittals for extensions will now reflect electronic filing paragraphs.

North Carolina

Schedule K-1 no longer includes Net Operating Loss Alternative Minimum Tax in final year deductions.

North Dakota

Diagnostic number 44247 will be issued for a grantor trust when there are withholding amounts for North Dakota.

Vermont

Vermont Form FI-161 pages 2, 3, and 4 now print the "Name of Estate or Trust" as well as the "Employer Identification number" at the top of each page.

Exempt Organization (990) Product Updates

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Federal

A disqualifying diagnostic will be issued when an officer entry on Form 990-EZ, Part IV is incomplete.

Form 3115 is now available for processing for both paper and electronic filing. Input is available on Worksheet Federal > Other > Form 3115 - Change in Accounting Method (Interview Forms J-1 through J-12).