2017.05000

Release Notes

November 04, 2018

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 website provides important information about the features and updates included in all CCH® 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 information on topics such as Sales and Billing, as well as options to Open a Support Case or Chat with a Representative if you need assistance.

Information in Tax Year 2017 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, Pro Forma/Roll Forward, Organizer, technology enhancements)
- Updates made to Tax products (form additions and updates, diagnostic updates, changes caused by regulatory updates)

Highlights for Release 2017.05000

CCH® ProSystem *fx*® and CCH® Global *fx* Tax Updates

2-Step Verification (a.k.a. Multi-Factor Authentication)

With the 2017.05000 release, 2-Step Verification will be available as an optional setting for firm Administrators to configure on https://admin.prosystemfx.com.

Why is 2-Step Verification Important?

Tax refund fraud in 2016 reached about $21 billion, up from just $6.5 billion in 2014 according to the IRS. With recent rises in tax-related identity theft and phishing attacks, thieves can gain access to confidential staff and client information. Even complex passwords that require a combination of letters, numbers, and special characters may not be enough to protect sensitive data.

A password functions as a single factor to verify identity during the log in authentication process. 2-Step Verification requires a second factor (email or phone) in addition to the password during the authentication process. This requirement adds another layer of protection against hacking and fraud attempts. With 2-Step Verification, if a criminal hacks your password layer then they are still unable to access your CCH account without your phone number or email address.

How is 2-Step Verification Enabled for a Firm?

Wolters Kluwer maintains a strict security protocol and encourages firms to do the same by enabling 2-Step Verification as an added layer of protection. When enabled, staff will be required to complete the 2-Step Verification authentication process in the following instances:

- Every time they log in, if the user does not select "Remember this device" during log in
- When logging in from a new device or new web browser on a registered/trusted device
- When logging in more than 30, 60, 90, or 120 days after the last verification, depending on firm configuration settings

Notes:

- 2-Step Verification may be enabled or disabled at the firm level only and not on a user-by-user basis.
- We do not currently support any third-party Multi-Factor Authentication applications.

For more information, see our Knowledge Base article entitled What is 2-Step Verification for the SSO login window in CCH Global fx or CCH ProSystem fx applications?

Important: With this initial release of 2-Step Verification in our web-based SSO products, the 2-Step Verification default option is set to disabled and firms must enable it if they wish to opt in. Based on increasing security requests by various taxing jurisdictions, we will change the 2-Step Verification default option to enabled on the 2018.01000 release (December 2018). At that time, firms that wish to opt out of using the feature must disable it.

Additional Information for Portal Customers

As a reminder, 2-Step Verification is mandatory for any user logging into the Portal web-based application. For more information and an introductory video on 2-Step Verification for Portal, click here.

With this release, if you are using the Standalone version of Portal, 2-Step Verification has also been enabled and is mandatory for all firm staff users publishing files (via SDK) to Portal from other CCH applications, such as ProSystem *fx* Tax and the Portal Plug-ins. This provides better protection for your Portal data from mishandled user credentials. Click here for more information on these changes.

Additional Information for My1040Data and Tax Notebook Customers

2-Step Verification (Multi-Factor Authentication) for client sessions will be implemented in Release 2018.01000. To ensure that your clients have the most secure interface with their online organizers and sensitive tax data, 2-Step Verification will be enabled by default. Firms may choose to disable this feature on the Firm Options page in the Toolkit. We strongly discourage the disabling of 2-Step Verification.

Single Sign-On Login Screen Changes

- Historically, there have been multiple "flavors" of our SSO Login screen which included branding where applicable. Starting with the 2017.05000 release, we have consolidated all SSO Login screens into one SSO Login screen for a consistent user experience.
- In conjunction with consolidating into one SSO Login screen, the CAPTCHA challenge will always be present regardless of which application is being launched.
- CAPTCHA will also include the Audio button for sight-impaired end users.

Section 965

The following state programs were modified to reflect treatment of IRS Section 965 income:

Partnership - Maryland

Corporation - Louisiana, Maine, Maryland, Massachusetts, Detroit, Michigan

S Corporation - Louisiana, Maryland, Massachusetts

Fiduciary - Connecticut, Louisiana, Maine, Maryland

Federal Tax Exempt - Section 965 Inclusion for Form 990-PF

If Form 990-PF and the IRC 965 Transition Tax Statement are being prepared, the Section 965(a) inclusion amount from the TTS will be included on Form 990-PF as other income. This change is due to recent guidance by IRS. If this automatic treatment is not desired it may be suppressed by making the appropriate entry on Interview Form PF-1, Box 47.

Scans are available for the following issues:

Individual and Fiduciary

Form 8903 limits the deductions taken into account in calculating qualified production activity income under the passive loss limitation rules. However, this loss limitation is contingent on information that is not available, such as the activity's gross income and deductions that were used to calculate the activity's net income. Accordingly, the deductions taken into account in calculating qualified production activity income may need to be overridden. The scans identify potentially impacted returns.

Fiduciary

New York. New York returns that calculate an amount for Line 6 on Tax Computation Worksheet 2 or 3 were overstating New York state tax on Form IT-205, Line 6 or Line 9 where Line 5 of the NYAGI worksheet is between $215,400 and $265,400 or $1,077,550 and $1,127,550. The scan identifies impacted returns.

Office Manager Updates

ELF notification to preparer when ELF status is "Stopped" has been changed to allow the Pro Forma option "Clear all electronic filing return overrides" to apply to the existing option "Electronic filing stopped notification to preparer."

New or Changed Options

- New Configure Firm > Options dialog option prevents users from selecting the suppression of the nonfileable message on signatures.
- "Short form option" selection on the 1040 Options dialog has been changed to "Short form option (2017 and prior years)" to indicate that it doesn't apply to 2018 or future years.
- "ERO Signature Options for Form 8879" option on the Electronic Filing Options dialog has been moved from the ERO tab to each of the return type tabs. This allows it to be set separately for each return type rather than having one setting for all return types (I, P, C, S, F, X).
- Obsolete "Depreciation reports page orientation" print option has been removed from Configure Applications > Tax Preparation > Print Options.

Other Tax Updates

Partnership and S Corporation

Connecticut Forms CT-1065/CT-1120SI RR Income Tax Estimate Payment Recharacterization Request and CT-1065/CT-1120SI RR Income Tax Estimate Payment Recharacterization Request Summary Sheet are available.

CCH® ProSystem *fx*® Tax (Only) Updates

Office Manager Updates

New Option

A new option to suppress the printing of the driver's license number has been added on Organizers in the Configure Applications > Tax Preparation > Pro Forma and Organizer Options > Organizer tab.

New Scrub Feature

A new Scrub feature addresses a security issue. We have modified the "Send to support > Returns" function to automatically scrub the data from any return selected for upload.

Also, within Tax Preparation the new menu option "Create Scrubbed Copy of Return" has been added to the Help > Support Utilities menu. When selected for a single return, we will scrub the return and then copy the scrubbed version to the Wfx32\client\scrubbed directory. Then Support can grab the file using GoToAssist. If the return is part of a return group, we will give the user an option to scrub the returns within the return group.

Pro Forma

2017 Pro Forma for all return types is now available for processing.

Note: Before creating your Pro Forma files, we recommend you review the Pro Forma processing options configured in the Office Manager > Configure Applications > Tax Preparation > Pro Forma and Organizer Options dialog. Also review any custom Pro Forma options that you want to set within Production Processing > Process Pro Forma > Customize Pro Forma.

Organizers

Individual and Fiduciary Organizers are now available for processing.

CCH® Global *fx* Tax (Only) Updates

Configure Staff Profile Changes

The Global Configure Staff profile has been reconfigured to aggregate all phone numbers in one location, and some features have been relocated to improve flow and usability. In addition, a new Country Code field has been added to the phone number(s), including a Country Code look-up.

Pro Forma

2017 Pro Forma for all return types is now available for processing.

Note: Before creating your Pro Forma files, we recommend you review the Pro Forma processing options configured in the Office Manager > Configure Applications > Tax Preparation > Pro Forma Options dialog.

Partnership (1065) Product Updates

Return to Table of Contents.

Connecticut

Forms CT-1065/CT-1120SSI RRS (Pass-Through Entity Tax 2018 Income Tax Estimated Payment Recharacterization Request Summary Sheet) and CT-1065/CT-1120SSI RRS (Pass-Through Entity Tax 2018 Income Tax Estimated Payment Recharacterization Request) are installed with this release.

Maryland

Maryland issued guidance October 5th stating that they are conforming with the Federal Section 965 provisions. The net difference between 965(a) income and 965(c) deduction should be reflected on Maryland Form 510, Line 2, and a written statement or footnote should be included with the return showing the calculation of the net 965 amount on the Maryland Schedule K-1. This calculation will be calculated based on federal input and a statement will print showing both the income and deduction amounts split out on a shareholder-by-shareholder basis. This statement will be auto-generated as a PDF and included with the electronically filed Maryland return.

Corporation (1120) Product Updates

Return to Table of Contents.

Consolidated

State tax liability has been adjusted when the state tax liability option is selected on a consolidated return in conjunction with the option to "Accrue State Taxes Not Submitted with this Return" on Line 6 of the Consolidated > Options worksheet (Interview Form CC-1, Box 146) along with a section 965(a) inclusion being present.

Power Pack

The IRS filing address for Forms 1120-RIC and REIT returns has been updated to the Ogden, Utah center when total assets are $10 million or more.

Alaska

Alaska will be reporting the payment due date of Form 6000, rather than the Form 6000 return filing due date.

California Combined

Form 100W, Page 6, Schedule M-2. Line 6 will print a supporting statement whenever an amount is present.

Hawaii

Schedule D-1 includes all depreciation for auto-sale assets when auto-sale has more than one asset included per sale.

Hawaii Consolidated

The Schedule of Combined Income and Deductions line for tax exempt interest from other states will go away when not present in subsidiaries.

Illinois Combined

Schedule UB, Step 4, Line 4. Column D will equal the sum of Columns A-C.

Kansas Combined

The combined apportionment percentages will flow to Form K-120.

Kentucky

Kentucky Schedule NOL will generate when the Entity has no prior year NOL carry-forwards, but has a current year loss on Form 720, Part III, Line 21.

Kentucky Schedule TCS will generate when input is made for Kentucky Economic Development Projects KREDA, KIDA, KEOZ, KJRA, KIRA, KJDA, KBI, and KRA.

Kentucky Consolidated

Form 851-K prints a second page that includes the tenth subsidiary.

Louisiana

Form R-620-965 is added for Section 965 income.

Maine

Other addition and other subtraction inputs are added and updates have been made for Maine 965 reactions. This will affect the following lines on ME1120 as additions:

- Line 2j. It takes 50% of section 952 income from worksheet Maine Income/deductions > Subtractions > Sections 952 Information (Interview Form ME6, Box 75) and 80% of 965 income from IRC965 Transition tax statements. It will also take in to consideration other subtraction input from worksheet Maine Income/deductions > Subtractions > other subtractions (Interview Form ME6, Box 80).
- Line 4g. 965 income from IRC 965 Transition tax statements is added to the line. It also takes other additions input from worksheet Maine Income/deductions > Additions > other additions (Interview Form ME6, Box 91).

Massachusetts

The Massachusetts reaction is added for Section 965 income. This affects the following forms:

- Form 355. The 965 total income is added to Schedule E, Line 15, and Schedule E-1, Line 1, for the dividend deduction calculation.
- Form 63FI. The 965 total income is added to Schedule A, Line 10, and to Schedule D, Line 1, for the dividend deduction calculation.
- Form 355U. The 965 total income is added to Schedule U-M, Line 4C, and is included in the Dividend Deduction calculation on Schedule U-E, Line 25.

Michigan - Michigan Cities

Section 965 income is added to federal income on Detroit Form 5297, Line 19, and Michigan Cities Form CF-1120, Line 1, for 1120 and 1120-C returns.

North Carolina Electronic Filing

Diagnostic 48727 will no longer issue when the preparer's SSN is entered instead of the PTIN.

Ohio - Ohio Cities

The Ohio Cities Transmittal Letters and Filing Instructions can be generated for every city regardless of how many cities have been generated in a return.

S Corporation (1120S) Product Updates

Return to Table of Contents.

Connecticut

Forms CT-1065/CT-1120SSI RRS (Pass-Through Entity Tax 2018 Income Tax Estimated Payment Recharacterization Request Summary Sheet) and CT-1065/CT-1120SSI RRS (Pass-Through Entity Tax 2018 Income Tax Estimated Payment Recharacterization Request) are installed with this release.

Kentucky

When Shareholders > Shareholder information State specific worksheet > Kentucky Composite and Nonresident Information > Exempt income code (Interview Form KY8, Box 73) is entered as exempt for withholding, the exempt box on Kentucky Form PTE-WH A, B, C, and D will be checked and will zero out Lines 6-9 of these forms, as well as Lines 1-5 of Kentucky Schedule K-1, Section B for each exempt shareholder.

Louisiana

Form R-620-965 is added for Section 965 income.

Maryland

Maryland issued guidance October 5th stating that they are conforming with the Federal Section 965 provisions. The net difference between 965(a) income and 965(c) deduction should be reflected on Maryland Form 510, Line 2, and a written statement or footnote should be included with the return showing the calculation of the net 965 amount on the Maryland Schedule K-1. This calculation will be calculated based on federal input and a statement will print showing both the income and deduction amounts split out on a shareholder-by-shareholder basis. This statement will be auto-generated as a PDF and included with the electronically filed Maryland return.

Massachusetts

The Massachusetts reaction to Section 965 income has been added. This will affect the following forms:

- Form 355S. The 965 total income has been removed from Schedule E, Line 4, and added to Schedule E, Line 15, and Schedule E-1, Line 1, for the dividend deduction calculation.
- Form 63FI. The 965 net income has been removed from Schedule A, Line 2. The 965 total income is added to Schedule A, Line 10, and to Schedule D, Line 1, for the dividend deduction calculation.
- Form 355SC. The 965 net income has been removed from Line 2 to be reported as 1120.
- Schedule S. The 965 total income has been removed from Lines 11 and 25 and moved to Lines 6 and 41 to be reported as dividends.
- Form 355U: The 965 net income has been removed from Schedule U-M, Line 10A. The 965 total income is added to Schedule U-M, Line 4C, and is included in the Dividend Deduction calculation on Schedule U-E, Line 25.

Fiduciary (1041) Product Updates

Return to Table of Contents.

New York

Line 6 on Tax Computation Worksheets 2 and 3 is corrected to $500 or $930 as appropriate.

Estate and Gift (706/709) Product Updates

Return to Table of Contents.

Minnesota

Final Minnesota Form M706 is available for dates of death in 2018.

Exempt Organization (990) Product Updates

Return to Table of Contents.

Federal

Section 965 Inclusion for Form 990-PF. If Form 990-PF and the IRC 965 Transition Tax Statement are being prepared, the Section 965(a) inclusion amount from the TTS will be included on Form 990-PF as other income. This change is due to recent guidance by IRS. If this automatic treatment is not desired it may be suppressed by making the appropriate entry on the Form 990-PF worksheet in General Information > Automatically include section 965(a) income on Form 990-PF (Interview Form PF-1, Box 47).