

2018.02070
Release Notes

February 24, 2019



| | |
|--|----------|
| Contact and Support Information | 2 |
| Information in Tax Year 2018 Release Notes | 2 |
| Highlights for Release 2018.02070 | 3 |
| 2018 Tax Updates | 3 |
| 2018 Electronic Filing Updates | 3 |
| Product Updates | 4 |
| Individual (1040) Product Updates | 4 |
| Partnership (1065) Product Updates | 6 |
| Corporation (1120) Product Updates | 7 |
| S Corporation (1120S) Product Updates | 8 |
| Fiduciary (1041) Product Updates | 9 |

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 2018 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 2018.02070

2018 Tax Updates

Individual

A new feature has been added to automatically change real property assets to ADS method and life when an entity opts out of IRC Section 163(j).

Individual, Fiduciary, Partnership, and S Corporation

Section 199A calculations related to final regulations are available. This does not include allocation of expenses for Fiduciary returns; this is anticipated to be available on Release 2018.03000. This does not include aggregation for Partnership and S Corporation returns; this is anticipated to be available on Release 2018.03010.

2018 Electronic Filing Updates

Approved Products Available on this Release

The following federal and state products are approved and available on this release:

Individual

| | |
|---------------------|-------------------|
| Louisiana Extension | Vermont |
| Louisiana NRA | Vermont Extension |

Corporation

| | | |
|-----------------------|----------------------|-------------------------|
| Connecticut Extension | Georgia Consolidated | New York City Estimates |
| Georgia | New York City | New York City Extension |

Partnership

Vermont

S Corporation

Vermont

New Batch Electronic Filing Extension Availability

The following products are now available for electronically filed batch extensions:

Individual

| | | |
|-----------|----------------|--------------|
| Louisiana | North Carolina | Pennsylvania |
|-----------|----------------|--------------|

Product Updates

Individual (1040) Product Updates

Return to [Table of Contents](#).

Federal

Basis Limitation Worksheet. If other net rental loss is greater than ordinary business income, the amount allowed against basis on the Basis Limitation Worksheet will have the proper presentation on Schedule E, Page 2.

Form 8867. This form will be present in returns with head of household filing status and when there is not an earned income credit.

Arkansas

A diagnostic will now issue preventing the export of a return if the military or retirement exclusion has been taken and the low income tax table is used.

Connecticut

Custom filing instructions will print on grid when passthrough entity tax credit is present on CT-1040, Line 20c or CT-1040NRPY, Line 22b.

Indiana

County tax schedules reflect the correct rate for Vigo county - 0.0143750.

Kentucky

Preparer's email and phone number print in the signature block of Forms 740 and 740-NP.

Minnesota

Schedule LK, Line 23 will pull from federal when the input is state coded to Minnesota only.

New York - New York City

Overpayment applied will flow to Form 202, Line 22, as well as Form 221 if applicable.

Ohio - Ohio Cities

The Delta (DE06) credit rate has been updated to 100% of the lesser of the non-resident city's tax rate or 1%.

Oregon

In January, the IRS announced they'll waive the estimated tax penalty for many taxpayers whose 2018 federal income tax withholding and estimated tax payments fell short of their total tax liability for the year. The IRS is waiving the penalty for any taxpayer who paid at least 85% of their total tax liability during the year through federal income tax withholding, quarterly estimated tax payments, or a combination of the two. The usual percentage threshold is 90% to avoid a penalty. Taxpayers must request the waiver from the IRS using Form 2210. The Oregon Department of Revenue is offering a similar waiver of underpayment interest, known as UND, for the 2018 tax year. This is to help taxpayers who were unable to properly adjust their withholding

and estimated tax payments to account for the impact of the changes under the federal Tax Cuts and Jobs Act on Oregon taxes. The Oregon waiver is available for individuals whose total withholding and estimated payments made on or before January 15, 2019 equal at least 85%, instead of the usual 90%, of the net tax shown on their 2018 return. This is available by default.

The federal return attached to the Oregon state return prints one set of statements.

Oregon - Multnomah/Portland/TriMet

Form QU-2018 has been discontinued by the Portland Revenue Division for tax year 2018. As a result, we removed the form and added new input in its place so that underpayment of estimated tax penalty may still be entered on the return. The new input is on the Multnomah / Portland > Underpayment Penalty Preparation > Underpayment of estimated tax penalty fields (Interview Form MUL4, Boxes 77 and 78).

Tennessee

Form IE calculates the amount that carries to Form FAE 170 Schedule J, Line 20. New input is available on Other > Limited Liability Company > Form IE.

West Virginia

Firm name prints in the signature block in the absence of a preparer's name.

Partnership (1065) Product Updates

Return to [Table of Contents](#).

Federal

Assets that are indicated as qualified improvement property with a method of MSL and life of 15 years will automatically switch to ADS method and a 39 year life when opting out on 8990 - Interest Expense Limitation > Activities subject to Section 163(j) fields (Interview Form BIE-2).

Updated the Schedule K-1 percentages to reflect the allocated partners' percentages in the Ratio Allocation section of the Special Allocations worksheet (Interview Form K-5) when a transfer of interest is present in the return.

Updated the Schedule K-1 Section 199A special allocation codes when Ratio IDs are used with multiple 199A entities.

Electronic Filing

Updated Schedule B-2 so that electronic filing disqualifying diagnostic 41109 issues when invalid characters are included in the entries for the names of shareholders when there are S Corporation partners.

Arkansas

Non deductible expenses will subtract from Schedule K-1, Line 18A.

Illinois

Foreign addresses can be entered on EF K-1-T and diagnostic 47768 will only issue when the street address or country code is missing. For U.S. addresses, city, state, and ZIP code are required in addition to the street address.

Massachusetts

Form 3, Page 7, Lines 35 and 36 will now populate based on the information from the Federal Schedule B, Lines 10a and 10b. Diagnostic 42204 has been modified to provide more clarity.

Nebraska

Schedule A, Line 7 will include the amount from federal Schedule K, Line 11.

Updated printing of EIN column of Schedule II when an SSN is present there (SSN entered for trust partner). Disqualifying diagnostic 49170 will issue in this situation.

Texas

Form 05-167 will no longer print when the suppress Texas forms and instructions option is selected.

Corporation (1120) Product Updates

Return to [Table of Contents](#).

Federal

Printed version of marginal tax rate has been updated to match the computed tax.

Illinois

IL-1120-V estimate and extension filing address has been updated in the letters and filing instructions.

Illinois Electronic Filing

IL-2220 Step 4, Line 21, Column G will export as blank when the number of days is 0.

Louisiana

CIFT-620ES worksheet will no longer print if the option to print only the name, address and FEIN on the vouchers with no amount is selected.

Oregon

The Oregon consolidated return now allows apportionment eliminations when using an elimination company, The statements for the consolidated Federal Income and Deductions Workpaper, which is attached to the Oregon consolidated return are now correct. The affected statements were for 263A costs, Other costs, Other income, and Other deductions. The Other deductions on the Oregon Income and Deductions Consolidated Workpaper is now updated to include the domestic production activities deduction and matches the Workpaper shown for the federal consolidated return.

Utah

NOL carryover reports will generate for current year net operating losses.

S Corporation (1120S) Product Updates

Return to [Table of Contents](#).

Federal

A warning diagnostic is issued when reserved fields are used on the following credit forms: 6478, 8844, 8845, 8864, 8900, 8908 and 8911.

Beginning stock basis is now included in the restoration of debt basis on Line 20 of the CA Shareholder Basis Worksheet.

Option to suppress Schedule K-1 Section 199A Additional Information statement has been added to Return Options > Processing Options (Interview Form 4, Box 121).

Passthroughs that are coded for states will no longer show on Page 3 of Form 8990.

UBIA is calculated for assets when the ending date of the depreciable period ends on the close of the tax year.

Connecticut

Form CT-1065/CT-1120SI, Page 3, Part I, Schedule B, Line 13, Columns A and B will no longer include contributions reported on Federal Schedule K, Line 12a.

Illinois

IL-1120-ST-V estimate and extension filing address has been updated in the letters and filing instructions.

Kansas

Updated ZIP code for return mailing address.

Louisiana

CIFT-620ES worksheet will no longer print if the option to print only the name, address and FEIN on the vouchers with no amount is selected.

Texas

A summary grid has been added to the Affiliate Combined Reports section.

TX 05-158, Line 7 and Line 9 have been updated to no longer include passthrough information coded to other states.

Utah Electronic Filing

All PDFs chosen to be included with the extension will now be included with Form TC-559 EXT when Form 7004 is not being filed in the return.

Fiduciary (1041) Product Updates

Return to [Table of Contents](#).

Federal

Removed attorney and accountant fees deduction from grantor letter.

Mississippi

The Mississippi schedule of tax computations has been revised to reflect the new 2018 table.

Form 80-160, Line 6, Column A will include the taxable income amount up to \$1,000.

New York

Multiple grantor list form prints with CLT grantor trust.

West Virginia

WV Form IT-141, Page 2 - Signer email address will display the email address entered on Basic Data > General > Fiduciary's email address (Interview Form 1, Box 52).