

**2018.04010**  
**Release Notes**

July 21, 2019



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## Contact and Support Information

Product and account information can be accessed by visiting Customer Support online at [support.cch.com](http://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 2018.04010

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## 2018 Tax Updates

### All Systems

**Federal** - Form 8990, Page 3, Schedule A, Column H has been updated to use the lesser of column (e) or (column f + column g) per the revised IRS instructions.

### Individual and Fiduciary

**Federal** - Form 8990, Business Interest Expense Limitation, is prepared if requested on Federal > Other > 8990 Limitations for Business Interest Expense (Interview Form BIE-1). New functionality includes automated calculation of the business interest expense limitation for indicated entities on 8990 input, then recalculating Schedule C, E, or F based on the allocation of the limitation. The input fields for disallowed interest from Form 8990 at the entity level is now an override.

### Corporation and S Corporation

**New York** - Form CT-635, New York Youth Jobs Program Credit is now available.

### S Corporation

**Wisconsin** - Due to the timing of the release of final forms, final paper versions of Schedules 5S-ET, Entity Level Tax Computation, and Supporting Schedule ET-OS, Credit for Net Tax Paid To Another State, will be available on Release 2018.04020 on August 18, 2019. These forms have been approved for electronic filing and are now available for electronic filing purposes. If you electronically file returns with these forms present, they will be included in the e-filed return.

### Partnership and S Corporation

**Federal** - Section 199A - New input is added to suppress the automatic consolidated recalculations of the Section 199A amounts.

- **Partnership** - Federal > Consolidated > Options - suppress automatic consolidated QBI recalculations (Interview Form CC-1, Box 131)
- **S Corporation** - Federal > Consolidated > Options - suppress automatic consolidated QBI recalculations (Interview Form CC-1, Box 133)

### Tax Exempt

**Federal** - Form 8990, Business Interest Expense Limitation, is prepared if requested on Federal > Other > 8990 Limitations for Business Interest Expense (Interview Form BIE-1). New functionality includes automated calculation of the business interest expense limitation for indicated entities on 8990 input, then recalculating Form 990T, Schedule C, or M based on the allocation of the limitation.

### Estate & Gift

- **Federal** - Final Form 706NA is now available.
- **Connecticut** - Final Form CT-706/709 and Form CT-706 NT are now available.

# 2018 Electronic Filing Updates

## Approved Products Available on this Release

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

### Corporation

New York Form CT-635

### S Corporation

New York Form CT-635

Wisconsin Schedule 5S-ET

Wisconsin Schedule ET-OS

## IRS Modernized e-File (MeF) Systems Shutdown for System Upgrade - Reminder

On Tuesday, July 9, the IRS issued the following reminder regarding their planned shutdown on July 18 and August 3:

"Subject: Reminder - Modernized e-File (MeF) Systems Shutdown for System Upgrade

As a reminder, MeF Production system will be unavailable for a system upgrade from July 18, 2019, midnight Eastern time through July 22, 2019, noon Eastern time and August 3, 2019, midnight Eastern time through August 5, 2019, noon Eastern time. Please note the Assurance Testing System (ATS) will not be impacted.

Thank you for your understanding as we perform this important maintenance.

Please monitor the [MeF Operational Status Page](#) for any updates.

We apologize for any inconvenience this may cause."

### Electronic Filing System Maintenance

In conjunction with the IRS shutdown, Wolters Kluwer has scheduled electronic filing system maintenance beginning at 10 PM CDT on Wednesday, July 17, and continuing through 12:00 PM CDT on Sunday, July 21. During this maintenance period, you will not be able to access the Electronic Filing Status System to perform any functions.

What this means to you:

- Returns released in Electronic Filing Status after 10:00 PM CDT on Wednesday, July 17, 2019, will be sent to the IRS after service is restored on Monday, July 22, 2019, after 11:00 AM CDT.
- Returns released in Electronic Filing Status after 10:30 PM CDT on Saturday, August 3, 2019, will be sent to the IRS after service is restored on Monday, August 5, 2019, after 11:00 AM CDT.

# Product Updates

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## Individual (1040) Product Updates

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### Federal

Form 8865, Schedule M will now print various items on lines corresponding to the input present for that Category of Income.

### Arizona

Qualified Business Income Deduction (QBID) no longer is reported on the Other Subtractions line of the Forms 140, 140NR and 140PY.

### California

Schedule CA, Line 29 calculates based on the itemized deductions limitation worksheet when the filing status selected is married filing separately - not itemized, and itemized deductions are being forced on the California return.

### Massachusetts

Massachusetts Schedule C, Line 31, Net profit or loss, includes entertainment expenses.

### Michigan

Form 4884 generates when one filer meets the age criteria for the pension exclusion deduction, but the other filer has the qualifying income.

Schedule 1, Line 23F is only marked if input indicates that spouse or both filers receive retirement benefits from an SSA exempt employer.

### Montana

The preparer name prints on the paid preparer's signature line.

Use Montana > General > Options > Filing Status 2b if filing 1040NR field (Interview Form MT1, Box 45) when Federal Form 1040NR is prepared in the return and filing status 2b is required for Montana.

When the taxpayer's filing status is 2b or 2c on Form 2, the Social Security Schedule on Page 5, Line 10 is \$16,000 and Line 12 is \$16,000.

### Nebraska

The state NOL carryover worksheet will not generate if there's no current year NOL.

### Tennessee

Form FAE 172, Line 2 calculates by adding franchise, excise tax credits, and prior year overpayments.

### Texas

TX 05-169, Line 16 no longer calculates for report years after 2009.

# Corporation (1120) Product Updates

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## Federal

Form 8990, Page 3, Schedule A, Column H has been updated to use the lesser of column (e) or (column f + column g) per the instructions.

## Consolidation

The automatic consolidated GILTI recalculation is now posted to Schedule C, Line 17, if no other dividend income is present in the return.

The consolidated Form 8990 Adjusted Taxable Income workpaper was not backing out cost of goods sold depreciation when the option to suppress automatic consolidated recalculations or the option to use combined depreciation amounts was present.

## Power Pack

Schedule G, Line 4 net premium percentages has been updated in accordance with the revised IRC section 848(c)(1).

## Delaware Electronic Filing

Diagnostic 33743 will no longer issue when the return is an amended return.

## Idaho

ID 41, Line 58 will now calculate using the correct interest rate amount.

## Maine Electronic Filing

Diagnostics 47331 and 47332 have been updated to only show when required.

## Maryland Electronic Filing

Electronically filed amended returns with either direct deposit or direct debit selected will show the amount due or amount overpaid based on the amount due or refunded on the original return compared to the amount due or amount to be refunded on the amended return.

The representative information for Form 548 will appear in the name line for all representatives. Entries for continued name from Federal > Other > 2848 - Power of Attorney > Representative (s)/Appointee Individuals worksheet Name continued field (Interview Form O-12, Box 52) will appear in the Firm Name line of the first representative and in all statements attached to Form 548.

## New York

Form CT-635 New York Youth Jobs Program Tax Credit is available for both paper and electronic filing. Input for the form is found on New York Credits worksheet > New York Youth Jobs Program Credit section (Interview Form NY31).

## New York - New York City

Letters for NYC have been updated to reflect the proper filing address when there is a refund on the return.

## Vermont

A statement will produce on Form CO-411 showing details of the original amount due or refund, the amended amount due or refund, and the actual current amount due or refund calculated.

## Vermont Electronic Filing

Amended returns electronically filed with an amount due or a refund will allow direct debit or direct deposit information to be sent.

## West Virginia

Schedule K-1C foreign addresses will print all components of the address including the province and country.

Schedule NOL will not print blank copies in combined returns when the WV net operating loss is overridden in a member's return on the West Virginia > Income/Deductions > Subtractions worksheet WV net operating loss - override field (Interview Form WV-1, Box 77).

## West Virginia Electronic Filing

Amounts in subsidiary returns in a combined group which have no federal taxable income will always match the amounts on Schedule UB-CR.

Corporation returns with a description for other status for CNF-120 on the West Virginia > General > Basic Data worksheet, if used other method to determine West Virginia income, explain field (Interview Form WV1, Box 30) will still be classified as either separate or combined for filing status.

If a subsidiary has an entry for member of consolidated for federal but not for state marked on the Federal > Common State/City> Common State/City Data> Consolidated and Combined Return Information worksheet (Interview Form GEN-2, Box 38), the subsidiary return will be exported separately from the combined return for electronic filing.

# S Corporation (1120S) Product Updates

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## Federal

Consolidated disallowed interest expense from a consolidated Form 8990 is now properly allocated between Q-Sub entities.

Form 8990, Page 3, Schedule A, Column H has been updated to use the lesser of column (e) or (column f + column g) per the instructions.

When the Schedule M-3 is active, the statement for Form 1120S, Schedule K Line 16b will only show Other tax-exempt income items.

## Arizona

Refundable portion of the R&D credit (Form 308) will now calculate and flow through to 120S, Page 1 when there is zero tax liability at the S Corporation level.

## Hawaii

Amended Composite return Form N-15 filing instructions now detail the original return amounts and amended balance due / refund.

Amended S Corporation return and Composite now using the common state amended return options federal to determine when to apply Original return overrides from Hawaii General > Basic Data > amended return entries (Interview Form HI10).

S Corporation amended return with a balance due filing instructions and transmittal letter now reflects the address to mail payments.

## Maine

Form 901ES-ME, Extension Voucher. Extension Voucher will lock after the due date.

## Michigan - Michigan Cities

The late filing penalty for Form CF-1120 now has a maximum equal to 25% to the tax due.

## Minnesota

Form KSNC will now delete when there is no entry on MN16.

MN worksheets > Composite > Section 2 year dates have been updated to include 2013 through 2017.

## Montana

Inputs on Shareholder Information - State Specific > Shareholder State Information (Form STK-1) coded to other states will not impact the calculation of CLT-4S, Lines 24a-b and Sch K-1 Part 5, Lines 2a-b.

## New York

Carryover worksheets (Interview Form A-5) - Input for the Year Used on the NOL Carryover/Carryback worksheet > Line 19 (Interview Form A-5, Box 147) was being shown incorrectly on the New York City Form NOLD-GCT.

Form CT-635 New York Youth Jobs Program Tax Credit is available for both paper and electronic filing. Input for the form is found on New York Credits worksheet > New York Youth Jobs Program Credit section (Interview Form NY31).

## Oklahoma

Form 512-S, Part 5, Shareholders' Pro Rata Share of Income. Information Input from Oklahoma > General > 1 - Basic Data > Line 10 (Interview Form OK7, Box 37) will now show correctly.

## Wisconsin

Due to the timing of the release of final forms, final paper versions of Wisconsin Schedules 5S-ET, Entity Level Tax Computation, and Supporting Schedule ET-OS, Credit for Net Tax Paid To Another State, will be available on release 2018.04020 on August 18, 2019. These forms have been approved for electronic filing and are now available for electronic filing purposes. If you electronically file returns with these forms present, they will be included in the e-filed return.

# Partnership (1065) Product Updates

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## Federal

The special allocation code 5769 can now be used to special allocate the Section 179 included in the computation of the QBI without activity numbers or with no activity numbers depending on whether the Trade or Business entity or Rent or Royalty property or Farm property has an activity number present or not.

Form 4797, Line 26a now takes into account ADS life change due to the 8990.

The Floor Plan Financing Interest Expense amount included in the Form 1065, Page 1, Line 15 amount will be included in the QBI calculation for the Trade or Business entities. Since this amount is not attached to any specific entity, it will be allocated to the different entities based on each entity's share of the total ordinary income reported for the Trade or Business activities.

The IRC section 163(j) Adjusted Taxable Income calculation statement has been updated to calculate the correct Pass-through Net Long-Term Capital Gain (Loss) and Investment Interest Expense amounts allocated to the specific partner on their Schedule K-1. (Update released on 2018.04000.)

The Schedule K-1 Export of Data from Partnership to Partnership or Partnership to S Corporation will be exported when requested. (Update released on 2018.04000.)

## Alaska

Form 6323 will print supporting statements for the detail information when there are more storage facilities listed than can fit on the government form.

## Delaware

Form 300, Schedule K-1, Partner's Share of Income. Information input from DE worksheets > General > 1 - Basic Data > Line 15 (Interview Form DE1, Box 45) will now work correctly.

Form 300, Schedule K-1, Partner's share of income. Statement on Line 16 will now show correctly.

## Kansas

Excess business interest income from federal return will not be included in calculation of K-120S, Part II, Column 7.

## Michigan - Michigan Cities

Form CF-1065ES, Partnership Estimated Income Tax Payment Voucher. Payment will now calculate correctly for all cities.

## Missouri

Foreign partners displayed on MO K-1 will now be able to see their full street address.

## Nevada

When Form 1065 amended check box is selected, Nevada is now marked as amended return.

## New York

New York for IT-204-CP, Page 7, Line 60 will now include description and amounts for items with code AH on the federal Schedule K-1.

## Ohio

The filing instructions will now show the correct date due for each estimate voucher when the requested number is less than 4.

## Texas

Form 05-166, Line 11 will now show the COGS elimination input entered from the affiliates or for keyed in members.

## Utah

Form TC-65, Utah Partnership/Limited Liability Partnership/Limited Liability Company Return. Information Input from Utah > Payment/Penalties > 1 - Tax Payments > Line 2 (Interview Form UT1, Box 49) will now show correctly.

## Wisconsin

The default presentation for Section 163(j), disallowed excess business interest expense, on Form 3, Schedule K, and Schedule 3K-1 has changed from Part II, Line 13d (other deductions) to Line 1 (ordinary business income/loss), Line 2 (Net rental real estate income) and/or Line 3 (other net rental income/loss) based on type of activity. The adjusted amounts will show on Column (c) Adjustment.

# Fiduciary (1041) Product Updates

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## Federal

Amended 1041. Interest will now calculate for successive quarters on amended returns when there is a mid-year interest rate change.

Grantor Letter. Override for passthrough Section 1411 adjustment will now appear on Grantor Letter.

## Georgia

Form 501, delinquent filing penalty rate will now calculate at 5%.

## Maryland

Schedule K-1, Line 1 will now show the MD distribution.

## New Hampshire

Form NH-1041, Line 1e - Rents and Royalties will now display net rental income.

## Pennsylvania

Form REV-1630F will no longer calculate a penalty for the fourth quarter if the exception has been met.

Schedule DD now includes dividends and long-term capital gains in distributable income when Common State > State General Information > State Information and Overrides > Final Return box is "N" (Interview Form ST-1, Box 42 = N).

Schedule RK-1, Line 6. Amounts entered under Pennsylvania > General > Schedule DD / D Information > Charitable Distribution Deduction (Interview Form PA1, Box 77) will now be taken into consideration for amount calculated.

# Exempt Organization (990) Product Updates

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## Federal

Form 8990, Business Interest Expense Limitation, is prepared if requested on Federal > Other > 8990 Limitations for Business Interest Expense (Interview Form BIE-1). New functionality includes automated calculation of the business interest expense limitation for indicated entities on 8990 input, then recalculating Form 990T, Schedule C, or M based on the allocation of the limitation.

# Estate & Gift (706/709) Product Updates

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## Federal

The following new version of Form 706-NA is available:

- Form 706-NA (6/19 version date) to be used for dates of death after December 31, 2011

## Connecticut

The following Final forms are available for dates of death in 2019:

- Form CT-706/709
- Form CT-706 NT