

CCH® ProSystem fx® Tax  
2019.02020  
Release Notes

January 19, 2020



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## Contact and Support Information

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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 Release Notes

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CCH® ProSystem fx® 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/Recall, Organizer, technology enhancements)
- Updates made to Tax products (form additions and updates, diagnostic updates, changes caused by regulatory updates)

To access a list of CCH ProSystem fx Tax Release Notes for the current year and for prior years, visit the [Release Notes](#) page on our Customer Support site.

## Highlights for Release 2019.02020

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### Tax Updates

#### All Systems - Consolidated Appropriations Act of 2020

Those tax year 2019 provisions of the Consolidated Appropriations Act of 2020 that can be implemented without IRS action are available, including:

- Depreciation updates
- Mortgage insurance premiums
- Medical rates
- Charitable contributions
- Certain credit changes

Returns with these provisions have updated calculations, but will continue to be unavailable for electronic filing, pending IRS changes. The IRS has yet to announce plans regarding availability of either updated forms and electronic filing schemas for tax year 2018 or tax year 2019. Please note that returns, particularly state returns, will need particular scrutiny regarding these federal law changes.

### Electronic Filing Updates

#### Approved Products Available on this Release

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

##### Individual

Alabama	Idaho	North Carolina
Alabama LLC	Missouri - Kansas City Form 108	North Carolina Extension
Arkansas	Missouri - Kansas City Form 108 Extension	North Dakota
Arkansas Extension	Missouri - Kansas City Form 109	Ohio
Connecticut	Missouri - Kansas City Form 109 Extension	Oklahoma
Connecticut Extension	Michigan	South Carolina
District of Columbia	Michigan - Detroit	Tennessee FAE 173
District of Columbia Extension	New Hampshire DP-10	Tennessee FAE 183
Georgia	New Hampshire BT-Summary	Utah

##### Corporation

Federal Consolidated	Maine Consolidated	New York Additional Extension
Arkansas Consolidated	Michigan	North Dakota Consolidated
California	Michigan Cities	Oklahoma
California 199	Michigan Cities Consolidated	Oklahoma Consolidated

California Combined  
Connecticut Extension  
Delaware  
Hawaii  
Hawaii Consolidated  
Iowa Consolidated  
Kansas Consolidated  
Kentucky Consolidated

Michigan Consolidated  
Montana Consolidated  
New Hampshire  
New York  
New York 204-LL DE  
New York Combined  
New York Combined Extension  
New York Extension

Oregon  
Oregon Consolidated  
South Carolina  
Utah Consolidated  
Vermont  
Vermont Extension

## S Corporation

California  
Delaware  
Hawaii  
Michigan  
Michigan Cities  
Montana  
New Hampshire

New Mexico  
New York  
New York 204-LL DE  
New York Extension  
New York Additional Extension  
Ohio  
Ohio Composite

Oklahoma  
South Carolina  
Vermont  
Vermont Extension  
Virginia  
Wisconsin 1CNP  
Wisconsin PW-1

## Partnership

California  
Delaware  
Massachusetts Composite  
Extension  
Montana  
New Hampshire  
New Hampshire DP-10  
New Mexico PTW-D

New York  
New York 204-LL  
New York 204-LL DE  
New York Extension  
Ohio  
Ohio Composite  
Philadelphia

South Carolina  
Vermont  
Vermont Extension  
Wisconsin 1CNP  
Wisconsin PW-1

## Fiduciary

Federal  
Federal Extension  
Federal Form 114 (FBAR)  
Arizona  
Arizona Extension  
California  
California Extension  
Colorado  
District of Columbia  
District of Columbia Extension  
Iowa

Kansas  
Maine  
Montana  
New Jersey  
New Jersey Form ESBT  
New Jersey Extension  
New Mexico  
New Mexico PTE  
New York  
New York Extension  
New York Form IT-204LL

Ohio  
Ohio PTE  
Oregon  
Pennsylvania  
Pennsylvania Extension  
Tennessee  
Tennessee Extension  
Utah  
Utah Extension  
Virginia

**Exempt Organization**

California

New York Extension

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

This release will contain the tax extender portion of the Further Consolidated Appropriations Act, 2020 for the federal product to the extent possible. The IRS is in the process of updating their forms, instructions, and electronic filing system. In situations where the IRS is expected to make an update, one or both of the following diagnostics will be issued:

- Form 1040. The IRS is in the process of updating their forms and instructions in response to the Further Consolidated Appropriations Act, 2020. This will require a program update for the following forms: < Forms Listed Here > (16964)
- Form 1040. The IRS is in the process of updating their electronic filing system in response to the Further Consolidated Appropriations Act, 2020. The following forms have information which is not allowed for electronic filing: < Forms Listed Here > (46966)

State reaction is underway, but not yet complete. In all returns, the following diagnostic will be issued.

- Form 1040. State reaction to the Further Consolidated Appropriations Act, 2020 is in process. Review state forms prior to filing to ensure accuracy. (22719)

This release includes updates to the following forms:

Schedule A	Form 8835	Form 8923
Form 3468	Form 8844	Form 8936
Form 4136	Form 8845	Form 8949
Form 4562	Form 8864	Form 982
Form 4952	Form 8900	Net Operation Loss (NOL)
Form 5329	Form 8908	Section 933 Exclusion Worksheet
Form 5695	Form 8910	Tax Equalization
Form 6251	Form 8911	
Form 6478	Form 8917	

Notable updates for individuals include:

- Schedule A - Deduction for mortgage insurance premiums.
- Schedule A - Medical expense floor lowered to 7.5% of AGI.
- Form 5695 - Nonbusiness energy property credit.
- Form 8917 - Tuition and fees deduction. (The IRS has not updated this form for 2019. An early version based on the 2017 form is available.)
- Form 982 - Exclusion for home acquisition debt forgiveness.

Notable updates for business tax credits include:

- Form 4136 and Form 8864 - Biodiesel and renewable diesel fuel credit.
- Form 8910 - Alternative motor fuel credit.

### **Form 3115**

The "CFC" box on Page 1 of the 3115 can now be selected. (Included with release 2019.02010)



## Corporation (1120) Product Updates

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### Federal

This release will contain the tax extender portion of the Further Consolidated Appropriations Act, 2020 for the federal product to the extent possible. The IRS is in the process of updating their forms, instructions, and electronic filing system. In situations where the IRS is expected to make an update, one or both of the following diagnostics will be issued:

- Form 1120. The IRS is in the process of updating their forms and instructions in response to the Further Consolidated Appropriations Act, 2020. This will require a program update for the following forms: < Forms Listed Here > (16964)
- Form 1120. The IRS is in the process of updating their electronic filing system in response to the Further Consolidated Appropriations Act, 2020. The following forms have information which is not allowed for electronic filing: < Forms Listed Here > (47629)

State reaction is underway, but not yet complete. In all returns, the following diagnostic will be issued:

- Form 1120. State reaction to the Further Consolidated Appropriations Act, 2020 is in process. Review state forms prior to filing to ensure accuracy. (28926)

Notable updates for corporations include:

- Charitable contributions for qualified disasters may be limited to 100% of the corporation's taxable income instead of 10%. To indicate a charitable contribution qualifies for this treatment enter code 7, in the "Type" field of the Income/Deductions > Charitable Contributions > Charitable Contributions Not Carried to Form 8283 worksheet (Interview Form A-4, Box 191).
- Gains from Empowerment Zone assets can continue to be postponed under Section 1397B on Forms 4797 and 8949. Property Type code "EMPOW" and Schedule D codes 9 and 10 have been reactivated in worksheet section Sch D/4797/4684 - Gains and Losses (Interview Form D-1).
- Depreciation updated for Indian reservation property, cellulosic biofuel plan property bonus depreciation, accelerated depreciable life of race horses, seven year class life of race tracks, increased empowerment zone Sec 179 expense limit, and energy efficient commercial buildings deduction.

Notable updates for business tax credits include:

- Form 3468 - Investment Credit (Extended)
- Form 4136 - Biodiesel and renewable diesel fuel credit. and Alternative Fuel Credit (Extended)
- Form 5735 - American Samoa Economic Development Credit (Extended)
- Form 6478 - Biofuel Producer Credit (Extended)
- Form 8835 - Renewable Electricity, Refined Coal, and Indian Coal Production Credit (Extended)
  
- Form 8844 - Empowerment Zone Employment Credit (Extended)
- Form 8845 - Indian Employment Credit (Extended)
- Form 8864 - Biodiesel and Renewable Diesel Fuels Credit (Extended)
- Form 8900 - Qualified Railroad Track Maintenance Credit (Extended)
- Form 8908 - Energy Efficient Home Credit (Extended)

- Form 8910 - Alternative Motor Vehicle Credit (Extended)
- Form 8911 - Alternative Fuel Vehicle Refueling Property Credit (Extended)
- Form 8936 - Qualified Plug-in Electric Drive Motor Vehicle Credit (Extended)

# S Corporation (1120S) Product Updates

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## Federal

An activity number is no longer required for the Qualified Business Income statement on the Schedule K-1 to pick up rental income or royalty income

Schedule K-1, Line 17v will now print "STMT" and show the statement when information for the Qualified Business Income deduction has been entered without the need for W-2 wages to be present as long as the statement itself has not been suppressed.

The Form 1120S, Schedule K, Line 17d statement will now include all pieces of the Qualified Business Income worksheet.

This release will contain the tax extender portion of the Further Consolidated Appropriations Act, 2020 for the federal product to the extent possible. The IRS is in the process of updating their forms, instructions, and electronic filing system. In situations where the IRS is expected to make an update, one or both of the following diagnostics will be issued:

- Form 1120S. The IRS is in the process of updating their forms and instructions in response to the Further Consolidated Appropriations Act, 2020. This will require a program update for the following forms: < Forms Listed Here > (16964)
- Form 1120S. The IRS is in the process of updating their electronic filing system in response to the Further Consolidated Appropriations Act, 2020. The following forms have information which is not allowed for electronic filing: < Forms Listed Here > (47629)

State reaction is underway, but not yet complete. In all returns, the following diagnostic will be issued:

- Form 1120S. State reaction to the Further Consolidated Appropriations Act, 2020 is in process. Review state forms prior to filing to ensure accuracy. (28926)

Notable updates for s corporations include:

- Gains from Empowerment Zone assets can continue to be postponed under Section 1397B on Forms 4797 and 8949. Property Type code "EMPOW" and Schedule D codes 9 and 10 have been reactivated in worksheet section Sch D/4797/4684 - Gains and Losses (Interview Form D-1).
- Depreciation updated for Indian reservation property, cellulosic biofuel plan property bonus depreciation, accelerated depreciable life of race horses, seven year class life of race tracks, increased empowerment zone Sec 179 expense limit, and energy efficient commercial buildings deduction.

Notable updates for business tax credits include:

- Form 3468 - Investment Credit (Extended)
- Form 4136 - Biodiesel and renewable diesel fuel credit. and Alternative Fuel Credit (Extended)
- Form 6478 - Biofuel Producer Credit (Extended)
- Form 8835 - Renewable Electricity, Refined Coal, and Indian Coal Production Credit (Extended)
  
- Form 8844 - Empowerment Zone Employment Credit (Extended)
- Form 8845 - Indian Employment Credit (Extended)
- Form 8864 - Biodiesel and Renewable Diesel Fuels Credit (Extended)

- Form 8900 - Qualified Railroad Track Maintenance Credit (Extended)
- Form 8908 - Energy Efficient Home Credit (Extended)
- Form 8910 - Alternative Motor Vehicle Credit (Extended)
- Form 8911 - Alternative Fuel Vehicle Refueling Property Credit (Extended)
- Form 8936 - Qualified Plug-in Electric Drive Motor Vehicle Credit (Extended)

## **California**

The CA composite return will only generate when requested.

## Partnership (1065) Product Updates

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### Federal

This release will contain the tax extender portion of the Further Consolidated Appropriations Act, 2020 for the federal product to the extent possible. The IRS is in the process of updating their forms, instructions, and electronic filing system. In situations where the IRS is expected to make an update, one or both of the following diagnostics will be issued:

- Form 1065. The IRS is in the process of updating their forms and instructions in response to the Further Consolidated Appropriations Act, 2020. This will require a program update for the following forms: < Forms Listed Here > (16964)
- Form 1065. The IRS is in the process of updating their electronic filing system in response to the Further Consolidated Appropriations Act, 2020. The following forms have information which is not allowed for electronic filing: < Forms Listed Here > (47629)

State reaction is underway, but not yet complete. In all returns, the following diagnostic will be issued:

- Form 1065. State reaction to the Further Consolidated Appropriations Act, 2020 is in process. Review state forms prior to filing to ensure accuracy. (28926)

Notable updates for partnerships include:

- Gains from Empowerment Zone assets can continue to be postponed under Section 1397B on Forms 4797 and 8949. Property Type code "EMPOW" and Schedule D codes 9 and 10 have been reactivated in worksheet section Sch D/4797/4684 - Gains and Losses (Interview Form D-1).
- Depreciation updated for Indian reservation property, cellulosic biofuel plan property bonus depreciation, accelerated depreciable life of race horses, seven year class life of race tracks, increased empowerment zone Sec 179 expense limit, and energy efficient commercial buildings deduction.

Notable updates for business tax credits include:

- Form 3468 - Investment Credit (Extended)
- Form 4136 - Biodiesel and renewable diesel fuel credit. and Alternative Fuel Credit (Extended)
- Form 6478 - Biofuel Producer Credit (Extended)
- Form 8835 - Renewable Electricity, Refined Coal, and Indian Coal Production Credit (Extended)
  
- Form 8844 - Empowerment Zone Employment Credit (Extended)
- Form 8845 - Indian Employment Credit (Extended)
- Form 8864 - Biodiesel and Renewable Diesel Fuels Credit (Extended)
- Form 8900 - Qualified Railroad Track Maintenance Credit (Extended)
- Form 8908 - Energy Efficient Home Credit (Extended)
- Form 8910 - Alternative Motor Vehicle Credit (Extended)
- Form 8911 - Alternative Fuel Vehicle Refueling Property Credit (Extended)
- Form 8936 - Qualified Plug-in Electric Drive Motor Vehicle Credit (Extended)

## Fiduciary (1041) Product Updates

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### **Federal**

Filing Instructions. When a custom letterhead is being used and the option to use the transmittal letter heading information in the filing instructions "prepared by" section of the filing instructions is selected, the transmittal letter heading information will now be used in the filing instructions.

## Exempt Organization (990) Product Updates

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### Federal

This release will contain the tax extender portion of the Further Consolidated Appropriations Act, 2020 for the federal product to the extent possible. The IRS is in the process of updating their forms, instructions, and electronic filing system. In situations where the IRS is expected to make an update, one or both of the following diagnostics will be issued:

- Form 990-T. The IRS is in the process of updating their forms and instructions in response to the Further Consolidated Appropriations Act, 2020. This will require a program update for the following forms: 990-T. (14434)

Notable updates for Tax Exempt include:

- Form 4562 - Depreciation and Amortization for Indian reservation property and Empowerment zone.
- Form 990-T - Late filing minimum penalty amount for returns filed greater than 60 days late increased to \$435.

## Estate & Gift (706/709) Product Updates

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### **Federal**

The current year ratable portion of section 529(c)(2)(B) gifts made in 2019 calculates when "Treat this gift as made ratably over a 5 year period" is checked.