

CCH® ProSystem fx® Tax

2019.03000

Release Notes

February 23, 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 2019.03000

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### Tax Updates

Calculation changes related to Form 8615, Tax for Certain Children who Have Unearned Income, required due to the Consolidated Appropriations Act of 2020 will be available on Release 2019.03010. No updates to the form occurred, only changes to the instructions.

#### Individual

The IRS communicated that Cincinnati and Hartford payment P.O. boxes were closing in 2020 with no new address and no forwarding service provided. Expecting this to impact the 3rd and 4th estimate payments, the address was changed to “See irs.gov for the filing address for this payment” on Release 2019.02060. The IRS has clarified that this applies only to business payments, citing Publication 3891. A program change will be made on Release 2019.03010 to reference the Cincinnati and Hartford addresses used previously.

### Electronic Filing Updates

#### Approved Products Available on this Release

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

##### Corporation

- Alabama Consolidated
- New Jersey Extension
- Ohio Cities Municipal Net Profits Tax
- Wisconsin Combined

##### S Corporation

- Arizona
- Arizona Extension
- New Jersey Extension
- Ohio Cities Municipal Net Profits Tax

##### Partnership

- Ohio Cities Municipal Net Profits Tax

## Batch Electronic Filing of Extensions

Batch electronic filing of extensions is available on this release for the taxing authorities listed below.

To process your e-file extensions, go to Production Processing > Extensions, Estimates & Electronic Filing > e-file > Extensions.

### Corporation

- New Jersey

### S Corporation

- New Jersey

## Tax Product Updates

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### Individual (1040) Product Updates

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#### Arizona

AZ 140, Page 5, Line Q for total other additions now includes the amount from Line D.

#### Colorado

Letters and Return Summary now include voluntary contributions.

#### Delaware

Form PIT-RSA and PIT-NSA now show the correct SALT limitation (\$10,000) on married filing jointly returns when the taxpayer and spouse's state and local taxes are high enough to hit the \$10,000 limit when combined, but individually only one spouse hits the married filing separately limit of \$5,000.

#### Iowa

IA 1040, Line 32 now picks up the amount from the 8995-A, Line 37.

#### Maine

ME 1040 correctly calculates tax for Single or Married Filing Separately for \$50,700 - \$51,700 taxable income.

#### Michigan

The standard deduction now calculates on Schedule 1, Line 24 if the taxpayer or spouse was born in 1952.

#### Montana

Itemized deduction will not calculate when North Dakota Reciprocity has been indicated.

#### Nebraska

Nebraska no longer presents the absolute value of negative entries flowing to Schedule 1, Line 11.

#### Ohio - Ohio Cities

When the generic Form R refund is \$10 or less, the refund now drops instead of being applied to the next year's estimated tax.

#### Vermont

When a taxpayer claims the standard deduction at the federal level then they are not able to take the Vermont medical deduction at the state level. The medical worksheet will not populate in the electronic file unless the taxpayer itemizes their deduction on Schedule A.

## Corporation (1120) Product Updates

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### Federal

Form 5471, Schedule E generates correctly when input is present on 5471 - Return of U.S. Persons with Respect to Certain Foreign Corporations > Schedule E - Income, War Profits, and Excess Profits Taxes Paid or Accrued (Interview Form G-5E).

Form 6198 will now include gain from installment sale.

Form 8911, Line 3 is now taking into account the excluded percentage entered on Income/Deduction > Business > Other Depreciation/Amortization > Detail > Listed Property > Percent excluded - 2019 (Interview Form DP-3, 2019 % Excluded).

### District of Columbia

Form D-20 NOL for Years 2000 Through 2017 has been installed. This form is created from entries made on the Federal Income / Deductions > NOL Carryover worksheet (Interview Form A-5). Amounts entered for years starting with the year 2000 through the year 2017 will flow to this form - the loss claimed is then calculated using the minimum of the loss available and the total taxable income from Form D-30, Line 34. Any amounts not claimed (used) will be carried to the Losses Remaining column of the form. The totals for this form are carried to Form D-20 NOL for Years 2018 and Later and are added to the 2018 and later amounts. The combined total Losses Claimed (used) on Form D-20 NOL for Years 2018 and Later are carried to Form D-20, Line 35.

Form D-20 NOL for Years 2018 and Later has been installed. This form is created from entries made on the Federal Income / Deductions > NOL Carryover worksheet (Interview Form A-5). Amounts entered for years starting with the year 2018 will flow to this form. Any NOL amounts entered for years 2000 through 2017 are used first and are calculated using the minimum of the loss available and the total taxable income from Form D-20, Line 34. The totals carried from Form D-20 NOL for Years 2000 to 2017 form to the bottom of the this form and included in the total NOL used. Any amounts not claimed (used) will be carried to the Losses Remaining column of the form. The total Losses Claimed (used) on Form D-20 NOL for Years 2018 and Later are carried to Form D-20, Line 35. This form was created by the District of Columbia to show the NOL amounts that are limited to 80% of taxable income when computed without regard for any other NOL deduction.

Form D-20 NOL for Years Prior to Year 2000 has been installed. This form is created from entries made on the Federal Income / Deductions > NOL Carryover worksheet (Interview Form A-5). Amounts entered for years prior to the year 2000 will flow to this form - the loss claimed is then calculated using the minimum of the loss available and the net income from Form D-20, Line 26. Any amounts not claimed (used) will be carried to the Losses Remaining column of the form. The Total Losses Claimed is carried to Form D-20, Line 27.

### Indiana

The rate used for FIT-20, Line 27 will be 6.25%.

### Massachusetts

Schedule CMS for Investment, Research and Vanpool credit added input for unlimited credit carryovers on MA > Credits (Interview Forms MA6, MA20, MA41 and MA44).

## New Jersey

New Jersey has clarified that extension filing and payments must absolutely be made on their website or by e-file. This release is to allow corporations to e-file and pay New Jersey extensions using the just-released forms. No filing is required if there is no payment. Other forms including CBT-100, CBT-100S, and CBT-100U are in development and are not available for processing and must NOT be paper filed.

## North Carolina

Form CD-405, Page 5, Schedule M-2, Line 3, Other increases total amount will now print.

## Ohio - Ohio Cities

The Municipal Net Profit Tax Net Operating Loss Deduction Worksheet has been added. This form is generated for each city by making an entry on Ohio > Cities > City Detail > Detail > MNP Credits and Adjustments > Generate MNP NOL deduction worksheet (Interview Form OHC3A, Box 40). The NOL amounts do not pull from any place in the return. These amounts will need to be entered on the government form. The carryforward and total amounts will be calculated. The totals from this form do not flow to the MNP 10, Schedule B. Enter the amounts from the worksheet on Ohio > Cities > City Detail > Detail > MNP Credits and Adjustments > Post-2016 Net Operating Loss - override and Pre-2017 Net Operating Loss - override (Interview Form OHC3A, Boxes 41 and 42) for the amounts to appear on the MNP10, Schedule B.

## Oregon

Added Portland Schedule CES. The input is on Oregon > Portland > Schedule CES (Interview Form OR6A). Portland Schedule R was also updated for a new check box for regulated affordable housing. The new input is on Oregon > Portland > Schedule T (Interview Form OR6A). Multnomah and Portland Form EXT has a new line for Schedule CES payment and has been updated accordingly. Added a separate override on the Combined Multnomah county and Portland Tax return for Line 6P for the compensation allowance deduction for Portland.



## S Corporation (1120S) Product Updates

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### Federal

Assets with less than a year of remaining life in a fiscal year return will not calculate UBIA.

Form 6198 will now include gain from installment sale.

The ITC adjustment for the alternative fuel refueling credit now takes into account the business use.

### Consolidated

Section 199A QBI information from IRS K-1 (1065) now carries to the consolidated 1120S return.

### California

3805Z, Line 1a prints an amount when applicable.

Form 540NR filing instructions reflect EFT payment requirements when the option is present.

### Connecticut

Filing instructions now include the Elective Composite Income Tax Remittance from Schedule CT-NR, Line 22 in the total amount due.

Form CT-1065/CT-1120SI EXT, Line 2 now applies the current year estimated payments and prior year overpayment applied from Form CT-1065/CT-1120SI, Part I, Schedule A, Lines 3a and 3c respectively.

Schedule CT-NR, Column B, Members' PE Credit now adds together the direct and indirect tax credit from CT-1065/CT-1120SI, Page 9, Part IX, Columns B and C.

### District of Columbia

Form D-20 NOL for Years 2000 Through 2017 has been installed. This form is created from entries made on the Federal Income / Deductions > NOL Carryover worksheet (Interview Form A-5). Amounts entered for years starting with the year 2000 through the year 2017 will flow to this form - the loss claimed is then calculated using the minimum of the loss available and the total taxable income from Form D-30, Line 34. Any amounts not claimed (used) will be carried to the Losses Remaining column of the form. The totals for this form are carried to Form D-20 NOL for Years 2018 and Later and are added to the 2018 and later amounts. The combined total Losses Claimed (used) on Form D-20 NOL for Years 2018 and Later are carried to Form D-20, Line 35.

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## Massachusetts

Schedule CMS for Investment, Research and Vanpool credit now has input for unlimited carryover on MA > Credits (Interview Forms MA6, MA20, MA41 and MA44).

## New Jersey

New Jersey has clarified that extension filing and payments must absolutely be made on their website or by e-file. This release is to allow corporations to e-file and pay New Jersey extensions using the just-released forms. No filing is required if there is no payment. Other forms including CBT-100, CBT-100S, and CBT-100U are in development and are not available for processing and must NOT be paper filed.

## Ohio

Entries on Federal > General > Basic Data > State Information > Bonus Depreciation > Deductions taken in prior year federal return (Form 5, Boxes 88 - 106) will now carry to the OH return in the correct year.

## Ohio - Ohio Cities

The Municipal Net Profit Tax Net Operating Loss Deduction Worksheet has been added. This form is generated for each city by making an entry on Ohio > Cities > City Detail > Detail > MNP Credits and Adjustments > Generate MNP NOL deduction worksheet (Interview Form OHC3A, Box 40). The NOL amounts do not pull from any place in the return. These amounts will need to be entered on the government form. The carryforward and total amounts will be calculated. The totals from this form do not flow to the MNP 10, Schedule B. Enter the amounts from the worksheet on Ohio > Cities > City Detail > Detail > MNP Credits and Adjustments > Post-2016 Net Operating Loss - override and Pre-2017 Net Operating Loss - override (Interview Form OHC3A, Boxes 41 and 42) for the amounts to appear on the MNP10, Schedule B.

## Oklahoma

Oklahoma Form 587-PTE

- Line 16, Column D, Part 1 and Part 2 will now show the calculation of the partner in that row.
- Line 21, tax will now be included on Federal Form 1120, Line 12.

## Wisconsin

WI 55, Line 2 will now print the correct apportionment from the Schedule A-01.

## Partnership (1065) Product Updates

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### Federal

Code 4, Sec 743(b) Dpr. / Amort., has been added to the Federal > Special Allocations > Ratio Allocation worksheet, Depr/Amort Code field (Form K-5, Box 50) to indicate that a Sec 754 asset should be included in the calculation of net 743(b) adjustment for Schedule K-1, Lines 11f and 13v. The inputs on the Federal > Income/Deductions > Schedule K - Income / Deductions Overrides worksheet (Form K-11A, Boxes 140 and 141) will act as overrides for the calculated amount of net 743(b) adjustment. Inputs for 743(b) adjustment entered on General > Basic Data > Other Information (Form OS-3, Boxes 40-59) will no longer be included in the calculation of Schedule K-1, Lines 11f and 13v.

Return level overrides for Schedule K-1, Item L, Partner's Capital Account Analysis, Current year net income (loss) and Other increase (decrease) are available on the Federal > Partners > General Options > Partner's Capital Account Analysis - Overrides worksheet (Form 5A, Boxes 80 and 82). These entries can be allocated using the ratio ID input, allocation codes 7901 and 7903, or the default allocation percentages. The partner level inputs for these lines will override any amount allocated from these return level inputs. An entry of "0" for either will make that line blank on all Schedules K-1. If there is an amount entered but no amount is allocated to a partner, the line will print a "0" for that partner.

Schedule K-1. Depreciation, amortization, and depletion from Form 8825 will be accurately reflected on the Schedule K-1 IRC 163(j) Adjusted Taxable Income Statement.

The Section 754 depreciation adjustment amounts for Section 199A purposes can now be specially allocated using the existing section 754 depreciation allocation codes.

### Colorado

Per Colorado, the preprinted rate of 4.63% on estimate worksheets is correct and they requested software developers to update with the new rate. Colorado is working on a disclaimer on their public-facing forms page to let taxpayers know about the rate change.

### Illinois

Entries on Illinois > Payments > Lines 1 and 3 will save after calculation.

### Mississippi

Form 84-132

- Line 16d will reflect what is on Line 15d of the Federal Schedule K-1.
- Line 18 will reflect what is on Line 18 of Federal Schedule K-1.

### Montana

The open line item inputs for Schedule DE on the Montana > Disregarded Entity Information worksheet (MT-8) will flow to the correct Schedule DE.

### New York

New York IT-204, Page 1, Lines H and I will now answer "No" when the option on input has been set to blank. These lines are required to be answered for New York electronic filing.

## Ohio

A diagnostic will be issued for those returns with prior year depreciation amounts rolled to the Ohio > General Depreciation > General Depreciation Information section for 2018 (OH19, Boxes 71 and 76). Verify the amount in the prior year is the total bonus/179 depreciation taken and if not change it to the add-back amount.

The IT K-1 will now fill out completely for resident partners when the IT 1140 has been suppressed.

## Ohio - Ohio Cities

The Municipal Net Profit Tax Net Operating Loss Deduction Worksheet has been added. This form is generated for each city by making an entry on Ohio > Cities > City Detail > Detail > MNP Credits and Adjustments > Generate MNP NOL deduction worksheet (Interview Form OHC3A, Box 40). The NOL amounts do not pull from any place in the return. These amounts will need to be entered on the government form. The carryforward and total amounts will be calculated. The totals from this form do not flow to the MNP 10, Schedule B. Enter the amounts from the worksheet on Ohio > Cities > City Detail > Detail > MNP Credits and Adjustments > Post-2016 Net Operating Loss - override and Pre-2017 Net Operating Loss - override (Interview Form OHC3A, Boxes 41 and 42) for the amounts to appear on the MNP10, Schedule B.

Ohio Cities 2017 net operating loss will now be limited to 50% (0.50) of the taxable income.

## Pennsylvania - Philadelphia

Form NPT, Line 18, Balance Available, will show an amount if there is an overpayment in the return.

## Rhode Island

The Print Name for the paid preparer on Form RI-1065 will be included any time the preparer name is entered.

## Vermont Electronic Filing

The extension letters will include the last four digits of the bank account number when e-filing an extension with a balance due and direct debit is requested.

## Fiduciary (1041) Product Updates

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### Federal

The grantor letter now correctly reports negative amounts for state oil/gas withholding.

### Form 8995

Form 8995 / Sch C (Form 8995-A). Prior year carryovers from passthroughs now show properly. Any allowed amount shows on Form 8995, Line 3 / Sch C (Form 8995-A), Line 2. The disallowed amounts show on the QBI C/O, Detail Qualified Business Income Carryforward Worksheet.

### Georgia

Forms GA 501 and 501X, Schedule 2

- Line 5 no longer makes a QBID adjustment. QBID was included in the amount pulled from federal in prior year, but is no longer included and thus no adjustment is needed.
- Line 10 now includes all other subtractions not specifically listed on the Schedule 2 of the main form. This allows Schedule 2, Line 11 to foot correctly.

### Massachusetts

MA Form 2, Line 22 now uses the tax table instead of the tax rate schedule if Line 21 is less than \$24,000.

### Mississippi

Mississippi Form 81-132 now only produces information in Box 10 when the return is marked as final.

### Oregon

Oregon Form 41, Line 18, Oregon Surplus Kicker rate has been updated to 17.171%. This rate change is also reflected on the Oregon Surplus Credit Calculation Statement for Line 4.