

CCH® ProSystem fx® Tax

2019.03031

Release Notes

April 5, 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. 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 2019.03031

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Tax Updates

All Systems

Tax year 2019 federal product updates related to the recently passed CARES Act are tentatively scheduled for release 2019.03040 on April 26, 2020. Tax year 2017 and tax year 2018 updates are being planned, with release dates to be determined. State changes for all three years will be dependent on guidance from each state taxing authority.

Individual, Corporation, Fiduciary, Gift, and Tax Exempt

IRS Notice 2020-18 moves the due date for Individual, Corporation, Fiduciary, Gift, and 990-T returns and payments that were formerly due on April 15, 2020, to July 15, 2020. The current default will now be July 15 for these returns. The default date can be changed to April 15, 2020, using the following:

- **Individual.** General > Return Options > Processing Options > Use original due dates (Interview Form 2, Box 81)
- **Corporation.** General > Return Options > Calculation Options > Use original due dates (Interview Form 2, Box 87)
- **Fiduciary.** General > Return Options > Miscellaneous Options > Use original due dates (Interview Form 2, Box 60)
- **Gift.** Updates will be available in release 2019.03032.
- **Form 990-T.** General > Return Options > Processing Options > Use original due date (Interview Form 2, Box 33)

Equivalent updates for states will be available on our next release, tentatively scheduled for April 12, 2020.

Individual

Oklahoma issued a new form to request a stop of pre-scheduled payments. It must be emailed, so we will not produce this form in our software. It can be located at <https://www.ok.gov/tax/documents/511-SP.pdf>.


Other states are providing guidance on changing April 15 scheduled payments. State tax websites provide the best information for requesting changes of this type.

Electronic Filing Updates

The IRS will accept payments delayed until July 15 for electronically filed returns, including the first quarter estimate payment. This release removes the federal disqualifying diagnostic related to delayed return and estimate direct debits. State disqualifying diagnostics related to delayed direct debit will be removed on the next release. The previously published override codes will continue to work for states, presuming that state's business rule has been lifted:

- Individual - Wisteria
- Corporation - olive11

- Fiduciary - Brie

 **Note:** All other disqualifying diagnostics must be cleared prior to using the override code for delayed payments. Returns will be rejected if other disqualifying diagnostics are present.

Tax Product Updates

Individual (1040) Product Updates

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Federal

Form 1040NR. Pension and annuity amounts carried to the Form 1040 Statement in dual status returns appear on Lines 4c and 4d rather than Lines 4a and 4b.

Overrides entered on multiple mortgages will flow to Mortgage Interest Worksheet.

Partnership Basis Limitation Worksheet. The amount of self-charged passive interest expense is included in Line 10 of the Partnership Basis Limitation Worksheet once.

The due date for filing Form 1040, Form 1040NR and making payments of federal tax due April 15, 2020, is automatically postponed to July 15, 2020, in accordance with IRS Notice 2020-18. This also applies to estimated payments originally due on April 15, 2020.

Arizona

Carryover from 2016 is now included on Form 352.

The standard deduction increase for charitable contributions now correctly shows on the Tax Equalization form.

The tax exempt interest statement now only includes Arizona income.

California

Income from Passthroughs worksheet amounts will now calculate one Ordinary income amount when the passthrough is subject to the basis limitations and a Schedule E basis carryover is not present, but other basis carryovers are present. The amount will now include the other basis carryover amounts, if they are allowed.

Schedule CA, Line 8f, Column b will now calculate for "Excess loss business adjustment" if Federal Form 461, Line 16 is negative, and CA Form 461, Line 16 is positive.

District of Columbia

For DC part year married filing separately returns, the itemized deduction calculation now uses the AGI limitation for the married filing separately filing status.

Georgia

Schedule 1, Line 12, "Depreciation adjustment" will now calculate for multiple nonpassive passthroughs.

Idaho

Form 39R/39NR will no longer duplicate the medical insurance premiums when the premiums come from a 1099-SSA that is linked to a K-1.

Iowa

Iowa TEC, Line 31 hypothetical line now picks up federal hypothetical tax deducted or withheld amount, if entered.

Maine

The statement for Schedule 1, Line 2a now only issues one occurrence per entity.

Michigan

MI Schedule 1, Line 27 will now include the amount from Federal Schedule R, Line 19.

Minnesota

Minnesota Schedule M1M, Line 19 will print "see statement" message on the same line as information for the dependent's name.

Property taxes carrying to Minnesota Schedule M1SA, Line 6 will not carry to Line 9.

Schedule M1SA no longer prints unallowed tax deductions for 1040-NR filers.

Schedule M1SA, Line 11, Home Mortgage Interest and Points calculates using the same law and rates as the Federal Mortgage Interest worksheet.

Mississippi

Schedule A, Line 24 now only includes the prior year NOLs.

Montana

The amount in Line 11, Column II, on the MT NOL, Page 1 prints.

The Federal NOL add back on Page 4, Line 9, matches the NOL deduction on Federal Schedule 1, Line 8. Additionally, the subtraction for MT NOL on Page 5 will conform to federal NOL deduction rules.

Nebraska

Social Security income is no longer included as Nebraska-sourced on Nebraska's Schedule III, Line 1 for Nonresident returns.

Oklahoma

TEC St 8960, Part 4, Line 16 actual column will now equal the Hypothetical column.

Oregon

Form WFHDC produces when the taxpayer doesn't qualify for the federal credit because of nontaxable dependent care benefits. Line 28 calculates when the Federal AGI is less than zero.

Pennsylvania - Pennsylvania Cities

Estimate mailing address populates in the transmittal letter and standard filing instructions when only a spouse estimate is present in a joint return.

Corporation (1120) Product Updates

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Federal

Form 8453-C will print the preparer and ERO sections so that they are consistent with the Federal version of the form.

The due date for filing Form 1120 and making payments of federal tax due April 15, 2020, is automatically postponed to July 15, 2020, in accordance with IRS Notice 2020-18.

Other updated forms:

- Form 7004
- Form 1120W
- Form 1120-C
- Form 1120-F
- Form 1120-FSC
- Form 1120-H
- Form 1120-L
- Form 1120-PC
- Form 1120-POL
- Form 1120-REIT
- Form 1120-RIC
- Form 1120-SF

Louisiana

Schedule A, Line 2 FEIN will print on the statement.

Missouri

Forms INT-2 and INT-3 letters and filing instructions will now include refunds.

Montana

Affiliated entities for a foreign parent will flow to the Schedule M Part 3 when entered in a standalone return.

Diagnostic 45214 will issue when Form CIT, Page 1, Box 4f is marked for Waters Edge and Schedule M and/or Schedule WE are not included in the return.

Pennsylvania

Amended letters will produce when Form RCT-128C is present in the return and the payment voucher will no longer produce when a refund is present on Form RCT-128C.

Form PA-8879-C. ERO EFIN/PIN will be consistent between Pages 1 and 2.

REV - 1834. Schedule C-9, Line 3B will include all applicable assets.

The extension forms will print at the front of the return, before the estimates.

The Federal Extension Report will reflect the values present for a Form RCT-143 return.

S Corporation (1120S) Product Updates

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Federal

Form 1120 Facsimile. Prior year charitable contributions will now calculate as part of Line 19 of the Computation of Federal Taxable Income when there is input coded for FDS (Federal for states).

Schedule K-1. Allocation for the Schedule K-1, Section 163j election statement will always allocate non-interest income items by dividing Schedule K-1, Line 1 by Schedule K, Line 1.

Hawaii

Schedule D-1, Page 2, Line 23 calculation will include Section 179 expense.

Indiana

The Federal amount on the taxpayer column of Form IT-20S Recap will be shown net of any amount entered on Indiana > Disregarded Entity Information (Interview Form IN6) for Indiana.

Mississippi

Form 83-305 will account for input of a \$0 prior year tax amount for Line 3 when calculating Line 4, which is the lesser of Lines 2 or 3.

Oklahoma

State refund worksheet will only generate for Oklahoma when there is a refund.

Pennsylvania Electronic Filing

The PA Revenue ID is not a required input for electronic filing of extensions. If there is input under Common State > State and City Common Data > Account ID (Interview Form GEN-1, Box 40) that does not meet the requirements, a disqualifying diagnostic will issue.

Partnership (1065) Product Updates

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Federal

Schedule M-3. Any excess business interest amount that is created from passthrough excess business interest expense carryover that can now be recognized, but the amount is still limited by the calculation of Form 8990, will now flow to the Other Deductions line on Page 3 of the Schedule M-3.

Massachusetts

Schedule 3K-1 partner name has been updated to show the name and TIN of the disregarded entity rather than the beneficial owner.

Minnesota

Diagnostic 15307 will no longer issue for any estate partner on Schedule KPI.

Schedule KPI, Line 41 will now calculate for estate partners.

Minnesota Electronic Filing

Diagnostic 49514 will no longer issue if Form AWC was received but not used within return.

Montana

An entry made under Partnership Passthroughs > Partnership Passthrough > Field 50 (state column): Net Long Term Capital Gain (Interview Form O-1, Box 100) will flow to Schedule MTSI Column A, Line 9, to Line 19a on Form PTE, and to Schedules K-1.

If there is a Disregarded Entity that has no Montana Source Income, checking the "DE has no Montana Source Income" check box under Montana > Disregarded Entity Information > Schedule DE Information > Field 9 "Has no Montana Source Income" (Interview Form MT7, Box 48) will produce that DE on Schedule VII without creating a matching Schedule DE.

Montana Electronic Filing

When special allocation codes 28600, 28700, 28800, and 28900 are entered as percentages on Special Allocations > Special Allocation Detail (Interview Form K-4), the total amount will flow to the PTE K-1 Part 3 as amounts for Everywhere and Montana additions and subtractions.

When the special allocations for Everywhere or Montana Additions and Subtractions (Part 3 of the K-1) are entered under Special Allocations > Special Allocations Detail with codes 28600, 28700, 28800, and 28900 (Interview Form K-4, Box 40), the allocated amounts will flow to Part 3 and Part 7 of the K-1. When a partner is allocated 0 on one of those special allocations, there will not be an amount flowing to the expected line of Part 3 of the K-1.

Oklahoma

Form 587-PTE, Column B will include Form 514, Part 5, Line 7.

Fiduciary (1041) Product Updates

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Federal

The due date for filing Form 1041, 1041-QFT and 1040NR and making payments of federal tax due April 15, 2020, is automatically postponed to July 15, 2020, in accordance with IRS Notice 2020-18. This also applies to estimated payments originally due on April 15, 2020.

Form 8995-A, Schedule C, Line 1b also includes prior year carryovers when reducing by losses.

Massachusetts

MA Schedule B, Line 7 will exclude any Market Discount not state sourced to Massachusetts.

Pennsylvania

Ordinary Income reported on Grantor Statements and Footnotes no longer includes Rental Income amounts reported on a separate line item.

South Carolina

44% deduction for capital gains includes federal coded entries that are also state coded to SC.

Exempt Organization (990) Product Updates

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Federal

The due date for filing Forms 990-T (for 401(a) and Other Trusts types), 990-W, 8868 and making payments of federal tax due April 15, 2020, is automatically postponed to July 15, 2020, in accordance with IRS Notice 2020-18.

Estate & Gift (706/709) Product Updates

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Federal

The due date for filing Forms 709 and making payments of federal gift and GST tax due April 15, 2020, is automatically postponed to July 15, 2020, in accordance with IRS Notice 2020-20.