

CCH® ProSystem fx® Tax

2019.04000

Release Notes

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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 2019.04000

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### Tax Updates

#### All Systems

Changes relating to CARES Act legislation and due date extensions are included in this release.

#### Individual

Basis Schedules - Basis schedules collate near the end of the return instead of printing at the beginning of the return.

### Electronic Filing Updates

#### Corporation

Ohio Cities - Form MNP10, Municipal Net Profits Tax Consolidated

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

Preparer Signature and Preparer Signed Date fields now populate on the Electronic-Filing Opt-Out form when requested.

Form 3800. When a credit from Form 8906 is not attached to an activity but an EIN has been entered, the credit will flow through to Form 3800 with the EIN referenced.

Keogh Worksheet. The conservation reserve program payment, entered on a Partnership passthrough that is coded to the spouse, is not included in the calculation of the retirement plan deduction unless an entry for SE income is entered for the passthrough.

### Arkansas

Input overrides available on Arkansas > Income/Deduction > Itemized Deductions > Line 3. AR3, Line 6 - override (Interview Form AR1, Box 49 and Box 41). These will override the automatic personal property tax or other taxes calculation and the line/statement will only include one record coming from the state input.

### Hawaii

Form N-109, Line 8b no longer includes the amount from Line 7.

### Illinois

Schedule NR, Line 15, Column B white paper statement is updated to pick up S Corporation losses to match the amount reflected on the government form.

### Indiana

Indiana IT40-RNR returns with an extension selected will now calculate and print the IT-9 extension and extension worksheet.

Indiana Schedule IT-40NOL will now be properly generated on returns where it was previously prevented due to Federal AGI being greater than itemized deductions.

Indiana Schedules 3 and D will no longer allow spouse exemptions for Married Filing Separately returns in which the Federal return was set to claim an exemption for a spouse not filing.

Indiana Schedules 5 and F will no longer include county withholding from K-1 input with no entry in the FS field and a non-Indiana state when Indiana is the home state.

### Louisiana

Louisiana R-10606, Column 3 uses the AGI on Schedule E, Line 1 when the Schedule E is utilized instead of Form IT-540, Line 7.

Use tax calculates at 8.45%.

## Massachusetts

Schedules B and D pick up the MA and non-MA source capital gains from multi-state K-1s as applicable.

## Minnesota

Form M15 will not produce values on Lines 7 through 12 when the return computes an underpayment penalty on M15 using the long method and no government form overrides are used.

## Missouri

The Part 2 worksheet on Missouri Form MO-A will account for foreign taxpayers' taxes paid on Federal Form 1040-NR, Page 3, Line 1a if the taxpayer's home state is FC.

## Montana

Spouse non-business deductions will be included on the NOL Form, Page 1, Line 6.

The Montana NOL carryover will be used for the NOL Form on Page 1, Line 24.

The nonbusiness deductions on the NOL Form, Page 1, Line 6 will include the following from Page 3, Schedule 1, the health savings account deduction, the self employed retirement deduction, IRA deduction, and alimony paid. The non-business subtractions found on Page 5 and most itemized deductions found on Page 7 will also be included.

## New Jersey

Worksheet G will print when there are multiple renters even if only one property is present.

## New Mexico

The amount used on the New Mexico credit for taxes paid, column 2, line 2, now uses taxable income rather than adjusted gross income.

The last four digits of the taxpayer's direct debit/deposit account will now appear on the New Mexico filing instructions after one calculation rather than two calculations.

## Ohio

Calculation updated on IT-BUS, Line 3 to correctly show the amount of capital loss allowed.

Letters and the return summary only include non-refundable credits when there is a tax liability on Form IT-1040, Line 8c.

OH IT BUS, Line 7 calculation was corrected on joint-coded Entities (IT NRC page 3, Line 11 and 12).

## Oregon

Carryforward credits (codes 835-871) match characteristics as published in Oregon Publication 17. Specifically, codes 864, 867, 869, and 871 for Amount from prior year column calculates. Codes 837, 838, 839, 840, 848, 853, 857, 858, and 859 for Amount awarded this year column stops calculating. Codes 842 and 865 stop calculating all columns.

Home offices with mortgage insurance premiums deductible on Federal Schedule A, Line 8d will also be allowed on Oregon Schedule A, Line 15.

## Pennsylvania

Negative amounts from PA-40, Lines 4, 5 and 6 will no longer be included in other state credit for taxes paid calculations.

Schedule D-1, Section I will be completed for all installment sales, not just current year installment sales.

Schedule RK-1, Estate/Trust=E, Partnership=P, PA S Corp=S. LLC=L field should now indicate "L" for LLC when requested by entering a "1" on Partnership Passthrough > Activity > State use - amount 2 field, S Corporation Passthrough > Activity > State use - amount 2 field, or Fiduciary Passthrough > Activity > State use - amount 2 field (IRS-K1 1065, Box 91, IRS-K1 1120S, Box 66 or IRS-K1 1041, Box 66).

## Corporation (1120) Product Updates

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### Federal

Bonus depreciation is not allowed for Arizona purposes.

Excess Business Interest Expense from Form 8990, Schedule A, Line 44, Column H was not carrying to Form 1120, Page 1, Line 18, Interest Expense when the corporation was indicated to be a closely held or personal service corporation subject to passive activity limitation on the General > Basic Data worksheet line 18, Corporation Type (Interview Form 1, Box 66).

Form 1120, Page 1, Line 26, Other deductions, will now include Section 743b Negative Adjustment entered in Income/Deductions > Partnership Passthrough > 1. Partnerships Passthrough (IRS K-1 1065) > Line 84 (Interview K-1P, Box 181 or Interview Form O-2, Box 52).

Form 1139, Line 29, Overpayment of Tax Due to a Claim of Right Adjustment under Section 1341(b)(1) is now carried from Other > 1139 > Section 1 > Line 32 (Interview Form CB-2, Box 57).

Form 8990, Line 2, Disallowed Business Interest Expense Carryforwards, was doubling if multiple entities of the Income/Deductions > Form 8990 > Trade\Business Disallowed Interest Expense Carryover worksheet (Interview Form A-5, Box 34 = I) were present.

New code "C" was added to the Type column on the Income/Deductions > Charitable Contributions > Contribution Detail Not Carried to Form 8283 worksheet (Interview Form A-4, Box 191) for current year food inventory charitable contributions subject to the 15% taxable income limitation. An entry here will affect Line 18 of Form 1120, Page 1, Charitable Contributions.

### Florida

At this time Florida is tied to the Jan. 1, 2019 version of the IRC and does not recognize the CARES provisions that were enacted in 2020. Florida did not conform to new 50% adjusted taxable income limitation but instead retained the 30% limitation in computing business interest expense (BIE) on Form 8990. If BIE is present at the new 50% limit, it will be added back on Schedule I as Other Income and the FL BIE computed at 30% will be subtracted on Schedule II as Other Subtraction.

### Ohio - Ohio Cities

Electronic filing capability for Form MNP10, consolidated, has been installed.

The return can be marked as a consolidation by entering "Consolidation" on General > Basic Data > General > Consolidated Return Information > Code for consolidated return (Code "C" on Interview Form 1, Box 90).

Once checked, the system will move the data from the Separate column to the Consolidated column for all applicable lines on Form MNP10, Pages 1 and 2.

The consolidated return is not generated through the return group tab and requires all amounts to be entered on the consolidated return.



## S Corporation (1120S) Product Updates

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### Maryland

Maryland Schedule K-1, Line 2 will now be zero if the apportionment is zero.

### South Carolina

Amended functionality for Form SC1040 has been included and Schedule AMD will generate when an amended return is requested on either:

- Federal > General > Basic Data > Amended return and Schedule K-1 or Amended return only (Interview Form 1, Box 68, code 1 or 2)
- Federal > Common State/City > State and City Common Data > Amended return - override (Interview Form GEN-1, Box 44, code 1)

Input to complete Schedule AMD is available on South Carolina > South Carolina Composite > Composite Amended (Interview Form SC15).

## Partnership (1065) Product Updates

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### Connecticut

Schedule CT, K-1 Part II, Line 13, Column A will now include code 13V from the Federal Form K-1. (Included with Release 2019.03053)

### District of Columbia

The consolidated return will no longer display companies that were added and then removed from input.

### New Mexico

The supporting statement for Form PTE, Page 2, Line 7 will now print in the client copy.

### Ohio

Form IT 1140, Line 3b, payments transferred to Ohio IT 4708 now populates.

### Ohio - Ohio Cities

RITA Form 27, Line 8b will now calculate when an overpayment amount on Line 7b is to be credited to next year.

### Pennsylvania

All corporate partners that have disregarded entity information will now be presented correctly on all forms that show corporate partner information.

### South Carolina

Amended functionality for Form SC1040 has been included and Schedule AMD will generate when an amended return is requested on either:

- Federal > General > Basic Data > Amended return and Schedule K-1 or Amended return only (Interview Form 1, Box 74, code 1 or 2)
- South Carolina > Composite > Composite Amended > Amend SC1040 Composite Return (Interview Form SC15, Box 60)

Input to complete Schedule AMD is available on South Carolina > South Carolina Composite > Composite Amended (Interview Form SC15).

### Wisconsin

Schedule A-01, Line 9a entries will carry through to the calculation on Lines 10 and 11.

## Fiduciary (1041) Product Updates

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### Federal

Form 1040NR. The statement for Line 21 no longer includes amounts for the qualified business income deduction.

Form 1041. The "Percentage of qualified dividends to be retained by trust - override" input now properly impacts Form 1041, Line 2B when used.

Form 8995/Form 8995-A.

- Rental Real Estate Enterprise Safe Harbor entities no longer double when aggregated with other QBI entities or activities.
- QBI distributions will be reduced by any loss limitations.
- The percent of QBI distributed is -0- for complex trust or estate returns when there are no beneficiaries.

Schedule B. Line 7 no longer includes capital gains twice when gains are included as income and included in the charitable deduction calculation.

Schedule E, Page 2, Line 28 now shows Form 8990, Business interest expense as a separate line and shows as either passive or nonpassive based on the passthrough it comes from.

Schedule K-1.

- Schedule K-1 only prints statement text for Line 14, code I when applicable.
- The Schedule K-1 Other Information input now functions for Charitable Remainder and Charitable Annuity trust returns.

The State Expense Allocation worksheet no longer includes nontaxable items from passthroughs that are coded for federal only.

Two Year Comparison. The ESBT 2 Year Comparison now includes a separate line for Qualified Business Income Deduction.

### Arizona Electronic Filing

On Form 141AZ, PG 3, Schedule D tax exempt interest now calculates on Line D2 Interest instead of D8 Expenses.

### California

Form CA 541, Page 3, Schedule G no longer includes disallowed 1231 gains on Line 4, Column B.

### Georgia

ESBT adjustment will now be included on Form 501, Schedule 2, Line 10 Other subtractions. In earlier releases, the ESBT amount was added directly to Line 12.

### Maryland

Maryland conforms to the Federal Qualified Business Income Deduction. Program updates are now available.

## Massachusetts

Schedule D, Line 9 subtracts long-term capital gains from passthroughs coded F/Blank when Massachusetts is the home state.

## New Jersey

Schedule K-1 now takes grantor specific allocations into account when zero has been entered.

## Rhode Island

Form RI-1096PT and RI-1099PT will now allow distributions of estimated tax payments when no income is present.

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

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### Connecticut

A duplicate entry of Schedule B 2018 gifts and gift tax has been removed from the 2D barcode for the 2019 Taxpayer Form CT-706/709.