

CCH® ProSystem fx® Tax

2020.02050

Release Notes

February 14, 2021



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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 2020.02050

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### Tax Updates

#### All Systems

- **Payroll Paycheck Protection (PPP) loans** are not treated as income, but associated expenses are deductible at the federal level. Several states have indicated different treatment for the income and expenses. Program changes are in process regarding this nonconforming treatment, including federal input on each business entity to identify these amounts.
- **Depreciation** - A new election is available for Residential Real Property placed in service prior to 2018 and used in an electing real property or trade to designate a 30-year ADS life. The election is made on Form 8990 > Opt Out (Interview Form BIE2, Box 38). All qualified assets for the designated entity will be changed from ADS 40 to ADS 30, and beginning accumulated depreciation will be adjusted accordingly. A new report showing the effect of this change to beginning accumulated depreciation can be requested on Depreciation and Depletion Options and Overrides > Depreciation Options > Prepare retroactive 30 year life for residential real property report (Interview Form DP9, Box 55).
- **Forms 2848 and 8821** - A new option is available to print the taxpayer's signature and signature date on these forms to facilitate online filing by the preparer.

#### Individual and Fiduciary

Farm NOL calculations are now available.

#### Individual

**Form 1040NR** - Form 1040NR was available for paper filing on Release 2020.02040. The IRS recently announced availability of the required testing scenarios needed for electronic filing approval testing. As a result, electronic filing of Form 1040NR will be available on a future release.

### Electronic Filing Updates

#### Individual

North Dakota announced a change to the schema version that should be used when the IRS opens on February 12. Electronically filed returns uploaded and released before noon CST on February 11, 2021, will be rejected by the North Dakota DOR due to this schema change. Returns uploaded and held before noon CST on February 11, 2021, and released after noon CST on February 11, 2021, will be stopped in status *Stopped for State Schema Change*. Returns uploaded after noon CST on February 11, 2021, will be stopped by the upload process for state schema change. In these situations, returns should be recalculated and re-uploaded on the February 14 release.

## Approved Products Available on this Release

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

### Individual

Connecticut	Montana	Pennsylvania
Connecticut Extension	New Hampshire Form DP-10	Pennsylvania Extension
Michigan	New York City	Pennsylvania - Philadelphia
Michigan - Michigan Cities	New York City Extension	Philadelphia School Income Tax
Minnesota	North Carolina	Utah
Minnesota Form MN PR	North Carolina Extension	West Virginia

### Corporation

Louisiana Extension	New Jersey	New Jersey Extension
Nebraska	New Jersey Annual Report	Pennsylvania - Philadelphia
Nebraska Consolidated	New Jersey Estimates	Vermont Extension

### S Corporation

Louisiana Extension	New Jersey Annual Report	Pennsylvania - Philadelphia
Nebraska	New Jersey Estimates	
New Jersey	New Jersey Extension	

### Partnership

Nebraska	Pennsylvania - Philadelphia
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### Fiduciary

New Hampshire Form BT-Summary Extension	New Hampshire DP-10 Extension	Ohio
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### Exempt Organization

Florida Extension	New York Extension
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## 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.

### Individual

Connecticut	North Carolina	Pennsylvania
New York City		

## Corporation

New Jersey

## S Corporation

New Jersey

## Partnership

New Jersey (Available on 2020.02040)

## Exempt Organization

Florida

New York

## CCH eSign

We have identified an issue in which the Form 8879 eSign sending process is skipped, and the return is directly uploaded to the Electronic Filing Status System. We are working to have this issue resolved as early as Sunday, February 14.

## Tax Product Updates

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### Individual (1040) Product Updates

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#### Federal

Form 1040.

- The designee PIN for the tax preparer is used on Form 1040 when entered based on the hierarchy shown in the cross reference.
- An override for Form 1040, Line 10b (charitable contributions deduction if you take the standard deduction) is available on the Itemized Deductions > Contributions (Interview Form A-5, Box 82).

Form 2848. The taxpayer's signature can be printed on Form 2848 by making an entry in Basic Data > General > Print taxpayer signature on Forms 2848 and 8821 (Interview Form 1A, Box 95). The date that the taxpayer signed the return will be printed on Form 2848 if the date is entered in Basic Data > General > Taxpayer signature date on Forms 2848 and 8821 (Interview Form 1A, Box 96). Letters and filing instructions will reflect that these forms were filed online by the preparer.

Form 4868. Form 4868, Line 5 in Form 1040-NR returns with Schedule H deferrals will not change when the return is recalculated.

Form 8283, Page 1 will now print when there are more than two entities.

Form 8821. The taxpayer's signature can be printed on Form 8821 by making an entry in Basic Data > General > Print taxpayer signature on Forms 2848 and 8821 (Interview Form 1A, Box 95). The date that the taxpayer signed the return will be printed on Form 8821 if the date is entered in Basic Data > General > Taxpayer signature date on Forms 2848 and 8821 (Interview Form 1A, Box 96). Letters and filing instructions will reflect that these forms were filed online by the preparer.

Form 8879. Form 8879, Part I will print the tax year ending year of "2019" or "2020" as appropriate.

Section 281(a) of the COVID-19 related Tax Relief Act of 2020 allows taxpayers to elect to treat the deduction for Farm NOL carryovers from 2018, 2019 or 2020 as subject to the 80% of taxable income limitation. A new input option has been added to Net Operating Loss > Carryover From Prior Years (Interview Form M-21, Box 160) to indicate the loss carryover is a farm NOL that is subject to the 80% of taxable income limit.

Option "1" in the Sec. 461 - St. Use or COVID-19 related Tax Relief Act - Sec. 281(a) field treats carryovers from 2018 or 2019 as subject to the 80% of taxable income limitation.

The taxable income limitation is calculated on the Worksheet for NOL Deduction, which is in the NOL menu.

#### Electronic Filing

Form 1040. Diagnostic 49842 does not issue for missing withholding entered on Form 1099-R when the income carries to Form 1040, Line 1 as disability income.

#### Montana

Charitable contributions will include a 14th year carryover for Montana.

## Wisconsin

When calculating the itemized deduction credit, the charitable contributions amount will not include any amount claimed on Federal Form 1040, Line 10b.



## Corporation (1120) Product Updates

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### Federal

The straight line depreciation calculation for Line 26a now uses the half year or mid quarter convention if applicable.

### Illinois

IL-4562, Line 1 now includes listed assets taking the max special depreciation when the asset is not fully depreciated.

Credit 1030 is no longer duplicated on Schedule 1299-D when there is a credits earned amount and a distributive share amount from K-1-P, Columns F and G.

### New Jersey

New Jersey letters now reflect the New Jersey Department of Revenue that the return is transmitted to.

### Pennsylvania - Philadelphia

Form BIR NTL, Business Income & Receipts Tax No Tax Liability, has been added to the program and is available for paper filing.

## S Corporation (1120S) Product Updates

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### Illinois

IL-4562, Line 1 has been updated to include listed vehicles taking the maximum special depreciation allowance, but that are not fully depreciated.

### Kentucky Electronic Filing

Diagnostic 41178 is no longer issuing.

### Pennsylvania - Philadelphia

Form BIR NTL, Business Income & Receipts Tax No Tax Liability, has been added to the program and is available for paper filing.

## Partnership (1065) Product Updates

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### Alabama Electronic Filing

Form PPT required PDF with Code {AL20} entered on Electronic Filing > PDF Attachment section (Interview Form EF-PDF-1) is now listed only once in the PDF export dialog box.

### Connecticut

The Direct Debit Report now reflects the refund amount from the Connecticut return.

### Illinois

IL-4562, Line 1 has been updated to include listed vehicles taking the maximum special depreciation allowance, but that are not fully depreciated.

### Kentucky

Form PTE for general partnerships, Section G, will no longer automatically check the "LP" check box when "General Partnership" is marked in Section A. When Section A is marked for General Partnerships, Pages 10 and 11 of Form PTE will no longer be active as they are not applicable to general partnership returns.

### Maryland

Form 510E, Current Mailing Address Line 2, now populates with input entered in Maryland > General > Basic Data > Apt number, Suite number, Floor number (Interview Form MD1, Box 45).

### Ohio

Application of overpayment codes are now available for use on Forms IT 1140 and IT 4708 using Payments/Penalties/Estimates > Estimates and Application of Overpayment > State Estimate Preparation and Application of Overpayment > Amount of overpayment to apply to estimate and/or the entity tax on the State Estimate Preparation Additional Information > Net estimated tax payment (Interview Form OH2, Box 43 for the withholding tax and Box 44 for the Entity tax).

### Ohio - Ohio Cities

The addresses for multiple cities filing Form R have been updated to reflect the correct mailing address in the letters and filing instructions.

### Ohio - Ohio Cities Electronic Filing

Diagnostic 41278 will issue when no banking has been entered and MNP ES has been requested for electronic filing.

### Oklahoma

Form OW-8-P will be present when 587-PTE is present in the return.

## Pennsylvania - Philadelphia

Form BIR NTL, Business Income & Receipts Tax No Tax Liability, has been added to the program and is available for paper filing.

## Wisconsin

Overpayments will now be applied to Form 3, Line 11 when requested.

PW-1 vouchers 3 and 4 have been corrected on the letters when the overpayment is applied in total to vouchers 1 and 2 only.

## Fiduciary (1041) Product Updates

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### Federal

Form 2848. The taxpayer's signature can be printed on Form 2848 by making an entry in Basic Data > Other Information > Print taxpayer signature on Forms 2848 and 8821 (Interview Form 1A, Box 55). The date that the taxpayer signed the return will be printed on Form 2848 if the date is entered in Basic Data > Other Information > Taxpayer signature date on Forms 2848 and 8821 (Interview Form 1A, Box 56). Letters and filing instructions will reflect that these forms were filed online by the preparer.

Form 8821. The taxpayer's signature can be printed on Form 8821 by making an entry in Basic Data > Other Information > Print taxpayer signature on Forms 2848 and 8821 (Interview Form 1A, Box 55). The date that the taxpayer signed the return will be printed on Form 8821 if the date is entered in Basic Data > Other Information > Taxpayer signature date on Forms 2848 and 8821 (Interview Form 1A, Box 56). Letters and filing instructions will reflect that these forms were filed online by the preparer.

Section 281(a) of the COVID-19 related Tax Relief Act of 2020 allows taxpayers to elect to treat the deduction for Farm NOL carryovers from 2018, 2019 or 2020 as subject to the 80% of taxable income limitation. A new input option has been added to NOL > Net Operating Loss Carryover (Interview Form M-2, Box 180) to indicate the loss carryover is a farm NOL that is subject to the 80% of taxable income limit.

A check of the Sec. 281(a) Farm Loss fields treats carryovers from 2018 or 2019 as subject to the 80% of taxable income limitation.

The taxable income limitation is calculated on the NOL Worksheet, which is in the NOL menu.

State 2210. First and second quarter estimated payments will no longer be counted twice in some state returns that have been pro formaed.

### Michigan

Form MI 1041, Page 2. The type of income for Schedule 3, Col A, will now show the specific types of income. If there is not space for all income types, a statement will be produced.

### New York

Form IT-558 will now be included in tree menus.

## Exempt Organization (990) Product Updates

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### Electronic Filing

Qualified domain names for email addresses now include .cpa.