

CCH® ProSystem fx® Tax

2020.03040

Release Notes

April 25, 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. 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 2020.03040

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Tax Updates

Individual, Corporation, S corporation, Fiduciary and Partnership

Reject 7004-003-03 is being issued for 1120, 1120S, 1065, and 1041 extensions. For taxpayers affected by the Louisiana, Oklahoma, and Texas winter storms, the filing deadline did not automatically move, since it is a disaster issue as opposed to the IRS deadline being actually moved. The IRS systems do not allow for extensions to be efiled after the due date. These extensions are valid, but they must be paper filed. If an extension is electronically filed after the original due dates of March 15 or April 15, the IRS will reject the extension. This same treatment will apply to individual returns on May 18, 2021.

Individual

Maryland - Tax Year 2020 Maryland 1040 Schema Version Change - The Maryland DOR announced on Wednesday, April 14 they were changing schema versions in their 1040 production environment effective at 8:00 AM EDT on Thursday, April 15. Our update to the new version is available with this release. Electronically filed returns should be recalculated and re-exported on this release.

North Dakota - The direct debit default date in the electronic file is now May 17, 2021. This matches letters, diagnostics and reports, and will prevent North Dakota rejections for debit dates after April 15.

Electronic Filing Updates

Corporation

Oregon CAT

S Corporation

Oregon CAT

Tax Product Updates

Individual (1040) Product Updates

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Federal

Contribution carryover methods 1 and 2 have been adjusted to prevent total contributions exceeding AGI.

Filing Status Comparison. The unemployment compensation exclusion is included in the taxpayer or spouse income, as appropriate, on the comparison.

Form 1040. Unemployment entered on IRS 1099-G is used on the "Unemployment Compensation Excluded Worksheet." New input is available on Other Income > IRS 1099-G > Other > Do Not Use for UCE Worksheet (Form IRS 1099-G, Box 107) to prevent the unemployment from being used on the "Unemployment Compensation Excluded Worksheet."

Form 5471.

- Schedule Q will print correctly when a unit name is entered that is longer than the fields allow.
- Schedules Q and R print correctly when the option to collate informational forms before fileable forms is selected on General > Return Options > Processing Options > Line 19 - Print order options, option 3 (Interview Form 2, Box 51, option 3).

Form 7202.

- Lines 7 and 26 now take into account negative income and the \$400 and \$100 limitations.
- The credit will be calculated separately for each spouse on filing status comparison.

Form 8915-D. If input is present on IRAs, Pensions and Annuities (1099R) > 8915-D - Qualified 2019 Disaster Retirement Plan Information (Interview Form M-25) but Form 8915-D is not required to be filed, an autogenerated PDF of the form is not submitted with the electronic filed return.

Form 8995-A and Schedule D now produce if there is cooperative income on the passthrough when there is qualified business or service loss.

Form 8995-A, Line 29 statement shows the correct amount for PTP loss carryovers from prior year.

The adjusted gross income used for qualified performing artists will now be reduced by the unemployment compensation exclusion.

The expand form on the ROTH modified AGI has been updated to match the amount on the IRA worksheet.

The itemized/standard deduction optimization has been adjusted to allow the return to complete the calculation.

The mailing address for nonresident (living out of the country) taxpayers mailing an extension or estimate will show the correct P.O. Box 1303.

The partial interests and restricted use section on Page 2 can now be created for donated property over \$5000.

The statement for Form 8995, Line 7 shows the correct amount for PTP loss carryovers from prior year.

Alabama

Schedule A picks up code 11 cash contributions.

Arizona

Arizona Form 321, Line 12 uses the married rate of \$1186 when the filing status is MFS.

California

Form 3849.

- Line 28 is now blank if the repayment may not apply box is checked, and the amount on Line 5 is 400 or less.
- Part II, Lines 12 to 23, Column d will now be the amount from Worksheet 6, Line 8.

Form 540, Line 98 now includes Line 92 in the calculation when estimate overpayment code "4" is used.

Schedule CA (540NR), Line 5a/5b no longer fills if Line 1a/1b is not marked nonresident.

Schedule CA, Line 4b, IRA distributions, no longer makes adjustments when Federal Form 8915C, D or E is present.

Hawaii

Form N-11, Line 13 now calculates correctly if state code and state amount are entered for pensions and IRAs.

Form N-15, Line 10, Hawaii amount now correctly picks up the amount from the statement for that line.

Hawaii has not conformed to the qualified disaster distributions. For resident returns, the difference will be added back to Line 10. Nonresident and part-year residents, the full taxable distribution amount is included in the Hawaii column.

Iowa

Iowa conforms to the qualified disaster distributions to include the distribution amount in income in equal amounts over a three-year period for federal purposes.

Maryland

Tax Year 2020 Maryland 1040 Schema Version Change - The Maryland DOR announced on Wednesday, April 14 they were changing schema versions in their 1040 production environment effective at 8:00 AM EDT on Thursday, April 15. Our update to the new version is available with this release. Electronically filed returns should be recalculated and re-exported on this release.

Massachusetts

The Unemployment Compensation Exclusion Worksheet is updated to the 4/6/2021 version provided by the state.

Michigan

The unemployment compensation exclusion amount will be included when computing total household resources for purposes of determining the homestead property tax credit on Form MI-1040CR and the home

heating credit on Form MI-1040CR-7.

Amounts pertaining to the Federal 8915 series of forms are excluded on Form MI 4884 which further allows for electronic filing.

Minnesota

Minnesota Schedule 529 optimizes either a subtraction or credit correctly, particularly when the subtraction is more advantageous because the taxpayer is ineligible for the credit.

Missouri

MO-A.

- Lines 1Y and 1S include non-Missouri sourced state nontaxable interest and dividends reported on the Federal 1040, Line 2a.
- Part 1, Lines 10Y and 10S will not populate if the taxpayer and spouse's net social security and railroad retirement benefits are zero and their taxable social security minus lump sum taxable social security amounts are greater than zero.
- Modified the calculation of MO-A, Part 2, Line 9 to account for Federal 1040-NR itemized deductions from Federal 1040-NR, Schedule A, Line 1b.

The representative's city, state, and ZIP code appear on Page 1 of the MO-1040 if the taxpayer (and spouse if MFJ) is deceased.

Montana

Both the taxpayer and spouse may take the rural health credit if they qualify and are filing jointly.

If a return is e-filed and direct debit is not selected, the OR 40-V and check should be sent to PO Box 14950, Salem, OR 97309-0950.

The unemployment exclusion will not be added back for unemployment not sourced to Montana on Page 8.

Montana Electronic Filing

Diagnostic 60702 will drop for certain returns where it should not have issued.

New Hampshire Electronic Filing

New Hampshire BT-EXT will no longer be available for e-file when filing a \$0 extension.

New Hampshire BT-Summary returns no longer include spouse phone number when the federal filing status is Married Filing Jointly.

New Mexico

New Mexico Form PIT-1, Line 33 now always populates.

New Mexico Form RPD-41369 will have net operating losses from 2013 with carryover remaining populate in Column 7 rather than Column 6.

The amount due to the state/refund due to the taxpayer will now be the appropriate amount on New Mexico Form PIT-1, Lines 38 or 42 if the taxpayer had a refund due and an underpayment penalty on Line 34 instead of the amount on Line 38.

New York

Diagnostic 27813 issues when a credit for taxes paid to Connecticut has been calculated on Form IT-112-R and the Connecticut return includes a pass-through entity credit.

Returns with Federal Form 8960 and state if different depreciation on assets that have been sold show correct AGI amount on IT-201, Line 35.

North Dakota

The direct debit default date in the electronic file is now May 17, 2021. This matches letters, diagnostics and reports, and will prevent North Dakota rejections for debit dates after April 15.

Ohio - Ohio Cities

Form R. The withholding from Worksheet D will now be included on Line 6a.

Generic Form R. When entering an override for a city that taxes beginning with Ohio AGI the override will only affect the Ohio AGI entered on Worksheet A and will not appear on Worksheet B.

Oregon

The tax on Oregon 40 returns should exactly match the tax table found in the instructions for taxable income between \$30,800 and \$30,900 whereas before it was rounded +/- \$1.

Pennsylvania

Pennsylvania does not conform to Qualified Disaster Retirement Contribution deferrals related to Forms 8915A/B/C/D/E. All taxable distributions are taxed in the current year.

Tennessee

Unemployment compensation excluded from federal income by The American Rescue Plan Act (ARPA) of 2021 is added back when calculating the amount of income from any and all sources in determining the Form INC 250 Age 65 + exemption.

Wisconsin

The State of Wisconsin has waived all underpayment penalty for tax year 2020 returns. Schedule U will no longer be prepared.

Corporation (1120) Product Updates

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Power Pack

Schedule M-3, Page 3, Lines 23 - 24, Column (a), Change in Section 807c Tax Reserves (Expense per Income Statement) entered in Insurance > 9. Schedule M-3 Insurance Company Items > Lines 10 - 12 (Interview Form PLM3-1, Boxes 77, 81, and 85) will now suppress the system's calculation and carry to Schedule M-3, Page 2, Line 25, Other Income (Loss) Items with Differences.

The word "Limited" now prints under Column (b) of Form 1120-L, Schedule A, Line 10.

Alaska

The HOA check box on Form 6000, Page 1 will no longer check if the option to force the print of Form 1120 is selected under Federal > Other Returns > 1120-H > Section 1 - Print Option (Interview Form H-1, Box 31).

California

CA Form 100, Line 17 now reflects taxable income in determining if the \$1,000,000 income limit for the suspension of NOL calculation.

Kansas

The KS NOL will now be subject to a 100% limitation rather than an 80% limitation, in line with the CARES Act.

New Jersey

CBT Credit Forms 300, 301, 302, 304, 305, 306, 311, 312, 313, and 315 have been updated.

Form 315, AMA tax credit, which is pertinent only to filers with prior year credit carryover, now uses only the carryover amount reported on New Jersey Corporation > Other Credits > AMA tax credit box (Interview Form NJ13, Box 54); detail carryover entries are no longer used.

These forms are automatically produced as PDF attachments to the electronic file.

Oregon

Instructions for Form CES, the Portland Energy Surcharge return, have been updated for Line 9.

Multnomah / Portland Form C-2020 no longer uses input for Lines 8b or 18b to determine the gross receipts for the exemption calculation. The exemption is calculated based on the federal return. The gross receipts line in the Exemption section now fills if one or both of the entities are exempt.

S Corporation (1120S) Product Updates

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Federal

Schedule K-1. The statement for Schedule K-1, Line 17, Code V will generate if the only Section 199A item present is for REIT dividends.

Georgia

Form IT CR Schedule, Line F, personal exemption amount prints correctly.

Iowa

Iowa 1040-V EXT filing instructions produce when form is present.

New Jersey

CBT Credit Forms 300, 301, 302, 304, 305, 306, 311, 312, 313, and 315 have been updated.

Form 315, AMA tax credit, which is pertinent only to filers with prior year credit carryover, now uses only the carryover amount reported on New Jersey Corporation > Other Credits > AMA tax credit box (Interview Form NJ13, Box 54); detail carryover entries are no longer used.

These forms are automatically produced as PDF attachments to the electronic file.

Changes have been made to the computation of Form PTE-150, Pass-Through Business Alternative Income Tax Statement of Estimated Tax, to disable application of year 2020 overpayment computed on Form PTE-100, Pass-Through Business Alternative Income Tax Return, against year 2021 estimated tax. Form PTE-100 does not have a line, nor is there an electronic file indicator, to request current year tax be applied to next year's tax. Year 2021 estimated payments of Pass-Through Business Alternative Income Tax must be made electronically or online by an actual payment of funds rather than an application of overpayment.

Form PTE-100.

- Line 23, Business Alternative Income Tax, is now automatically carried to Form 1120-S, Line 18, Taxes and Licenses, and Schedules L, M-1, M-2 and M-3, according to the option selected in General > Return Options > 2. Calculation Options > State and City Tax Accrual Option (Interview Form 2A, Box 33).
- Member's Directory, Column D, Nonresident Member's Share of New Jersey Source Hedge Fund Income will now only report the share for nonresident members.
- Members Directory, Column D, Nonresident Member's Share of New Jersey Source Hedge Fund Income will now reset back to zero when you remove input (rather than change to zero) in New Jersey S Corporation > Pass-Through Business Alternative Income Tax > Hedge fund income of nonresident members (Interview Form NJ27, Box 31).

Form PTE-150.

- Pass-Through Business Alternative Estimated Tax Worksheet and Statement of Estimated Tax may be suppressed by selecting "Prevent Estimate" in Estimates and Application of Overpayment > State Estimates and Application of Overpayment > Estimate Code (Interview Form STES-1, Box 40).

- Pass-Through Business Alternative Income Tax Worksheet and Statement of Estimated Tax. Voucher amounts may be overridden in Payments/Penalties/Estimates > 2. Estimate Overrides (Interview Form T-9, Boxes 84, 87, 114, and 117). Application of overpayment options has been deactivated in Payments/Penalties/Estimates > 3. State Estimates and Application of Overpayment > Application of Overpayment Code and Amount of Overpayment (Interview Form STES-1, Boxes 70 -71).

The due date for Form PTE-200-T will now be shown on the Extension Report for your review.

Ohio - Ohio Cities

The NOL statement for Columbus Form BR-25 will now only include Columbus and not other cities also present in the return.

Oklahoma

Oklahoma 1120S is updated to not waive interest and penalty for fiscal filers. The new extension dates only applies to calendar year filers.

Oregon

The SC-2020 and Form CES addresses now include foreign country.

Pennsylvania

Resident trusts will not appear on Schedule NW.

Utah

Utah TC-250 reflects credit code 46A in Part 3 correctly due to inactive credits.

Partnership (1065) Product Updates

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Federal

Form 8990. Section 743(b) adjustments from a passthrough Schedule K-1 will not be included on Form 8990, Line 12 or 19.

Schedule K-1. The statement for Schedule K-1, Line 20, Code Z will be produced when the net amount of all income/deduction items from the Section 199A activities equals zero.

California

The 3255 PY Penalty and Interest calculation has been updated to use the 7/15/21 due date instead of the 4/15/21 due date.

District of Columbia

DC 1065 return is now masking the TIN on Schedule K and the supporting statement.

Kentucky

Form PTE, Page 1, Section G, final return check box will now fill automatically when Form PTE, Page 5, Section IV, ceased operations in Kentucky box is checked.

Montana

Excess business interest expense from a partnership passthrough will not be included on Line 13, Column D of the MT Schedule MTSI.

New Jersey

Form NJ PTE-100, Line 24, Payments, is carried from Pass-Through Business Alternative Income Tax > 3 - Payments > Total Payments > Total if 4 equal, timely installments made (Interview Form NJ26, Box 68).

Pass-Through Business Alternative Income Tax > 3 - Payments > Quarterly Tax Payments (Interview Form NJ26, Boxes 60 - 88) is reserved for future implementation of the 2021 underpayment penalty form.

New Jersey filing instructions reflect refund amount correctly for Form NJ PTE-100.

New Jersey PTE-150, record of payments reflects correct amount regardless of overpayment applied.

NJ PTE-100 Members Directory, Column E reflects share of guaranteed payments for resident members only.

New York

New York IT-558 will no longer show an adjustment for business interest expenses when the option to use 30% ATI limitation has been selected.

Ohio

Form IT 1140 estimated tax payments will no longer be overstated when a depreciation deduction is present and the participating percentage of investors is less than 100%.

Indirect pass-through entity credits for other qualifying investors included on the IT 1140 (Column B) will now calculate on Schedule IT K-1, Line 4 if entered on Ohio > Income/Deductions > IT 1140-Distributive Share Credits > Line 3 (Interview Form OH3, Box 33).

Oregon

Instructions for Form CES, the Portland Energy Surcharge return, have been updated for Line 9.

West Virginia

Form PTE-100SP, Column G, Page totals. Addressed adding of Column G, Page totals issue when \$1 extra was added in some instances due to rounding.

Forms PTE-100 PG 5, NRW-2 and NRW-4 have been updated to mask FEIN and SSN when selecting the option to mask when printing.

Fiduciary (1041) Product Updates

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Federal

Form 1041-ES.

- Diagnostic 28763 will now issue for initial or short year returns with estimates when Estimates and Application of Overpayment > Estimate Options > Use greater of estimated tax or prior year tax (Interview Form T-1, Box 35) is not checked.
- Taxes on Sec 453(A)(c) and Sec 453(I)(3) interest will now be included in estimate computation.

Form ESBT. Charitable contributions from a 1065 passthrough marked as ESBT will now carry to Form ESBT. Prior Year ESBT QBI input flows to the ESBT 2 Year Comparison.

Schedule D. Section 1202 gains that qualify for 100% exclusion will not be included in the 28% gain calculation and also won't be included in the Schedule I calculation.

Schedule E. Schedule E Page 1 prints correctly with Form 5227 when "Collate informational forms before fileable forms" is selected.

Schedule K-1. Input for specifically allocated qualified dividends now allows the calculation to complete.

Form 8960. Line 4b adjustments and overrides flow to Schedule K-1, code 14H.

Form 8995 is prepared whenever income is below threshold whether specified service income is input or not.

Form 8995/8995-A. When there is PTP current year income with a prior year allowed loss, the total PTP amount is correct.

Form 8995-A, Line 1e will be checked if any cooperative QBI is input for the activity.

Partial Grantor Trust

Partial Grantor Trust. Unrecaptured Section 1250 Gains will now flow to the statements and footnotes form for partial grantors.

California

Form 5805, page 5, Line 12 calculates correctly when estimated taxes are being distributed.

The 541 Schedule K-1 now calculates correctly when apportioning income.

Hawaii

Schedule CR, Line 1 will now show the amount from Form N-312, Line 7.

Schedule K-1. NOL amounts will now be considered for excess deduction distribution on Schedule K-1 and the associated supporting statement on Form N-40.

Idaho

Idaho grantor letter will now show installment sales from Form 6252 under the Additions when applicable.

Massachusetts

An adjustment will now be made on Schedule D, Line 9 for the difference between federal and state 1231 gain or loss attributable to rent and royalties.

New Hampshire

New Hampshire Form 1041, Line 1e now exactly matches Federal 1041, Line 5.

New Jersey

Transmittal letters and filing instructions now reflect an amount present on 1041SB, Page 2, Line 38.

New York

IT-205 Schedule C. Special interest entered on 1099INT will no longer be taxed at the trust level and shown on Schedule C, Column 5.

Ohio

Ohio Extension Letter will now show next available estimated tax voucher with a balance due and the date it should be submitted.

Pennsylvania

Grantor letter calculations now take into account all addition and subtraction entries entered on Pennsylvania > General > Schedule A / B Information > Schedule A and Schedule B Adjustment (Interview Form PA5, Boxes 125-140).

Exempt Organization (990) Product Updates

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Florida

Schedule I, Line 19 statement now includes an addition for the 100% meals deduction from the CARES Act, entered on Unrelated Business Tax > Schedule A > Other Deductions > Table 12 > State Use > Code 2 (Interview Form T-7, Box 60).

Massachusetts

Due to the passage of Massachusetts House Bill Number 95, the addback of expenses paid with PPP and EID loans is no longer applicable and has been removed from Form M-990T, Line 9.

Michigan

Michigan forms are now available for electronic filing.

Estate & Gift (706/709) Product Updates

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New Jersey

The filing address for Form IT-R is updated to the following address posted by NJ in updated instructions:

New Jersey Division of Taxation
Transfer Inheritance and Estate Tax
3 John Fitch Way, 6th Floor
Trenton, NJ 08695-0249