

CCH® ProSystem fx® Tax

2020.03050

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. 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 2020.03050

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Tax Updates

Individual and Fiduciary

New York

- New tax rates for the 2021 tax year are now available.
- New subtraction code S-140 is available to report COVID-19 related family death benefits.

Partnership and S Corporation

Oregon

Form OR-19, Annual Report of Nonresident Owner Tax Payments, is now produced with the 2020 version of the form instead of the 2021 version. Communication from the State of Oregon indicated that this is the proper presentation, and their form packages for the Form OR-19 will be published separately for the 2021 tax year. Previously filed forms on the 2021 version have been accepted, and there is no need to amend returns.

Electronic Filing Updates

Exempt Organization

Michigan

Tax Product Updates

Individual (1040) Product Updates

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Federal

3520A. The statements for Other Assets and Other Liabilities now reference the Foreign Trust Balance Sheet instead of the Foreign Trust Income Statement.

Entries on the passthrough 100% cash contributions fields now flow to Form 1040, Line 10b when using the standard deduction.

Filing Status Comparison. Schedule 1 (Form 1040), Line 8 is no longer increased by the amount of the NOL carryover amount from a passthrough on each calculation when filing status comparison has been selected.

Form 8915-E.

- The amount reported in IRS 1099-R, Box 5 is not included as taxable income in Form 1040, Line 5b.
- A pension distribution indicated as a rollover is not included as taxable on Form 1040, Line 5b.
- If a distribution exists for the spouse that is included on Form 8606, the IRA distribution that is included on Form 8915-E for the taxpayer is included on Form 1040, Lines 4a and 4b.
- If a portion of an IRA distribution is indicated as being rolled over and a portion is assigned to a disaster, the two amounts are reported separately on the statement for Form 1040, Line 4a.
- The amount of an IRA distribution reported on Form 8606, Part I and Form 8915-E, Line 5 is included in Form 1040, Lines 4a and 4b once.
- The amount of the IRA distribution indicated as a rollover is not included on Form 1040, Line 4b.

Form 8962. If input on Form 1095-A is indicated as for CA 3849, the information pertaining to the allocation with another taxpayer is not included on Form 8962, Part IV.

Form 965(h) election schedule now calculates for a triggering event with an (h) election being made for paying the deferred tax.

Penalties and Interest. Late payment interest will be calculated from the 5/17/21 due date if the return has a two-month extension for out of country and is filed after 5/17/21.

The Cash 100% limit field on the Deductions > Schedule A > Contributions now classifies the contributions in the correct category.

The Form 3520-A letter shows a filing due date the same as the regular 3520 letter if the "Substitute Form 3520-A" box is checked from input on Foreign > Form 3520 - Return to Report Transactions with Foreign Trusts > General Information > Return type > Substitute 3520-A Form (Interview Form S-8, Box 31, code 7).

The IRS has updated the guidance for current year 100% cash contribution carryovers. They will be carried over to 2021 as 100% contributions instead of 60%. The carryover report has been updated to reflect this.

Electronic Filing

Schedule D. If Line 13 is negative, the return will be disqualified from electronic filing.

Alabama

Section C, Part L, Column 6 calculates to the lesser of Section B, Part L, Line L5 or Line L7 minus Credit Applied (Section C, Part L, Column 4).

California

Input was added on the CA General > Residency section (Interview Form CA4, Boxes 75 and 76) to change the state of residence on Schedule CA (540NR), Part I, Line 5, if it is not the same as the home state entered on the General > Basic Data > General section (Interview Form 1, Box 30).

Schedule P, Page 2, Line 20b, other state tax credit, is no longer subject to the business credit limitation.

District of Columbia

DC Schedule H will calculate a property tax credit when gross income is limited to zero.

Form D-40, Line 11 calculation will now match with corresponding statement.

Schedule S calculation J Line D will now include survivor benefits.

District of Columbia Electronic Filing

The electronic file will now include "Cooperative" as a type of property on the DC Schedule H.

Iowa

IA 2210, Line 11 is now correct when Line 5b is less than Line 4 and Line 5a.

Kentucky

Contribution carryover input on Federal Deductions > Itemized Deductions (Schedule A) (Interview Form A5A) will print on the correct rows of the Kentucky Schedule A carryover detail worksheet.

Kentucky LLC Form 725 is available for use in the 1040 program. Functionality for Form 725, Page 2, Part 2, Line 14 has been added so the input on Kentucky Single Member LLC > LLC Estimate, Interest and Penalties and Extension > Underpayment of Estimated Tax Penalty field (Interview Form KY25, Box 46) carries to the government form field.

Kentucky Schedule 461-K is available for both the 740 and 740-NP return types. No extra input is required to produce this form.

Kentucky Schedule DE has been added for the 725 Limited Liability return. If question 5 on Schedule Q, Form 725 Page 4, is answered with a yes, Schedule DE will be produced. Disregarded entity information is entered on Kentucky LLC > Schedule Q Information (Interview Form KY23, Boxes 42 to 45, and 62). New input is available to answer the question LLC or QSUB on Schedule DE. If input is not made, the answer on the schedule will default to LLC.

Maryland

Form 502, Line 29 populates with an amount when the check box for taxpayer who does not qualify for federal earned income but does qualify under Maryland has been selected.

Maryland Form 502LU, Line 7 will equal the total of all subtractions to prevent reject Form502LU-16200.

Missouri

The calculation of MO-SHC, short method Line 4 will now begin with short method Line 3 rather than short method Line 1.

New Hampshire Electronic Filing

New Hampshire BT-Summary returns for taxpayer and spouse can now both e-file successfully.

New Jersey

Part Year all source wage income has been corrected for purposes of determining whether a part year resident is subject to tax.

Resident Form 2210, Line 2 includes the pass-through business alternative income tax credit.

New Mexico

New Mexico Form RPD-41369 will have net operating losses from 2013 with carryover remaining populate in Column 7 rather than Column 6, and the amount of NOL used in Column 4 populating on lines that have the year 2013 if there are any remaining NOL amounts.

New York

Entries for Form IT-360.1 using code '011' on the IT-558 flow to Line 19a.


Form 2105 has been updated to account for the increased income tax rates for 2021. Joint returns with AGI over \$2,155,350, Single and MFS returns with AGI over \$1,077,550 and HOH returns with AGI over \$1,616,450 are affected.

Subtraction code S-140 (COVID-19 family death benefit program) has been added to the subtractions allowed on Form IT-225.

Updated IT-225 instructions:

S-140 COVID-19 family death benefit program

If you received a lump sum death benefit, pursuant to the COVID-19 family death benefit program established by the Metropolitan Transportation Authority in 2020, that was included in your recomputed federal AGI, then enter the amount of the lump sum death benefit (not to exceed \$500,000).

 **Note:** This subtraction modification only applies to lump sum death benefits paid under the COVID-19 family death benefit program and does not apply to any benefit payable under such program other than a lump sum death benefit.

North Carolina

Residency code on the North Carolina TEC worksheet reflects the residency information entered on state TEC input.

Ohio

Forms IT WH, IT RC, and SD WH no longer print in the government copy if included in the electronic file and the option to print full government copy isn't selected.

Oregon

Late payment interest calculates from May 17.

Oregon 10-AI, Annualized Income Worksheet, has been updated and is available for use.

South Carolina

Form SC-1040, Page 2.

- Line b excludes disallowed losses in the addback.
- Line b generates a statement detailing the type of out of state losses added back when Business and Rental or Other is selected.

ST-1 Interview Form

When an override is entered on the state Non/PY Resident Overrides, the dividend amount will not be used if no other input for dividends has been made.

Utah

Forms TC-40A Part 1 Code 57 and TC-40B Line 15 Col B will now include State taxable - override entries with no state code if UT is the home state, and will drop State taxable - override entries with a blank code when UT is not the home state.

Virginia

Electronic filing of amended returns is available.

Frederick County (069) will reflect address P.O. Box 1478, Richmond, VA 23218-1478. This will not match the address in the instructions.

Wisconsin

The state conformed to Federal treatment for 2020 disaster distributions and there are no longer Schedule I adjustments being made relating to Form 8915E.

Corporation (1120) Product Updates

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Federal

5884-A. Employee retention credit for employers affected by 2021 qualified disaster will be included as part of employment credits reduction on Form 1120, Line 13.

Colorado

Preparers will not see Colorado within the ELF Export screen for the parent returns for consolidated.

Florida

Negative amount for total additions (Schedule 1, Line 20) and negative amount for total subtractions (Schedule 11, Line 12) will now flow to Form F-1120, Page 1.

Schedule II, Line 11. The Form 8990 subtraction adjustment will no longer show if the adjustment amount is 0.

The Florida version of Form 8990 now prints with the Florida return.

Florida Electronic Filing

1120-IC-DISC returns filing extensions will now file with the correct return type electronically.

Louisiana

Schedule J-1, Line 2A will reflect the amount from Schedule J-1, Line 1 or \$25,000, whichever is less.

Maine Electronic Filing

Diagnostic 40079 will issue if Form 1120ME, Line 2f is greater than \$0.00 and Schedule NOL worksheet is not present.

Massachusetts Electronic Filing

Form 355U, Schedule U-MSI, Line 26 is now calculated for member companies not taxable in states other than Massachusetts that do not use the property or payroll factor for their apportionment. This will prevent electronic filing rejection F355U-355.

Michigan - Michigan Cities

Form CF-1120 has extended the due date to June 1, 2021 for the following cities: Albion, Big Rapid, East Lansing, Flint, Hamtramck, Highland Park, Ionia, Muskegon, Muskegon Heights, Pontiac, Port Huron, Portland, Lapeer, Saginaw.

Minnesota

The annualization amounts for Columns B and C on Schedule M15C, Schedule A, Part 22 were updated for option 2 of the annualized income installment method.

The calculation of the 2021 minimum fee for 2021 estimated tax payments was updated to use the latest minimum fee table.

Missouri

Amounts entered on allocation forms at the federal level for Missouri will also fill the MO-MS form. State input apportionment entries will be treated as overrides.

Amounts entered on Interview Form MST-H will now be included on the Allocation Detail Summary Worksheet.

MO-MS will aggregate allocation information on the consolidating unit when the receipts factor is selected.

New Jersey

Form CBT-100U, Pages 26 and 27, Line 7a reflects current year negative taxable income as \$0 for purposes of the PNOL and NOL limitation permit.

Oregon

Portland Form CES amended letters and instructions have been added.

Pennsylvania - Philadelphia Electronic Filing

When e-filing an NTL return, all fields of Form BIRT-EZ will export as zeroes.

Utah

Form TC-20, Schedule E, Line 2 displays the correct payment amount that was paid with the Utah extension when a multi-state return is being filed.

S Corporation (1120S) Product Updates

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Federal

5884-A. Employee retention credit for employers affected by 2021 qualified disaster will be included as part of employment credits reduction on Form 1120S, Line 8.

Schedule K-1. The supporting statement for Line 17V will include the EIN entered for each Section 199A activity entered for a passthrough entity.

Arkansas Electronic Filing

Disqualifying diagnostic 47460 will only issue for Form AR-AIS entries that are not system-generated.

Georgia

Form IT-CR composite tax reflects a deduction as taxes paid under Form 1120S if the option to accrue composite tax is selected.

Maine

Extension letter and instructions will now show amount due.

Michigan - Michigan Cities

Form CF-1120 has extended the due date to June 1, 2021 for the following cities: Albion, Big Rapid, East Lansing, Flint, Hamtramck, Highland Park, Ionia, Muskegon, Muskegon Heights, Pontiac, Port Huron, Portland, Lapeer, Saginaw.

Missouri

Amounts entered on Interview Form MST-H will now be included on the Allocation Detail Summary.

New Hampshire

PPP Loan Credit amounts entered for Schedule IV will flow correctly to the combined Schedule IV.

Oklahoma

Oklahoma Form 512-S, Page 2. Officer name and phone number have been added under corporate seal. Input for Officer name is on Federal > General > Basic Data > 7 - State Information > Line 10 or Override under Common State/City > State/City common data > 3 - Corporate Records or Contact Information > Line 2 (Interview Form 5, Box 39 or override on Interview Form GEN-1, Box 91) and input for phone number is under Common State/City > State/City common data > 3 - Corporate Records or Contact Information > Line 5 (Interview Form GEN-1, Box 94).

Oregon

Forms OR-CAT and CES have been updated to included amended calculations and letters.

Form OR-19 has been reverted back to the prior version per state change to use the 2020 version of the form rather than the 2021 version in the 2020 software.

OR-CAT letters will reflect electronic filing information.

Partnership (1065) Product Updates

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Federal

Form 5884-A. Employee retention credit for employers affected by 2021 qualified disaster will be included as part of employment credits reduction on Form 1065, Line 9.

Form 8980. The name field will populate with the partnership name and partnership name continued entries from General > Basic Data > Partnership name and Partnership name continued fields (Interview Form 1, Boxes 40 and 41).

Connecticut

Net estimated tax override on CT > Payments/Penalties > Estimates and Application of Overpayment > Net Estimated Tax - override (Interview Form CT4, Box 33) will now be reflected on the letters.

Michigan - Michigan Cities

All Michigan cities (except Detroit) have extended the income tax due date to June 1, 2021.

Montana

Schedule MTSI. Section 179 expense received from a passthrough entity will only be included on Line 12.

Nebraska

Form PTC, Part C, the parcel information print is no longer duplicating. It applies to parcels with information entered on Nebraska > NE PTC > Business Name, Owner, and Federal ID Number (Interview Form NE9, Boxes 130-132).

New Jersey

New Jersey PTE-200-T prints when zero is present for amount of payment.

New York

The client's copy of the IT-204-IP will now show the correct amounts for Columns B & C the Partner's share of income, deductions, etc. when the option is selected not to print the nonresident partners IT-204-IP in the government copy with returns with no NY source income.

The number of nonresident partners on the New York IT-204 statement for Partnership with No NY Source Income will now be the number of nonresident IT-204-IP in the return.

Oregon

Form CAT letters will show correct address when electronic filing.

Forms OR-CAT and CES have been updated to included amended calculations and letters.

Form OR-19 has been reverted back to the prior version per state change to use the 2020 version of the form rather than the 2021 version in the 2020 software.

Pennsylvania - Philadelphia

Form BIRT-EZ, Page 2, Line 7B will no longer disappear when an override is entered on Philadelphia > BIRT-EZ gross receipts portion > Line 1 (Interview Form PHI4, Box 60).

Pennsylvania - Philadelphia Electronic Filing

When e-filing an NTL return, all fields of Form BIRT-EZ will export as zeroes.

Fiduciary (1041) Product Updates

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Federal

Form 706-GS (D-1). All items will now show up on Form 706-GS (D-1) when there are more than 21 items.

MI-1041 NR. QBID will no longer be included in the calculation for Line 15.

State 4952. Line 4a will include PTP income/loss from the correct occurrence of an activity.

Arizona

When \$5,000 or more is owed on an Arizona return, Electronic Funds Transfer information will now be provided in the letters.

California

Form 3563 will now print if Form 541-A or 541-B is present in the return and there is an extension payment for unrelated business income.

Form 541 K-1, Line 9b statement now matches amount on the form and includes other depletion amounts.

When the threshold has been met to suspend the current year NOL on CA 3805-V, the NOL amounts no longer carry to Form 541, Line 15a.

Maryland

504UP. Line 11 will now calculate the accumulated amounts when timely dates are entered for payments.

Grantor Letter. Grantor letter will now include PTE backup withholding.

Michigan

Sch NR. Line 18b will now include distributions from MI-4797 capital gains.

New York

Form IT-2106. The New York Department of Taxation and Finance has updated the tax rates for the 2021 tax year. This will include an updated rate for New York taxable income over \$1,077,550 and two new tax brackets if taxable income is over \$5,000,000 and \$25,000,000.

New York additions and subtractions for beneficiaries will no longer double on the New York Schedule J Letter.

The Department of Taxation and Finance has posted a form update that impacts certain taxpayers who received a lump sum death benefit from the COVID-19 family death benefit program.

The 2021-2022 New York State budget includes a provision, retroactive to tax years beginning on or after January 1, 2020, that allows certain taxpayers to subtract from recomputed federal adjusted gross income any lump sum death benefit (not to exceed \$500,000) that was received pursuant to the COVID-19 family death benefit program established by the Metropolitan Transportation Authority in 2020. Form IT-225 has been updated to include this subtraction.

A subtraction code of 140 has been added to New York Income/ Deductions >Subtractions > Subtraction Code field (Interview Form NY2, Box 92).

When input is added to suppress the fiduciary email address on the NYS forms, the fiduciary email address on IT-205 Page 4 no longer prints.

Vermont

Form FIT-165 estimate payment voucher beginning and ending years will increase by one.

Virginia

VA-770. Page 3, Line 1a will now include capital gains when they are distributed or in a final year return.

Exempt Organization (990) Product Updates

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Federal

Form 4720, Page 1, Parts I and II cannot be filled in the same return. The type of filer should be identified on Other Returns > 4720 > General Information (Interview Form ET-1, Box 100) or it will default to an organization and only Part I will be filled.

Form 4720, Part II, Name and address of organization will no longer automatically pull the information from Other Returns > 4720 > Persons Subject to Tax Information (Interview Form ET-2, Boxes 30 through 63) because there can only be one related organization entered. To select this organization, enter the "Person Number" from Other Returns > 4720 > Persons Subject to Tax Information (Interview Form ET-2, Box 30) into Other Returns > 4720 > Part II - Related Organization Information > Line 1 (Interview Form ET-2, Box 90) or key in the appropriate information into Other Returns > 4720 > Part II - Related Organization Information > Lines 2 through 9 (Interview Form ET-2, Boxes 90 through 98).

Form 4720 totals for taxes on foundations or organizations will no longer appear on Schedules D, E, F, H, J, and K unless the type of filer is an organization as indicated on Other Returns > 4720 > General Information (Interview Form ET-1, Box 100).

Other Returns > 4720 > Excise Tax Information > Lines 14 and 15 (Interview Form ET-3, Boxes 103 and 104) are new to identify the donor person and donor business for Schedule K. Other Returns > 4720 > Excise Tax Information > Line 13 (Interview Form ET-3, Box 102) is used to identify the sponsored organization.

Foreign province, country and postal code fields have been added to Other Returns > 4720 > Excise Tax Information > Initial Tax on Excess Business Holdings and Persons Subject to Tax (Interview Forms ET-1, Boxes 90 through 92 and ET-2, Boxes 70 through 84) to provide appropriate foreign address information for Schedule C and the persons subject to tax as needed.

New inputs have been added to produce Corrective Action statements. The inputs are available on Other Returns > 4720 > Corrective Action Statement (Interview Form ET-5).

New inputs have been added to produce Permitted Holdings statements and Excess Business Holdings statements. The inputs are available on Other Returns > 4720 > Permitted Holdings Information and Excess Business Holdings Information (Interview Form ET-6).

New inputs have been added to produce a Related Employer statement. The inputs are available on Other Returns > 4720 > Schedule N Tax > Related Employer Information (Interview Form ET-4, Boxes 60 through 84).

Line 5 on Schedule A, Page 1 will now include nonpassive losses.

New inputs to override the number of offices in the region have been added to Schedules > Sch F > General Information on Activities Outside U.S. > Lines 3 and 4 (Interview Form 990F-1, Boxes 32 and 33).

Schedule A, Page 4, supplemental information shows the correct information for each Schedule A when there are multiple Schedules A with supplemental information.

The unrelated debt financed depreciation schedule for electronic filing is no longer calculating negative years.

When a limited relationship has been indicated on Schedules > Sch R > Related Organizations Taxable as a Partnership (Interview Form 990R-3, Box 91), Schedule R, Page 2, Part III, Columns (h) and (j) will still be answered "Yes" or "No" according to the input on Schedules > Sch R > Related Organizations Taxable as a

Partnership > Disproportionate Share and General/Managing Partner (Interview Form 990R-3, Boxes 151 and 152).

District of Columbia

Form FR-120 now locks on due date.

Florida

Form F-1120, Page 1, Line 2 - State Income Taxes Deducted will now include input from Federal > Unrelated Business Tax > Schedule A > Other Deductions, with a state use code of 3 (Interview Form T-7, Line 44).

Georgia

Form GA 600-T Page 2, Line 11 calculates if there are either federal unrelated business income or Georgia income present in the return.

Prior year credit carryover now prints on Line 2. Current year credit carryover is included in the calculation of current year credit and is deducted on Line 11.

Credit code 104 now calculates on Page 2. The amount of credit not applied will carry to next year.

Illinois

Several updates have been made to Form AG990-IL:

1. Line D calculation has been changed to: 990 Page 9 Line 1a + 990 Page 9 Line 1c + 990 Page 9 Line 1d + 990 Page 9 Line 1f + 990 Page 9 Line 2g. Diagnostic 39233 has been updated to reflect this change.
2. Line F calculation has been changed to be the total of Federal Form 990 Page 9, Lines 3 -11.
3. Diagnostic 20074 will no longer generate since Line G will match the corresponding amount of the federal return on Form 990.

The mailing address for IL extension Form IL-990-T-V has been updated to PO Box 19053 instead of PO Box 19045.

Employee Benefit Plan (5500) Product Updates

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Federal

Form 5500-EZ now prints when Print Entire Return is selected.

Estate & Gift (706/709) Product Updates

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Connecticut

The following final Connecticut forms are available for dates of death in 2021:

- Form CT-706/709
- Form CT-706/709 EXT