

CCH® ProSystem fx® Tax

2020.04030

Release Notes

September 26, 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 2020.04030

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### Tax Updates

#### S Corporation and Partnership

**Maryland.** New options were added to allow for recent changes to state instructions for Maryland Schedule K-1 (510), Part D. Maryland updated the Schedule K-1 (510), Part D, instructions on September 9, 2021. The calculations on release 2020.04020 remain the default calculations, and new input was added to allow for the new calculations provided in the updated instructions.

#### Tax Exempt

**Form 1116.** Form 1116, Foreign Tax Credit, is now available for processing for Form 990-T. Form 1116 is available for tax exempt organizations filing as a trust with a foreign tax credit and is included in the electronic file. New input to produce Form 1116 is available under Federal > Unrelated Business Tax > Form 1116 (Interview Form P-2).

**Form 5471.** Options are now available to electronically file Form 5471 with both annual (990/990-PF) or unrelated business income (990-T). This option provides the ability to turn off the electronic filing of Form 5471 if not needed. The option is available on Federal > Foreign > 5471, Return of U.S. Person with Respect to Certain Foreign Corporations > Detail > U.S. Filer Information > Do not electronically file Form 5471 (Interview Form G-1, Box 36).

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

#### Form 8995/8995-A.

- Allowed qualified business losses released by basis are accurately calculated when there are also ordinary losses.
- The allowed amount of qualified business loss limited by basis on Forms 8995/8995-A is the correct amount of loss when ordinary gain losses are also limited. Carryovers reflect the disallowed portion as well.

**Form 4797.** Depreciation recapture present on Form 4797, Part III for joint installment sales is included for the taxpayer and/or spouse on the filing status comparison based on the TSJ coding present for the installment sale or the entity with which the installment sale is associated.

**Form 8867.** Diagnostic 20053 issues when filing status is Head of Household to alert preparers that the Form 8867 is required.

#### Form 3520-A.

- Input to prepare the statement for Part II, Line 17a has been re-activated on the Form 3520-A - Annual Info Return of Foreign Trust - U.S. Owner > Foreign Trust Income Statement > Explanation of Property the Trust Transferred to another Person during the Tax Year (Interview Form S-13B, Box 45).
- The amounts from Form 3520-A, Part II, Foreign Trust Income Statement, Lines 7, 10a, and 14 are multiplied by the US owner ownership percentage entered on the Form 3520-A - Annual Info Return of Foreign Trust - US Owner > Foreign Grantor Trust Owner Statement and Facts and Law Explanation > Percentage owner should receive from trust (Interview Form S-13E, Box 39) and included on the Statement of Foreign Trust Income Attributable to US Owner on Page 4.

**Form 1098.** The Explanation of Difference in Interest Paid on Form 1098 statement entered on Income > Sch E, p1 - Rent and Royalty > Mortgage Interest (Form 1098) > Explanation of difference in interest paid on Form 1098 (Interview Form E-3, Box 81) prints in footnotes.

### Arkansas

**Form AR1000D.** Arkansas returns that have short term capital loss absorbed on Form AR1000D now have the absorbed amount removed from short term capital losses reported on the Carryover Report.

**AR 1000NR.** Jointly filed Arkansas returns no longer allow the \$6000 retirement exclusion for a taxpayer or spouse when that individual has any excluded military pension.

### Colorado

**Form DR 0104PN,** Line 26 now includes amounts from Form DR 104, Lines 3 - 5.

**CO DR 204.** The penalty rate for amounts due through 12/31 is 9% and the rate for amounts after 12/31 until the return due date is 6%.

**Form DR 0104AD.** The statement for Form DR 0104AD, Line 8 lists names of accounts regardless of electronic filing request.

## Delaware

Direct Debit report will now show DE 5E and DE 5ESP for Delaware extension payments.

## District of Columbia

Diagnostic 33774 will not issue whenever Direct Debit is not checked on banking information input.

**DC Form 8379.** When corresponding overrides are absent, DC Form 8379, Lines 16 and 17 will allocate to the injured or other spouse automatically based on TSJ input.

## Hawaii

**Schedule CR.** Diagnostic 60973 issues to disqualify the return if an amount is present on Schedule CR, Line 22b or 22c. Per Hawaii DOR business rule HICR-017-01, electronic filing of Form N-348 is not supported.

**Form N-11,** Line 10 calculation no longer doubles the Qualified Opportunity Fund Deferral.

## Illinois

**Schedule CR.**

- Estate/trust entities with no income/loss applicable to IL are included on Schedule CR, Line 11, Column B, when no PST Worksheet for that entity is present.
- Line 11, Column B includes passthrough income/loss for entities where no K-1-P/T is present and no income/loss for that entity is keyed to IL.

## Massachusetts

Custom filing instructions are updated for amended returns to show the amended overpayment.

**Schedule B.**

- Updated to include interest/dividend entries from consolidated 1099s.
- Lines 6a and 6b are updated to include non-taxable interest/dividends on Line 6a, while nonresident/part-year resident returns include taxable but not Massachusetts-sourced interest/dividends on Line 6b.

## Minnesota

**Form M1.** Dependent social security number fields on Form M1 are redacted when requested.

## Missouri

**Form MO-A,** Part 1, Line 17 will now account for the percent of federal field for Schedule E entities.

## North Carolina

Diagnostic 29269 issues whenever the system generates a credit for tax paid to another state or country.

## Oregon

Form **OR-CAT**. Page 6 license number displays when entered.

## Pennsylvania

Form **PA-40**, Line 13 includes withholding amounts from Form 1099-R when there is no taxable amount.

**Schedule D-1**, Line 5 includes depreciation when sale date is prior to the current tax year.

## Pennsylvania - Pennsylvania Cities

Jurisdictions with a PSD code beginning with "29" will now use Keystone Collections Group's mailing addresses.

## Vermont

Form **IN-153**, Line 18 is limited to 350,000.

## West Virginia

**Schedule A**, Line 13 will include other income item labeled "Form 8621, Line 16b".

**Schedule M**, Line 33 automatically calculates from federal information entered for SSA 1099s. West Virginia > Income / Deductions > Subtractions > Total Social Security Benefits fields and Benefits exempt for Federal tax purposes fields (Interview Form WV2, Boxes 92-95) will act as overrides.

## Wisconsin

**Schedule I** duplication has been corrected when a difference between federal and Wisconsin passive carryover losses exists.

## Corporation (1120) Product Updates

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### Federal

**Form 1118** includes information entered in a subsidiary return at the top level return.

**Form 1120.**

- Line 18. When option selected to "Prepare Form 8990 if business interest expense is not subject to Sec. 163(j)," then carryover amounts entered for "Trade/Business Interest Expense" will not be included in the interest expense calculation.
- Sch L - Balance Sheet, Column [c] - ending balance, Line 10a, will only consider current tax year acquisitions when user selects the option to adjust ending balances to include all items purchased during the taxable year.

**Form 8283** will now print correctly when there are multiple entities of the Form 8283 and multiple donee organizations on Part 1 instead of printing to one white paper statement. A white paper statement will still produce if multiple donee organizations are present on Part 1 for each entity of Form 8283.

**Forms 1120, 1120-RIC, 1120-REIT, 1120-F, Schedule K,** "attaching Form 8996" question and "8996 amount field", will pick up override input entered on Basic Data > Miscellaneous Information > Corporation attaching Form 8996.... field and the Form 8996 amount field (Interview Form 4, Boxes 83 and 84).

### Florida

**Form F-1120.**

- Business interest deduction overrides for additions and subtractions have been added on FL > Income / Deductions > Additions and Subtractions (Interview Form FL2, Boxes 48 and 79).
- Late penalty calculation is now using the interest rate at 7%.

### Indiana

**Schedule K-1.** The input override for Schedule K-1 from Passthrough, Electronic Filing, Part 1, Line 11 will override the calculated amount when 0 is entered.

### Kentucky

**Schedule A-C,** Section B includes the pass-through information for K-1s received only at the parent level for a Kentucky consolidated return.

### Kentucky Consolidated

**Form 720U5,** Section B, Line 4 now allows negative amounts.

**Form 720.** When an apportionment method code is entered on Line 4 of Form 720 Schedule U5, a 3-factor apportionment is calculated for the Provider in the combined return. The 3-factor apportionment used on Line 7 is calculated on the entity's copy of the Schedule A in the combined menu.

### Missouri

**Form MO-C** will be included any time the taxpayer has dividends.



## Nebraska

**Form PTC** now displays the Nebraska ID number instead of the Employer ID number under the "Social Security Number or Nebraska ID Number" field.

## New Jersey

**Form CBT-100U.**

- Filing instructions total tax no longer includes surtax twice.
- Page 27, Lines 12 and 13, Net Operating Losses Shared and Received now carries from entries made in New Jersey > Combined Unitary (CBT-100U) Information > 2-New Jersey Combined General > Form 500U-S > Lines 8 and 9 (Interview Form NJ1B, Boxes 75 and 76).
- Schedule A-7 now prints when applicable, and Line 5, Gross Rents, carries from the federal return or may be overridden in New Jersey > New Jersey Banking Corporation > Gross Income Test for Financial Institutions > Gross rents (Interview Form NJ22, Boxes 48 and 49).

## New York

**Form CT-33.** When there is a Form CT-33 (Life Insurance Franchise Tax Return) filer, the depreciation adjustment for the difference between federal and New York depreciation no longer includes the adjustment on Form CT-225 (New York State Modifications). The adjustment will continue to be reported on Form CT-33.

## New York Electronic Filing

New York combined returns are no longer held in upload status started if client ID entered on Consolidated > Membership Information > Client ID includes a lower case "v" for version.

## West Virginia

**Schedule UB-CR, Part 4, Line NOL4** will be limited to 100% of WV taxable income.

# S Corporation (1120S) Product Updates

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## Federal

**Schedule K-1.** The Deductions Allocable to Oil and Gas amount on the Shareholders' K-1 Depletion Schedules will not include expenses for depletion properties with negative gross income.

## Hawaii

**Form N-15,** Line 41 will calculate and print.

## Illinois

**IL-1120-ST** statement of penalty and interest will generate when applicable.

## Indiana

**Form IT-20S COMP** will print zeroes for columns C and F when there is no amount.

## Louisiana

**Form CIFT-620.** The separate accounting method check box on Form CIFT-620, Schedule D will be checked when amounts are entered for separate accounting.

## Maryland

**Amended Form 511,** Line 19 will now include government input on Lines 13d (If amended, total payments made with original plus additional tax paid after original was filed) and 15a (If amending, prior overpayment) in the calculation when the amended return check box is checked. Amended letters and filing instructions need to be edited in Microsoft® Word.

**Form 511.** An amount entered on Maryland > General > Maryland Schedule K-1 Information from Passthrough, Electronic Filing > Passthrough entity election tax paid by this PTE (From PTE filing Form 511) (Interview Form MD16, Box 72) will now flow to Form 510, Line 16d and the Pass-through Schedule K-1, Part 2, Line 2 when there are no additional non-resident tax paid entries.

**Form 511** letters, filing instructions and electronic filing status will now show the correct amount of overpayment applied when the entire overpayment is applied to next year's estimates.

**Schedule K-1.** Maryland updated the Schedule K-1, Part D instructions on 9/9/2021. The calculations on release version 2020.04020 remain the default calculations and new input has been added to allow for alternative calculations.

- Maryland > General > Options > Calculate member's share of tax paid based on member's percentage (Schedule K-1, Part D, Line 2) (Interview Form MD3, Box 45).
  - ◆ This entry will change the calculation of the member's share of tax paid on Schedule K-1, Part D, Line 2 to be based on the member's percentage of ownership of Form 511, Line 10.
  - ◆ Special allocation code 22957 can be used to allocate the amount reported on Form 511, Line 10 to each member.

- Maryland > General > Options > Calculate member's share of tax paid from other PTEs (Schedule K-1, Part D, Line 3 or 4) (Interview Form MD3, Box 46).

**Form 511:** This entry will change the calculation of the member's share of tax paid on Schedule K-1, Part D, Line 4 to calculate the member's share of Form 511, Line 13c. This entry will change the total tax paid for the members (Schedule K-1, Part D, Line 5), and is the amount that flows to Form 511, Schedule B. Special allocation code 22955 can be used to specially allocate the total from Form 511, Line 13c.

**Form 510:** This entry will move the amount reported on Schedule K-1, Line 4 to be included in the amount reported on Schedule K-1, Line 3. Special allocation code 22952 can be used to specially allocate the total amount from Form 510, Lines 16c and 16d.

Additionally, new input is available to include other members in the percentage on Form 511, Line 5b.

- Maryland > General > Options > Include other members in percentage of ownership for entity members (Form 511, Line 5b) (Interview Form MD3, Box 44).
  - ◆ Selecting this option will include the members reported on Form 511, Line 1d in the calculation for this percentage and change the amount of taxable income for entity members.

## Minnesota

Amounts calculated or entered for inactive Schedule KSNC codes will not flow to Schedule KS, Lines 9 and 16.

## New Jersey

**Form CBT-100**, Schedule A-4, Line 1, PNOL Deduction and Carryover now carries from Form 500, Section A, Line 5 minus Line 7.

**Form CBT-160-A**, Line 5, Installment Dates, are now ordered by the date due (rather than voucher number) when the original due date for Voucher 2 precedes the extended Covid Relief due date due for Voucher 1.

**Form NJ-10180-C**, Line 24, Pass-Through Business Alternative Income Tax Credit, is now automatically carried from Form PTE-100 when New Jersey > New Jersey S Corporation > New Jersey Composite Return > Include all nonresident shareholders/partners in composite return (Interview Form NJ14, Box 30) is marked.

**Form NJ-1080-C**, Line 24, Pass-Through Business Alternative Income Tax Credit, now includes just the participating members of the composite return.

**GIT-DEP, Gross Income Tax Depreciation Adjustment Worksheet**, no longer includes amortizable assets with no difference adjustments.

**Schedule CAR-100-M**, Section A, Filing Years can be overridden in New Jersey > Annual Report > Four digit payment year.

## New York

**Form CT-3**, Page 8 prints correctly to match Form CT-249 credit information.

## North Carolina

**Schedule K-1** shareholder's percentage stock ownership is now adjusted and the total of Schedule K-1 percentages is equal to 100%. The shareholder percentage in the last entity available is adjusted, and

diagnostic 30586 is issued.

## Oklahoma

**Oklahoma Form 512-S**, Section Three, Line 28 will now include all overpayment codes from Federal > Payments/Penalties/Estimates > Estimates and Application of Overpayment > 3. State Estimates and Application of Overpayment > Detail > Line 15 (Interview Form STEST-1, Box 70).

## Oregon

**Schedule K-1/K-1** Equivalent footnotes will not increase calculation time.

## Pennsylvania

**PA RCT-101**. Item F will calculate when there is an overpayment. This overpayment amount will be displayed on the filing instructions for the return and REV-857 estimates.

## Partnership (1065) Product Updates

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### Federal

**Form 3115**, change codes 250 through 255 are now available options, which can be selected on Other > 3115 - Change in Accounting Method > Automatic Change Request (Interview Form J-1, Box 60).

### Arizona

**Schedule K-1NR**, Line 14 includes Sec 743(b) adjustment within the statement.

### Hawaii

**Schedule K-1**, Other income will include the Section 163(j) deferral add-back.

The Schedule K statements for Other income and Other deductions will not be generated when an override is used for either item.

### Idaho

**Idaho Forms PTE-01, PTE-12 and PTE-NROA** now include the ability to redact/mask tax ID numbers.

### Iowa

**IA Form 1065**, Line 1 now excludes investment interest expense from Federal Schedule K, Line 13b.

### Maryland

**Amended Form 511**, Line 19 will now include government input on Lines 13d (If amended, total payments made with original plus additional tax paid after original was filed) and 15a (If amending, prior overpayment) in the calculation when the amended return check box is checked. Amended letters and filing instructions need to be edited in Microsoft® Word.

**Schedule K-1**. Maryland updated the Schedule K-1, Part D instructions on 9/9/2021. The calculations on release version 2020.04020 remain the default calculations and new input has been added to allow for alternative calculations.

- Maryland > Income/Deductions > Other Adjustments and Overrides > Calculate member's share of tax paid based on member's percentage (Schedule K-1, Part D, Line 2) (Interview Form MD4, Box 77).
  - ◆ This entry will change the calculation of the member's share of tax paid on Schedule K-1, Part D, Line 2 to be based on the member's percentage of ownership of Form 511, Line 10.
  - ◆ Special allocation code 22957 can be used to allocate the amount reported on Form 511, Line 10 to each member.
- Maryland > Income/Deductions > Other Adjustments and Overrides > Calculate member's share of tax paid from other PTEs (Schedule K-1, Part D, Line 3 or 4) (Interview Form MD4, Box 78).

**Form 511**: This entry will change the calculation of the member's share of tax paid on Schedule K-1, Part D, Line 4 to calculate the member's share of Form 511, Line 13c. This entry will change the total tax paid

for the members (Schedule K-1, Part D, Line 5), and is the amount that flows to Form 511, Schedule B. Special allocation code 22955 can be used to specially allocate the total from Form 511, Line 13c.

**Form 510:** This entry will move the amount reported on Schedule K-1, Line 4 to be included in the amount reported on Schedule K-1, Line 3. Special allocation code 22952 can be used to specially allocate the total amount from Form 510, Lines 16c and 16d.

Additionally, new input is available to include other members in the percentage on Form 511, Line 5b.

- Maryland > Income/Deductions > Other Adjustments and Overrides > Include other members in percentage of ownership for entity members (Form 511, Line 5b) (Interview Form MD4, Box 76).
  - ◆ Selecting this option will include the members reported on Form 511, Line 1d in the calculation for this percentage and change the amount of taxable income for entity members.

Overrides entered on Maryland > Allocation and Apportionment > Receipts Factor Overrides > Other income and Maryland > Allocation and Apportionment > Property Factor Overrides > Other tangible assets and Rent expense capitalized (Interview Form MD3, Boxes 42, 43 and 73 - 76) will now flow to Form 511, Schedule A.

## Massachusetts

**Form 3,** Gross Income will include amounts from 4797, Line 17.

**Form NRCR,** Line 27 will calculate based on the amount on Line 25.

Diagnostic 42201 will indicate which partner has a positive value on Schedule 3K-1, Line 15.

## Mississippi

**Form 84-155** will show all prior year Net Operating Losses, including those not used in the current year.

The calculation of Form 84-131, Column D will exclude Form 84-132, Line 6b, qualified dividends.

## New Jersey

New Jersey filing instructions now reflect the total estimated tax and the detail for each estimated tax payment per installment.

## New York

**Form IT-558** will now recognize zero as an override when entered on New York > Income/Deductions > Adjustments Due to Decoupling (IT-558) (Interview Form NY3, Boxes 90 - 118).

## Oklahoma

**Form 514-PT,** Line K will add up the Column H amounts from the 514-PT and all the pages of the 514-PT-SUP.

## Pennsylvania

**Schedule D,** Page 1 will include short term capital gains from installment sales.

**Schedule M,** Page 1, Line 11(b) will reflect the amount from the supporting statement.

**Schedule NW,** Line A will calculate based on the instructions, combining NRK-1, Lines 1 through 5 and 10 times the applicable rate of 0.0307.

## Fiduciary (1041) Product Updates

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### Federal

**Form 3520-A.** The statement for Other Income on Page 4, Line 7 will now produce if Line 7 does not equal zero.

**Passthrough Statement.** Section 199A information prints on the simplified income from passthrough summary statement.

### Federal - Foreign Financial Assets

**Form 8938.**

- Line 8e will print an address if the asset is not stock of a foreign entity or is not an interest of a foreign entity.
- Part III, Interest and Dividends will pick up only foreign amounts entered from IRSK1-1065 input.

### Georgia

Georgia business interest expense addback is no longer included on GA Form 501, Schedule 2, Line 5.

### Iowa

**Form ESBT,** Column B. QBID will now be included in other deductions.

### Maryland

**Form 511** has been added to the MD Fiduciary system as a library form allowing direct input on the form itself. This form is for paying tax on members' distributive shares of income at the entity level.

### Minnesota

Late payment interest will calculate at a 3% rate for 2022 and 2023.

## Exempt Organization (990) Product Updates

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### Federal

#### Form 1116.

- Foreign Tax Credit is now available for processing for Form 990-T. Form 1116 is available for tax exempt organizations filing as a trust with a foreign tax credit and is included in the electronic file. New input to produce Form 1116 is available under Federal > Unrelated Business Tax > Form 1116.
- Has been installed for tax exempt organizations filing as a trust with a foreign tax credit and will be included in the electronic file. New input to generate Form 1116 has been added under Federal > Unrelated Business Tax > Form 1116 (Interview Form P-2).

**Form 990 T.** A 100% contribution option has been added to Form 990T> Charitable contribution > Code field, code 5 (Interview Form T-9, Box 31, Code 5) for tax exempt organizations filing as a trust.

**Form 1118.** An option for Form 1118 has been added to the other tax credits section under Unrelated Business Tax > Form 990-T > Nonrefundable credits (Interview Form T-8) as a workaround for tax exempt organizations filing as a corporation with a foreign tax credit. Taxpayer must enter the foreign tax credit, select the new option code and enter an explanation on Part XI - Supplemental information as to why they cannot file Form 1118.

**Form 990-W.** The rate on Line 5 of Page 2 and Line 23 of Page 3 has been updated to reflect the 1.39% used to calculate Line 2 of Page 1.

**Form 5471.** Options are now available to file with both annual (990/990-PF) or unrelated business income (990-T).

### Electronic Filing

**Form 8879-EO** for Form 4720 will now produce when Form 4720 is the only federal form being filed.

### California

#### Form 109.

- Page 5, Schedule H will now print the circulation income and readership costs.
- Page 5, Schedule I has been updated to pull Form 990T, Schedule A Compensation amounts.
- The tax tables for Form 109, Line 10 for trust filers has been updated.

### Massachusetts

**Form 990T.** Credit codes APPCRD and VACSTR will now carry to Schedule CMS, Parts 2 and 4 for Form 990T. Credit code CRTHOU will now carry to Schedule CMS, Part 1, and codes APPCRD, EDIPCR, and VACSTR will now carry to Schedule CMS, Parts 2 and 4 for Form 990T-62.



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

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### Illinois

The approved version of IL-700 for 2021 is available in this release.

### Minnesota

The following preliminary Minnesota form is available for dates of death in 2021:

- Form M706