

CCH® ProSystem fx® Tax

2021.02000

Release Notes

January 9, 2022



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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 2021.02000

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Tax Updates

Updates to K-2 and K-3 for Partnerships and S Corporations

For Partnerships and S Corporations, there are updates to K-2 and K-3 from the last release.

- **Schedule K-2:** The Schedule K-2 form will be generated solely based on the Schedule K-2 worksheets (KF series Interview Forms).
- **Schedule K-3:** By default, the Schedule K-3 form will be autogenerated for all partners or shareholders whenever there is input on the Schedule K-2 worksheet (KF series Interview Forms).

You'll have the ability to suppress Schedule K-3 at the return level, and to produce or suppress Schedule K-3 at the partner/shareholder level.

- To suppress Schedule K-3 for all partners/shareholders at the return level, select Return Options > Processing Options worksheet (Interview Form 5).
- To suppress an individual partner/shareholder, input is available on the Partner/Shareholder Information detail worksheet (Interview Form K-2). Select "Y" to produce Schedule K-3 for the specific partner/shareholder, or "N" to suppress it for the specific partner/shareholder.

Testing is still in process for both Schedules K-2 and K-3. However, with the exception of the statements and forms required in support of the Part I check boxes, all "required on form" overflows and statements are now in place and functioning. The supporting statements and forms for Part I check boxes are planned for availability over the next couple of releases.

Electronic Filing Updates

Approved Products Available on this Release

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

Corporation

Federal 7004	Mississippi Extension
FBAR (Form 114)	Utah Extension
Arkansas Extension	

S Corporation

Federal 7004	Arkansas Extension
FBAR (Form 114)	Utah Extension
Arkansas Composite Extension	

Partnership

Federal 7004

FBAR (Form 114)

Arkansas Composite Extension

Arkansas Extension

Utah Extension

Employee Benefit Plan

Form 8955-SSA

Tax Product Updates

Individual (1040) Product Updates

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Federal

The worksheet view description for Qualified Business Income (Section 199A) now reflects the form name, 8995/8995A - Qualified Business Income (Section 199A). This change facilitates our Search feature.

New York

Form IT-229, Real Property Tax Relief Credit is now available with entries on New York > Credits > Real Property Tax Relief Credit (Form IT-229) (Interview Form NY19).

Form IT-236, Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities is now available with entries on New York > Credits > Taxicabs and Livery Service Vehicles Accessible to Disabled (Form IT-236) (Interview Form NY47).

Form IT-237, Claim for Historic Homeownership Rehabilitation Credit is now available with entries on New York > Credits > Credit for Historic Homeownership Rehabilitation Credit (IT-237) (Interview Form NY47).

Form IT-238, Claim for Rehabilitation of Historic Properties Credit is now available with entries on New York > Credits > Claim for Rehabilitation of Historic Properties Credit (IT-238) (Interview Form NY48).

Form IT-248, Claim for Empire State Film Production Credit is now available with entries on New York > Credits > Claim for Empire State Film Production Credit (IT-248) (Interview Form NY49).

Form IT-638, START-UP NY Tax Elimination Credit is now available with entries on New York > Credits > START-UP NY Tax Elimination Credit (IT-638) (Interview Form NY52).

Form DTF-621, Claim for QETC Employment Credit is now available with entries on New York > Credits > Claim for QETC Employment Credit (DTF-621) (Interview Form NY50).

Form DTF-622, Claim for QETC Capital Tax Credit is now available with entries on New York > Credits > Claim for QETC Capital Tax Credit (DTF-622) (Interview Form NY51).

Form DTF-624, Claim for Low-Income Housing Credit is now available with entries on New York > Credits > Claim for Low-Income Housing Credit (DTF-624) (Interview Form NY53).

Form IT-653, Pass-Through Entity Tax Credit is now available.

Worksheet View entries can be made in:

- Partnership Passthrough (IRS K-1 1065) > Activity > State passthrough entity credit
- S Corporation Passthrough (IRS K-1 1120S) > Activity > State passthrough entity credit
- New York > Credits > Pass-Through Entity Tax Credit (IT-653)

Interview Form entries can be made in:

- Interview Form K-3, Box 64
- Interview Form K-11, Box 254
- Interview Form IRS K-1 (1065), Boxes 964 and 982

- Interview Form IRS K-1(1120S), Boxes 795 and 954
- Interview Form NY48

Pennsylvania - Pennsylvania Cities

Form CLGS-32-1, Line 15 by default applies overpayment in one column to a balance due in the other column when a jointly filed return using two columns and refund / tax due offsets are used and the Credit to spouse check box is checked. If a zero is entered in Pennsylvania Cities > Estimates / Underpayments > Amount of overpayment credited to Spouse (Interview Form PAC3, Box 5), the Credit to spouse check box will be unchecked.

Printing of Pennsylvania state schedules in the Local Earned Income Tax return has been revised. Form W-2 and Pennsylvania Schedule RK-1 and NRK-1 will print with Form CLGS-32-1 when present in the return per CLGS-32-1 instructions when the proper conditions exist to do so.

For Example: Form W-2 prints when Federal > Return Options > Processing Options > Facsimile W2 Print (Interview Form 2, Box 64) = {Y}. If the return does not have Facsimile W2 Print selected but has a W2 with a matching PAC jurisdiction code, diagnostic 39412 issues. Pennsylvania Schedules RK-1 and NRK-1 will follow the same logic as the other Pennsylvania schedules (UE, C, E, F, etc) when Pennsylvania > Generic Cities > General > Jurisdiction Information - Overrides > Business income code (Interview Form PAC1, Box 71) is used.

- If this input is blank or codes 5-8 are used, the schedules will print when present in the return; otherwise they will not.
- Additionally, diagnostics 39413 (1099s) and 39414 (CLGS-32-1, Line 12 is greater than zero) will issue to alert you that manual collation of Forms 1099 and the non-resident state, non-Pennsylvania city, or Philadelphia returns are required when filing Form CLGS-32-1.

Pennsylvania - Philadelphia

Form S-1.

- All amounts from an estate or trust are reported on Form S-1, Line 5. This includes interest, dividends, state taxable tax exempt interest, and state taxable tax exempt dividends.
- Form S-1, Line 14 is limited to zero if Line 13 is greater than Line 12.

Per Philadelphia government form instructions, the date in "The filing date of the Philadelphia return is extended until" sentence on extension letters and extension filing instructions will be June 20, 2022 for Forms BIRT, NPT, and S-1 when a Federal Form 4868 is not present.

Corporation (1120) Product Updates

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New York

Form CT-33.2, Life Insurance Company Guaranty Corporation Credit is now available with entries in New York Insurance (CT-33, CT-33NL, CT-33C, CT-33D) > Credits > Life Insurance Company Guaranty Corporation Credit (Interview Form NYI10).

Form CT-654, New York City Musical and Theatrical Production Tax Credit is now available with entries in New York (CT-3 / CT-3A) > Credits > New York City Musical and Theatrical Production Tax Credit (Interview Form NY54).

Form CT-655, Restaurant Return-to-Work Credit is now available with entries in New York (CT-3 / CT-3A) > Credits > Restaurant Return-to-Work Credit (Interview Form NY55).

S Corporation (1120S) Product Updates

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Federal

Schedule K-2 will generate solely based on the Schedule K-2 worksheets (KF series Interview forms).

By default, **Schedule K-3** will be generated for all shareholders.

You'll have the ability to suppress Schedule K-3 at the return level, and to produce or suppress Schedule K-3 at the partner/shareholder level. To suppress Schedule K-3 for all shareholders at the return level, select Return Options > Processing Options worksheet (Interview Form 2). At the shareholder level, input is available on the Shareholder Information detail worksheet (Interview Form K-2). Select "Y" to produce Schedule K-3 for the specific partner/shareholder, or "N" to suppress it for the specific partner/shareholder.

Testing is still in process for both Schedules K-2 and K-3. However, with the exception of the statements and forms required in support of the Part I check boxes, all "required on form" overflows and statements are now in place and functioning.

The supporting statements and forms for Part I check boxes are planned for availability over the next couple of releases.

New York

Form CT-654, New York City Musical and Theatrical Production Tax Credit is now available with entries in New York (CT-3 / CT-3A) > Credits > New York City Musical and Theatrical Production Tax Credit (Interview Form NY54).

Form CT-655, Restaurant Return-to-Work Credit is now available with entries in New York (CT-3 / CT-3A) > Credits > Restaurant Return-to-Work Credit (Interview Form NY55).

Partnership (1065) Product Updates

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Federal

Schedule K-2 will be generated solely based on the Schedule K-2 worksheets (KF series Interview forms).

By default, **Schedule K-3** will be generated for all partners.

You'll have the ability to suppress Schedule K-3 at the return level, and to produce or suppress Schedule K-3 at the partner level. To suppress Schedule K-3 for all partners at the return level, select Return Options > Processing Options worksheet (Interview Form 5). At the partner level, input is available on the Partner Information detail worksheet (Interview Form K-2). Select "Y" to produce Schedule K-3 for the specific partner, or "N" to suppress it for the specific partner.

Testing is still in process for both Schedules K-2 and K-3. However, with the exception of the statements and forms required in support of the Part I check boxes, all "required on form" overflows and statements are now in place and functioning.

The supporting statements and forms for Part I check boxes are planned for availability over the next couple of releases.

Fiduciary (1041) Product Updates

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Federal

Form 1041, Schedule B. An option was added to prevent information from flowing to Form 1041, Schedule B. This option is located on Return Options > Form Printing Options > Suppress Form 1041, Schedule B (Interview Form 5, Box 76). When this option is checked, the Schedule B will print blank.

Rhode Island

Form RI-1099E is now available. Input can be found under Rhode Island > Other > Form RI-PTE, RI-BUS-EXT, and 1099E (Interview Form RI12, Boxes 75-77).

The Amended Supplement Schedule is now available. Input can be utilized on Rhode Island > Other > Amended Return Information (Interview Form RI11).

Exempt Organization (990) Product Updates

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Indiana

Form IN-OCC - Other Certified Credits form has been added. To generate the form, the input has been added on worksheet Indiana > Credits and Other Payments (Interview Form IN6).

Form IT-20NOL - Net Operating Loss form has been added. To generate the form, the input has been added on worksheet Indiana > Income & Deductions > Net Operating Loss (Interview Form IN7).

Schedule UBI - Unrelated Business Income form has been added. To generate the form, the input has been added on worksheet Indiana > Income & Deductions > Schedule UBI (Interview Form IN8).

Schedule M - Alternate Adjusted Gross Income Tax Calculation has been added as library form.