

CCH® ProSystem fx® Tax

2021.02040

Release Notes

February 6, 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](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 2021.02040

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## Tax Updates

### Corporation, Fiduciary, Individual, Partnership, S Corporation, Tax Exempt

**Statement For Rev. Proc. 2021-48**, is available for reporting tax exempt income resulting from the forgiveness of a PPP loan.

### Partnership and S Corporation

**K-1 Print Package Updated.** The K-1 print package has been updated to include Schedule K-3 and associated Forms 5471, 5713, 8621, 8858, 8865, and 8883. When these forms are present in the return, they will automatically print behind Schedule K-3 in the K-1 copy of the return.

 **Note:** Due to the addition of Schedule K-3 to the K-1 print package (when applicable), print preview, print K-1 copy, and printing of K-1 packages may take slightly longer.

**New York Passthrough Entity (PTE) Tax.** The state of New York has provided worksheets on the state website for determining PTE due. We plan to provide these worksheets to calculate PTE due as well as to report out the PTE credits by Shareholder/Partner. Since requirements to produce and upload a file to the website for filing were just announced, we do not yet have a projected date for delivery.

### Updated list of States Requiring Software to Prevent Form Printing & E-filing Prior to Approval - All Systems

#### Affected States


Arkansas	Indiana	New York
California	Kansas	South Carolina
Connecticut	Michigan	Texas
District of Columbia	Minnesota	Vermont
Georgia	Montana	Virginia

#### Affected States - Approved Paper Filing for all Products

Kansas	Texas	Virginia
Montana	Vermont	

#### Approved for Print and E-file

Mississippi	Pennsylvania
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 **Note:** Affected states who approved paper-filing may have also approved selected return types for electronic filing. Refer to [Release Notes](#) from this and/or prior Tax Year 2021 releases.

## Electronic Filing Updates

### Approved Products Available on this Release

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

#### Individual

Kansas	New Jersey	Oregon Multnomah TriMet
Kentucky	New Jersey Estimates	Rhode Island
Massachusetts	New Jersey Extension	Tennessee Form FAE 173
Massachusetts Extension	New York Form 204LL	Virginia
Mississippi	Oregon Multnomah Lane Transit District	Wisconsin

#### Corporation

Federal 1120-F	Mississippi Consolidated	New York
Alabama CPT	Montana Consolidated	New York 204-LL
Arkansas Consolidated	New Jersey	New York Combined
Delaware	New Jersey Annual Report	Rhode Island
Indiana	New Jersey Extension	Rhode Island Consolidated
Indiana Consolidated		

#### S Corporation

Alabama PPT	New Jersey Extension	Tennessee 188
Delaware	New Jersey PTE Extension	Wisconsin
Indiana	New York	Wisconsin Composite
New Jersey	New York 204-LL	Wisconsin Form 4
New Jersey Annual Report	Tennessee	Wisconsin PW-1

## Partnership

Alabama PPT	New Jersey CBT Extension	Oregon
Arizona	New Jersey Extension	Oregon CAT
Delaware	New Jersey PTE Extension	Oregon Composite
Maine	New York 204-LL	Oregon Lane Transit District
Massachusetts Composite Extension	New York 204-LL DE	Oregon Tri-County Metropolitan District
New Jersey	New York Extension	Wisconsin Composite
New Jersey CBT	Oklahoma	

## Fiduciary

District of Columbia	Hawaii	North Dakota
District of Columbia Extension	New York Form 204LL	West Virginia

## Individual (1040) Product Updates

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### Federal

**Form 8995.** Ordinary gains attached to farms or farm rentals flowing to Form 4797 will be included in the qualified business income on Form 8995 or Form 8995-A.

## S Corporation (1120S) Product Updates

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### Federal

**Schedule K-1.** The foreign taxes listed on Schedule K-3, Part III, Section 3 - Foreign Taxes Line 1 column g will flow to the respective, Schedule K-1, box 16, code F.

**Schedule K-1.** When a shareholder is allocated 0 dollars for Section 453(a) information, the statements will be attached to the appropriate Schedule K-1.

**Schedule K-2.** Part III, Section 2, Interest Expense Apportionment. All input fields are viewable and reachable in the grid on Shareholders > Schedule K-2 Distributive Share Items, International Parts I-IV > Section 8.

**Schedules K-2 and K-3, Part II, Section 1.** When "US" is needed as the country code, the code "OC" should be used as the input country.

**Schedule K-3.** Input will be included for portions of the statements needed to support Part I. Included on this release is input for Boxes 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12.

**Schedule K-3, Part I, Boxes 7, 8, and 9.** When forms 5471, 5713, 8621, 8858, 8865, and 8883 are present in the return, they will automatically print behind Schedule K-3 in the K-1 copy of the return.

**State Depreciation Information.** Input for prior years bonus depreciation for 2020 has been added to the General > State Information worksheet (Interview Form 5). A Pro Forma on the Fly has been added that will check if the 2019 state bonus depreciation in the 2021 return matches the 2019 bonus depreciation from the 2020 return. If these amounts do not match a message box will notify you and if "Yes" is selected, the state bonus depreciation for 2019 and 2020 will be corrected based on the data from the 2020 return.



## Partnership (1065) Product Updates

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### Federal

**Schedule K-1.** The Schedule of Activities, Line 13 will include the Section 743(b) negative adjustments associated with the activity.

**Schedules K-2 and K-3, Part II, Section 1.** When "US" is needed as the country code, the code "OC" should be used as the input country.

**Schedule K-3.** Input will be included for portions of the statements needed to support Part I. Included on this release is input for Boxes 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12.

**Schedule K-3, Part I, Boxes 7, 8, and 9.** When forms 5471, 5713, 8621, 8858, 8865, and 8883 are present in the return, they will automatically print behind Schedule K-3 in the K-1 copy of the return.

**State Adjustments.** The adjustment for meals deducted at 100% on the return will calculate at 50% for nonconforming states.

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

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### Federal

**Form 2848.** When a preparer code is entered in Power of Attorney > Representative(s) > Preparer code (Interview Form 2848-1, Box 40), the state prints once in the representative's address on Form 2848.