

CCH® ProSystem fx® Tax

2021.03001

Release Notes

March 13, 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 2021.03001

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Tax Updates

As you may know, the Treasury Department and the IRS just announced that they intend to provide penalty relief for qualifying farmers and fishermen filing Form 7203 if they electronically file their 2021 tax return and pay in full any tax due by April 18, 2022 (or by April 19, 2022, for those qualifying farmers and fishermen who live in Maine or Massachusetts).

Here is the full announcement from the IRS: <https://www.irs.gov/newsroom/irs-update-regarding-recent-electronic-filing-challenges-in-connection-with-form-7203-s-corporation-shareholder-stock-and-debt-basis-limitations>.

As you may also know, this is a new form that was not fully released by the IRS until mid-January of this year, and was made available by Wolters Kluwer as of February 24. While we understand that the lateness of some forms has been particularly challenging this year, we continue to do our best to provide a timely release of all forms, and to minimize the impact on our customers and your clients.

Individual

Alabama - Alabama has changed the federal tax deduction to include child tax, earned income, and dependent care credits. The software will be updated for the changes on Release 2021.03010, scheduled for March 20, 2022. Alabama DOR indicates returns electronically filed with the current version of the schema will be automatically recalculated to reflect the new federal tax deduction. Amended returns must be filed if paper filing.

Electronic Filing Updates

Approved Products Available on this Release

The following products are approved and available on this release:

Individual

Forms 8915-B, 8915-C, 8915-D, and 8915-F are now available for electronic filing. Each will be included as a PDF.

Corporation

Connecticut

S Corporation

Massachusetts 63D-ELT

Partnership

Alabama EPT

Massachusetts 63D-ELT

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California

Form 3804-CR. Pass-Through Entity Elective Tax Credit, is now available with entries in:

- Sch E, p 2 - Fiduciary Passthrough (K-1 1041) > Activity > State passthrough entity credit (Interview Form IRS-K1 1041, Box 422, 554, 555 or 556)
- Sch E p 2 - Partnership Passthrough (K-1 1065) > Activity > State passthrough entity credit (Interview Form IRS-K1 1065 Box 964, 982, 983 or 984)
- Sch E p 2 - S Corporation Passthrough (K-1 1120S) > Activity > State passthrough entity credit (Interview Form IRS-K1 1120S, Box 954, 795, 796 or 797)
- California Credits > Pass-Through Entity Elective Tax Credit (Form 3804-CR) (Interview Form CA20); If an entry is made in the state input, then the federal K-1 input is ignored.

Schedule P (540) and Schedule P (540NR). Alternative Minimum Tax and Credit Limitations have been updated for new legislation passed that moves credit code 242, PTE ELECT, from Section A2 to Section B2. Diagnostic 60399 issues until Release 2021.03020 when the updated electronic filing specifications will be available.

Maryland

Form 500CR, Section BBB. Line 2 equals the total of Lines 8, 13, 16, 17, 18, and 27.

Form 502, Line 9 is limited to \$3000 for one dependent or \$6000 for more than one dependent from the Federal 2441 form.

Minnesota Electronic Filing

Form M1NR, Line 15 takes into account PTE credit on Line 11. This resolves rejects 710 and 711.

Montana

Form MT2, Page 3, Line 8X no longer includes amounts that were included in other lines of Line 8, nor double some amounts from Federal Schedule 1, Lines 8E through 8N and 8P.

Form MT2, Page 7, Line 13 now includes 60% charitable contribution carryovers.

When Married Filing Separately on Same Return, 100% charitable contributions that weren't specifically designated for taxpayer or spouse no longer double for spouses on Form MT2 Page 7, Line 11.

New Jersey

The New Jersey Department of Revenue released an update to Form 2210 Quarter 1 and 2 multipliers. This change produces a slightly higher penalty calculation in returns where Option 1 applies.

Oregon - Multnomah/Portland/TriMet

The exemption boxes for Multnomah and Portland on Form SP-2021 now properly correspond between the input and output. Please check entries to assure the proper boxes are indicated on the return.

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Federal

Schedule K-2, Part II, Section 2, Line 32. SIC code input is available on Schedule K-2 - Distributive Share Items - International Part I-IV > Schedule K-2 Part II Section 2 Deductions.

Kentucky Cities

The copy of the federal return attached to the Kentucky Cities return is now on grid.

Maryland

Form 511. Final check box will check when the federal return is final or final return is requested for MD on common state input.

Massachusetts

Form 63D-ELT. Entity Level Tax has been added to the program.

Rhode Island

RI-1099E Box 11 will not be adjusted based on Boxes 9 and 10.

South Carolina

A refund amount will not show as a negative on Form SC1120S, Line 18C when Form I-435 is generated in the return and there are payments reported on Lines 13A-C - Diagnostic 44331 will no longer issue. Additionally, Line 28b will not calculate when SC state worksheet > Taxes > License Fee Tax > Option for overpayment = Refund (Interview Form SC1, Box 73 = 3).

Form SC1120-CPD will populate using Form I-435 calculations when filing as a PTE.

Form SC1120-S, Page 1, Lines 4 and 5 will both be included in the calculation of Line 7.

Wisconsin

Instructions for 2021 Wisconsin Act 156 regarding the Grants Received from the Federal Restaurant Revitalization Fund, can be found on the last page of Schedule 5K-1 instruction pages.

Partnership (1065) Product Updates

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Maryland

Form 511, Schedule A, Line 5 will now divide by the number of factors being used when Maryland > Allocation and Apportionment > Factor Overrides and Options > Divide total of factors by number of factors entered in computing apportionment % (Interview Form MD1, Box 53) is checked. The apportionment overrides will now also override this line.

Massachusetts

Form 63D-ELT. Entity Level Tax has been added to the program.

North Carolina

North Carolina Schedule K-1 Line 6 has been updated for tax year 2021 to be the NC source amount of Line 1. In previous years, line 6 was the nonresident partner's share of income from federal Form 1065 from NC sources along with any NC adjustments. This year, it is NC source income included in Line 1, prior to any additions or deductions.

North Carolina Schedule PE Line 4 contains the IRC section 179 expense. This adjustment can be entered in the all sources column of the North Carolina > Income/Deductions worksheet (Interview form NC-18).

Rhode Island

The RI-PTE Cash Basis and Accrual boxes will be printed based on the Cash and Accrual boxes on Form 1065.

South Carolina

South Carolina Form I-435, Column B will calculate based on the apportioned and allocated amounts from Schedule SC-K.

Wisconsin

Instructions for 2021 Wisconsin Act 156 regarding the Grants Received from the Federal Restaurant Revitalization Fund can be found on the last page of the Schedule 3K-1 instruction

Fiduciary (1041) Product Updates

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New Jersey

The New Jersey Department of Revenue released an update to Form 2210 Quarter 1 and 2 multipliers. This change produces a slightly higher penalty calculation in returns where Option 1 applies.

Pennsylvania

The filing date now correctly reflects April 18, 2022 in the letters, including for the first estimated tax payment.