CCH® ProSystem *fx*® Tax

2021.03040

Release Notes

April 24, 2022

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 2021.03040

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Tax Updates

Individual and Fiduciary

Montana Form NOL is now available.

Fiduciary

The watermark is removed from Form IT-541-2D. Full paper filing is now available. Electronic filing of the Louisiana Form R-6466 (extension) is planned for our next release on May 8, 2022. Electronic filing of the Louisiana return will be available on a later release.

Electronic Filing Updates

Approved Products Available on this Release

The following products are approved and available on this release:

Individual

Multnomah Form EXT

Partnership

Louisiana PTE CIFT 620

Tax Product Updates

Individual (1040) Product Updates

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Federal

Diagnostic 28713 no longer issues in a return that is using itemized deductions.

Form 1116 AMT. Foreign branch category capital gains used to calculate the capital gains tax adjustment are adjusted by US capital losses reclassified under Sec 904(b)(2)(A).

Form 3520, Part I, Line 18 is blank unless Page 1, Part I box is checked. Part III, Lines 29 and 30 N/A boxes are blank unless the Page 1, Part III box is checked.

Form 3800. The Research Credit Limitation calculation now limits the non-specified credit to the lesser of Form 3800, Line 16 or the portion of the tax on Form 3800, Line 11 attributable to the activity.

Form 7203. Line 6 now shows the full amount of distributions and won't be limited by the amount on Line 5.

Year references on the Percent Excluded Information section for listed property on the Schedule C worksheet have been updated.

Alabama

Filing instructions reflect payments made on Schedule CP.

Form 40 IRA Deduction Limitation only includes self-employed income when there are no losses.

District of Columbia

The check for whether a taxpayer has full-year health coverage now occurs before the checks for exemptions on Schedule HSR, Lines 2 through 4.

Idaho

Entries under Idaho > Income/ Deductions > Line 7 - Bonus Depreciation (Interview Form ID2, Box 35) now override Form 39R, Line 5 or Form 39NR, Line 3.

Form 39R, Line 1 no longer includes Federal NOL if it is not being included on Federal Schedule 1.

Form 39R Section A, Line 5 and Form 39NR Section A, Line 3 will only include the amount from Federal Form 8582 Line 3, when that amount is a loss.

Form 43, Line 42 calculates tax for married filing jointly non-resident taxpayers with AGI $3,176 - $9,526.

Schedule K-1 populates information entered on the Federal pass-through input when the entity name is selected under Idaho > Other > Section 5 - Idaho Schedule K1 Information > Line 1 (Interview Form ID16, Box 30).

The years of Idaho > Income/Deductions > Section 2 - Subtractions on Lines 35-38 are updated for 2021 (Interview Form ID3, Boxes 30 through 37).

Indiana

Code 149 for Meal Deductions is now an available selection for Schedule IN-K1 modifications. Due to state limitations, returns using this code on Schedule IN K-1 will not be eligible for electronic filing.

Deduction Codes 634 and 636 are available on Schedule IN-K1 modifications. However, due to a state limitation, returns using these codes on Schedule IN K-1 will not be eligible for electronic filing.

Form IT-40NOL, Page 1, Line 2, as well as Form IT-40NOL, Page 2, Line 2 for 2021 are reduced by the absolute value of the disallowed excess business loss amount on Form IT-40NOL Page 1, Line 7. This will reduce the Indiana NOL deduction on the respective Indiana deduction schedules.

New input overrides (Indiana > Income / Deductions > Section 10 - Net Operating Loss Overrides (Interview Form IN10, Boxes 50 through 53) are available for Form IT-40NOL, Page 1, Part 1, Lines 1, 2, 5 and 7. They do not affect Form IT-40NOL, Page 1, Part 2 or IT-40NOL, Page 2.

Schedule B (add-back code 120) and Schedule A, Line 34 no longer include charitable contributions for non-itemizers included on federal Form 1040, Line 12b.

The Indiana tax equalization calculation for state AGI properly adjusts the existing calculation instead of treating it as an override.

Michigan

Form MI-461

- Does not utilize inputs that are coded S for state-only entries and assigned to a state other than Michigan.
- Uses the amounts, if applicable, from farm rental entities on returns in which there are no Schedule F amounts flowing to Federal Schedule 1, Line 6.

Form MI-4884 utilizes the older of the remarried taxpayer or spouse's year of birth when considering whether or not a deceased spouse's retirement benefits should be included on Part 4, Lines 12 and 14.

Form MI-4884, Part 4 properly considers the deceased spouse's year of birth when calculating which section fills out.

Michigan Form MI-2210, Line 2 subtracts the amount from MI-1040 Page 2, Line 29.

Michigan Schedule 1, Line 16 does not include amounts from MI-1040, Line 29. A direct input field is located on Michigan > Income / Deductions > Subtractions > Share of refund of tax received by flow-thorough entity and included in your distributive share field (Interview Form MI2, Box 81). Diagnostic 39459 issues to indicate this change from a default calculation on this release.

New input is available for the deceased spouse's age at death. This is for surviving spouse returns to answer questions in the form instructions for Form 4884 related to whether the deceased spouse reached a particular age. See Michigan > Income / Deductions > Subtractions > Line 22 (Interview Form MI2, Box 75).

New input is available to force which section of Form 4884, Part 4 will be completed. Note that Part 4 will still need amounts from Part 3 in order to calculate, and Form 4884 will not print unless there is a total greater than zero on either Lines 16, 17 or 18. The input is on Michigan > Income / Deductions > Subtractions > Line 10 (Interview Form MI2, Box 76).

New input is available for members of a flow-through entity that elected to pay the Michigan flow-through tax. It is for a share of a refund of that tax received by that flow-through entity and included in the taxpayer's distributive share and will be included on Michigan Schedule 1, Line 16. It is on Michigan > Income / Deductions > Subtractions > Line 11 (Interview Form MI2, Box 81).

Minnesota

Minnesota NOL Worksheets have been added for this release. The NOL worksheet supports Form M1NC, Line 14b and the NOL carryover flows to Form M1NC, Line 13b (along with carryover from Form M1LOSS). The NOL Deduction worksheet supports Form M1NC, Line 13.

Statement behind Form M-1529, Line 5 has been updated.

Missouri

Form MO-A, Part 3, Section C, Lines 4Y and 4S will no longer have taxpayer and spouse railroad retirement benefits subtracted from them.

MO-TC alpha code (Column 2) and credit name (Column 3) prepare with SHC and SE Health Insurance Credit if MO-SHC is produced with optimization code to force the regular method or if it optimizes between the short and regular methods.

Montana

Input has been added for the "Farming business net operating loss carryback waiver" checkbox on Form MT2.

New Hampshire

Dates entered on federal banking input now flow to New Hampshire for the electronic payment.

New Jersey

Form 2210, Line 2 consistently includes the BAIT credit.

New Mexico

Override input entered on New Mexico Credits > Credits for Taxes Paid (Interview Form NM3) now unconditionally overrides and prints on Form NM PIT-1, Line 20.

New York

Forms IT-643 and IT-644 have been added for 2021 returns.

Ohio

The Ohio Filing status worksheet includes the correct amount allowed for the spouse for Unreimbursed Medical and Health Care Expenses.

Ohio - Ohio Cities

Generic Form R. In a multi-city return, statements print with the respective city return.

Generic Form R, Worksheet NRR has been updated to account for employment dates other than 1/1 to 12/31.

RITA Form 37, Section A. Part-year resident returns where a taxpayer moved from one RITA city to another RITA city, and had wages sourced from one of the resident cities during the period of non-residency, now no longer double the wages and withholding.

Toledo. The Toledo non-resident form is now available in print.

Pennsylvania - Philadelphia

SSN will not print and EIN will print on Form S-1 when Philadelphia > School Income Tax Return > General > Federal I.D. number is entered (Interview Form PHI1, Box 83).

Rhode Island

Schedule M, Line 1u includes the taxable retirement income modification when a taxpayer's date of birth falls on or before 11/01/1955 and federal AGI is within the filing threshold.

The Individual Health Insurance Mandate Form and Shared Responsibility Worksheet will no longer calculate and print when "All household members have health care coverage all year," is indicated under Rhode Island > General > Line 6 (Interview Form RI13, Box 30).

Corporation (1120) Product Updates

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Federal

Charitable contribution carry forwards for food inventory subject to 25% of taxable income will now have a separate option available.

Kansas

Disallowed business meal expenses subtraction is now half of the meals subject to 100% limit.

Utah

PPP loan input will no longer carry to TC-20, Schedule B, Line 10.

S Corporation (1120S) Product Updates

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Federal

Form 7203

- Prior year shareholder basis carryover will match the shareholder on Form 7203 when all shareholders do not have input for prior year carryover or the prior year carryovers are not entered in shareholder order.
- The input on Shareholders > Shareholder Basis worksheet > Section 1 - Shareholder Basis Options (Interview Form SB-1, Box 35) will apply basis limitation to deductible losses on Line 13 before nondeductible expenses on Lines 8a-8c on Form 7203.
- The input on Shareholders > Shareholder Basis worksheet > Section 1 - Shareholder Basis Options > Print Shareholder Basis Schedule input (Interview Form SB-1, Box 133) will control the print of Form 7203.

Arkansas

The state adjustment for the Federal 100% meals deduction will be included on AR-1100S, Line 11 when single factor apportionment is used.

Mississippi

Updated the web address for making electronic payments.

Missouri - Kansas City

The 8879-SO now prints for Kansas City when exported.

Partnership (1065) Product Updates

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Federal

Schedule K-1, Line 21, Foreign Taxes will not double when the only foreign taxes amount on Schedule K-3, Part III, Line 1 is the other taxes amount.

Schedule K-2, Part II, Section 2. Supporting statements for Lines 49 and 50 will generate when Column e - Other is zero.

Schedule K-2, Part VI, Column (b) will print the Reference ID Number when applicable.

Schedule K-2, Part VI. The input on Schedule K-2 Distributive Share Items - International Part VI > Schedule K-2, Part VI Information on Section 951A > Share of CFC items column (Interview Form KF-8 - Partners/Shareholders' Share of CFC items column, Boxes 60, 64, 68, 72 and 76) will allow decimals. Schedule K-2, Part VI: Column (d) (Aggregate share) will print as a percentage.

Schedules K-2 and K-3. The options to suppress attachment of Form 8858 and 5471 are labeled as expected on both Federal > Partners > Schedule K-2 - Distributive Share Items - International Parts I-IV > Schedule K-2 General Information and Part I > Suppress Form Attachments (Interview Form KF-1, Boxes 80 and 82).

Schedule K-2 and K-3, Part IV, Section 3, Other Information for Preparation of Form 8993, Total Column will be populated using input on Partners or Foreign > Schedule K-2 Distributive Share Items - International Parts I-V > Schedule K-2, Part IV Information on Partners' Section 250 deduction > Section 3 - Other Information for Preparation of Form 8993 > Total Column (Interview Form KF-6, Boxes 150-160).

Schedule K-3, Part II, Line 3a, Column d. Source by Partner will not populate unless applicable.

Fiduciary (1041) Product Updates

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Federal

QBID. Form 8995, Line 12 and Form 8995-A, Line 34 have been updated for when the option to include capital gains as ordinary income is used. As a result, Diagnostic 29094 and 49024 will issue less often.

The Form 461 state version no longer makes an adjustment on Line 10 when the income has not been included in Lines 1 through 8.

California

The Form 3461 carryover now calculates correctly for ESBT returns.

California - Electronic Filing

Diagnostic 48939 will no longer issue because California accepts superseded returns.

Connecticut

Angel Investor and Insurance Reinvestment Fund Tax credits and carryovers print on Grantor/Custodial Letters with appropriate input.

Delaware

Form 8879-SO prints in the accountant and client copies of the return as appropriate.

District of Columbia

Form D-41ES. If estimates are not required, transmittals and filing instructions will no longer print estimate mailing instructions.

Hawaii

Form N-201V now prints on export for electronic filing.

Idaho

Idaho K-1. For Lines 22, 23, 25, 27, and 28, Column A now uses the amounts from Form 66, Schedule A.

New input was added for ID Form 66, Line 26, Affected Business Entity. This input is on Idaho > Taxes > Other Taxes and Recaptures > Tax paid by affected business entity (Interview Form ID1, Box 65).

Iowa

Depreciable assets placed in service on or after 01/01/2021 that calculate federal bonus depreciation are no longer included on Form IA 4562.

The Iowa adjustment, "Federal income tax refund received in current year and deducted in prior year," is included in Other Adjustments on Form IA 1041, Line 8.

Michigan

Form MI-1041, Line 19 is now included in the calculation for Line 24.

Income from Form MI-1040H, Line 12 is reported on Line 36 instead of Line 33.

New Jersey

The PTE credit now flows to Form BUS-1 when state use amounts have been entered on the passthrough along with the credit on a resident return.

New York

Complex Trust checkbox will no longer be selected on IT-205, Page 1 when entity type on Basic Data Worksheet (Interview Form 1) is Pooled Income Fund.

Form IT-225. The amount of PTE credit from IT-653 will now display on IT-225, Schedule A, Part 1 instead of Schedule A, Part 2. For a workaround enter an override on New York > Income/Deductions > Additions > Other Additions. IT-225 Additions Code should be 219 and applicable Part of IT-225 should be 1 (Interview Form NY2, Boxes 58, 59, 60 and 61).

Tax exempt interest and dividends from Puerto Rico or U.S. Territories, including Northern Mariana Islands and Virgin Islands, will no longer be added back on Line 63 of IT-205 per the New York Technical Services Bureau Memorandum 95(4)I.

Wisconsin

Schedule NR. Lines 16 and 17, Column A now matches Federal 1041, Lines 15a and 15b. Column B Line 17 is NOL coded to Wisconsin and 16 is all deductions for Wisconsin less Line 17b. Column C, Line 17 is 17a less 17b, Line 16c Is total non Wisconsin deductions less 17b.

Exempt Organization (990) Product Updates

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Federal

Form 851. Affiliate Schedule has been added to support Form 990-T, Page 1, Item I.