

CCH® ProSystem fx® Tax

2021.05000

Release Notes

October 30, 2022



Contact and Support Information	2
Information in Tax Release Notes	3
Highlights for Release 2021.05000	4
Tax Updates	4
Tax Product Updates	5
Individual (1040) Product Updates	5
Corporation (1120) Product Updates	7
S Corporation (1120S) Product Updates	8
Partnership (1065) Product Updates	9
Fiduciary (1041) Product Updates	10
Exempt Organization (990) Product Updates	11
Estate & Gift (706/709) Product Updates	12

Contact and Support Information

[Return to Table of Contents.](#)

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

[Return to Table of Contents.](#)

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 2021.05000

Return to [Table of Contents](#).

Tax Updates

Pro Forma

2021 Pro Forma for all return types is now available for processing.

Before creating your Pro Forma files, we recommend that you review the Pro Forma processing options configured in the Office Manager > Configure Applications > Tax Preparation > Pro Forma and Organizer Options window.

The Pro Forma Print feature will be available with the 2021.05010 release.

Organizers

Individual and Fiduciary organizers are now available for processing.

Ask the Community

The Ask the Community feature enabled with this release allows users to connect directly with an online community, moderated by Wolters Kluwer. In the forum, users can pose and answer questions with their peers covering a wide range of subjects including: best practices, tax forms, and utilization of CCH ProSystem *fx* Tax. This feature can be found under Help > Ask the Community.

Tax Product Updates

Individual (1040) Product Updates

Return to [Table of Contents](#).

Federal

At-risk 100% cash contributions from a Schedule K-1 no longer pro forma.

Form 461 AMT, Schedule K1 (1041) 461 preference items are considered when creating statements for Lines 10 and 11.

Form 8865, Schedule K-2 and K-3. The library version of Schedule K-2 and K-3 has a new two-digit text-only country code field right next to the existing two-digit country code that does not allow "US" as a country code. If a user wanted to key in "US" as two-digit code, the new field could be used. If this is used, then the user would not use the existing two-digit country code; calculation is not supported and all lines, including Line 24, will need to be filled by the user.

Alabama

100% cash contribution carryovers no longer carry to the Alabama Schedule A.

Charitable contribution worksheet shows 60% carryover amounts.

Form 40, Page 2, Part IV, Line 5 shows the first two occurrences of income not reported on the state return.

Withholding from K-1's no longer carries to Form 40, Line 22.

Kentucky

Form 461-K produces when Form 740 is filing as single.

Michigan

Form 461, Line 3, Column D will equal Federal Form 461, Line 14.

Form 5595, Line 3, Column E will equal the sum of Column E (Michigan Income (Loss)) in return XML.

Form 8949, Page 2, Column D and E will foot to Lines 4d and 4e.

Minnesota

Form M1PR, Line 5 includes the amount from Form 1099-R, Box 5 based on Minnesota guidance.

Schedules KSNC, KFNC, and KPINC now have a code available to produce Line 4.

Mississippi

Form MS 80-105, Lines 38A and/or 38B and Form MS 80-205, Line 39 now match the Federal Schedule C profit or loss total.

Ohio

AX- and DX-coded entries for Form IT NRC now only affect the entity to which they pertain.

Oregon

The pass-through income taxes paid to another state (credit code 815) will be included in the 2022 Pro Forma for the Surplus Kicker Credit information. It will be included in the prior year Oregon credit for taxes paid to another state field on Oregon worksheets > Credits > Surplus (Kicker) Credit section (Interview Form OR2, Box 123).

Corporation (1120) Product Updates

Return to [Table of Contents](#).

Federal

Form 8865, Schedule K-3, Page 6, Part II, Section 2, Lines 54 and 55 will calculate correctly when multiple Schedule K-3s with varying information on multiple lines are present.

Alabama

Form 20C. Short Year check box indicator will now be marked for all short year dates entered for Tax year and when the Short Year - override indicator is selected on Basic Data > General > Short Year - override (Interview Form 1, Box 76).

California Combined

CA Form 3805Q reflects the amounts to apply the NOL income limitation on separate company income instead of combined income.

Kentucky Consolidated

Form 720U now includes a copy of the lower level Schedule RPC.

Louisiana

Enterprise Zone Credit (510) is now available in the input list of credits for Schedule NRC-P3, Part 1 – Nonrefundable Priority 3 Tax Credits.

New York Combined

Changes have been made to ensure that when a paper filing is permitted or required, the net operating loss information of subsidiary members is reported consistently with the electronically filed version of Form CT-3-A/BC since there is a paper-only copy of the form.

Pennsylvania

When an amount is entered on RCT-101, Line 14 it will correctly be reflected in the total flowing to RCT-101, Page 1, Step D, Column A.

S Corporation (1120S) Product Updates

Return to [Table of Contents](#).

California

The PTE tax no longer shows as a credit on Form 540NR, Line 60 and on Form 1067A, Column g.

New York

Form NYC 4SEZ tax addback statement has been modified to always match the Schedule B, Line 2 amount.

Partnership (1065) Product Updates

Return to [Table of Contents](#).

Federal

Form 8865, Schedule K-3. The 8865 Schedule K-3, Part II will now complete based on the relevant input, when using the automated feature to create the 8865 from the 1065 calculations and one or more of the Schedule K-2/K-3 are suppressed.

Louisiana

Louisiana obsolete Schedule T will no longer appear when the return is printed.

When total tangible assets equal 0, the return can now be electronically filed.

Pennsylvania

Diagnostic 46345 will only issue if the sum of Lines 1 through 12 does not equal Line 13 on Schedule CP.

Rhode Island

The amount on Form RI K-1, Section II, Line 3 will be apportioned for nonresident partners.

Underpayment interest from Form RI-2210PT will carry to Form RI-1096PT, Line 10 when there is no withholding due.

Fiduciary (1041) Product Updates

Return to [Table of Contents](#).

Federal

Form 8995/8995-A. The option to delete all QBI passthrough input on the Return Options > Miscellaneous Options > Delete all QBID information from passthroughs (Interview Form 4, Box 35) now functions.

Grantor Letter. Section 453(c) information will no longer duplicate on the Grantor Letter.

When Pro Forma occurs, if there are several passthrough activities linked to the same entity, then the Business Interest Expense carryover is totaled on the first activity and may also be on additional activities. In order to correct this issue, within the TY 2021 return, enter the correct carryover amount on each activity for the entity.

Connecticut

The Connecticut webpay address is updated on filing instructions and letters.

Delaware

A copy of the Federal Form 5227 prints with the Government copy of the return.

Iowa

Entering Iowa > Credits > Credit for Taxes Paid to Another State > Tax Paid by Pass-through entered without an amount for Tax Paid by You (Interview Form IA3, Box 119) creates Form IA 130.

Exempt Organization (990) Product Updates

Return to [Table of Contents](#).

Federal

Contributions converted to net operating losses are updated when Schedule A has a prior year net operating loss that is not used on Schedule A, Line 17.

Options have been added for Form 990, Schedules F and I to allow organizations with cash grants and noncash assistance totaling less than the \$5000 threshold to appear on the schedules. Worksheet View input: For Schedule F, use the Schedules > Sch F > Grants and Assistance to Organizations Outside the U.S. > Include all grants and assistance even if below the threshold amount field to include all organizations listed or use the Include on Schedule column in the Detail Information grid to include only selected organizations with amounts below the threshold. For Schedule I, use the Schedules > Sch I > Grants and Other Assistance to Entities in the U.S. > Include all grants and assistance even if below the threshold amount field to include all organizations listed or use the Include on Schedule column in the Organization or Government Grant Information grid to include only selected organizations with amounts below the threshold. Interview input: For Schedule F, use Interview Form 990F-2, Box 34 to include all organizations listed or use Boxes 59 through 69 to include only selected organizations with amounts below the threshold. For Schedule I, use Interview Form 990I-2, Box 33 to include all organizations listed or use Boxes 93 through 109 to include only selected organizations with amounts below the threshold.

Schedule A, Line 4c has been updated to reflect the capital loss from Schedule D (1041).

Estate & Gift (706/709) Product Updates

Return to [Table of Contents](#).

Minnesota

An explanation of change for amended Form M706 can be entered in Minnesota > Estate Tax > Basic Data > Explanation of change (Interview Form MN1, Box 60).

The following final Minnesota form is available for dates of death in 2022:

Form M706

New York

The following final form with September 2019 version date is available for dates of death in 2022:

Form ET-706