

CCH® ProSystem fx® Tax

2022.03020

Release Notes

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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 2022.03020

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### Tax Updates

#### Individual

Letters and Filing Instructions have been enhanced to provide web payment instructions for all states that allow it, regardless of requirement. To utilize this feature, entries must be made on General > Letters and Filing Instructions > General Letter > Web pay instruction code (Interview Form 16, Box 47).

The default option will leave letters as they have previously been and will only apply the web pay paragraph when required for the thresholds set by the state. The option to “Replace standard payment with WebPay instruction” will suppress the paragraph referencing payments made by check and replace them with web payment instructions. The option to “WebPay instruction informational paragraph” will provide the optional web payment instructions in addition to the paragraph referencing payments made by check. When this option is selected, states that have met the threshold for required web payments will continue to provide web payment instructions instead of paragraphs referencing payments made by check.

Application of the web pay paragraph can be selected on General > Letters and Filing Instructions > General Letter > Apply web pay paragraph to (Interview form 16, Box 48). Options range from balance due, estimate payments only, extension payment only, or a combination of the three. No entry is required if the web payment instruction should be provided for returns, estimates, and extensions (if allowed by the state).

### Electronic Filing Updates

#### Maryland

Electronic filing for Maryland Fiduciary returns is new this year. We are projecting this to be on release 2022.03040, which will be available on April 23rd. If you want to electronically file a return, you will need to place the return on extension. Otherwise, you may paper file for the April deadline.

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

**Form 965-A, Part II, Column K** has been adjusted to correctly calculate current year installment payments of deferred 965 tax.

#### Form 1116.

- US Source Income Recharacterized as Foreign is prepared when applicable to the return.
- US Source Income Recharacterized as Foreign. US qualified dividend subject to recharacterization equals US source qualified dividends when both qualified dividends and capital gain distributions are in the return.

**Form 2210.** The annualized income worksheet has been updated to pick up itemized deductions for all quarters.

IRS Notice 2023-26 for high cost housing limitations allows individuals to apply the higher limitation published in this notice to their 2022 taxable year for Form 2555 purposes.

The electronic filing reject for Form 8978 when Form 8978, Schedule A is also in the return has been resolved.

The higher limitations for the following cities have been implemented in the calculation:

- Canada - Vancouver, Victoria
- Netherlands - Aruba
- Poland - Warsaw
- Saudi Arabia - Riyadh
- Singapore - Singapore
- Switzerland - Zurich
- United Kingdom - Cheltenham

### Connecticut

#### Form CT-1040.

- **Form CT-1040, Line 6, Income tax, and Form CT-1040NR/PY, Line 8, Income tax,** use the Tax Calculation Schedule for Connecticut adjusted gross income greater than \$102,000.
- **Line 57, Income tax paid to a qualifying jurisdiction,** includes the California Pass-Through Entity Elective Tax credit.

### Idaho

Bonus depreciation deduction override entered on Idaho > Income / Deductions > Additions > Line 7 (Interview Form ID2, Box 35) is included on Form 39NR, Line 3, Column B, and overrides the bonus

depreciation amount entered under Idaho > Other > Idaho Schedule K1 information > Idaho Column > Line 35 (Interview Form ID16 and Interview Form ID16A).

## Kentucky

**Form 725 and 720SL (725 Extensions) for electronic filing** use the current date for all financial transactions. Based on Publication 4163 MeF Handbook, Kentucky accepts only direct payment (ACH debit) requests on Forms 720, 720U, 725, 740NPWH, and PTE returns. The Financial Transaction is restricted to allow only one state payment. Currently, we are unable to accept debit transactions with a future date. The debit transaction will post at the time the return is accepted.

## New Mexico

**Form PIT-ADJ, Line 25.** Input was added.

## New York

Input has been added to allow the entry of the amount of Form IT-267, Geothermal credit. New York > Credits > 54 - Other Credits > Line 13 - Geothermal Energy System Credit (IT-267) (Interview Form NY24, Box 49).

## Oregon

The Oregon tax used in the calculation for credit for taxes paid is no longer reduced by credit code 900.

## Virginia

**Schedule A, Line 1** includes mileage accrued after June 30th.

## Corporation (1120) Product Updates

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### Michigan CIT – Electronic Filing

**Form 4891, Line 12** override Michigan > Corporate Income Tax > Income / Deductions > Form 4891 - CIT Annual Return Line 7 (Interview Forms CIT2, Box 50) flows to the government form.

### North Carolina

**Form CD-405, Schedule M-1** no longer calculates Section 277 limitation when filing Federal Form 1120-H.

### Pennsylvania

**Form RCT-101, Section A, Question 7** will mark "Y" correctly when the Schedule X contains majority owned corporations.

### West Virginia

**The custom filing instructions, Amount of Tax** section now prints the appropriate Total Tax and Payments/Credits amounts.

# S Corporation (1120S) Product Updates

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## Federal

### Form 7203.

- Automatic calculation of loan repayments on Form 7203 will now flow correctly for the ratio calculation needed to allocate items such as Line 28.
- Line 3m of Form 7203 will be included in the calculation of Line 28. Line 28 was previously calculating without including Line 3m.
- When Line 7 is 0, then Line 28 of Form 7203 will also calculate if there would have been an amount on Line 9 or Line 13 had Line 7 been greater than 0.

Form 8283, Schedule K-1 copy calculates all the applicable lines.

Form 1120S, Page 1, Line 12 has been updated to no longer include overpayments in the Virginia state tax add back.

Schedule K-3. The Schedule K-3 Part II Overflow worksheet will print in the K-1 copy if it exists in the return.

Schedule M-3, Page 2, Line 25, **Other items with no differences** includes 100% of meals paid or incurred before 1/1/2023 that are related to farms and entered in Income/Deductions > Farm / 4835 > Expenses > Line 32 (Interview Form F-2, Box 61).

## Alabama Electronic Filing

Form PPT, Line 17. Refund now prints as a negative amount following a business rule change.

## Arkansas

When 8825 is present with amounts on Line 14 or 16, then AR1100PET, Page 3, Line 23 will now automatically calculate an amount.

## California

Form CA 3586 voucher prints all characters of CA account/ID number and no longer truncates the last character.

## Colorado

Form 106CR, Lines 31 and 32 have been updated for Columns B and C to be filled.

Form DR 106K has been updated to allow footnotes.

## Illinois

PDFs can now be attached for the AgritourismLiabilityInsuranceCertificate PDF attachment and RecoveryandMentalhealthCertificate credits using codes IL22 and IL23 on Federal > Electronic Filing > PDF Attachments (Form EF-PDF1). A diagnostic prompts users to attach the respective PDFs.

## Mississippi Electronic Filing

The letters and filing instructions will indicate which state is billing the filer for the remainder of the amount due only when the amount to be debited is different than the amount due on the return.

## Missouri

**MO 7004** includes Line 2a in Line 2d.

## New Jersey

**Schedule S, Worksheet II.**

- **Column (D), Federal depreciation**, no longer includes Section 179 in duplicate when you elect to treat Section 179 recapture as depreciation.
- **Dates**, automatically carry from Form 6252, Line 2a.

## New Mexico

**Form New Mexico K-1 Equivalent** produces entity level and composite taxes paid on Section I, Line 7.

## North Carolina

Cautionary diagnostic 29495 will issue if the required number of Form NC-NA PDFs are not attached.

## Partnership (1065) Product Updates

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### Federal

**Form 1065, Page 1, Line 12** has been updated to no longer include overpayments in the Virginia state tax add back.

### Colorado

**Form DR 0106K.**

- **Line 14, Column B** will now calculate using partners share of Form DR 0106, Part V, Line 13.
- **Part III** will no longer include 1120 partners in the calculation of income and Line 15 will no longer include the PTE credit for 1120 partners.

The Colorado filing instructions have been updated to include the total tax due when a SALT Parity election is made.

### District of Columbia

**Form FR-165** has been updated to unlock when past the due date of the return.

### Electronic Filing – 1065

Diagnostic 62461 will be issued when the Amended Form 1065 is electronically filed with the Form 8082.

Diagnostic 44785 will no longer be issued when the Amended Form 1065 is electronically filed with the Form 8082 and Schedules K-1 are suppressed from printing.

### Georgia

**Form 700, Schedule 3, Line 12** includes any penalties and interest in the calculation.

**Form IT 560 C and Form IT 303** for composite return extensions have been added to the forms list in Worksheet View.

### Indiana

Composite tax will not generate on Forms IN-Composite and IN-Composite-COR if an exception code is entered for a partner.

### Iowa

**Form IA PTE-C.**

- **Column H** prints the tax rate correctly for all pages.
- Nonresident member schedule allows the entity type code of B with a tax rate of 5%.
- **Page 3** now prints for all occurrences of the form.

## Iowa Electronic Filing

Form 1065 signature field produces the preparer name when entered. If not entered, the field will use the firm name.

## North Carolina – Electronic Filing

Special allocation 35505 now can be used to special allocate Lines 10 and 11 on the North Carolina Schedule K-1s.

## New York – New York City

New York City PTE taxes paid includes the calculation for special allocation code 60905 on the New York City PTE worksheet.

## Oregon

OR-21-K-1 input overrides will flow to correct partners if partners are not in sequential order.

## South Carolina

Form SC 1065-ES has been updated to allow suppression.

## Virginia

Special Allocation code 49968 has been updated to no longer include guaranteed payments.

## Fiduciary (1041) Product Updates

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### Electronic Filing

Returns that have print in upper-case selected will now be able to electronically file the 5227.

### Montana

**Montana Schedule K-1.** Additions entered on the Fid-3 Schedule A will no longer double distribute on the MT Schedule K-1.

### New York

**Form IT-2105.9-I.** Lines 11 or 11a will accurately calculate the tax on the annualized worksheet.

### Oregon

Letters indicate an automatic extension is filed with the federal extension when no OR extension voucher is present in the return.