

CCH Fixed Assets Manager™ (FAM) Version 2016.01

FAM 2016.01

This bulletin contains important information about the 2016.01 release of CCH Fixed Assets Manager™ (FAM). For the full list of existing considerations for this release, launch the product and go to Help, Release Considerations from the main menu.

Please review this bulletin carefully. Installation and upgrade instruction can be found in the FADocuments folder of your electronic download.

A note to network installations: Fixed Assets Manager release 2015.03 required that Workstation Setup be re-run on each workstation that accesses the application. If you already have release 2015.03 installed there is no need to repeat this step. If you skipped installing release 2015.03 you will need to re-run Workstation Setup on each workstation that accesses the application. Please refer to the [First_Time_Network_Install.pdf](#) for instructions on how to run Workstation Setup.

If you have any questions, contact the Support Team at 800-739-9998 Option 5, then Option 2.

Tax Legislation

Alternative Minimum Tax Adjustment - Section 143(b) of the PATH Act has amended the additional first year depreciation deduction under section 168(k) of the Code.

Prior to the change to section 168(k), if you elected not to take the special depreciation allowance for qualified property, the property may have been subject to an AMT adjustment for depreciation. Now, under the change to section 168(k), if you elect to not take the special depreciation allowance for qualified property, the property will not be subject to an AMT adjustment for depreciation if placed in service after 12/31/2015.

This change affects some FAM system asset types that are MACRS Classification 20/10/7/5/3, default to MF200% in the Federal book, and have a life of 20 years or less. This does not affect the MACRS 20/10/7/5/3 Classifications that default to MF150%, SL or ADS in the Federal book. When release 2016.01 is installed the affected system asset types will be automatically updated, it will not be necessary for you to re-add these asset types to your database.

You may need to take other action for this change:

- If you currently have the **bonus option on** in your system Federal, AMT and ACE books, you should not have to take any action. Your asset types are set to remove the AMT adjustment.
- If you currently have the **bonus option off** in your system Federal, AMT and ACE books **and** have **added assets with a date acquired after 12/31/2015** you will need to manually change or import the Federal method, convention and life to the AMT and ACE books of those assets. Additional assets that are acquired after 12/31/2015 and added to the database after you install the 2016.01 release will not require you to take this additional step.
- If you currently have the **bonus option off** in your system Federal, AMT and ACE books **and** have **added assets with both a date acquired before 12/31/2015 and a date in-service after 12/31/2015** you will need to manually change or import the Federal method, convention, and life to the AMT and ACE books of these assets.
- Custom asset types that you have created will not be affected by this change, however, you *may* need to manually update them.

Bonus Depreciation – The Tax Hikes Act of 2015 (PATH Act) extends 50% bonus depreciation to eligible property placed in service through 2017. For 2018, bonus depreciation is 40% and for 2019, bonus depreciation is 30%. For certain property with longer production periods bonus is extended through 2020.

The first year bonus depreciation cap amount for luxury automobiles claiming bonus depreciation through 2017 is \$8,000. For 2018 the amount is \$6,400 and for 2019 it is \$4,800.

Enterprise Zone Property – The increased Section 179 expense deduction of \$35,000 will not apply to assets placed in service after 12/31/2016.

Qualified Indian Reservation Property – It is anticipated Congress will extend QIRP to expire 12/31/2017. The expiration date has been updated on the QIRP asset types.

Section 179 - For 2017 the Section 179 investment and expensing limits have been inflation adjusted to \$2,030,000 and \$510,000.

2016 Tax Year Forms available in this release:

- Form 4562 Depreciation and Amortization
- Form 4684 Casualties and Theft, Section B
- Form 4797 Sales of Business Property
- Form 6252 Installment Sale Income

2017 Auto Limits – For passenger automobiles placed in service during calendar 2017 to which bonus depreciation applies or does not apply, the depreciation limit under IRC 280F(d)(7) is the same as the 2016 amounts.

Trucks and vans to which bonus depreciation applies or does not apply will have the same 2016 limits, with the exception of trucks and vans in the third year of service. In the third year the limit has been raised by \$100 to \$3,450.

Refer to IRS Publication 946 depreciation tables for both automobiles and trucks and vans for additional information on the 2017 limits.

New Items

API Functionality for Transfers – You will be able to inter- and intra-transfer assets through the API. For more information on FAM API, refer to the 2015.03 Release Bulletin and the CCH FAM API Deployment and User Management document in the FADocument folder of your installation download.

Leasehold Improvement Property (Qualified Bonus Property) – This MACRS 39 year asset type can be added to your database from Tools/Asset Type/Setup located on the FAM Toolbar.

Permanent Asset Types – These assets types have become permanent with an ending date of 12/31/9999.

- Qualified Retail Improvement Property (15 YR)
- Qualified Retail Improvement Property (ADS)
- Qualified Restaurant Property (15 YR)
- Qualified Restaurant Property (ADS)
- Qualified Leasehold Improvement Property (15 YR)
- Qualified Leasehold Improvement Property (ADS)

User Role Access for Find and Transfer – This enhancement only applies to hosted and network, Premier, Professional, and Enterprise users that have applied limited access roles to specified entities.

For these limited access users, when using the Find function, the query will only return data from entities they have access to. These same users will only be able to inter-transfer assets between entities they have access to.

Vertex Compliance Exports – Vertex has discontinued development of their corporate tax product after the 2015 tax year. For Vertex clients that may require fixed asset data for an amended 2015 return the 2015 export is still available. After the 2016 tax year, the Vertex TDC and VLD exports will be discontinued.

Software Resolutions

52/53 Week Filers Mid-month Convention – Depreciation will correctly calculate for 52/53 week filers using the mid-month convention for assets placed in service in the first few days of the initial placed in service year that are not in a full calendar month.

Depreciation Projection with Custom Methods – The Depreciation Projection report does not display multiples of assets that are using a custom method that has had a name change.

'Has Ever Taken Bonus' – When using the 'Book' query in Find, 'Has Ever Taken Bonus', the query results will return all assets within the selected book that have taken bonus in the current and prior years. To use the query successfully, the parameters should be used in this order; First parameter 'Has ever taken bonus' = 'yes', second parameter, 'Book Name' is (name of book), third parameter is 'Entity Name' is (name of entity).

Import Requires 'Retired Under' – The import to 'Create Asset by Book' does not require you to import the 'Retired Under' code section.

Leap Year Filers of the 4797 – FAM will generate a Federal Form 4797 for filers with disposed assets within a year that ends on the last day of a leap year.

Period Tab Depreciation after Partial Retirement - When an asset is partially retired in the last year of life the amount on the period tab displays the same total as the book tab. A Depreciation report that is run from the period tab for a less than one year period correctly shows the amounts for prior and accumulated depreciation. Period reports tie from time period to time period for prior and accumulated depreciation.

Trucks-Light Purpose GVW<6,000 lbs. (post 12/31/2002) - In tax year 2016, if you placed-in-service a vehicle using the system asset type 'Trucks-Light Purpose GVW<6,000 lbs (post 12/31/2002)' the first year default depreciation amount will be \$3,560 or \$11,560 for bonus assets.

Truncated Accounting Information Fields – Fields imported with a hyphen are not truncating the data to end at the hyphen.
