

## CCH® Fixed Assets Manager Version 2017.02

### CCH Fixed Assets Manager 2017.02

This bulletin contains important information about the 2017.02 release of CCH® Fixed Assets Manager™ (FAM). For the full list of new and 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.

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

### Tax Legislation

**2017 Tax Year Forms** available in this release:

- Form 4562 Depreciation and Amortization
- Form 6252 Casualties and Thefts, Section B

**Form 4797** – DeMinimis assets sold at a gain are included in Page 1, Line 10. When disposing of a DeMinimis asset, in asset input include the amount of gain in the ‘Ordinary income from sale field.’

**Safe Harbor Option for 100% Bonus Autos and Trucks/Vans**—There is no depreciation deductions after the first recovery year if 100 percent bonus is claimed, unless the IRS provides safe harbor. In anticipation of an IRS Safe Harbor ruling similar to 2011, Safe Harbor calculations for Luxury Autos and Trucks/Vans has been made available for assets acquired and placed in service after 9/27/2017 that take 100% bonus.

**Depreciation Caps for Autos/Trucks and Vans**—The annual depreciation caps are increased, effective for vehicles placed in service after December 31, 2017. The increased caps that apply to vehicles placed in service in 2018 are:

- Tax Year 1.....\$10,000 (\$18,000 if bonus depreciation claimed)
- Tax Year 2.....\$16,000
- Tax Year 3.....\$ 9,600
- Tax Years 4 -6.....\$ 5,760

Any unrecovered basis remaining at the end of the regular recovery period of a vehicle is recovered at the rate of \$5,760 per tax year.

**Listed Property** - Computers and related peripheral equipment are no longer listed property subject to strict substantiation and depreciation requirements, effective for property placed in service after December 31, 2017. A new asset type has been created:

**00.120 Information systems (post 12/31/2017)** with a start date of 1/1/2018.

The Common asset type, Information Systems, will have an end date of 12/31/2017.

**Residential Rental Property** – For property placed in service after 12/31/2017 the ADS recovery period is 30 years.

#### **New Asset Types**

- **00.120 Information Systems (post 12/31/2017)** – For assets placed in service after 12/31/2017 the 'Calculate Section Under' is Section 168, not 280-F Listed Property.
- **01.100 Agriculture (post 12/31/2017)** – For MACRS assets placed in service after 12/31/2017 the life is 5 years.
- **Agriculture Equipment (post 12/31/2017)** – For MACRS assets placed in service after 12/31/2017 the life is 5 years.

**Expired Asset Types** - The 2017 Tax Cuts and Jobs Act eliminates these categories effective for property placed in service after December 31, 2017. These asset types will have an end date of 12/31/2017:

- 15-year qualified leasehold improvement property
- 15-year restaurant property

**Repeal of the Corporate AMT** – When adding new corporate entities with a beginning date after 12/31/2017, the Alternative Minimum Tax book will not automatically add to the entity. However, you can manually add the book.

**Qualified Indian Reservation Property (QIRP)** - Congress has extended the end date of QIRP for 3, 5, 7, 10, 15, 20 year lives and non-residential real property, the expiration date is 12/31/2017.

**Enterprise Zone Property** – The increased Section 179 expense deduction of \$35,000 will apply to assets placed in service before 1/1/2018 when Qualified Enterprise Zone is selected on the Section 179 tab of Entity Setup.

**ITC Credits** - After 12/31/2019 these credits will reduce from the current 30% rate, to 26% in 2020 and thereafter, 22% for assets that are placed in service before 1/1/2024, at which point the credits expire.

- Energy-Solar Illuminations or Solar Energy
- Energy-Fuel Cell Property
- Energy-Construction, Reconstruction or Erection
- Energy-Small Wind Energy Property
- Qualified Investment Credit Facility

### **Software Resolutions**

**Slow Importing** – The performance has been adjusted to reduce the consumption time of large import files on large databases.