

CCH® Fixed Assets Manager Version 2018.04

Please review this bulletin carefully. For the full list of new and existing considerations for this tax year, launch the product and go to Help, Release Considerations from the main menu.

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.

Federal Tax Legislation

2019 Luxury Auto Depreciation Caps – The IRS has issued the final luxury car and truck depreciation limits for business vehicles placed in service in 2019.

2019 limits for autos, trucks and SUVs

- \$10,100 for the first year without bonus depreciation
- \$18,100 for the first year with bonus depreciation
- \$16,100 for the second year
- \$9,700 for the third year
- \$5,760 for the fourth through sixth year

Empowerment Zone and the Qualified Indian Reservation Asset Types (QIRP) end dates have been extended for assets placed in service in 2018 - This is in anticipation of these provisions being extended.

Section 199A Assets for Noncorporate Entities - The Tax Cuts and Jobs Act (TCJA) (P.L. 115-97), enacted at the end of 2017, created the new Section 199A QBI deduction for noncorporate taxpayers, effective for tax years beginning after December 31, 2017.

A Section 199A column has been added to the Depreciation Export and the Depreciation Export with All Accounting Fields. For noncorporate entities, eligible assets will calculate the 2.5% percentage on the asset's business basis. You can choose to exclude assets by clicking the 'Exclude for Section 199A' on the Advanced tab of the asset, or this field can be imported through the Update Asset Import.

Assets that are acquired within 60 days of the end of the year, placed in service less than 45 days and sold within 120 days, where the sale date is in the following year, will require you to deduct the Section 199A amount displayed on the report.

Straight-line Switch (SLS) Depreciation Method – The SLS depreciation method is available in the system tax books for assets that use MACRS Classifications. Previously this method was only available in the Accounting, system state, and user defined books.

This depreciation method calculates the asset's current depreciation by using the remaining basis over the remaining life. This method would be chosen for assets that had previously used a method based on beginning basis over original life but have now made a change in cost, life, or prior depreciation and require this change in how current depreciation will be calculated going forward.

State Tax Legislation

IA Section 179 Limitation - IA has retroactively updated the Corp and S Corp Section 179 limit for 2018 to 70,000/280,000.

SC Auto Limitations – The SC auto, truck and SUV limitations for 2018 and 2019 have been updated to follow the Tax Cuts and Jobs Acts of 2017.

Resolutions

1250 Residential Real Property – These assets types correctly allocate partnership unrecaptured 1250 gain on the retirement and disposition reports.

4562 Report – Renaming the 4562 Report in Print Properties does not generate an error.

None Asset Types – Assets using the asset type 'None' are correctly included in Section 179 on page one of the federal form 4562.

Projection Report – Negative prior year bonus assets will correctly display the current amount for future years.

User-defined Books and the Bonus Depreciation Percentage - You may have a user-defined book, created after FAM release 2017.03, that is not calculating bonus depreciation at the correct percentage. Recalculating the asset after upgrade to this release will calculate the correct percentage.