

## CCH® Fixed Assets Manager Version 2020.01

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.

### New

**Assets with Life of Less than One Year** - The accounting book and user-defined books based on the accounting book will accept an asset life of less than one year with the method of straight line and a convention of AD, AM, MM, or FM.

**Canadian Class 54 and 55** - Class 54 (30 Pct) Description: Zero-emission vehicles acquired after March 18, 2019, that would otherwise be included in Class 10 or 10.1 Class 55 (40 Pct) Description: Zero-emission vehicles acquired after March 18, 2019, that would otherwise be included in Class 16.

To add Classes 54 and 55 to your Canadian Income Tax Class accounting information field, from the Toolbar, select Tools/Canadian Tax/Tax Selection. From the list of Available Tax Classes, select Class 54 or 55 and add it to the Selected Tax Classes list.

### Federal Tax Legislation

**2020 Tax Year Forms** available in this release:

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

**2021 Section 179 Limitations** – The 2021 Federal Expense Limitation is \$1,050,000 and the Investment Limitation is \$2,620,000.

**2021 Federal Luxury Auto Limits** – The IRS has not released the 2021 limits at this time. CCH has calculated the 2021 rates and will adjust these rates in a future release if there is a difference. These rates also apply to system state books except the states of CA NH, and TX.

#### Autos and Trucks

Year 1 - \$18,200 (10,200 without bonus depreciation)

Year 2 - 16,400

Year 3 - 9,800

Year 4 - 5,860

**Empowerment Zone** - Under the Consolidated Appropriations Act the additional \$35,000 of Section 179 Empowerment Zone expensing has been extended to 12/31/2025.

**QIRP Asset Types** - Under the Consolidated Appropriations Act, the Qualified Indian Reservation Asset Types extended the end date to 12/31/2021.

#### State Tax Legislation

**2021 Section 179 Limitations** – The Federal Expense Limitation is \$1,050,000 and the Investment Limitation is \$2,620,000, these limitations apply to all states except the states of;

AR, CA, DC, HI, IN, KY, MD, NH, NJ, TX.

**GA QIP** - Georgia treats qualified improvement property placed in service during 2018 tax years as 39-year property. Georgia will conform to Section 2307 of the CARES Act which treats qualified improvement property as 15-year property for tax years beginning on or after January 1, 2019.

**QIP States Conforming** - We anticipate the following states which are tied to an IRC date pre-dating the CARES Act to update their IRC date retroactively. CCH Fixed Assets Manager will treat these states as conforming to the CARES Act 15-year life for Qualified Improvement Property (QIP); AZ, FL, GA, ID, IN, SC, VT, VA, WV.

These states we anticipate continuing to deconform with the CARES Act 15-year life for Qualified Improvement Property (QIP) for the foreseeable future and will default to 39-year MACRS life; AR, CA, KY, NH, NY, TX.

#### Resolutions

**52/53 Week Mid-month Convention Period Data** - Assets that are placed in service after the midpoint of a 28- or 35-day period correctly display in the date-in-service cell of the Period data tab of asset input.