

CCH® Fixed Assets Manager Version 2021.01

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 Items

Book Type Icon - When choosing the Book Type in Book Setup, the system book types are designated by the Wolters Kluwer icon. Custom Book types will not have the icon.

Intra-Entity Transfer Report - The Intra-entity report will now include assets that have transferred all the depreciation to the destination accounting information field. Previously, this report only included those intra-transferred assets that had split the depreciation between the source and destination accounting information field.

Period Data Security - A new user role has been added, Period Setup and Maintain Period Data. You will be able to restrict users from setting up period data and closing/viewing/exporting period data. More information can be found in the FADocuments folder, CCH Fixed Assets Manager Security document.

Federal Tax Legislation

2021 Tax Year Forms included 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

2022 Section 179 Limitations – The 2022 Federal Expense Limitation is \$1,080,000 and the Investment Limitation is \$2,700,000.

2022 Federal Luxury Auto Limits – The IRS has not released the 2022 limits at this time. CCH has calculated the 2022 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 - \$11,200, \$19,200 with bonus depreciation

Year 2 – \$18,000

Year 3 – \$10,800

Year 4 - \$6,460

State Tax Legislation

2022 Section 179 Limitations – The Federal Expense Limitation is \$1,080,000 and the Investment Limitation is \$2,700,000 these limitations apply to all states except the states of;

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

State	Expense Limitation	Investment Limitation
Arkansas	\$25,000	\$200,000
California	\$25,000	\$200,000
District of Columbia	\$25,000	\$2,700,000
Hawaii	\$25,000	\$200,000
Indiana	\$25,000	\$2,700,000
Iowa	\$1,040,000	\$2,590,000
Kentucky	\$100,000	N/A
Maryland	\$25,000	\$200,000
New Hampshire	\$520,000	\$2,070,000
New Jersey	\$25,000	\$200,000
Texas	\$25,000	\$200,000

FL QIP - Florida improvement property placed in service after 2017 is depreciated over a 39-year life.

ME QIP – Maine improvement property placed in service after 2018 is depreciated over a 15-year life.

IA Bonus Depreciation- For assets placed in service in 2021, Iowa couples with federal bonus depreciation. If you have placed assets in service in 2020, the 'Elect bonus depreciation using the percentage' checkbox should be unchecked on the system IA book type.

KY Section 179 Phase-out – KY removed the phase-out provisions of Section 179. Kentucky taxpayers may deduct \$100,000 of cost of section 179 property placed in service on or after January 1, 2020 regardless of the total cost of section 179 property placed in service during the taxable year.

IL Bonus Depreciation - For assets placed in service in after 12/31/2021, Illinois decouples with federal bonus depreciation. If you want bonus depreciation to calculate for assets placed in service prior to 2022, the 'Elect bonus depreciation' election on asset input can be set or imported to 'Yes' on the asset for the IL book.

Resolutions

A Custom Book Type is Available Once for a Book Setup - Custom book types are only available for use once when creating a Book Setup. If a custom book type is used more than once, a new custom book type will have to be added for each book setup use.

Create Book Import – The Create Book Import will fail the import if the Book Type name already exists or is used in the entity.

Illegal Characters used in Data Entry and Import - Import files that include illegal characters in the file name or are included in an import file or manual entry Entity name, Asset ID, Asset Description, Book Name, Book Type Name, or Asset Type Name will be rejected in the import and denied manual entry in the stated fields.

There is an exception, if an existing asset ID contains illegal character, the Update Asset import will allow the import to change the existing asset ID to a new asset ID, when the Old ID is using an illegal character.

Illegal characters are ? @ + = [] \ % Additionally, < > are illegal in Entity Name.

Improvement Property – MSL 39-year Improvement Property asset types in State books will only take MM or MQ. For Original life less than or greater than 39-year, convention will be HY, MM or MQ.