ONESOURCE TRUST TAX

RELEASE NOTES

VERSION 18.03

Document Version 1

DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	June 21, 2018	Initial publication.

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ONESOURCE TRUST TAX 18.03 RELEASE NOTES

For documentation and other product information, access Customer Community then search Knowledge Center. To read a digital version of Release Notes, click here.

RELEASE HIGHLIGHTS

ONESOURCE Trust Tax version 18.03 includes bug fixes and introduces the following features:

- Fields applicable to I.R.C. Section 965, in compliance with the Tax Cuts and Job Act of 2017
- New 990 control mapping for partnership or S-Corp K-1 information
- New 990 required payout letters

NEW FEATURES AND REGULATORY UPDATES

The topics below describe features added with this release.

I.R.C. Section 965

The **Section 965** collapsible section was added to the Alternative Minimum Tax and Other Credits page (accessed from the **Tax Review-Tax and Credits** main topic). As shown in the following graphic, the section is used for entering information applicable for tax law requirements associated with I.R.C. Section 965:

▸ Alternative Minimum Tax and Other Taxes/Credits - 313C - 2017 - 00000000123456 - EE Qualified Disability

▸ Other Adjustments to Miscellaneous Itemized Deductions - 313C - 2017 - 00000000123456 - EE Qualified Disability

▾ Section 965 - 313C - 2017 - 00000000123456 - EE Qualified Disability

Election Year - Transition Tax Statement Elections

- [ ] Section 965(h)(1) election (Election stmt will generate as will related computations)
- [ ] Section 965(i)(1) election (Election stmt will not generate)
- [ ] Section 965(m)(1)(b) election (Election stmt will not generate)
- [ ] Section 965(n) election (Election stmt will not generate)
- [ ] Election under section 3.02 of Notice 2018-13 (Election stmt will not generate)

Election Year - Form 1041 presentation

- [ ] Do not add section 965 net tax to Sch G, line 7. Detail will break out Sch G, line 7 between regular and section 965 net tax

Category	Description	Amount
Section 965 Election Year - Transition Tax Statement	Line 1 - Total amount required to be included in income by reason of Section 965(a)	
Section 965 Election Year - Transition Tax Statement	Line 2 - Aggregate foreign cash position, if applicable.	
Section 965 Election Year - Transition Tax Statement	Line 3 - Total deductions under Section 965(c)	
Section 965 Election Year - Transition Tax Statement	Line 4(a) - Total deemed paid foreign taxes associated with line 1	
Section 965 Election Year - Transition Tax Statement	Line 4(b) - Total deemed paid foreign taxes disallowed pursuant to IRC 965(g)(1)	
Section 965 Election Year - Transition Tax Statement	Line 5 - Total net tax liability under Section 965	
Section 965 Election Year - Transition Tax Statement	Line 6 - Amount of the net tax liability under Section 965 to be paid in installments under Section 965(h) (Override)	
Section 965 Election Year - Transition Tax Statement	Line 7 - Amount of the net tax liability under Section 965, the payment of which has been deferred under Section 965(i)	
Election Year - Form 1041 presentation	Section 965(a) income treated as Net Investment Income (NII) - Included as 'Other Income on Form 1041'	
Election Year - Form 1041 presentation	Section 965(c) deductions treated as Net Investment Income (NII) - Included as 'Other Income on Form 1041'	
Election Year - Form 1041 presentation	Section 965(a) income NOT treated as Net Investment Income (Non-NII) - Included as 'Other Income on Form 1041'	
Election Year - Form 1041 presentation	Section 965(c) deductions NOT treated as Net Investment Income (Non-NII) - Included as 'Other Income on Form 1041'	
Election Year - Form 1041 presentation	Amount of Section 965 tax to be paid in installments beyond the year of election (to be included in line 24) (Override)	
Other Information	Overpayment available to be applied to future Section 965(h) installments (Override)	

See the *Processing Returns Containing Section 965 Income* document, which is posted to the Customer Community, for guidance in processing these returns.

ONESOURCE Trust Tax is currently researching the feasibility of e-filing returns with Section 965 input. If we determine that e-filing is feasible, the functionality will be included in a subsequent release scheduled for the summer of 2018.

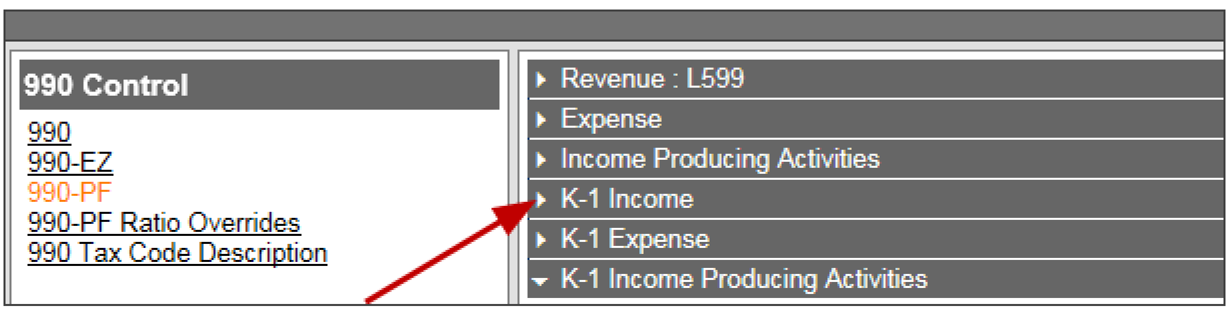
990 Control Mapping for K-1 Information

990 Control Setup

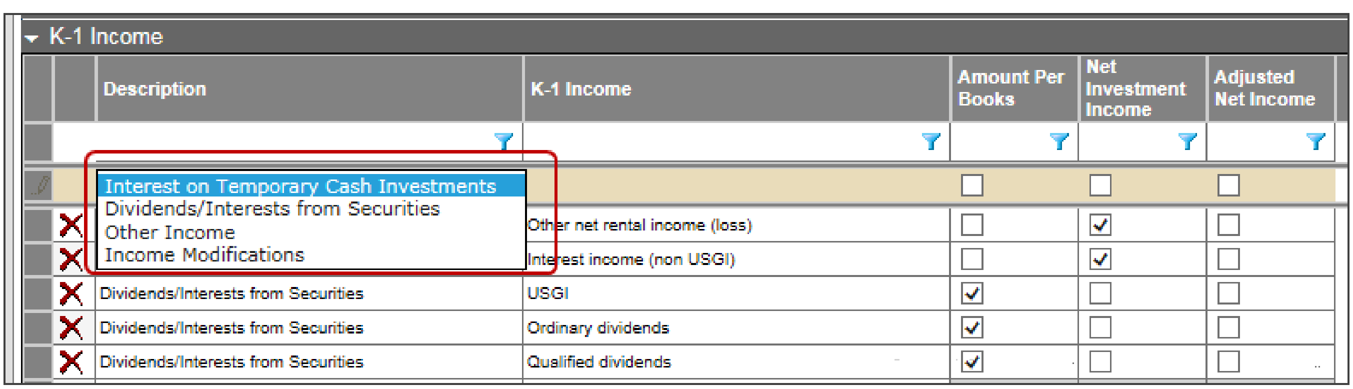
Beginning with tax year 2017, Part III income and deduction line items for partnership and S-Corp K-1s can be mapped to 990, 990-EZ and 990-PF forms. Mapping can be setup for K-1 income, K-1 expense, and K-1 income producing activities (available for 990-PFs only). Access the mapping setup for each 990 form type by clicking **SETUP** then clicking the **990 Control** main topic.

The steps listed below show you how to setup a mapping for 990-PF K-1 income. The process for mapping income to 990 and 990-EZ as well as mapping K-1 expenses and income producing activities (990-PF only) uses similar steps but not included here. The selections available in each collapsible section vary based on the type of 990.

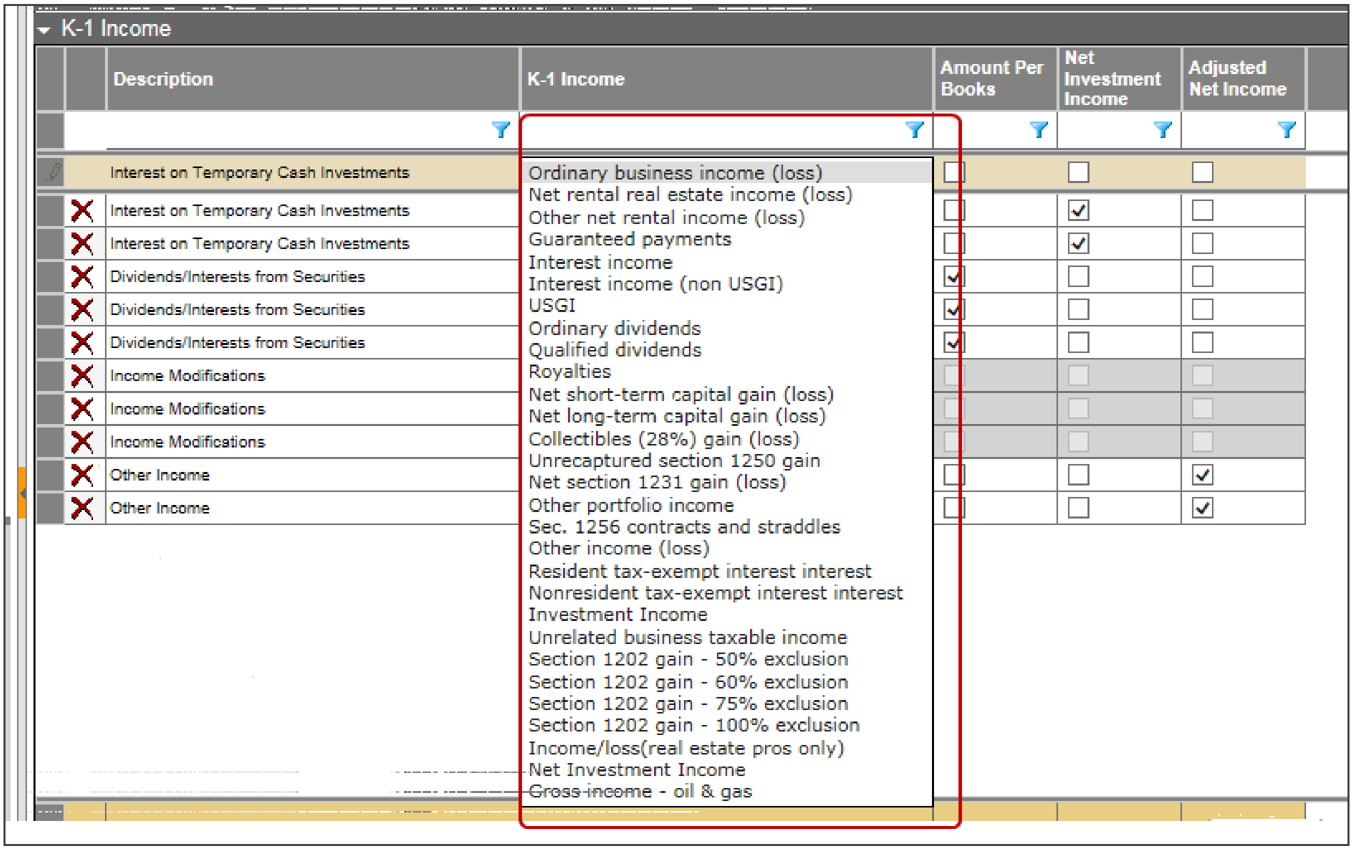
1. Click **SETUP**, click the **990 Control** main topic then click the **990-PF** subtopic to access the mapping setup for Form 990-PF.
2. Click **K-1 Income**.



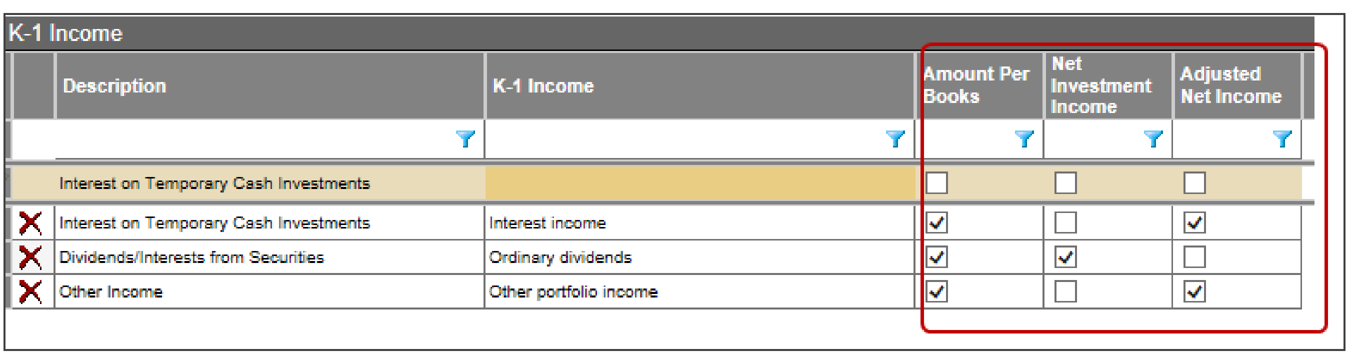
3. Click the **Description** column of the row with the text, "Please click here to add a new row", then select the revenue item you are mapping to.



4. In the **K-1 Income** column, select the K-1 partnership or S-Corp line item to map to the revenue item.



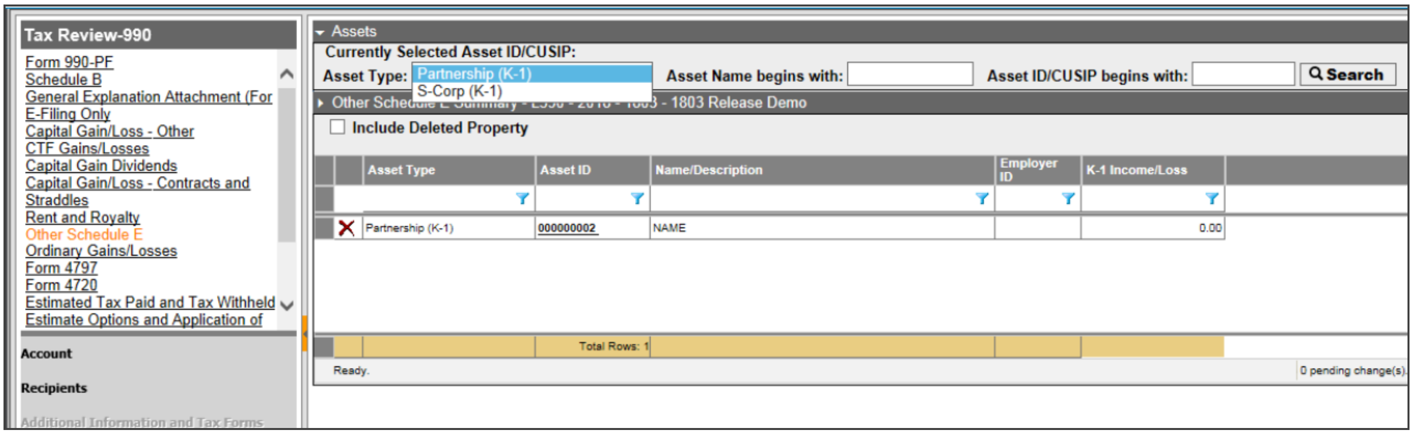
5. Select the appropriate column(s) where the amounts are mapped on the form. In the graphic shown below, the columns include **Amount Per Books**, **Net Investment Income** or **Adjusted Net Income**.



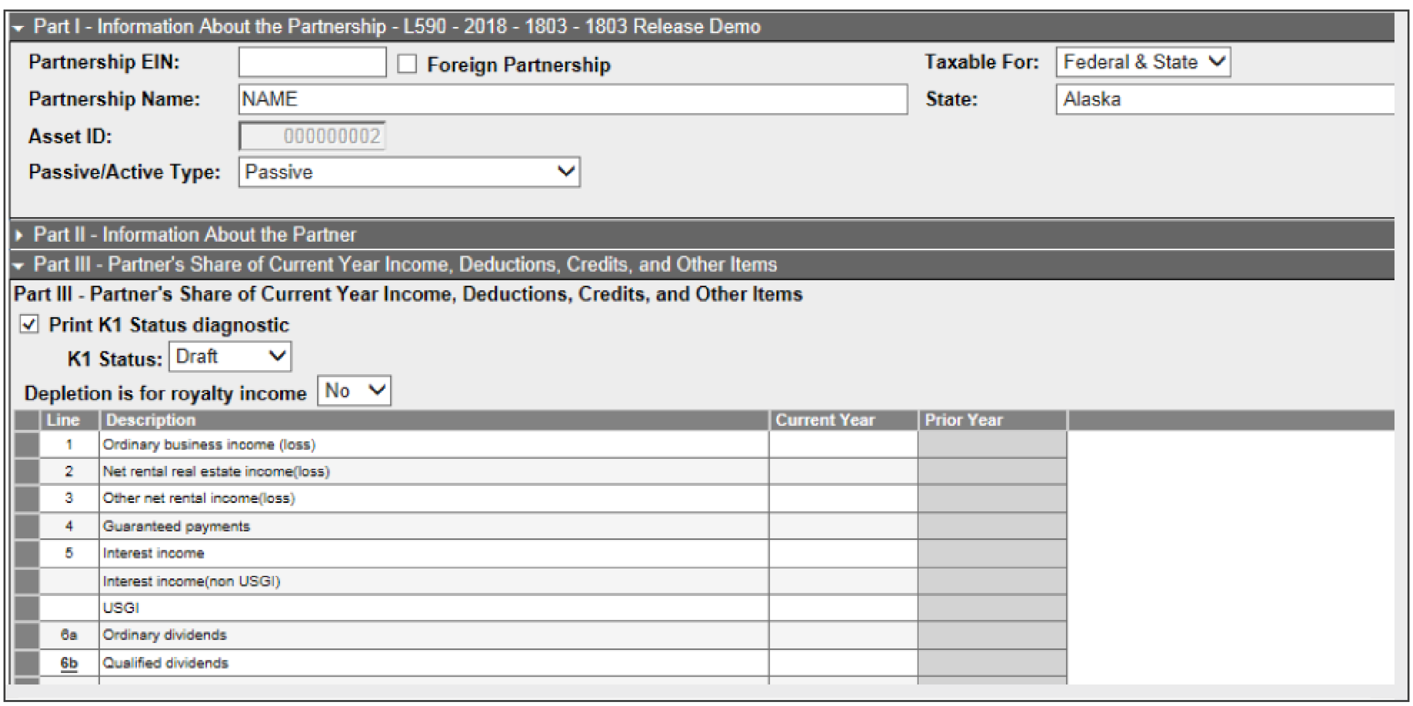
6. Click **Save**.

K-1 Input for 990 Return Types

The **Other Schedule E** subtopic was added to the **Tax Review-990** main topic in the account binder. The collapsible sections displayed on the Other Schedule E page provide the same functionality that is used for entering 1041 K-1 information. Partnership or S-Corp assets are added using the **Assets** collapsible section.

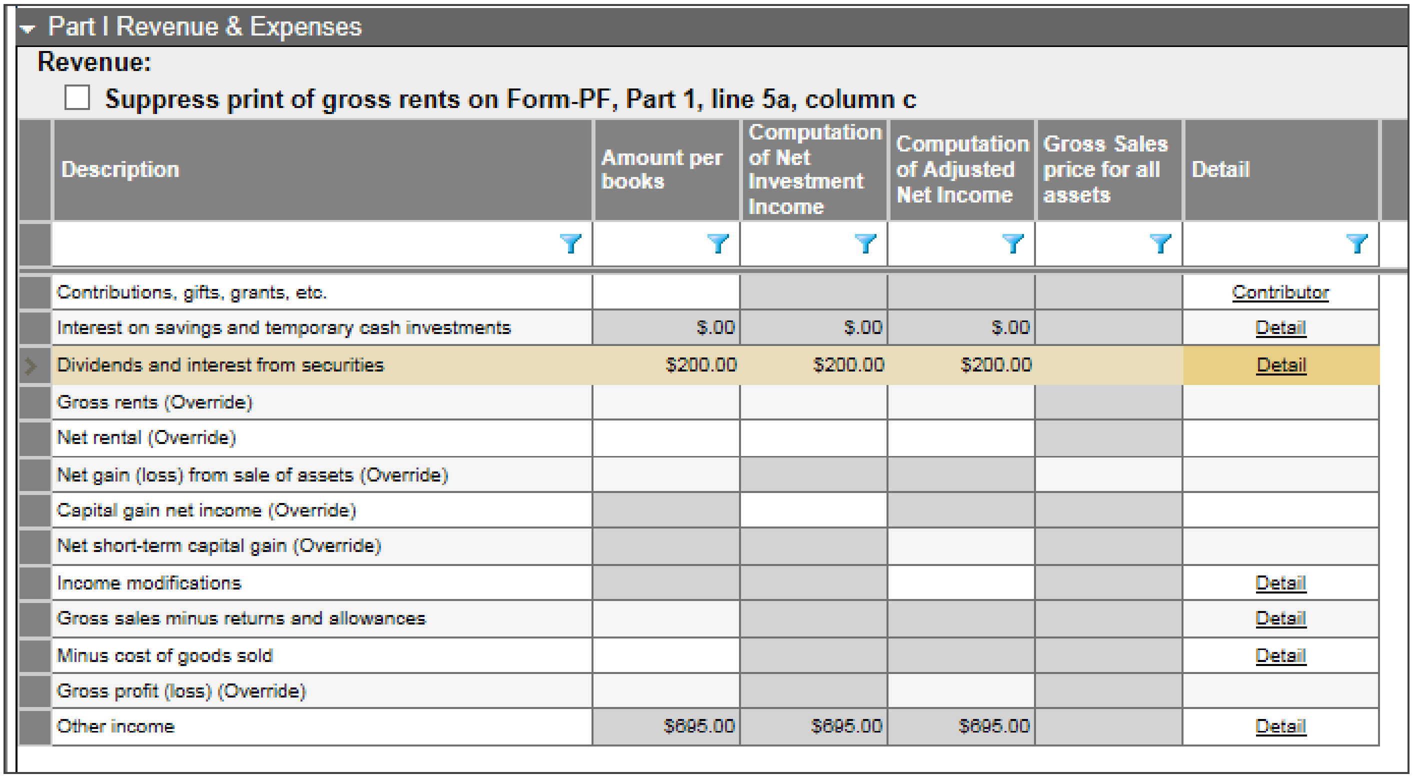


The K-1 input page can be accessed by clicking the **Asset ID** link. Enter the K-1 information in the collapsible sections.



K-1 Input Summary

K-1 input information can also be reviewed by selecting the link in the **Detail** column under **Part I Revenue & Expenses** collapsible section for the respective input type (for example, dividends). There is a grid for **Revenue** and a grid for **Expenses**. The **Revenue** grid is shown in the following graphic:

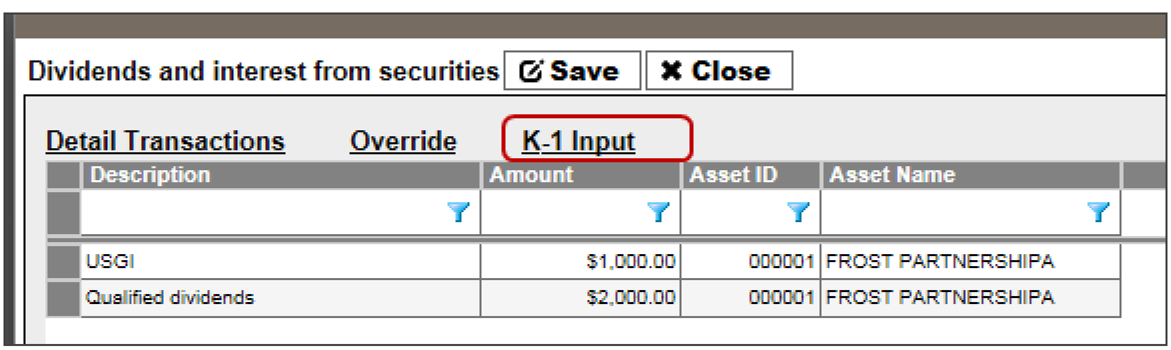

Part I Revenue & Expenses

Revenue:

☐ Suppress print of gross rents on Form-PF, Part 1, line 5a, column c

Description	Amount per books	Computation of Net Investment Income	Computation of Adjusted Net Income	Gross Sales price for all assets	Detail
Contributions, gifts, grants, etc.					Contributor
Interest on savings and temporary cash investments	$.00	$.00	$.00		Detail
Dividends and interest from securities	$200.00	$200.00	$200.00		Detail
Gross rents (Override)					
Net rental (Override)					
Net gain (loss) from sale of assets (Override)					
Capital gain net income (Override)					
Net short-term capital gain (Override)					
Income modifications					Detail
Gross sales minus returns and allowances					Detail
Minus cost of goods sold					Detail
Gross profit (loss) (Override)					
Other income	$695.00	$695.00	$695.00		Detail

From the Detail page, click the **K-1 Input** link to view the details for the partnership or S-Corp line items associated with that income item.

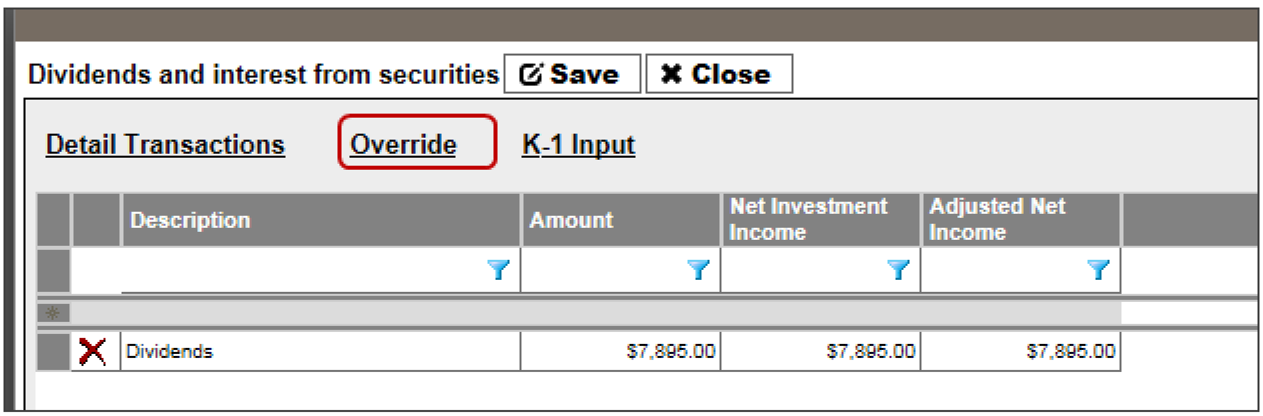

Dividends and interest from securities Save Close

Detail Transactions Override K-1 Input

Description	Amount	Asset ID	Asset Name
USGI	$1,000.00	000001	FROST PARTNERSHIPA
Qualified dividends	$2,000.00	000001	FROST PARTNERSHIPA

To view transactions associated with the income item, click the **Detail Transactions** link.

Click the **Override** link to replace the total amount of all transactions and K-1 input for specific income type.



When adding an asset for K-1 input to a 990 account, only partnership K-1s or S-Corp K-1s can be added (no trust or estate K-1s). The following K-1 partnership or S-Corp fields are disabled when a K-1 is added to a 990 account:

- **Post 1986 depreciation**
- **Adjusted gain or loss**
- **Depletion (other than oil and gas)**
- **Oil, gas & geothermal-gross income**
- **Oil, gas & geothermal-deductions**
- **Other AMT items**
- **Net Operating Loss Carryover**

Alternative Minimum Tax and Other Taxes/Credits

The **Additional amounts to be included in Schedule G, line 7** category was added under the **Alternative Minimum Tax and Other Taxes/Credits** collapsible section on the Alternative Minimum Tax and Other Credits page. The graphic below shows the new fields available. Input in any of these fields will generate a statement detailing the amount(s) included on Schedule G, line 7.

These fields are on page 2 of the grid.

Alternative Minimum Tax and Other Taxes/Credits - 313C - 2017 - 00000000123456 - EE Qualified Disability

☐ Compute ESBT tax ☐ Do not carry over ESBT disallowed capital losses ☐ Do not carry over ESBT suspended losses ☐ Section 1.411-10(g) election

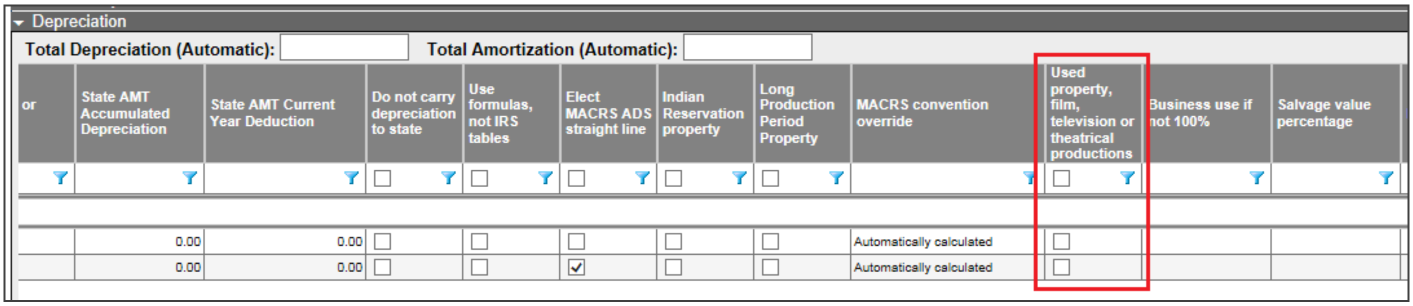
Category	Description	Amount
*schedule		
Additional amounts to be included in Schedule G, line 7	Section 453(l) interest	
Additional amounts to be included in Schedule G, line 7	Section 453A(c) interest	
Additional amounts to be included in Schedule G, line 7	From Form 4970	
Additional amounts to be included in Schedule G, line 7	From Form 8697	
Additional amounts to be included in Schedule G, line 7	From Form 8866	
Additional amounts to be included in Schedule G, line 7	Section 1260(b)	
Additional amounts to be included in Schedule G, line 7	From Form 5329	
Additional amounts to be included in Schedule G, line 7	Section 1291 (Override)	

Asset Depreciation Check Box

The **Depreciation** collapsible section of the following pages (accessed from the **Tax Review-Income** main topic) now includes a check box for individual assets that were purchased, used, or are being used in film, television, or theatrical productions:

- Business Income/Loss
- Rent and Royalty
- Farm Income Loss

The check box allows correct computations for states that decouple from the bonus depreciation allowed under the Tax Cuts and Jobs Act of 2017. This field is shown in the following graphic:

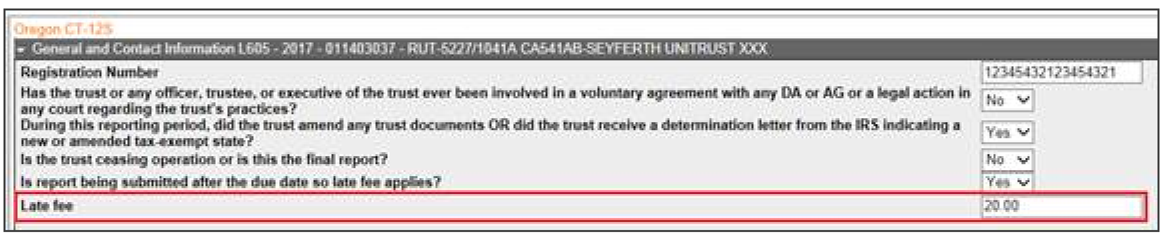

Depreciation

Total Depreciation (Automatic): Total Amortization (Automatic):

or	State AMT Accumulated Depreciation	State AMT Current Year Deduction	Do not carry depreciation to state	Use formulas, not IRS tables	Elect MACRS ADS straight line	Indian Reservation property	Long Production Period Property	MACRS convention override	Used property, film, television or theatrical productions	Business use if not 100%	Salvage value percentage
	0.00	0.00	☐	☐	☐	☐	☐	Automatically calculated	☐		
	0.00	0.00	☐	☐	☑	☐	☐	Automatically calculated	☐		

Oregon Charitable Remainder-CT-12S

The **Late fee** amount field was added to the **General and Contact Information** collapsible section for Oregon charitable remainder Form CT-12S.


Oregon CT-12S

General and Contact Information L605 - 2017 - 011403037 - RUT-5227/1041A CA541AB-SEYFERTH UNITRUST XXX

Registration Number	12345432123454321
Has the trust or any officer, trustee, or executive of the trust ever been involved in a voluntary agreement with any DA or AG or a legal action in any court regarding the trust's practices?	No
During this reporting period, did the trust amend any trust documents OR did the trust receive a determination letter from the IRS indicating a new or amended tax-exempt state?	Yes
Is the trust ceasing operation or is this the final report?	No
Is report being submitted after the due date so late fee applies?	Yes
Late fee	20.00

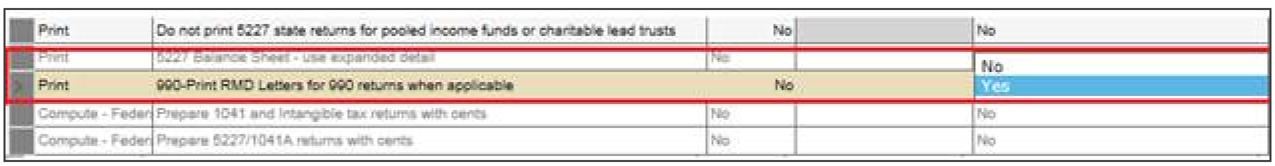
The "Did a certified public accountant audit the trust's financial records?" question was removed from the Charitable Remainder Form CT-12S. In compliance, the question was removed from the **General and Contact Information** collapsible section on the Oregon CT-12S page.

Required Minimum Distribution Letters for 990s

An option was added to print Required Minimum Distribution (RMD) letters for 990, 990-EZ and 990-PF returns. As shown in the graphic below, this option is in the **Print** category of Options & Overrides page. This option defaults to **Yes** and prints the RMD letters under the following circumstances:

- The 990/990-EZ RMD letter will print if the organization is a Non-Functionally Integrated Type III supporting organization.
- The 990-PF RMD Letter will print if:
  - The organization is not an IRC Section 4942(j)(3) or IRC Section 4942(j)(5) operating foundation.
  - The organization is not a Foreign organization meeting the 85% test.

Set the option to **No** to suppress printing the letters.



The letters explain the required distribution payout and will be included in the Miscellaneous section of the tax return document.

The 990 and/or 990-EZ sample RMD letter:

```
Date 06/14/2018

To:  FIDUCIARY SIGNATURE

RE:  P1P2
     03/31/2018


Subject: Notice of Payment Required



Distributable Amount

Regulations under section 509 established a distribution requirement for Type III
supporting organizations that are not "functionally integrated" to ensure that a
"significant amount" is paid to supported organizations. The Pension Protection Act of
2006 directed that Non-Functionally Integrated Type III supporting organizations are
required to make distributions to their supported organizations equal to the greater of
85% of adjusted net income or 3.5% of the average fair market value of non-charitable
use assets.

Failure to comply with the Distributable Amount requirement will result in a change in
filling status. The entity will be required to file a 990-PF and be subject to excise
tax on net investment income. Additionally, the entity will be required to comply with
distribution requirements.

In order to meet the Attentiveness Test set by the IRS, the distribution requirements
outlined above must be met. Excess Distributions, if any, can only be applied to the
current Distributable Amount to the extent that the excess distributions applied do not
exceed two-thirds of the current year distributable amount. A minimum of one-third of
the distributable amount must be made directly to the supported organization(s) during
the year.


Calculated Distributable Amount for 03/31/2018    $          260.

Excess Distributions carryover, if any, from PY   $          375.

Excess Distributions Limited to 2/3rd of
 Distributable Amount                             $          173.


Required Distributable Amount for 03/31/2018                $             87.
```

The 990-PF sample RMD letter:

```
Date  06/20/2018

To:   STEVEN HOLLY

RE:   HOLLY TRUST 990PFCERT2
      12/31/2017

Subject: Minimum Required Payout for Private Foundation

Part I: Undistributed Income

A private foundation that is not an operating foundation must spend a minimum amount
annually in the form of grants to public charities and private operating foundations
to accomplish its charitable purposes. The tax statute prescribes a minimum payout of
at least 5% of the total fair market value of the foundation's assets, subject to
certain adjustments. The foundation is given two years in which to make the qualifying
distributions - the year for which the minimum distributable amount is calculated and
the subsequent year. Failure to comply with the minimum payout requirement results
initially in a penalty tax of 30% on the undistributed amount.

Please be aware that if an initial 30% tax is imposed under IRC Sec. 4942(a) and any
portion of such income remains undistributed as of the end of the subsequent fiscal
year, the IRS is authorized to impose a tax equal to 100% of the amount remaining
undistributed pursuant to IRC Sec. 4942(b).

Required distribution for 12/31/2017       $     3,587,338.
Undistributed from prior years             $              0.
     Total Required Distributions                              $     3,587,338.
Qualifying distributions for 12/31/2017    $     3,150,216.
Excess distributions carried over from PY  $     1,543,766.
     Total Distributions                                       $     4,693,982.

Undistributed income for 12/31/2017                            $             0.
    or
Excess Distribution Carryover to 12/31/2018                    $     1,106,644.

The undistributed income if any must be distributed by no later than  12/31/2018
or the trust will be subject to the 30% penalty tax.
```

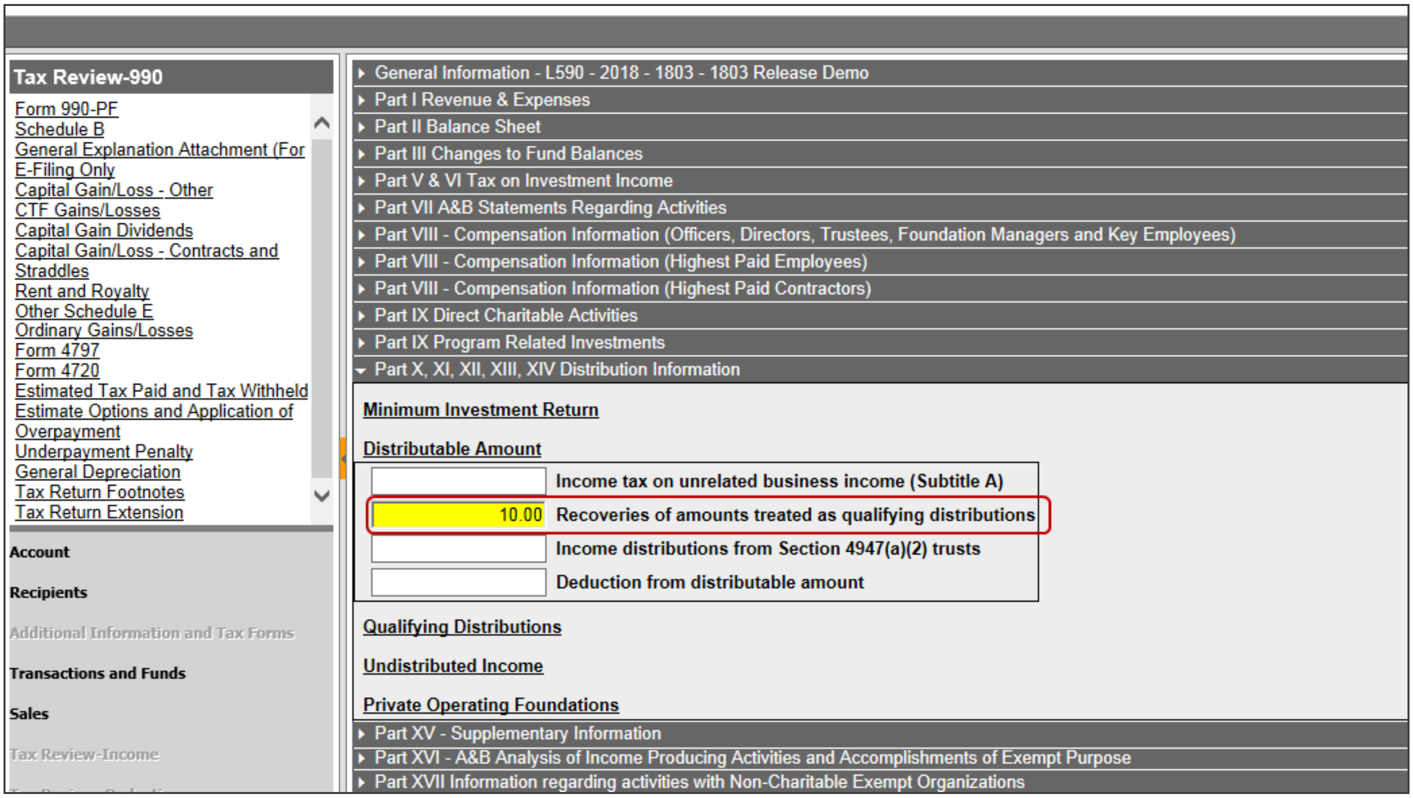
```
Part II: Excess Distributions carryover to 12/31/2018

Excess from 12/31/2013                     $              0.
Excess from 12/31/2014                     $              0.
Excess from 12/31/2015                     $     1,106,644.
Excess from 12/31/2016                     $              0.
Excess from 12/31/2017                     $              0.
Total                                      $     1,106,644.

Please note the excess distribution in the amount of  $          0.  for the
   12/31/2013 tax year will be lost if not used by 12/31/2018.
```

New Tax Code

Beginning in tax year 2017, tax code 600 was added for 990-PF Recoveries of amounts treated as qualifying distributions. The tax code amounts are reported on Form 990-PF, Part XI (Distributable Amount), line 4. As shown in the following graphic, the corresponding field in the **Part X, XI, XII, XIII, XIV Distribution Information** collapsible section of the **Tax Review-990** subtopic is now an override field:



The tax code can be used as of this release; however, the *Tax Code Listing* document will not be updated with this new code and published until later in the year.

E-Filing Document Upload

The Tennessee Department of Revenue does not allow attachments to be included in e-filing. In compliance, Tennessee was removed from the **Select State** drop-down list on the E-Filing Document Upload page.

Register Changes

Payer Listing Register

The following 1099-MISC nonemployee compensation fields were added to the **Payer Listing** register in the **1099 Filing Review** base category:

- **Date MiscNEC Ext Filed**
- **MiscNEC Extended**

1099 Detail by Recipient Registers

The **Exclude** column in the **1099 Detail by Recipient** registers is enabled for only unfiled original filings. It is disabled for filed records and for correction records. When using the column update feature, the **Exclude** column can be set for any record but it will be ignored by the filing program for correction records.

FIXES

For a complete list of ONESOURCE Trust Tax fixes (closed issues), search Trust Tax Known Issues.

KNOWN ISSUES

For a complete list of ONESOURCE Trust Tax known (open) issues, search Trust Tax Known Issues.

ONESOURCE TRUST TAX ADMINISTRATOR WORKSTATION 18.03 RELEASE NOTES

For documentation and other product information, access Customer Community then search Knowledge Center.
To read a digital version of Release Notes, click here.

RELEASE HIGHLIGHTS

Updated the version number to 18.03. No new features are included in this release.

FIXES

For a complete list of Administrator Workstation fixes (closed issues), search Trust Tax Known Issues.

KNOWN ISSUES

For a complete list of Administrator Workstation known (open) issues, search Trust Tax Known Issues.