ONESOURCE TRUST TAX

RELEASE NOTES

VERSION 20.04

Document Version 1

THOMSON REUTERS®

DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	August 24, 2020	Initial publication.

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ONESOURCE TRUST TAX 20.04 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 20.04 includes bug fixes and introduces the following features:

- Archive data for tax year 2013
- Print option for excess deductions computation
- Additional K-1 status options

NEW FEATURES

The topics below describe features added with this release.

Archive Data for Tax Year 2013

Archive data for tax year 2013 is available for download. In the 20.05 release (scheduled for November 18, 2020), documents for tax year 2013 will no longer be accessible in ONESOURCE Trust Tax. **2013** will be removed as a selection from the **Tax Year** drop-down list on the Login page and in the Main Navigation Area. See the *Downloading Archive Data* guide, which is available in Customer Community, for details on downloading archive files.

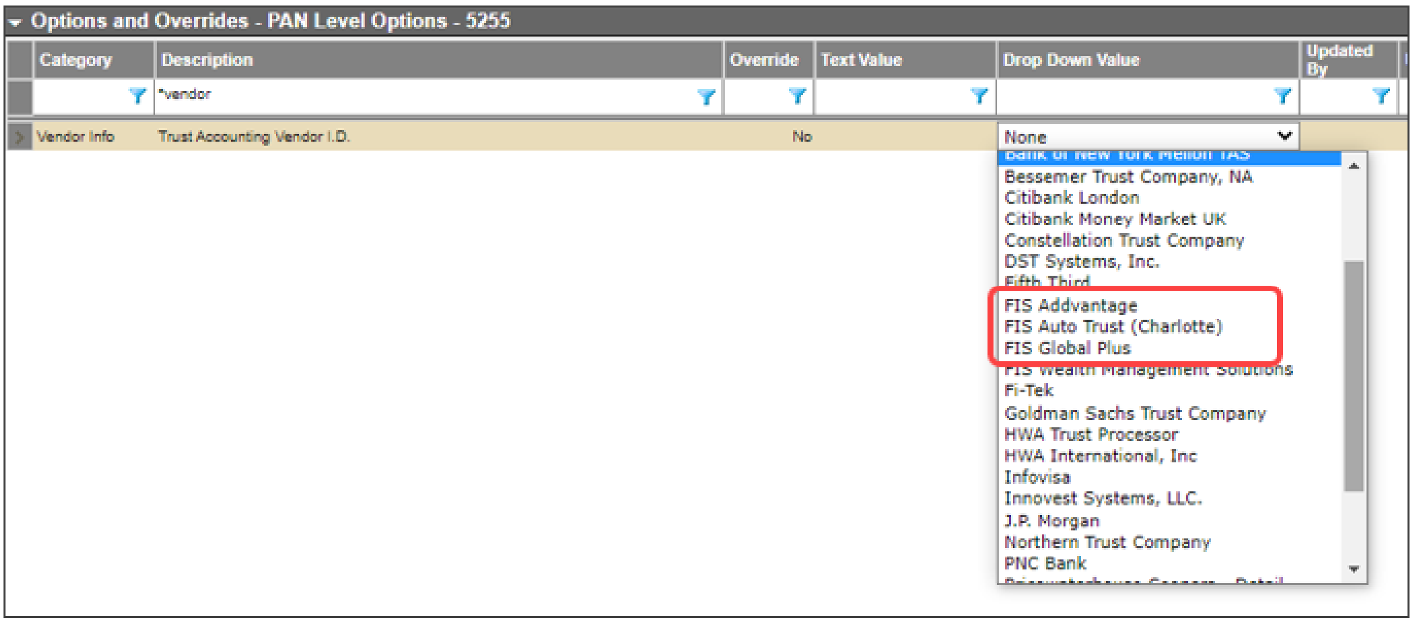
Options and Overrides

The following table includes the selections where **SunGard** was replaced with **FIS** for the **Trust Accounting Vendor I.D.** Vendor Info option:

PREVIOUS SELECTION	REVISED SELECTION
SunGard Addvantage	FIS Addvantage

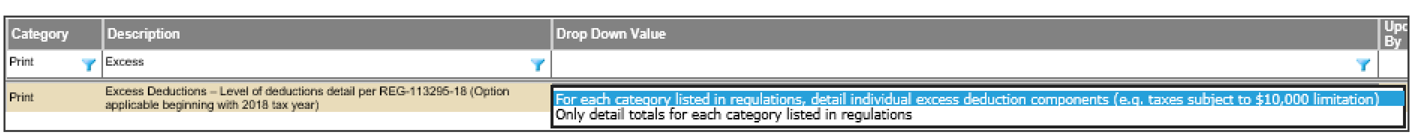
PREVIOUS SELECTION	REVISED SELECTION
SunGard Auto Trust (Charlotte)	FIS Auto Trust (Charlotte)
SunGard Global Plus	FIS Global Plus

The following graphic shows the revised selections for the **Trust Accounting Vendor I.D.** option:



Excess Deduction Detail Option

As a result of the recent IRS regulations (REG-113295-18) relating to excess deductions, a new print option is available beginning with tax year 2018. The **Excess Deductions-Level of deductions detail per REG-113295-18 (Option applicable beginning with 2018 tax year)** Print option determines the level of detail provided for each category (Deductions used in arriving at AGI and Non-Miscellaneous Itemized Deductions) listed in the regulations. The following graphic shows the selections for this new option:



The following list explains the selections:

- **For each category listed in regulations, detail individual excess deduction components (e.g. taxes subject to $10,000 limitation)**-This is the default selection and results in individual components of each category being stated separately on the supporting detail pages.

```
EXCESS DEDUCTION DETAIL (LINE 11, CODE A)
-----------------------------------------

DEDUCTIONS USED IN ARRIVING AT AGI
  FIDUCIARY FEES .........................................      5,000.

NON-MISCELLANEOUS ITEMIZED DEDUCTIONS
  STATE AND LOCAL INCOME TAX SUBJECT TO $10,000 LIMITATION ...      2,000.
```

- **Only detail totals for each category listed in regulations**-This selection results in totals for each category on supporting detail pages. No underlying detail is printed on the supporting detail pages.

```
EXCESS DEDUCTION DETAIL (LINE 11, CODE A)
-----------------------------------------

DEDUCTIONS ALLOWABLE IN ARRIVING AT ADJUSTED GROSS INCOME ....      5,000.
NON-MISCELLANEOUS ITEMIZED DEDUCTIONS ........................      2,000.
```

Apportionment of Deductions

Deductions are apportioned so that those categorized as Deductions used in arriving at AGI are maximized. Within the Non-Miscellaneous Itemized Deductions category, deductions not subject to any limitation are maximized over those deductions that are subject to limitations (for example, taxes subject to the $10,000 limitation).

Consider the following example: Assume a final year account has $1,400 interest income, $600 of fiduciary fees, $100 of taxes not subject to the $10,000 limitation and $1,900 of state income taxes subject to the $10,000 limitation. Excess deductions are $1,200. When the new Print option set to the default selection, the K-1 detail statement will indicate $600 of deductions allowable in arriving at adjusted gross income (all fiduciary fees), and $600 of non-miscellaneous itemized deductions ($100 of taxes not subject to the $10,000 limitation and $500 of state income taxes subject to the $10,000 limitation).

Registers

The following two new base registers are available in the **Accounts** data type and **Detail** register type:

- **Account Status (Federal)-Latest Compute**-This register is in the **Workflow Management** base category. It shows the results from the latest tax compute for the federal return.

Data Type	Scope	Register Type	Base Category	Custom Category	Register Name
					account status
Accounts	Base	Detail	Workflow Management		Account Status w/ Tax Prep Charge Information
Accounts	Base	Detail	Workflow Management		Account Status (Federal)
Accounts	Base	Detail	Workflow Management		Account Status (Federal) – Latest Compute

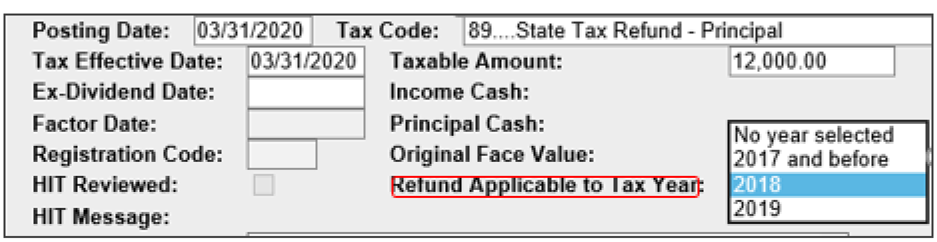
- **Computation Summary with States-Latest Compute**-This register is in the **Tax Computation Results** base category. It shows the results from the latest tax compute for the federal return and state returns. Deleted states are not included.

Data Type	Scope	Register Type	Base Category	Custom Category	Register Name
					Computation Summary with States – Latest Comput
Accounts	Base	Detail	Tax Computation Results		Computation Summary with States – Latest Compute

Both of the base registers display results from an account's latest compute only. This is different from the results for the similarly-named existing registers (**Account Status (Federal)** and **Computation Summary with States**). For example, an account with an electronically filed return and a subsequently processed return will be included twice in the results for the **Account Status (Federal)** and **Computation Summary with States** registers, but will be included only once in the results for the new registers. Additionally, if multiple return types (such as 1041 and 1099) were processed for an account, only the most recently computed type will display in the new registers.

Transactions

Beginning with tax year 2019, the **Refund Applicable to Tax Year** drop-down list was added to the Transaction Detail page for state tax refund transactions in tax codes 89 and 90. Beginning with tax year 2020, this drop-down list will be incorporated into the state refund recovery tax return and electronic estimate computations. The default is **No year selected**.



Electronic Estimates-State Refund Recovery

Beginning with this release, if the **Only include refund for which tax benefit was derived in preceding tax year** Compute-Federal option is set to **Yes**, then electronic estimates will now exclude any portion of state overpayment that exceeds $10,000 from a given tax year (applicable to tax years 2018 through 2025).

	STATE TAX REFUND RECOVERY (Determination of amount to be included as Other Income on Form 1041)			
Compute - Fe...	Only include refund which resulted from overpayment of state tax which was actually paid in preceding tax year	Yes		Yes
Compute - Fe...	Only include refund for which tax benefit was derived in preceding tax year	Yes		Yes

The following is an example of the calculation when the option is set to **Yes**: You have a calendar year account processing 2020 third quarter estimates. Amounts include:

- $6,000 in state overpayment applied from the 2019 to the 2020 return.
- $7,000 in state refund received in 2020 (on or before July 31, 2020). The **Refund Applicable to Tax Year** drop-down list on the transaction's Transaction Detail page is set to **2019** or **No year selected**. See note below.
- $12,000 in state refund received in 2020 (on or before July 31, 2020). The **Refund Applicable to Tax Year** drop-down list on the transaction's Transaction Detail page is set to **2018**. See note below.
- $15,000 in state refund received in 2020 (on or before July 31, 2020). The **Refund Applicable to Tax Year** drop-down list on the transaction's Transaction Detail field is set to **2017**. See note below.

> State refunds received in the current year are treated as applicable to the prior tax year unless otherwise identified by the **Refund Applicable to Tax Year** drop-down list for transactions in tax codes 89 and 90 (state refunds). See Transactions (page 4) for details.

The amount of state overpayment applicable to each tax year included in federal income is determined as follows:

- 2019-State overpayment of $13,000 (sum of state overpayment applied from the 2019 return and $7,000 of 2019 state refund received in 2020) is limited to $10,000.
- 2018-State overpayment of $12,000 ($12,000 of 2018 state refund received in 2020) is limited to $10,000.
- 2017-State overpayment of $15,000 ($15,000 of 2017 state refund received in 2020) is not limited under the Tax Cuts and Jobs Act of 2017 (TCJA).

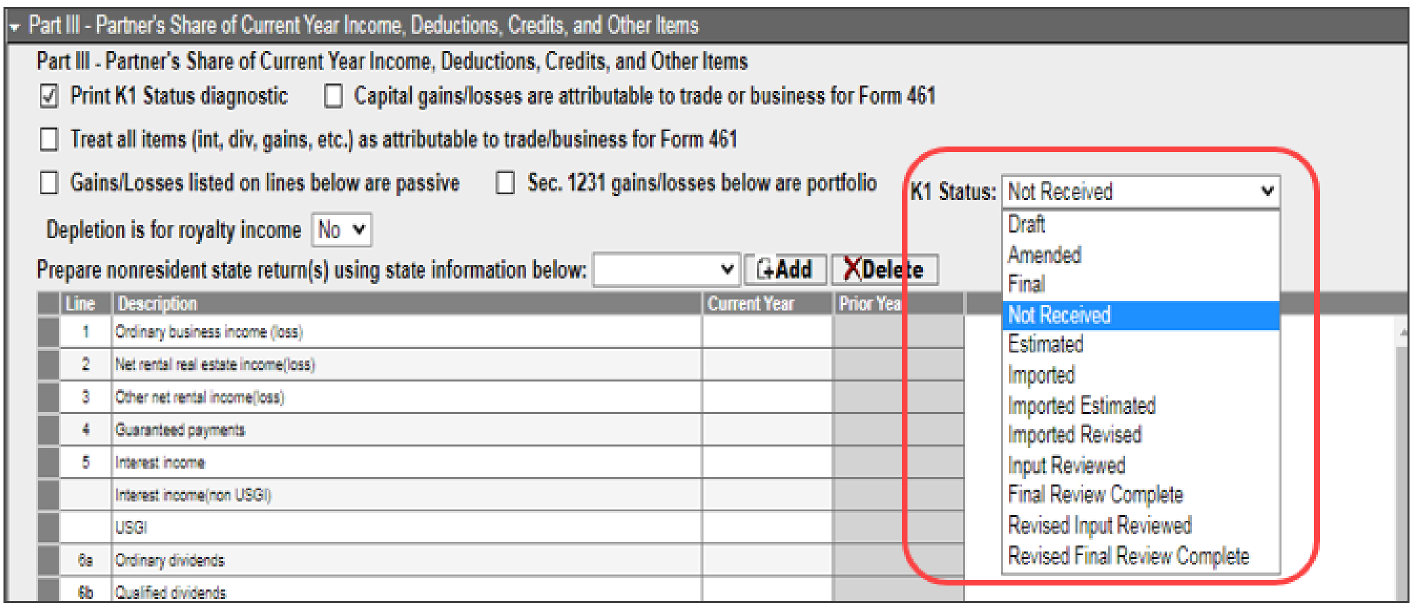
Of the total $40,000 state overpayment received in 2020, only $35,000 ($10,000 + $10,000 + $15,000) is included in income for federal purposes.

If the **Only include refund for which tax benefit was derived in preceding tax year** option is set to **No**, all $40,000 of the state overpayments and refunds is included in income for federal purposes.

State overpayment applied from the prior year (along with state estimated tax payments paid in the estimate period range) is automatically included as a deductible expense against federal income (subject to $10,000 limitation) regardless of whether the tax benefit option is selected.

Other Schedule E-Additional K-1 Status Options

Beginning in tax year 2019, nine status options were added to the **K1 Status** drop-down list under the Part III collapsible section on the Other Schedule E page. All of the status options for the **K1 Status** drop-down list are shown in the following graphic:



For tax year 2019 and forward, **Not Received** is the default status for all K-1 types (Partnerships, S Corps and Trust/Estate). This means that, after the 20.04 release, if the status is **Draft** then the status will be changed to **Not Received** even in instances where data exists in the K-1 activities. Be sure to review the K-1 activities using the **Schedule K-1** register and update the status for any activities you do not want set as **Not Received**.

If the **Print K1 Status diagnostic** check box under the Part III collapsible section is selected (which is the default), a status of **Not Received** will generate a diagnostic on the Diagnostic page of the return document. A status of **Draft** continues to generate a diagnostic if the check box is selected. Both diagnostics are shown in the following graphic:

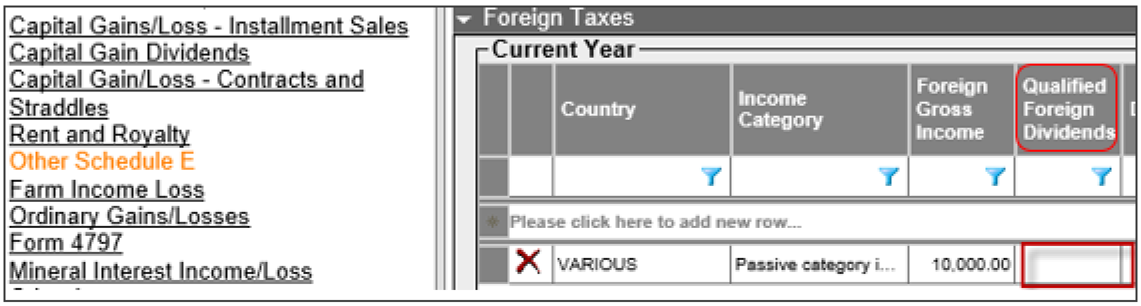
```
 9.Schedule E
  The trust/estate K-1 from GEORGE WASHINGTON ESTATE is currently in draft status.

10.Schedule E
  The partnership K-1 from DISNEYLAND LLC has not been received yet.
```

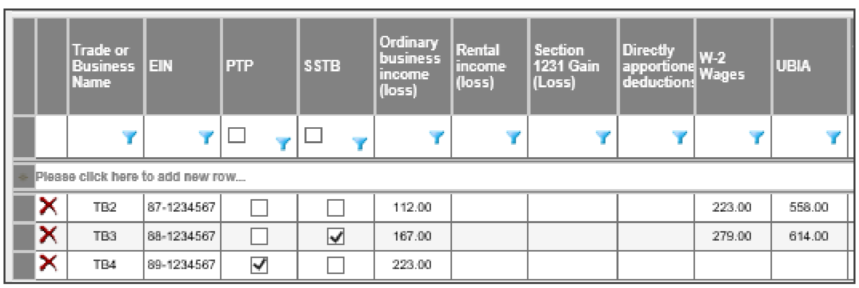
K-1 Transfer

The following updates were made to the K-1 Transfer feature:

- Qualified foreign dividends for each country are saved to the receiving trust/estate. As shown in the following graphic, you can find qualified foreign dividends in the **Foreign Taxes** collapsible section on the Other Schedule E page:



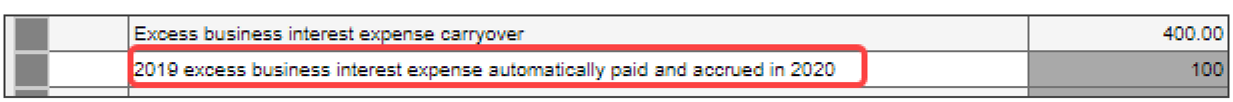
- Section 199A information for each trade or business is saved to the receiving trust/estate. As shown in the following graphic, you can find this information in the **Section 199A Trade or Business** grid under the **Section 199A-Qualified Business Income** collapsible section on the Other Schedule E page:



Trade or Business Name	EIN	PTP	SSTB	Ordinary business income (loss)	Rental income (loss)	Section 1231 Gain (Loss)	Directly apportione deductions	W-2 Wages	UBIA
Please click here to add new row...									
TB2	87-1234567	☐	☐	112.00				223.00	558.00
TB3	88-1234567	☐	☑	167.00				279.00	614.00
TB4	89-1234567	☑	☐	223.00					

Partnership Schedule K-1-2019 Excess Business Interest Expense

For partnership K-1s, the **2019 excess business interest expense automatically paid and accrued in 2020** item was added to Line 20ah Other Information under the Part III collapsible section on the Other Schedule E page. It displays in tax year 2019 after computing the return. The value cannot be modified in tax year 2019, but can be in tax year 2020. The following graphic shows the item for tax year 2019:



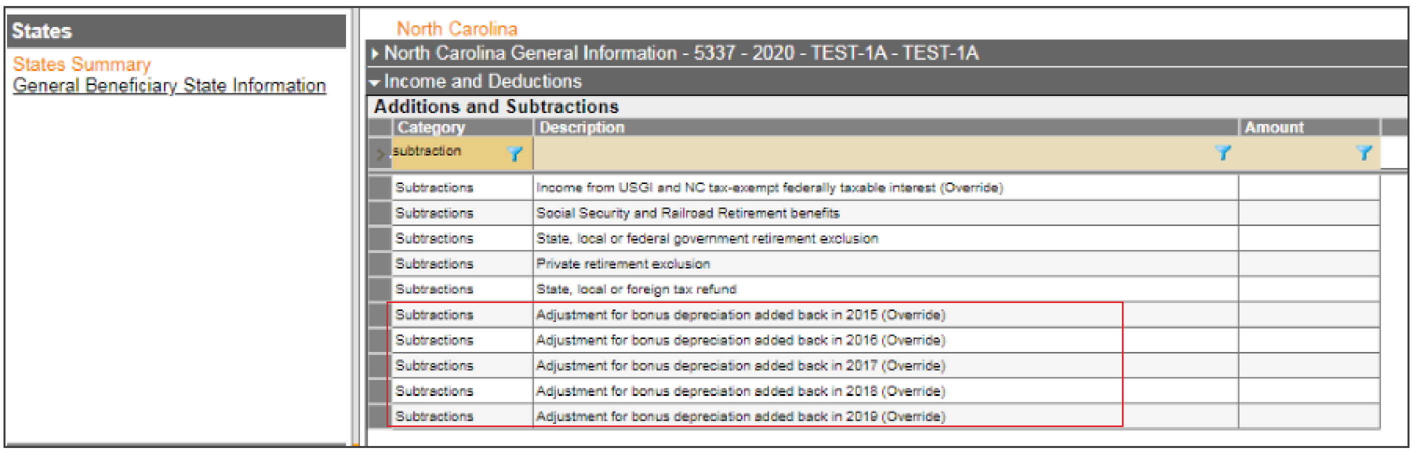
Excess business interest expense carryover	400.00
2019 excess business interest expense automatically paid and accrued in 2020	100

The following graphic shows the item for tax year 2020:

Excess business interest expense carryover	530.00
2019 excess business interest expense automatically paid and accrued in 2020	100

North Carolina

For tax year 2020, the **Adjustment for bonus depreciation added back in 2019** subtraction was added to the **Additions and Subtractions** grid under the **Income and Deductions** collapsible section on the North Carolina income tax return page. The following graphic shows the subtractions:



FIXES

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

KNOWN ISSUES

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

ONESOURCE TRUST TAX INSIGHT 20.04 RELEASE NOTES

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RELEASE HIGHLIGHTS

ONESOURCE Trust Tax Insight version 20.04 includes bug fixes and a version change.

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