ONESOURCE TRUST TAX

RELEASE NOTES

VERSION 24.00

Document Version 1

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	December 27, 2023	Initial publication.

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ONESOURCE TRUST TAX 24.00 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 24.00 includes bug fixes and introduces the following features:

- Additional e-filing validation process
- Modifications to 1099 print related to form references, Sec 897 income, and territorial interest
- 1099-R logic change for non-IRA accounts

NEW FEATURES

The topics below describe features added with this release.

Tax Codes 139 and 530

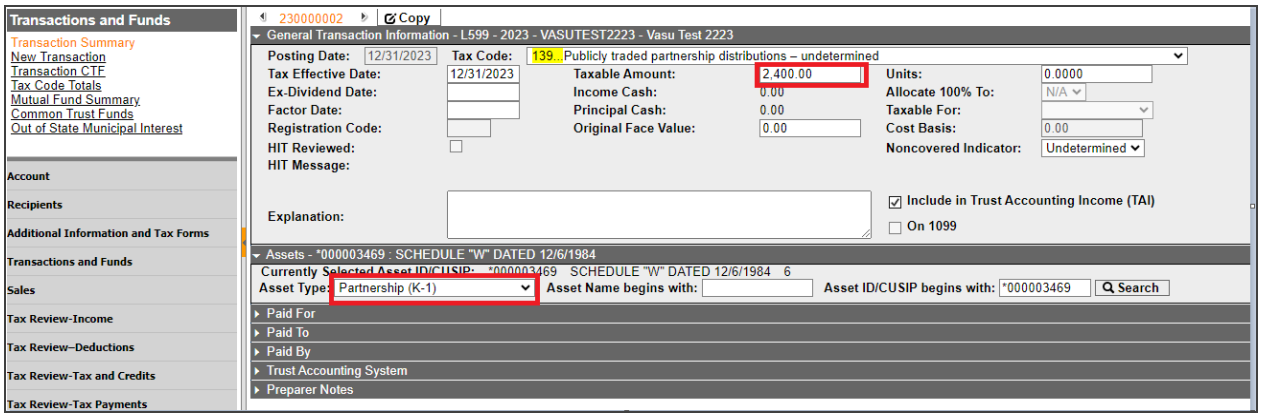
Tax code 139

Beginning with tax year 2023, tax code 139 entitled **Publicly traded partnership distributions – undetermined** is available.

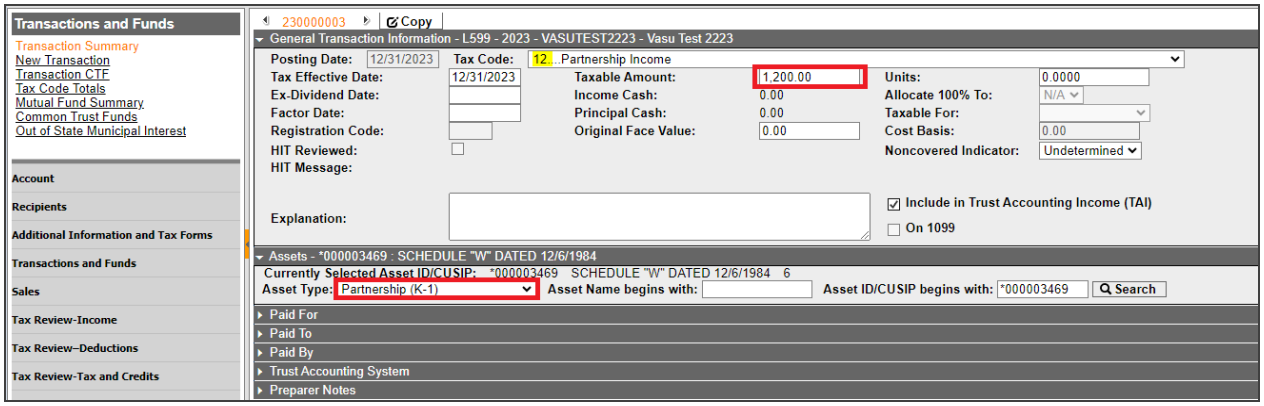
Transactions in tax code 139 are combined with transactions in tax code 12 (Partnership Income) for each Partnership K-1 asset and are reflected as line 1, **Ordinary business income (loss)**, in the **Part III** collapsible section, in the **Other Schedule E** topic.

The following illustrate transactions in tax codes 139 and 12 summarized on line 1 of the **Other Schedule E** detail.

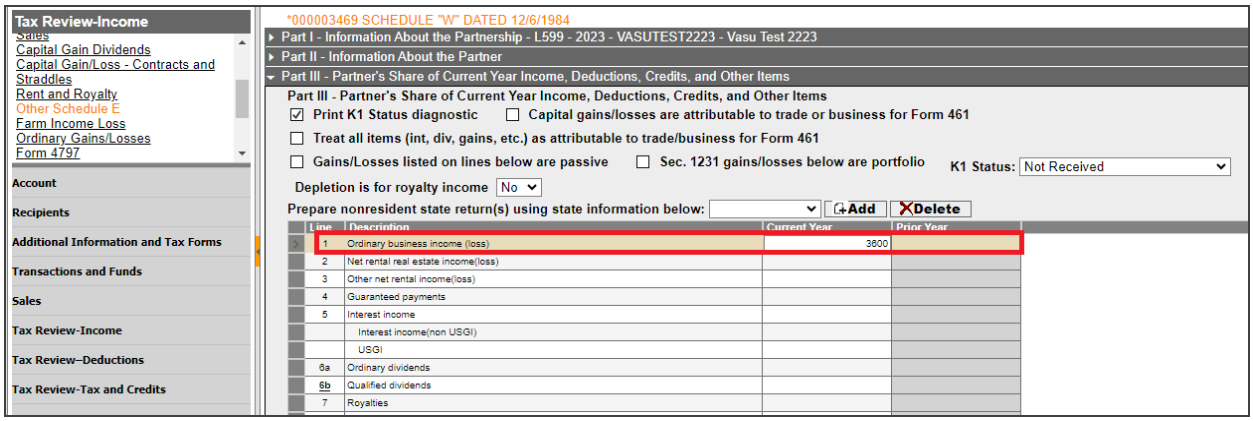
Transaction in Tax Code 139:



Transaction in Tax Code 12:



Other Schedule E Part III line 1:



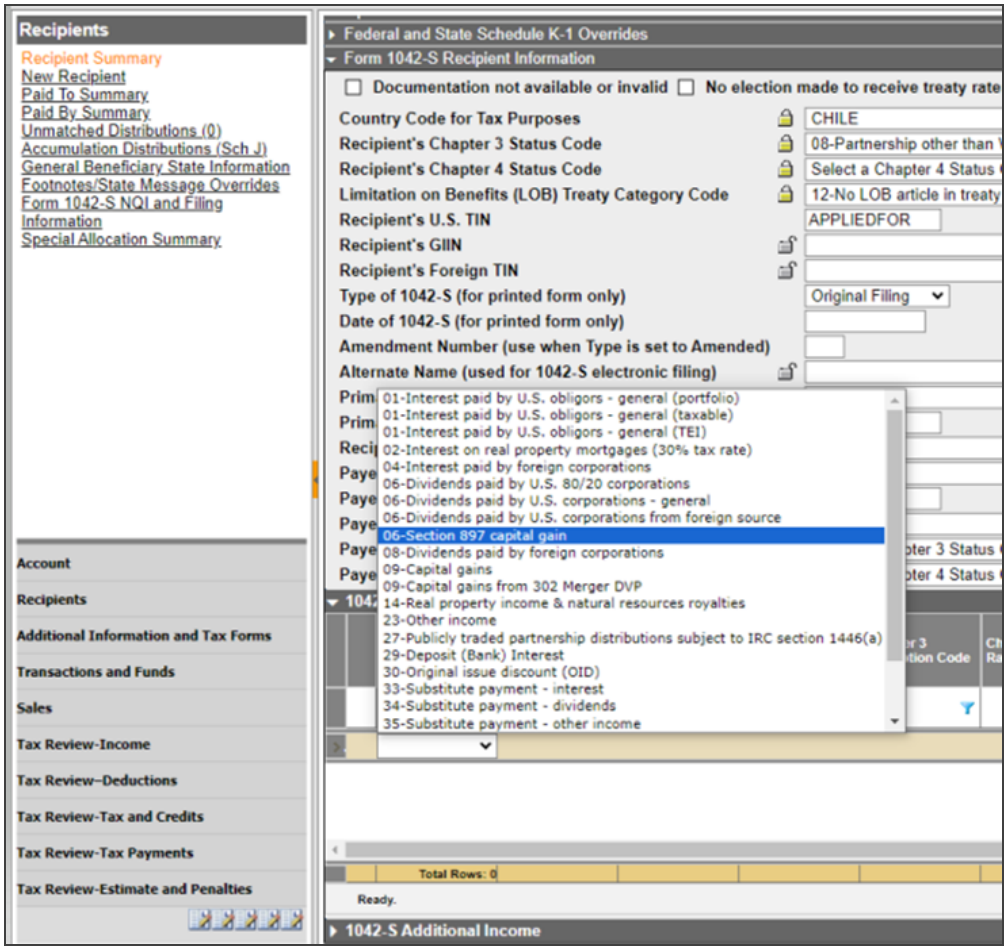
Tax code 530

The description of tax code 530 was changed from **§1446(f) proceeds - Not reportable on Form 1042-S (Informational Only**) to **Additional excess of cumulative net income (ECNI) subject to withholding (Form 1042-S Only)**. It will correspond to Income Code 57 with a 10% withholding rate.

> Version 35 of the **Tax Code Listing** will be published in the OTT Help and Customer Community by early January.

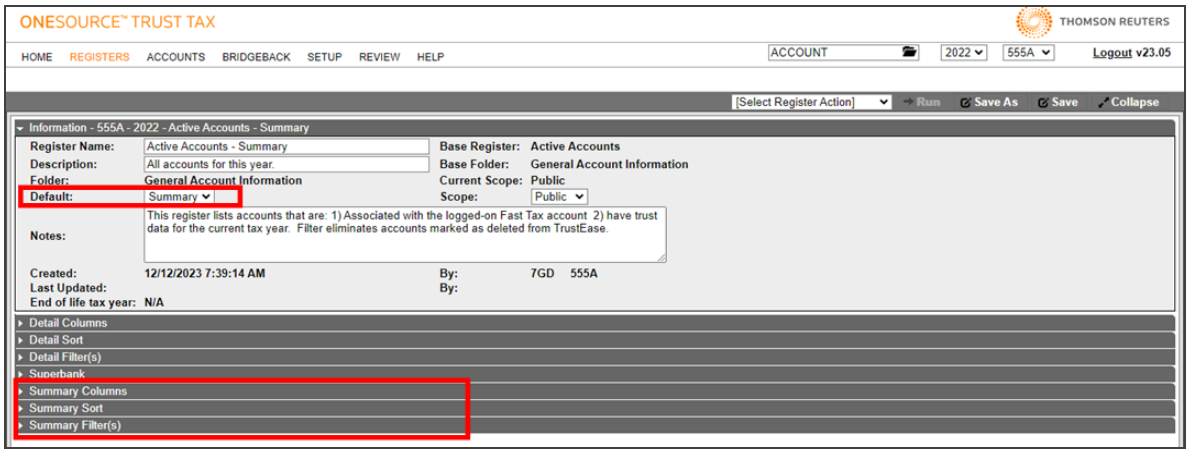
Form 1042-S Change for Section 897 Capital Gains

Beginning with tax year 2023, **06 - Section 897 capital gain** was added to the **Income Code** dropdown list within the **1042-S Income Overrides** and **1042-S Additional Income** collapsible sections of the **Recipient** detail. Additionally, the **Income Code** dropdown selections have been reordered first by income code number then alphabetically by income code name.

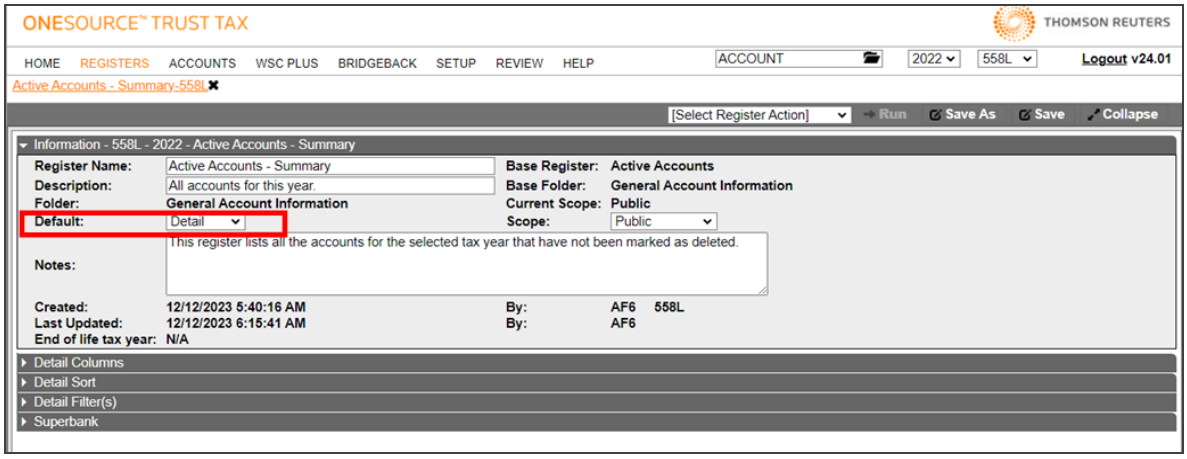


Summary Register Sections of Register Properties

The **Summary Columns**, **Summary Sort** and **Summary Filter(s)** collapsible sections within **Register Properties** will display only when the register **Default** (in the Information collapsible section) is set to **Summary** and saved, as shown in the following graphic.

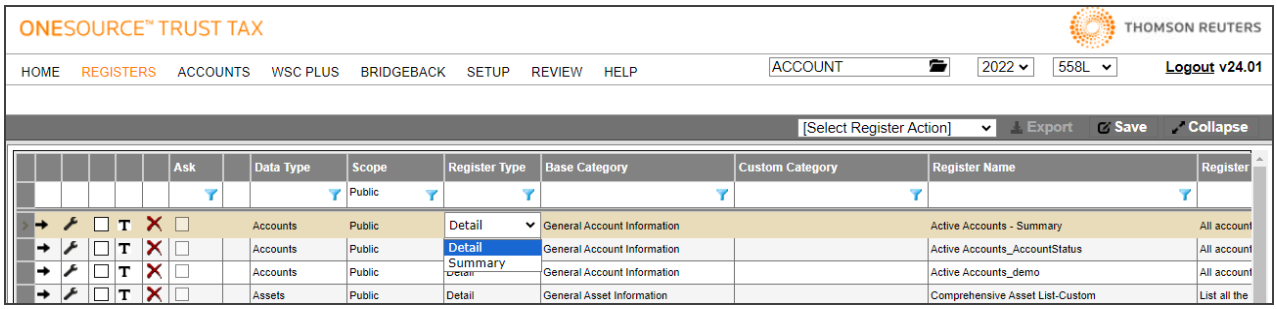


The **Summary** collapsible sections will not display when the register **Default** is changed from Summary to Detail, as shown in the following graphic.



Information added in the **Summary** sections is saved even when the register **Default** is changed from Summary to Detail and back.

> If a register is designed to be used both as **Detail** and **Summary**, set and save the **Default** as **Summary**. Then from the **Register Listing**, you can select either Detail or Summary from the **Register Type** dropdown to run the register as needed.

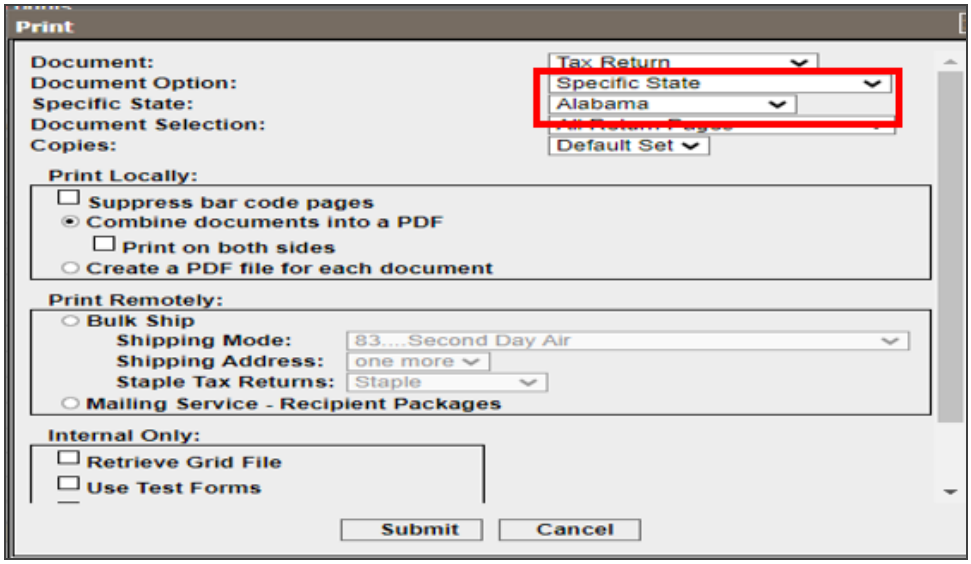


Specific State Print Capability

Specific State was added as a **Document Option** selection on the **Print** screen when printing from a register. Selecting a specific state is available when **Tax Return**, **Extension**, or **Tax Return Projection** are selected from the **Document** dropdown listing.

Once **Specific State** is selected as the **Document Option**, a **Specific State** dropdown is displayed which lists all available states. Only one state can be selected at a time.

If the state selected is not attached to any of the accounts selected from the register, the request will have a status of **Complete with errors** and a **Print file does not exist. Please compute** error message. This selection is available for all tax years.



Additional Validations for 1041/5227 Electronic Filing

Beginning with tax year 2023, additional electronic filing validations were added for 1041 and 5227 returns and extensions to reduce e-filing rejections. The process of qualifying a tax return or extension for electronic filing is as follows:

1. Return/extension will run through the OTT e-filing diagnostics. If the return/extension fails to pass these diagnostics, there's no change from prior years.
    a. The diagnostics pages of the document will include the e-filing diagnostics.
    b. The account will appear on the **Electronic Filing Diagnostics** registers.
    c. The return's e-file status will be set to **Not qualified**.
2. If the return/extension passes all OTT e-filing diagnostics, it will then run through the Business Rules Management System (BRMS) for additional validation.
3. If the return/extension passes all BRMS validations, it will be qualified and will appear as such on Electronic Filing registers.

4. If the return/extension fails to pass all BRMS validations:

   a. The diagnostics pages of the document will include additional sections of reject/validation details as shown in the following examples.

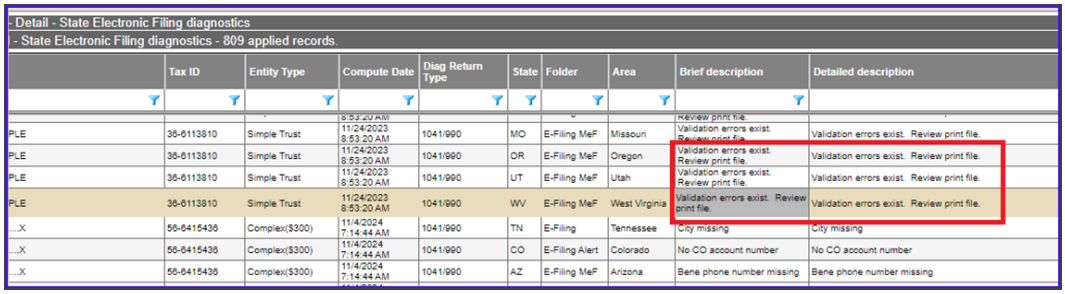
```
ELECTRONIC FILING - REJECTS: TOTAL 10
-------------------------------------
STATES (10)

 34.ALABAMA:
   THERE ARE ADDITIONAL ELECTRONIC FILING DIAGNOSTICS THAT ARE BEING
   GENERATED FOR THIS RETURN.  PLEASE REVIEW THE DIAGNOSTIC PAGE OF THE
   PRINT FILE FOR MORE DETAILS.
```

```
ELECTRONIC FILING - XML VALIDATION ERRORS: TOTAL 29
-------------------
STATES (29)
ALABAMA (1)
   1. VALIDATION FAILED ON FSX51003.XAL:
   FORM: RETURNHEADERSTATE
   REQUIREMENT: THE DATE AND TIME WHEN THE RETURN WAS CREATED
   REQUIREMENT: BASE TYPE FOR A DATE AND TIME STAMP
   ERROR: THE FIELD 'RETURNTS' WITH VALUE '0', DATA IS MISSING.
   ELEMENT NAME: RETURNTS
   XPATH: /RETURNSTATE[1]/RETURNHEADERSTATE[1]/RETURNTS[1]
   XML FRAGMENT: <RETURNTS XMLNS="HTTP://WWW.IRS.GOV/EFILE">0</RETURNTS>
   FIELD KEY: 1,182,7,0,0,0,0,0,0
   ERROR CODE: C00CE201
   ERROR REASON: ERROR PARSING '0' AS DATETIME DATATYPE.
   THE ELEMENT '{HTTP://WWW.IRS.GOV/EFILE}RETURNTS' WITH VALUE '0' FAILED TO
   PARSE.
```

b. The message, **Validation errors exist. Review print file**, will display in both the **Brief description** and **Detailed description** columns in the **Electronic Filing Diagnostics** and **State Electronic Filing Diagnostics** registers as shown in the below graphic.

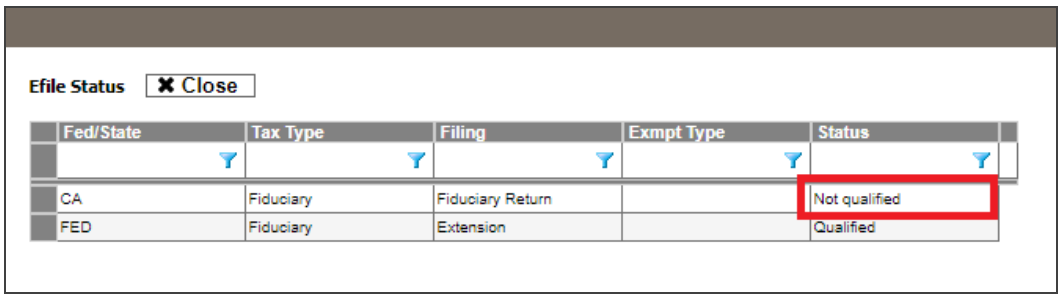
Currently, more detailed messaging is unavailable to registers.



Detail - State Electronic Filing diagnostics
- State Electronic Filing diagnostics - 809 applied records.

	Tax ID	Entity Type	Compute Date	Diag Return Type	State	Folder	Area	Brief description	Detailed description
PLE	36-6113810	Simple Trust	11/24/2023 8:53:20 AM	1041/990	MO	E-Filing MeF	Missouri	Validation errors exist. Review print file.	Validation errors exist. Review print file.
PLE	36-6113810	Simple Trust	11/24/2023 8:53:20 AM	1041/990	OR	E-Filing MeF	Oregon	Validation errors exist. Review print file.	Validation errors exist. Review print file.
PLE	36-6113810	Simple Trust	11/24/2023 8:53:20 AM	1041/990	UT	E-Filing MeF	Utah	Validation errors exist. Review print file.	Validation errors exist. Review print file.
PLE	36-6113810	Simple Trust	11/24/2023 8:53:20 AM	1041/990	WV	E-Filing MeF	West Virginia	Validation errors exist. Review print file.	Validation errors exist. Review print file.
...X	56-6415436	Complex($300)	11/4/2024 7:14:44 AM	1041/990	TN	E-Filing	Tennessee	City missing	City missing
...X	56-6415436	Complex($300)	11/4/2024 7:14:44 AM	1041/990	CO	E-Filing Alert	Colorado	No CO account number	No CO account number
...X	56-6415436	Complex($300)	11/4/2024 7:14:44 AM	1041/990	AZ	E-Filing MeF	Arizona	Bene phone number missing	Bene phone number missing

c. The return's e-file status will be set to **Not qualified**.



Efile Status ✖ Close

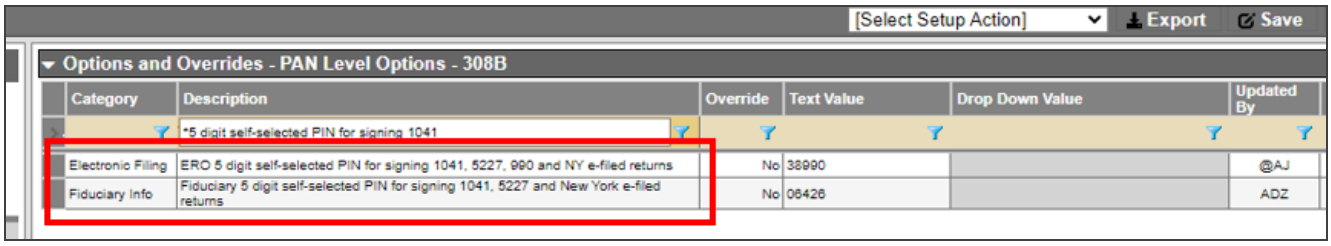
Fed/State	Tax Type	Filing	Exmpt Type	Status
CA	Fiduciary	Fiduciary Return		Not qualified
FED	Fiduciary	Extension		Qualified

The diagnostic validation messaging from BRMS may be difficult to understand initially. Contact our support agents for any assistance.

Options and Overrides

The descriptions on the following options were revised to include 5227 returns.

- **Electronic Filing** category: **ERO 5 digit self-selected PIN for signing 1041, 990 and NY e-filed returns** was revised to **ERO 5 digit self-selected PIN for signing 1041, 5227, 990 and NY e-filed returns**
- **Fiduciary Info** category: **Fiduciary 5 digit self-selected PIN for signing 1041 and New York e-filed returns** was revised to **Fiduciary 5 digit self-selected PIN for signing 1041, 5227 and New York e-filed returns**



Diagnostic Report Pages of Tax Return Documents

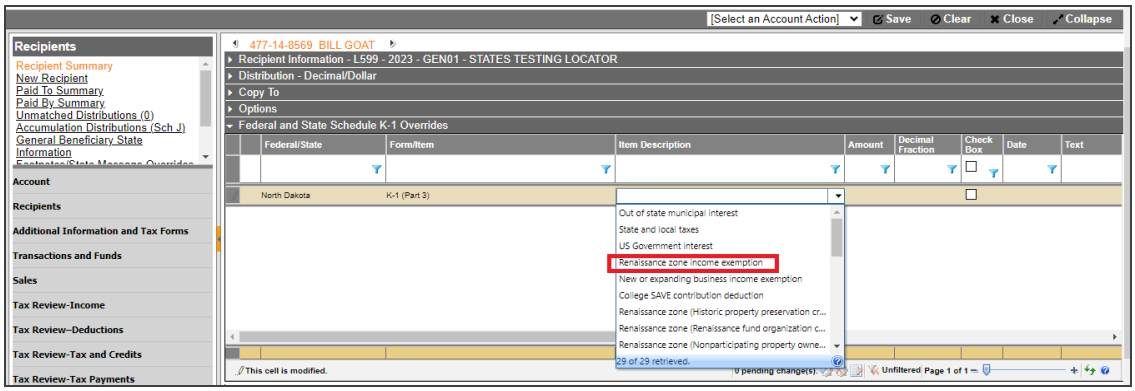
Beginning with tax year 2023, the **Diagnostic Report** will now be included as part of tax return documents when selecting the **State Only** and **Specific State** processing document options. Previously, the diagnostic report was suppressed when the federal return was not part of the return. Federal diagnostic messages will be included however as the federal return is still being computed “in the background” on **State Only** and **Specific State** processing requests.

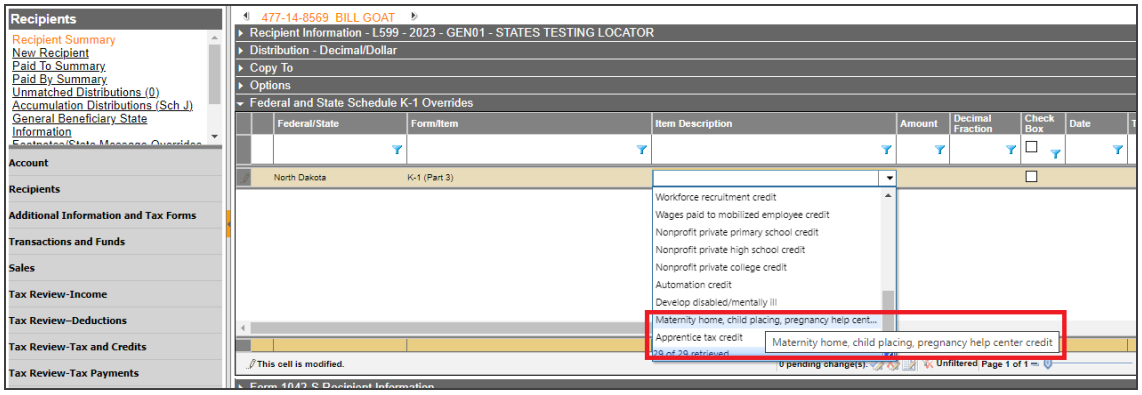
Federal and State Schedule K-1 Overrides

Beginning with tax year 2023, the following changes were made in the Federal and State Schedule K-1 Overrides collapsible section on the Recipient Detail page.

North Dakota

- The following item descriptions were added for K-1 (Part 3):
  - Renaissance zone income exemption
  - Maternity home, child placing, pregnancy help center credit
  - Apprentice tax credit
- The following item descriptions were removed from K-1 (Part 3):
  - Renaissance zone income exemption (post 7/31/2013)
  - Geothermal energy device credit

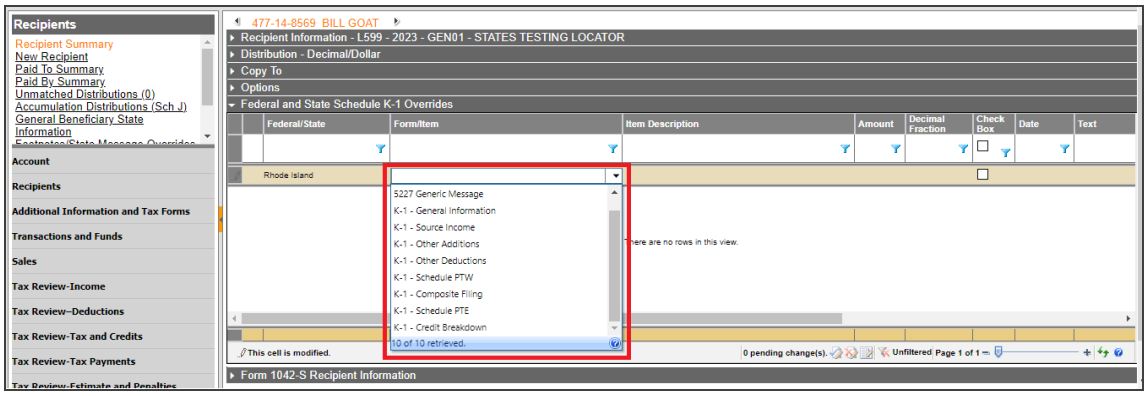




Rhode Island

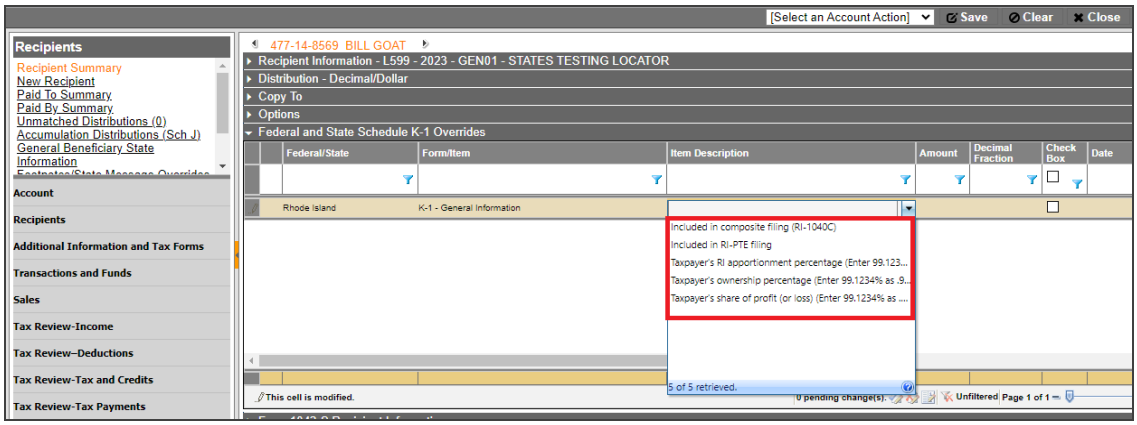
The following Form/Items were added:

- K-1 - General Information
- K-1 - Source Income
- K-1 - Other Additions
- K-1 - Other Deductions
- K-1 - Schedule PTW
- K-1 - Composite Filing
- K-1 - Schedule PTE
- K-1 - Credit Breakdown



The following item descriptions were added for **K-1 - General Information**:

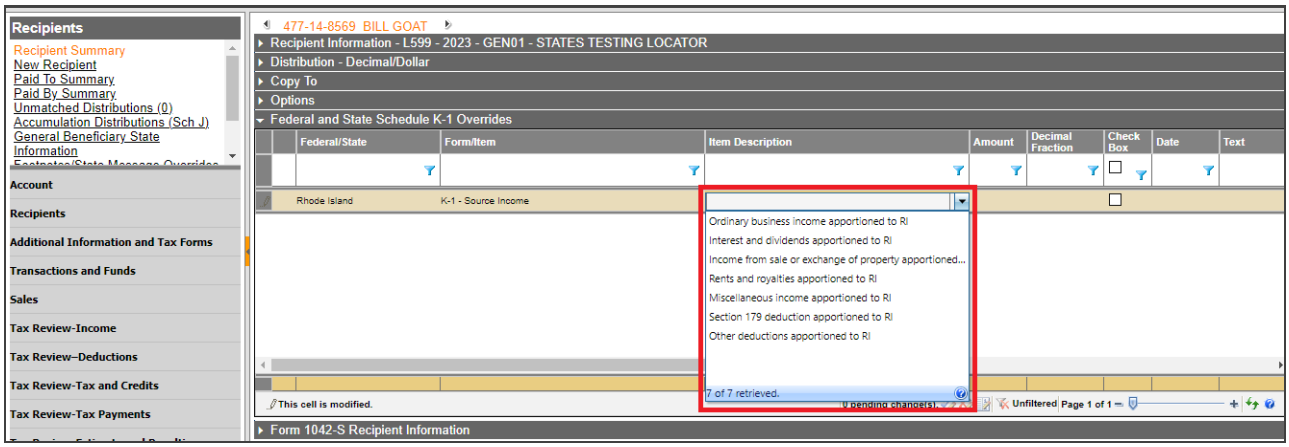
- Included in composite filing (RI-1040C)
- Included in RI-PTE filing
- Taxpayer's RI apportionment percentage (Enter 99.1234% as .991234)
- Taxpayer's ownership percentage (Enter 99.1234% as .991234)
- Taxpayer's share of profit (or loss) (Enter 99.1234% as .991234)



The following item descriptions were added for **K-1 - Source Income**:

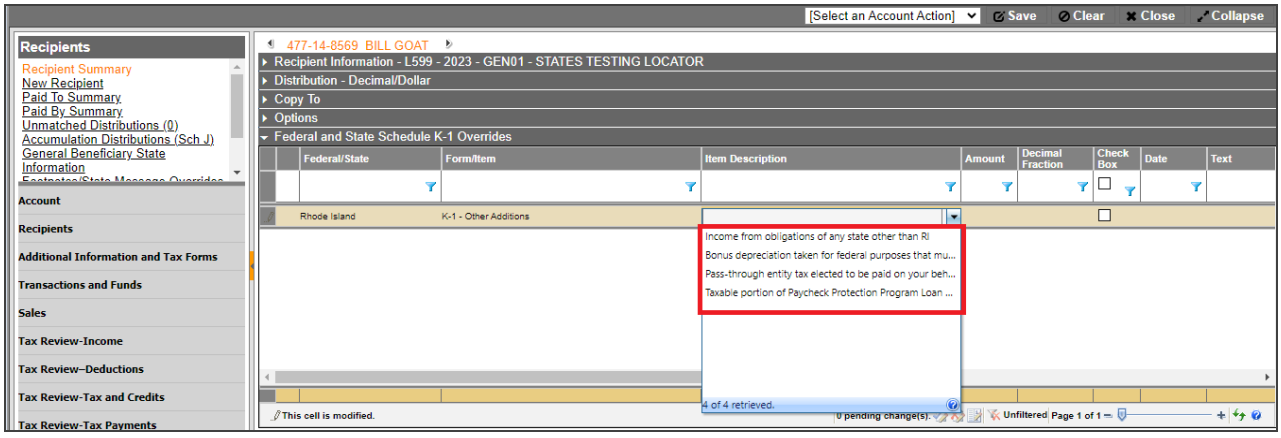
- Ordinary business income apportioned to RI
- Interest and dividends apportioned to RI
- Income from sale or exchange of property apportioned to RI

- Rents and royalties apportioned to RI
- Miscellaneous income apportioned to RI
- Section 179 deduction apportioned to RI
- Other deductions apportioned to RI



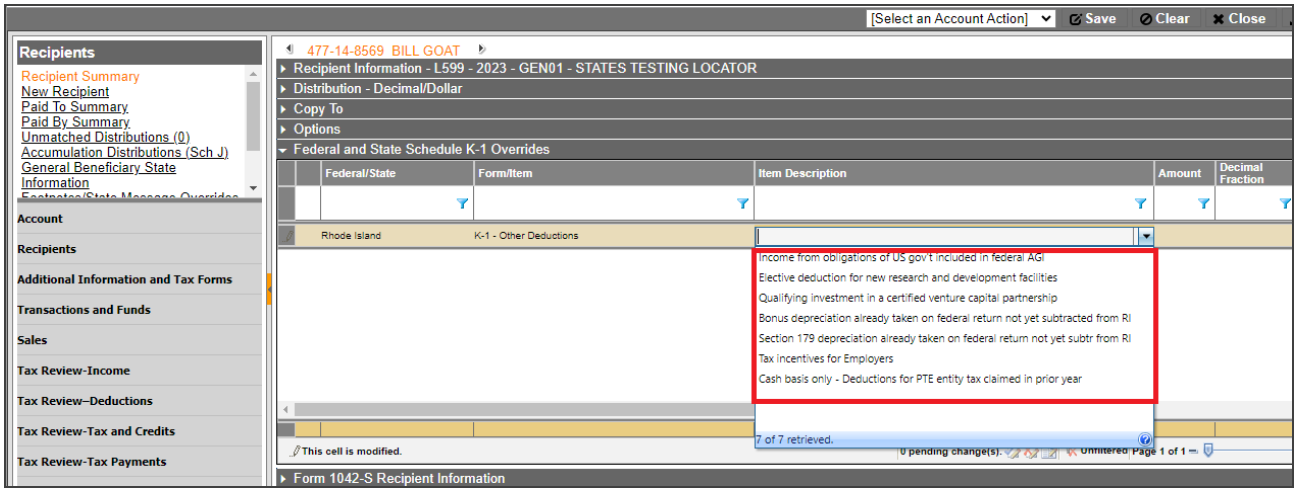
The following item descriptions were added for **K-1 - Other Additions**:

- Income from obligations of any state other than RI
- Bonus depreciation taken for federal purposes that must be added back
- Pass-through entity tax elected to be paid on your behalf by the PTE
- Taxable portion of Paycheck Protection Program Loan amount



The following item descriptions were added for **K-1 - Other Deductions**:

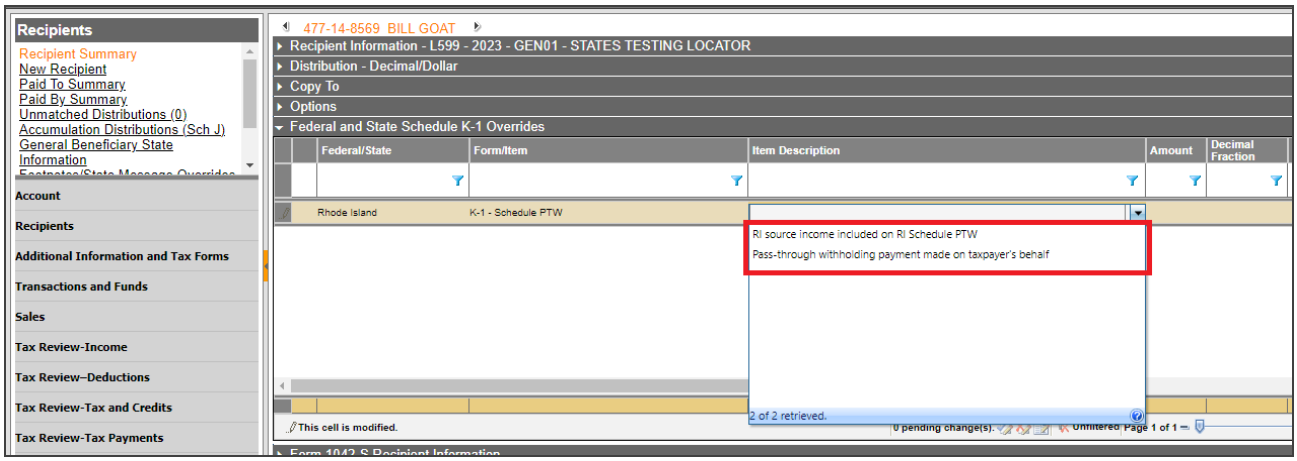
- Income from obligations of US gov't included in federal AGI
- Elective deduction for new research and development facilities
- Qualifying investment in a certified venture capital partnership
- Bonus depreciation already taken on federal return not yet subtracted from RI
- Section 179 depreciation already taken on federal return not yet subtr from RI
- Tax incentives for Employers
- Cash basis only - Deductions for PTE entity tax claimed in prior year



The following item descriptions were added for **K-1 - Schedule PTW**:

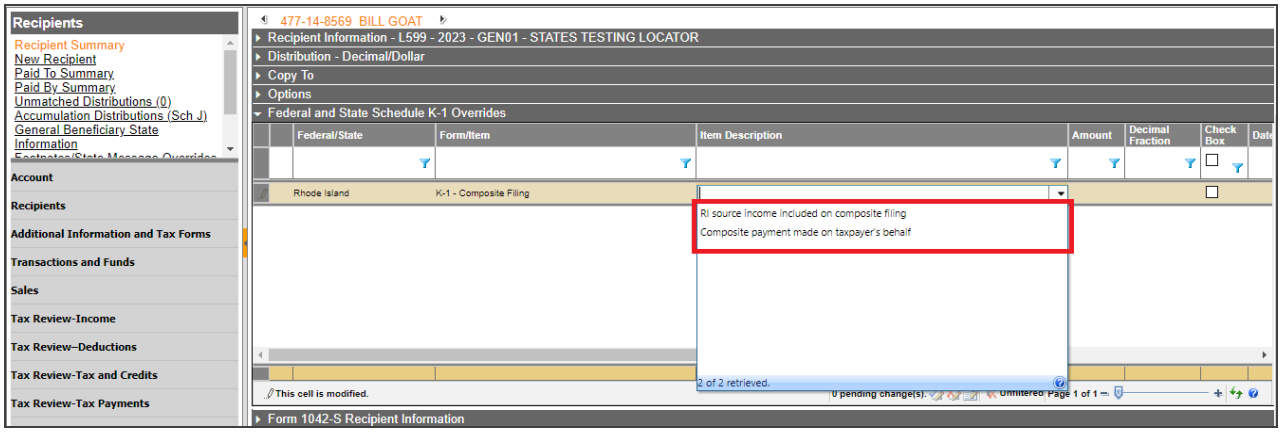
• RI source income included on RI Schedule PTW

• Pass-through withholding payment made on taxpayer's behalf



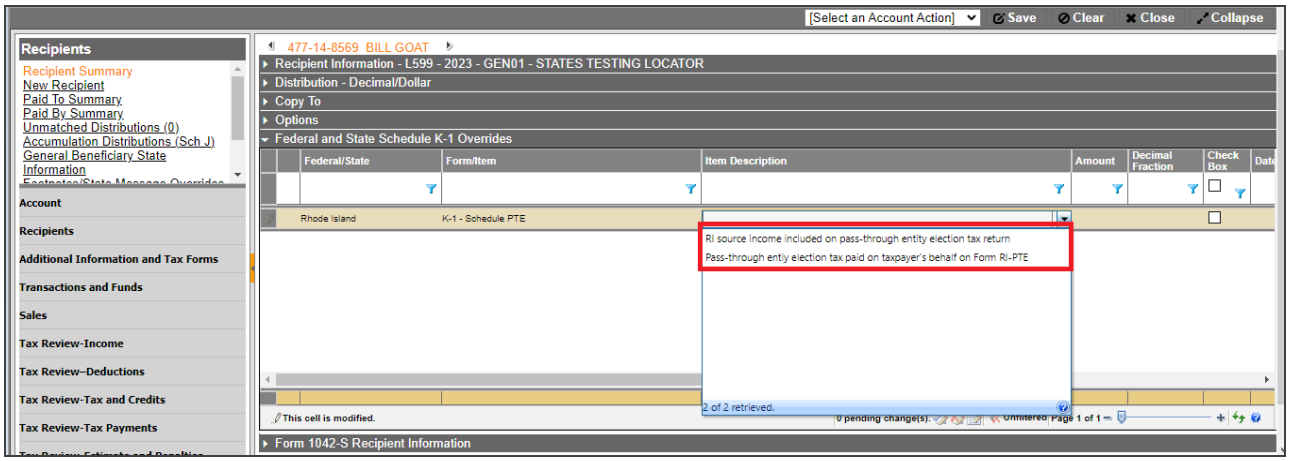
The following item descriptions were added for **K-1 - Composite Filing**

- RI source income included on composite filing
- Composite payment made on taxpayer's behalf



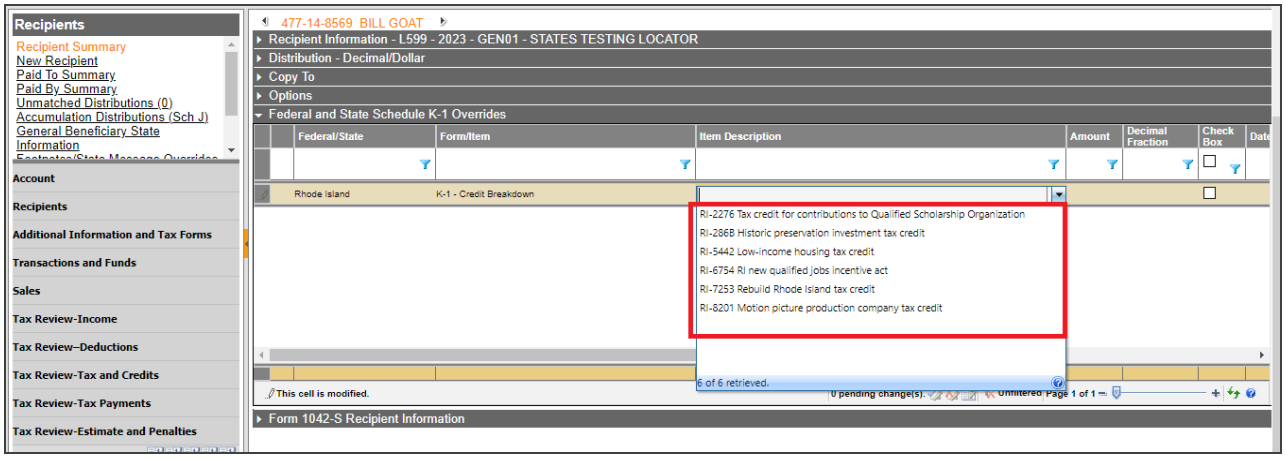
The following item descriptions were added for **K-1 - Schedule PTE**

- RI source income included on pass-through entity election tax return
- Pass-through entity election tax paid on taxpayer's behalf on Form RI-PTE

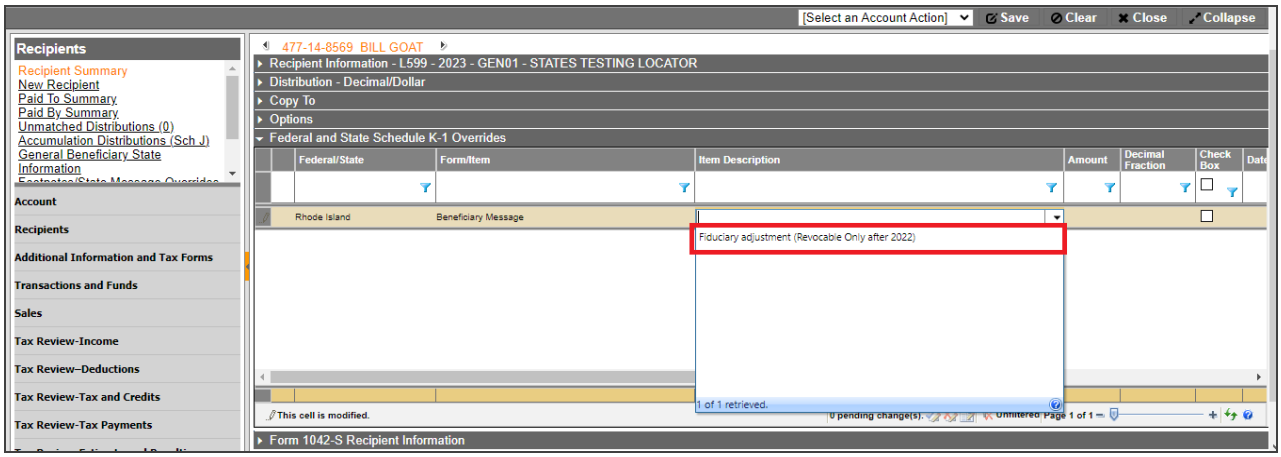


The following item descriptions were added for **K-1 - Credit Breakdown**

- RI-2276 Tax credit for contributions to Qualified Scholarship Organization
- RI-286B Historic preservation investment tax credit
- RI-5442 Low-income housing tax credit
- RI-6754 RI new qualified jobs incentive act
- RI-7253 Rebuild Rhode Island tax credit
- RI-8201 Motion picture production company tax credit

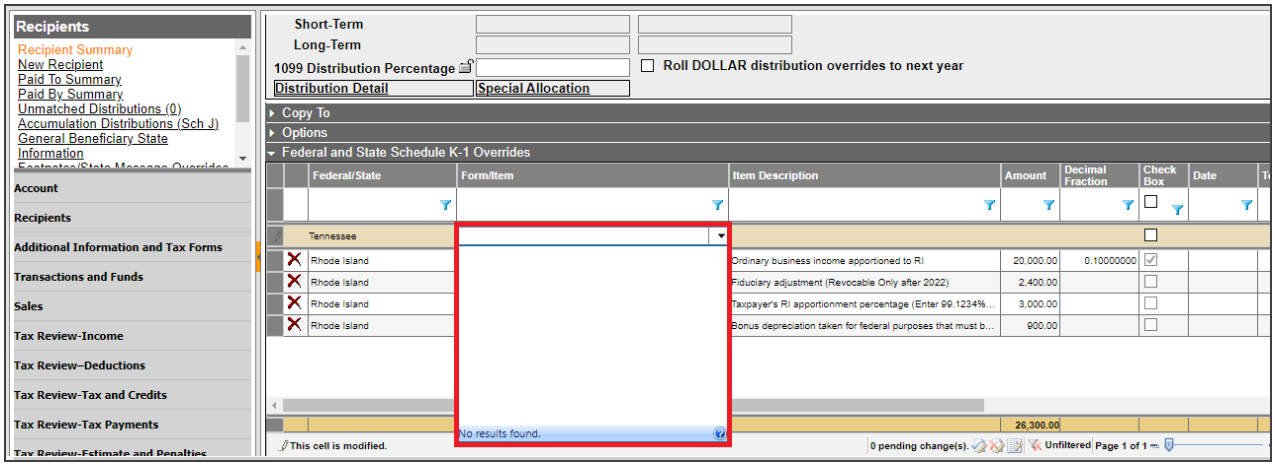


The **Fiduciary adjustment (Revocable Only after 2022)** item description was added for **Beneficiary Message**.



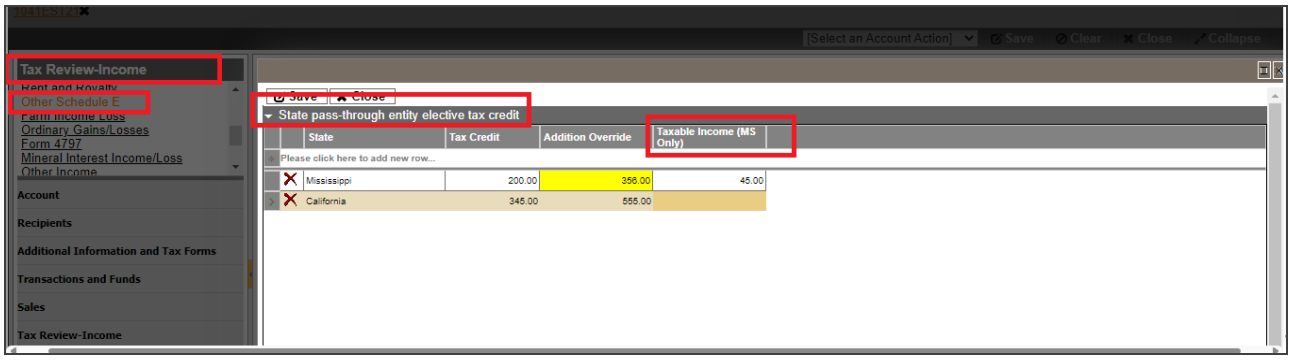
Tennessee

Beginning with tax year 2023, Tennessee state details were removed.



Other Schedule E

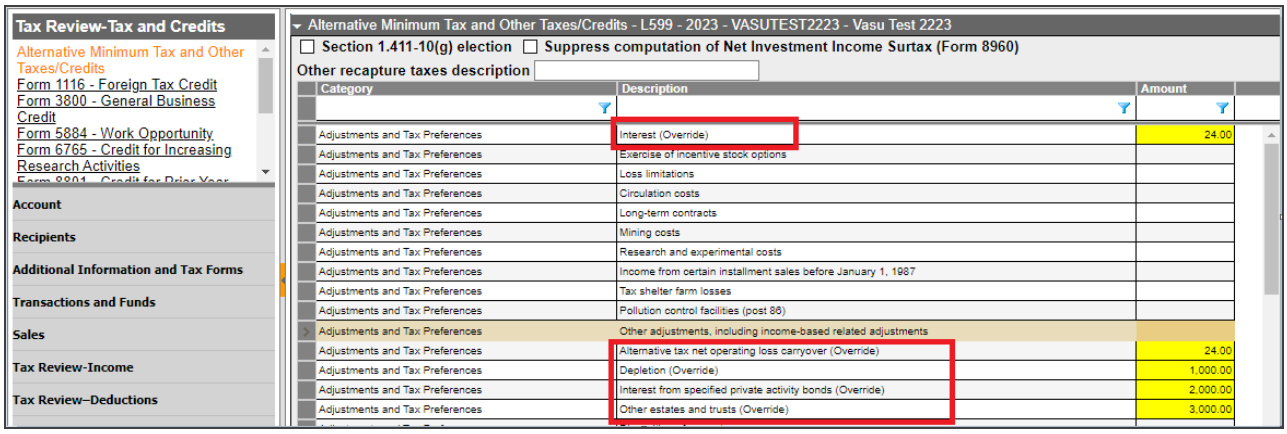
Beginning with tax year 2023, Mississippi now enables a PTE tax credit to be passed to trust/estate from a PTE (Partnership or S Corp). The **Taxable Income (MS Only)** column was added to the **State pass-through entity elective tax credit** detail page accessible from the Part III collapsible section of Partnership or S-Corp K-1 detail in the **Tax Review-Income | Other Schedule E** topic.

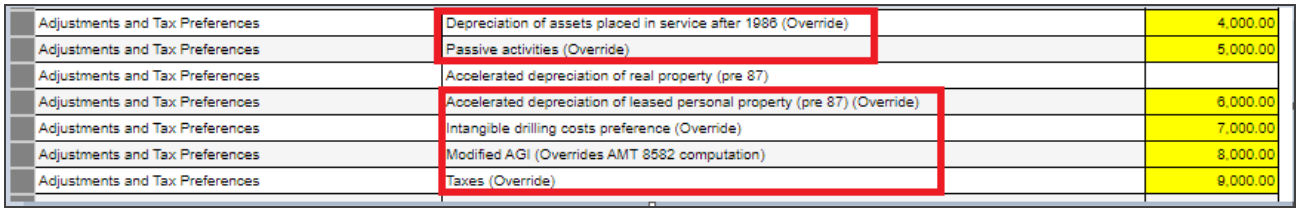


Alternative Minimum Tax and Other Taxes/Credits

Beginning with tax year 2023, the following changes were made to the **Adjustments and Tax Preferences** category in the grid in the **Alternative Minimum Tax and Other Taxes/Credits** subtopic of the **Tax Review-Tax and Credits** topic:

- **Interest** was changed to **Interest (Override)**
- **Electing large partnerships** was removed
- **Alternative tax net operating loss carryover** was changed to **Alternative tax net operating loss carryover (Override)**
- **Depletion** was changed to **Depletion (Override)**
- **Interest from specified private activity bonds** was changed to **Interest from specified private activity bonds (Override)**
- **Other estates and trusts** was changed to **Other estates and trusts (Override)**
- **Depreciation of assets placed in service after 1986** was changed to **Depreciation of assets placed in service after 1986 (Override)**
- **Passive activities** was changed to **Passive activities (Override)**
- **Accelerated depreciation of leased personal property (pre 87)** was changed to **Accelerated depreciation of leased personal property (pre 87) (Override)**
- **Intangible drilling costs preference** was changed to **Intangible drilling costs preference (Override)**
- **Taxes** was changed to **Taxes (Override)**

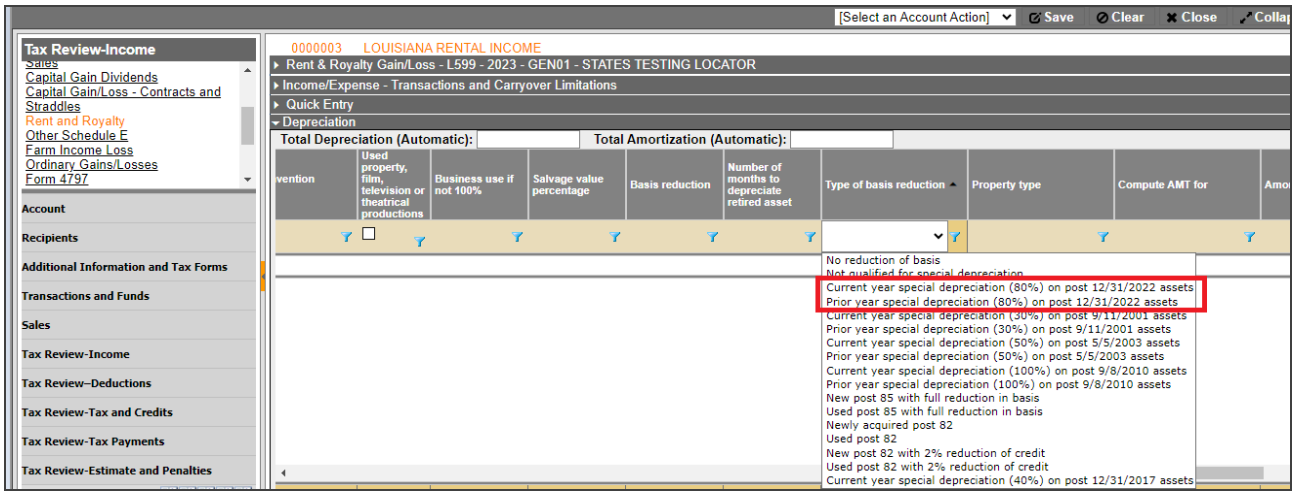




Depreciation

The following selections were added to the **Type of basis reduction** dropdown within the **Depreciation** collapsible section of **Business Income/Loss**, **Rent and Royalty**, **Farm Income/Loss**, and **Mineral Interest Income/Loss** properties within the **Tax Review-Income** topic for 1041 accounts and the **Rent and Royalty** and **General Depreciation** within the **Tax Review-Income** topic for 990 accounts. These selections apply to all tax years.

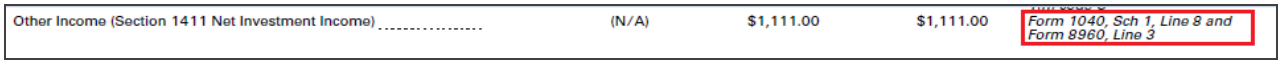
- Current year special depreciation (80%) on post 12/31/2022 assets
- Prior year special depreciation (80%) on post 12/31/2022 assets



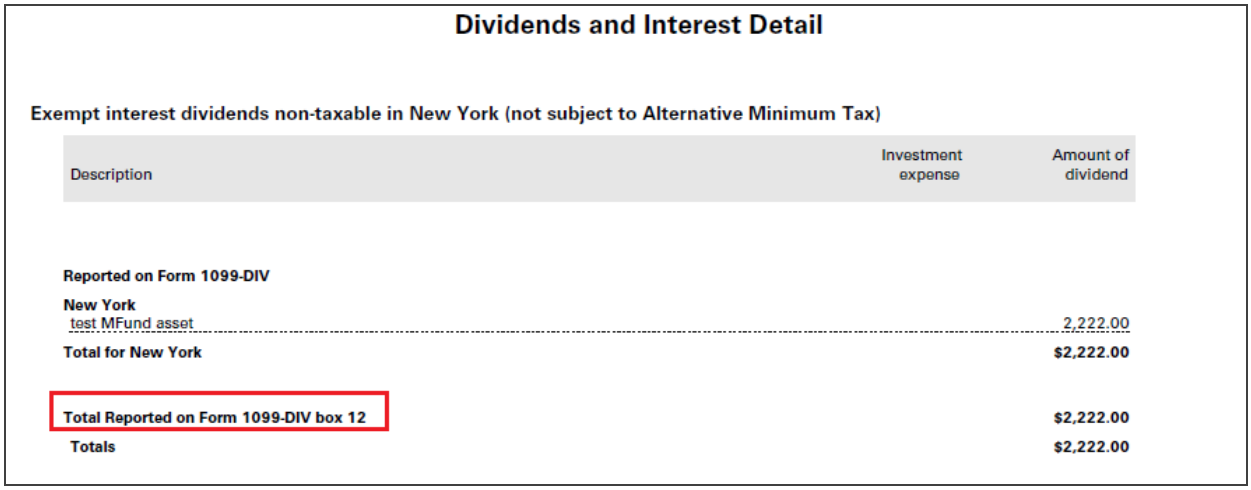
1099 Print Form References

Beginning with tax year 2023, the following form references were updated:

- Reference **Form 8960, line 2** was changed to **Form 8960, line 3**



- References for **Exempt interest dividends (not subject to Alternative Minimum Tax)** for both taxable and non-taxable for specific states was changed from **11** to **12**



- References for **Exempt interest dividends (subject to Alternative Minimum Tax)** for both taxable and non-taxable for specific states was changed to **12** and **13**

Exempt interest dividends taxable in New York (subject to Alternative Minimum Tax)

Description	Amount of dividend
Reported on Form 1099-DIV	
Montana	
MT mf	3,333.00
Total for Montana	**$3,333.00**
Total Reported on Form 1099-DIV box 12 and 13	**$3,333.00**
Totals	**$3,333.00**

1099 Print Changes for Section 897 Income

As referenced in the release notes for the version 23.05 release in November, tax codes 163 and 164 were added beginning with tax year 2023 for reporting Section 897 dividends and gains. The supporting detail associated with 1099 Premium and 1099 with Nominee Detail Service Level packages was updated with new sections to report this income.

The transactions in tax code 163 will be reported under the **Section 897 Ordinary Dividends (Only reported on Form 1099-DIV, box 2e if recipient is not an individual)** heading as the following graphic illustrates.

Section 897 Ordinary Dividends (Only reported on Form 1099-DIV, box 2e if recipient is not an individual)

Date	Description	Amount of dividend
Reported on Form 1099-DIV		
12/31/2023	FULL NAME OF ASSET A	163.00
	Total	**$163.00**
Total Reported on Form 1099-DIV		**$163.00**
Not Reported on Form 1099-DIV		
11/12/2023	MEDTRONIC INC	100.00
	Total	**$100.00**
Total Not Reported on Form 1099-DIV		**$100.00**
Total Section 897 Ordinary Dividends		**$263.00**

The transactions in tax code 164 will be reported under the **Section 897 Capital Gain (Only reported on Form 1099-DIV, box 2f if recipient is not an individual)** heading as the following graphic illustrates.

Section 897 Ordinary Dividends (Only reported on Form 1099-DIV, box 2e if recipient is not an individual)

Date	Description	Amount of dividend
Reported on Form 1099-DIV		
12/31/2023	FULL NAME OF ASSET A	163.00
	Total	**$163.00**
Total Reported on Form 1099-DIV		**$163.00**
Not Reported on Form 1099-DIV		
11/12/2023	MEDTRONIC INC	100.00
	Total	**$100.00**
Total Not Reported on Form 1099-DIV		**$100.00**
Total Section 897 Ordinary Dividends		**$263.00**

The **Tax Summary** pages were also updated as follows:

Transactions in tax code 163 will be reported under the **Domestic Dividends** category as line-item **Section 897 Ordinary Dividends**

Tax Summary

Listed below is a summarization of all items posted to your account. It includes items reported to the IRS on 1099 Forms INT, DIV, B and OID, items reported to the IRS by individual payers, and miscellaneous information you may need in the preparation of your federal and state income tax returns.

INCOME	Reported on Combined 1099	Not Reported on Combined 1099	Total	*1040 Reference*
Domestic Dividends:				
Total for year	$207.00	$14,401.07	$14,608.07	*Sch B, Part II, Line 5*
Qualified	$0.00	$13,401.07	$13,401.07	*See 1040 instructions*
Section 199A	$80.00	$0.00	$80.00	*See 1040 instructions*
Section 897 Ordinary Dividends	$163.00	$100.00	$263.00	*See 1040 instructions*
U.S. Government Interest Reported as Dividends:				
Total for year	$200.00	$200,150.00	$200,350.00	*Sch B, Part II, Line 5*

Transactions in tax code 164 will be reported under the **Long Term Gains and Losses/Capital Gain Distributions** category as line-item **Section 897 Capital Gain**

INCOME	Reported on Combined 1099	Not Reported on Combined 1099	Total	*1040 Reference*
Long Term Gains and Losses:				
Capital Gain Distributions:				
Capital gain distributions	$236.00	$2,016.00	$2,252.00	*Sch D, Line 13*
Section 897 Capital Gain	$164.00	$1,800.00	$1,964.00	*Sch D, Line 13*
Unrecaptured Section 1250 Gain	$33.00	$0.00	$33.00	*Sch D, Line 13 & See Sec 1250 Wksheet*
Section 1202 Gain	$16.00	$0.00	$16.00	*Sch D, Line 13 & See Sch D instructions*

1099 Print Changes for Territorial Interest

Beginning with tax year 2023, the following text changes were made for 1099 Territorial Interest.

Tax Summary

- **Non-taxable territorial interest** was changed to **Territorial interest non-taxable in 'State'** ('State' refers to recipient's state of residence)
- **Taxable territorial interest** was changed to **Territorial interest taxable in 'State'** ('State' refers to recipient's state of residence)

In the following example, the recipient's state of residence is New York.

Tax Summary

Listed below is a summarization of all items posted to your account. It includes items reported to the IRS on 1099 Forms INT, DIV, B and OID, items reported to the IRS by individual payers, and miscellaneous information you may need in the preparation of your federal and state income tax returns.

INCOME	Reported on Combined 1099	Not Reported on Combined 1099	Total	*1040 Reference*
Exempt Interest Dividends (not subject to Alternative Minimum Tax):				
Territorial interest non-taxable in New York	$1,111.00	$0.00	$1,111.00	*Form 1040, Line 2a*
Territorial interest taxable in New York	$2,222.00	$0.00	$2,222.00	*Form 1040, Line 2a*
Exempt-interest Dividends (subject to Alternative Minimum Tax):				
Territorial interest non-taxable in New York	$1,222.00	$0.00	$1,222.00	*Form 1040, Line 2a & Form 6251*

Supporting Detail (Asset/Transaction Level)

• **Non-taxable territorial interest (not subject to Alt Min Tax)** was changed to **Territorial Interest non-taxable in 'State' (not subject to Alternative Minimum Tax)** ('State' refers to recipient's state of residence)

• **Taxable territorial interest (not subject to Alt Min Tax)** was changed to **Territorial Interest taxable in 'State' (not subject to Alternative Minimum Tax)** ('State' refers to recipient's state of residence)

In the following example, the recipient's state of residence is New York.

Territorial Interest non-taxable in New York (not subject to Alternative Minimum Tax)

Description	CUSIP	Amount of market discount	Amount of bond premium	Gross Interest	Accrued Interest	Amount of interest
Totals				**$3,000.00**		**$3,000.00**

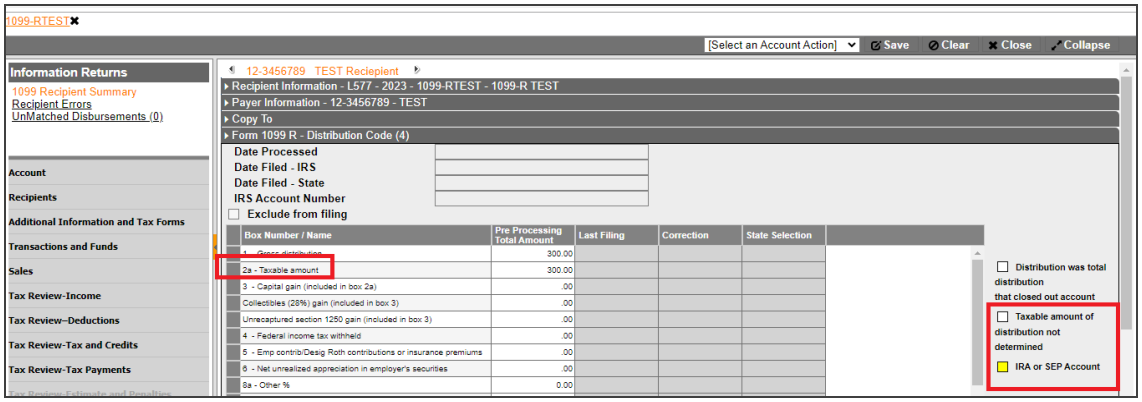
Territorial Interest taxable in New York (not subject to Alternative Minimum Tax)

Description	CUSIP	Amount of market discount	Amount of bond premium	Gross Interest	Accrued Interest	Amount of interest
Reported on Form 1099-INT						
Puerto Rico						
PUERTO RICO COMWLTH HWY & T 5.250%	745190MH8			850.00		850.00

1099-R Boxes 2a and 2b for Non-IRA Accounts

Beginning with tax year 2023, the logic to complete box 2a & 2b on Form 1099-R was updated for pension/retirement plans and non-IRA accounts.

- 1099-R Box 2a - **Taxable Amount** will be populated with amounts by default
- 1099-R Box 2b - **Taxable Amount of distribution not determined** will not be checked by default



The 1099-R Tax Code Matrix was updated to reflect the latest changes (change noted in red text where applicable).

ACCOUNT TYPE / WH	GROSS DIST- BOX 1	TAXABLE AMT- BOX 2A	TXBL AMT NOT DETERMINED- BOX 2B	FED WH	STATE WH
IRA/SEP/SIMPLE w/ WH	TC + WH	TC + WH	Checked	235	236
IRA/SEP/SIMPLE w/ 0$WH	TC	TC	Checked		
NOT IRA/SEP/SIMPLE w/ WH	TC + WH	TC + WH		235	236
NOT IRA/SEP/SIMPLE w/ 0$WH	TC	TC			

WSC Income Reallocation Changes for Sec 897 Income

Beginning with tax year 2023, the OTT tax codes used for mapping FIS (WSC) codes for Section 897 income were updated as shown in the following table:

INCOME DESCRIPTION	PREVIOUS OTT TAX CODE	NEW OTT TAX CODE	NEW OTT TAX COD DESCRIPTION
Section 897 Income Dividend	502	163	Section 897 ordinary dividends
Section 897 Capital gain	507 (not subject to withholding)	164	Section 897 capital gain (subject to withholding)

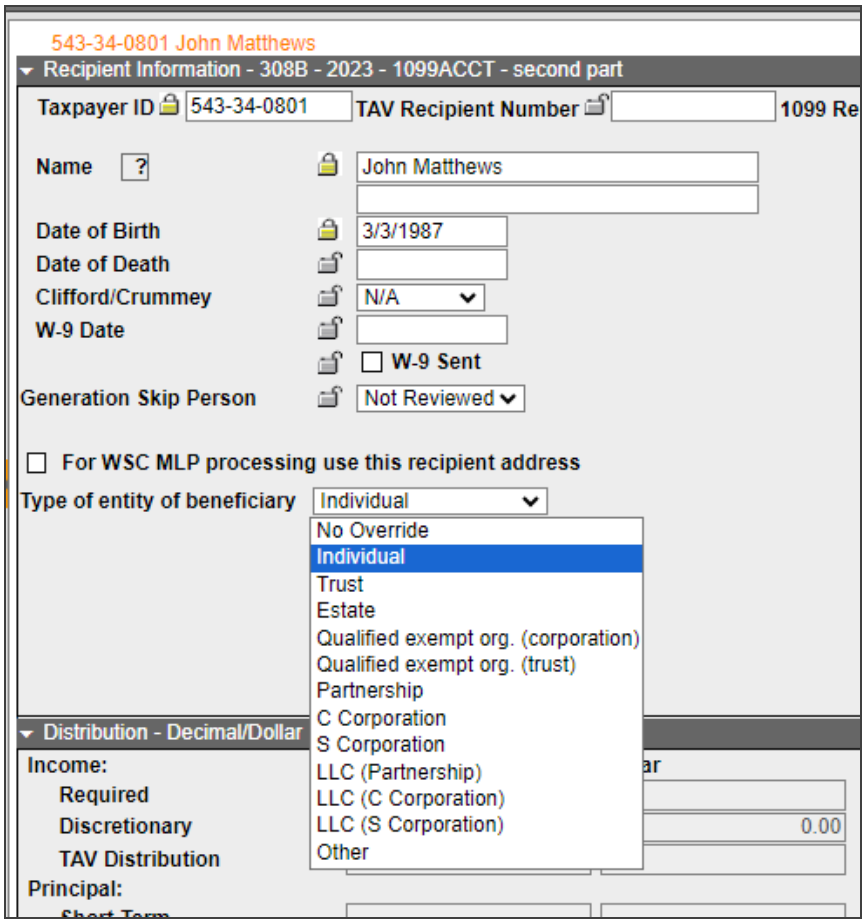
1041/5227 Reporting

- Section 897 dividends (tax code 163) – Reported as non-qualified dividends
- Section 897 capital gains (tax code 164) – Reported as capital gain dividends

1099 Reporting

- Section 897 dividends (tax code 163) – Reported on 1099-DIV boxes 1a and 2e*
- Section 897 capital gains (tax code 164) – Reported on 1099-DIV boxes 2a and 2f*

*Per IRS instructions for Form 1099-DIV, boxes 2e and 2f do not need to be completed by recipients that are U.S. Individuals. Following the instructions, the amounts from tax codes 163 and164 will flow to boxes 2e and 2f only if the recipient is not an individual. If the recipient is an U.S. Individual (determined by **Type of entity of beneficiary** dropdown selection shown in the following image), then boxes 2e and 2f will be blank.



1042-S Reporting

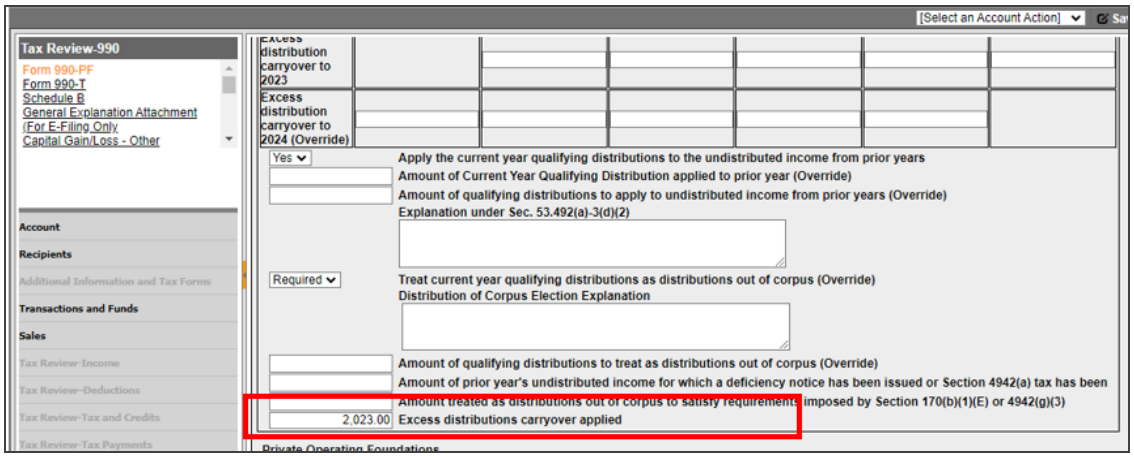
- Section 897 dividends (tax code 163) – No change
- Section 897 capital gains (tax code 164) – Reported using income code 06 and subject to 30% withholding rate applied (exemption code 00)

990/990-PF Reporting

- Section 897 dividends (tax code 163) – Reported based on 990 Control Information setup mapping – Be sure to check setup prior to 2023 processing
- Section 897 capital gains (tax code 164) – Reported as capital gain dividends

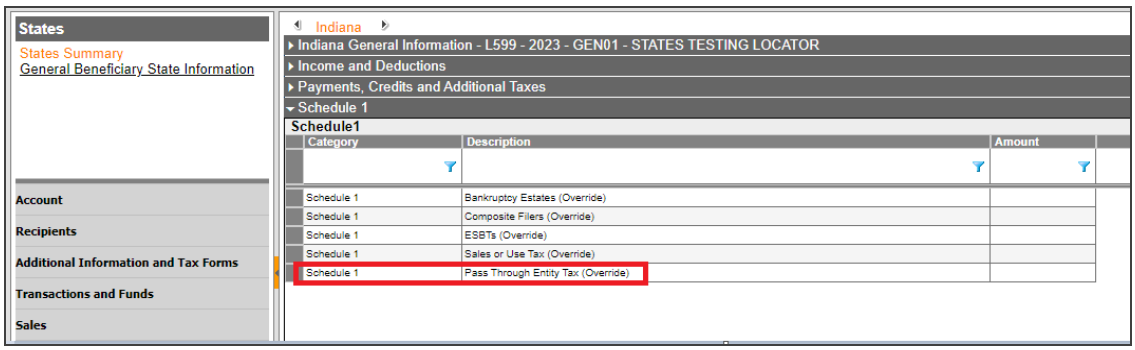
990 PF

Beginning with tax year 2023, the **Excess distributions carryover applied** field was added to the **Undistributed Income** detail page in the **Part IX, X, XI, XII, XIII Distribution Information** collapsible section in the **Form 990-PF** subtopic in the **Tax Review-990** topic.



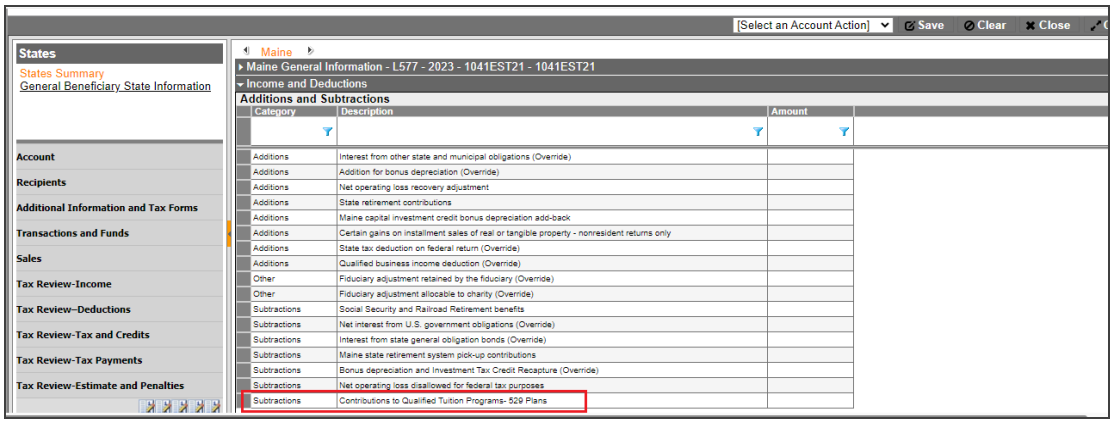
Indiana

Beginning with tax year 2023, the **Pass Through Entity Tax (Override)** field was added to the grid in the **Schedule 1** category in the **Schedule 1** collapsible section.



Maine

Beginning with tax year 2023, the **Contributions to Qualified Tuition Programs- 529 Plans** field was added to the **Subtractions** category of the **Additions and Subtractions** grid in the **Income and Deductions** collapsible section.



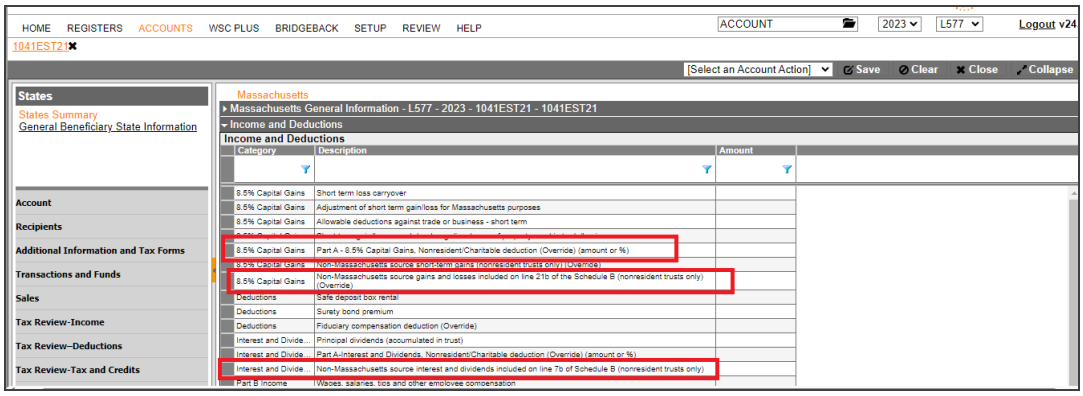
Massachusetts

Beginning with tax year 2023, the following changes were made to the referenced collapsible sections.

Income and Deductions

The following changes were made to the Income and Deductions grid:

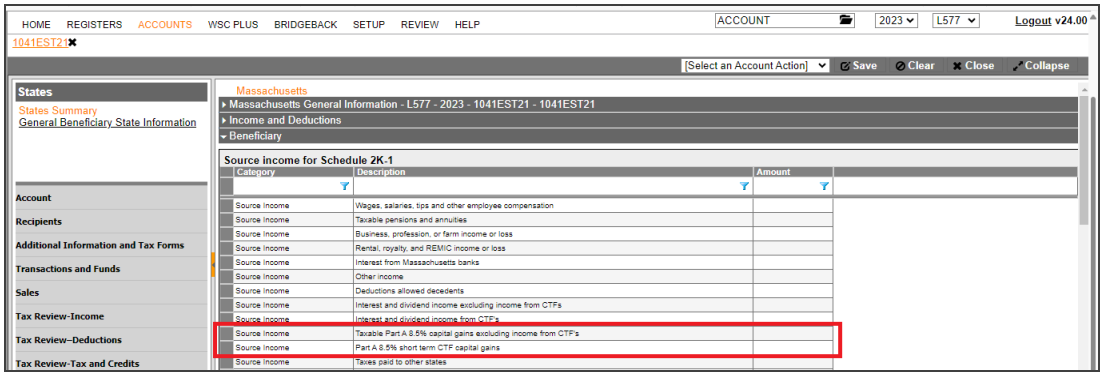
- The **12% Capital Gains** category was revised to **8.5% Capital Gains** and the following fields within that category revised as noted:
    - **Part A - 12% Capital Gains, Nonresident/Charitable deduction (Override) (amount or %)** was revised to **Part A - 8.5% Capital Gains, Nonresident/Charitable deduction (Override) (amount or %)**
    - **Non-Massachusetts source gains and losses included on line 21a of Schedule B (nonresident trusts only) (Override)** was revised to **Non-Massachusetts source gains and losses included on line 21b of the Schedule B (nonresident trusts only) (Override)**
- The **Non-Massachusetts source interest and dividends included on line 7b of Schedule B (nonresident trusts only)** field was added to the **Interest and Dividends** category



Beneficiary

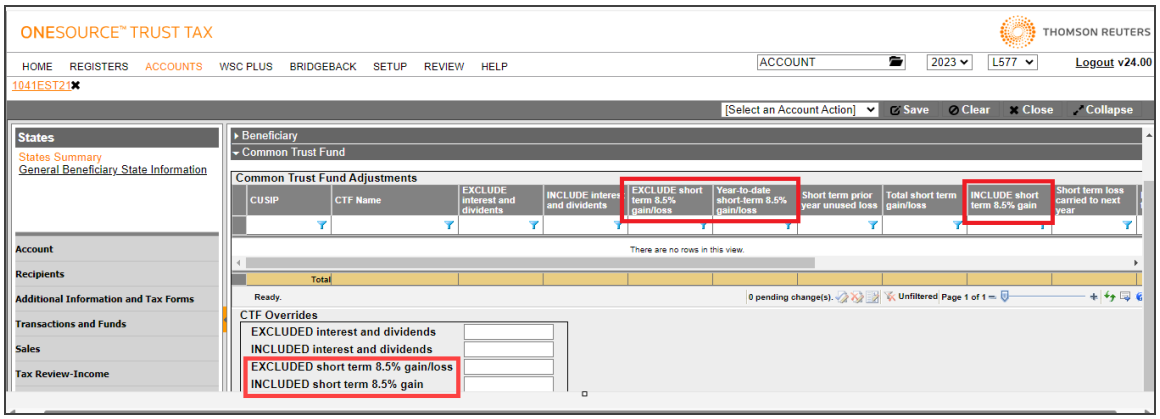
The following changes were made in the **Source income** category in the **Source income for Schedule 2K-1** grid:

- **Taxable Part A 12% capital gains excluding income from CTF's** was revised to **Taxable Part A 8.5% capital gains excluding income from CTF's**
- **Part A 12% short term CTF capital gains** was revised to **Part A 8.5% short term CTF capital gains**



Common Trust Fund

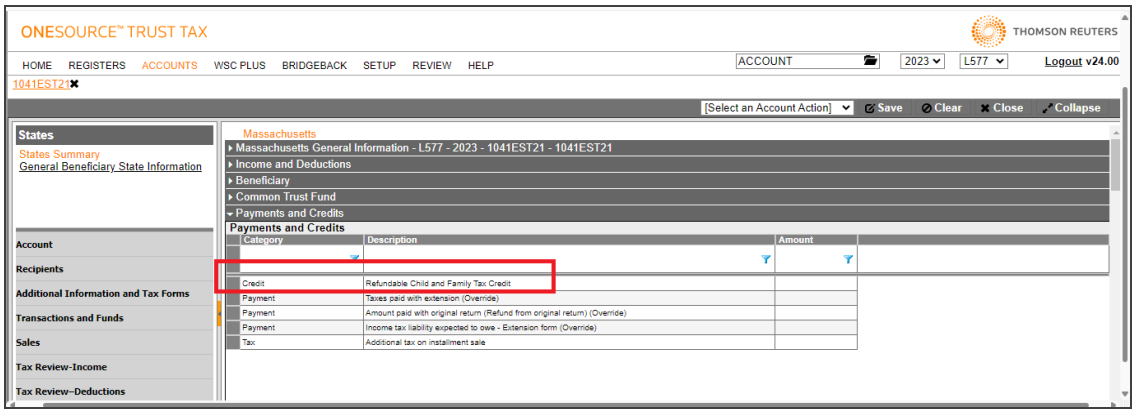
- In the **Common Trust Fund Adjustments** grid:
  - The **EXCLUDE short term 12% gain/loss** column was revised to **EXCLUDE short term 8.5% gain/loss**
  - The **Year-to-date short-term 12% gain/loss** column was revised to **Year-to-date short-term 8.5% gain/loss**
  - The **INCLUDE short term 12% gain** column was revised to **INCLUDE short term 8.5% gain**
- In the **CTF Overrides** group box:
  - The **EXCLUDED short term 12% gain/loss** field was revised to **EXCLUDED short term 8.5% gain/loss**
  - The **INCLUDED short term 12% gain** was revised to **INCLUDED short term 8.5% gain**

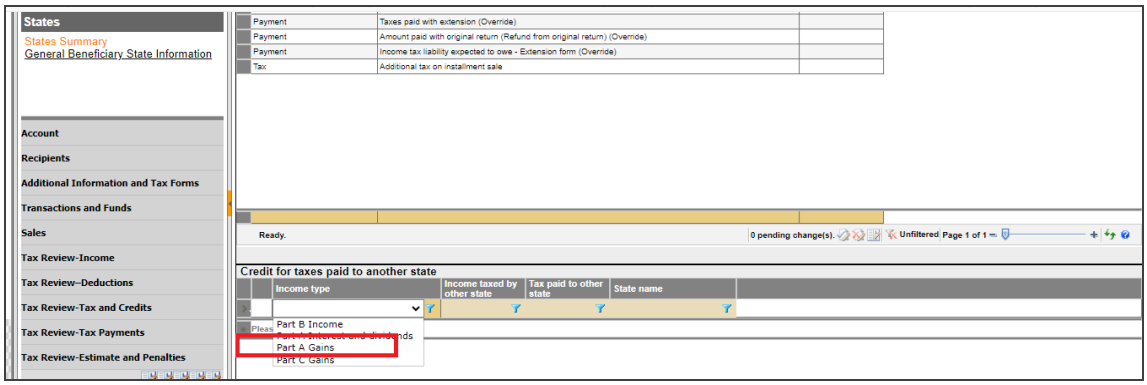


Payments and Credits

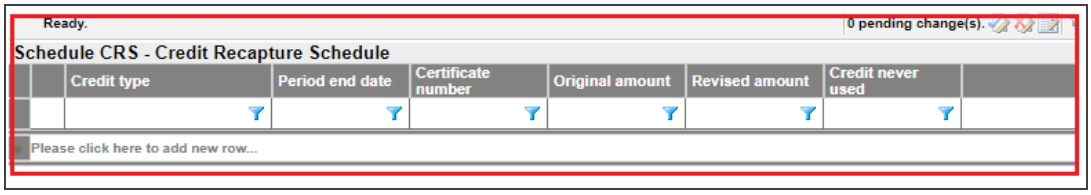
- The Refundable Child and Family Tax Credit field was added in the Credit category of the Payments and Credits grid

- The following credits were removed:
  - Lead paint credit
  - Economic opportunity credit
  - Brownfields credit recapture
  - Low income housing credit
  - Historic rehabilitation credit
  - Film incentive credit
  - Medical device credit
  - Refundable film credit
  - Employer wellness program credit
  - Refundable community investment tax credit
  - Refundable dependent credit
  - Brownsfield credit recapture
  - Economic opportunity credit recapture
  - Low income housing credit recapture
  - Historic rehabilitation credit recapture
- The **12% Income** selection in the **Income Type** dropdown in the **Credit for taxes paid to another state** grid was revised to **Part A Gains**

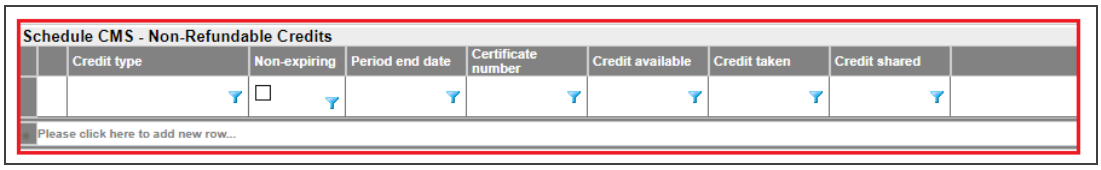

ONESOURCE™ TRUST TAX
THOMSON REUTERS
HOME REGISTERS ACCOUNTS WSC PLUS BRIDGEBACK SETUP REVIEW HELP
ACCOUNT
2023
L577
Logout v24.00
1041EST21
[Select an Account Action]
Save
Clear
Close
Collapse
States
States Summary
General Beneficiary State Information
Account
Recipients
Additional Information and Tax Forms
Transactions and Funds
Sales
Tax Review-Income
Tax Review--Deductions
Massachusetts
Massachusetts General Information - L577 - 2023 - 1041EST21 - 1041EST21
Income and Deductions
Beneficiary
Common Trust Fund
Payments and Credits
Payments and Credits
Category
Description
Amount
Credit
Refundable Child and Family Tax Credit
Payment
Taxes paid with extension (Override)
Payment
Amount paid with original return (Refund from original return) (Override)
Payment
Income tax liability expected to owe - Extension form (Override)
Tax
Additional tax on installment sale


States
States Summary
General Beneficiary State Information
Account
Recipients
Additional Information and Tax Forms
Transactions and Funds
Sales
Tax Review-Income
Tax Review--Deductions
Tax Review-Tax and Credits
Tax Review-Tax Payments
Tax Review-Estimate and Penalties
Payment
Taxes paid with extension (Override)
Payment
Amount paid with original return (Refund from original return) (Override)
Payment
Income tax liability expected to owe - Extension form (Override)
Tax
Additional tax on installment sale
Ready.
0 pending change(s).
Unfiltered
Page 1 of 1
Credit for taxes paid to another state
Income type
Income taxed by other state
Tax paid to other state
State name
Part B Income
Part A Gains
Part C Gains

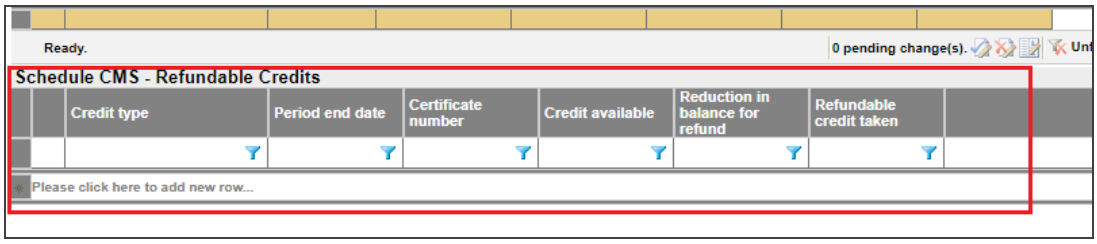
- The following grids were added:
  - **Schedule CRS - Credit Recapture Schedule**



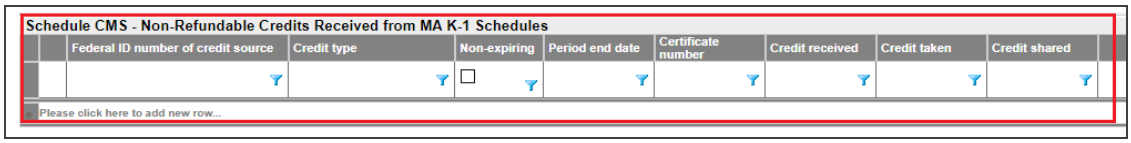
  - **Schedule CMS - Non-Refundable Credits**



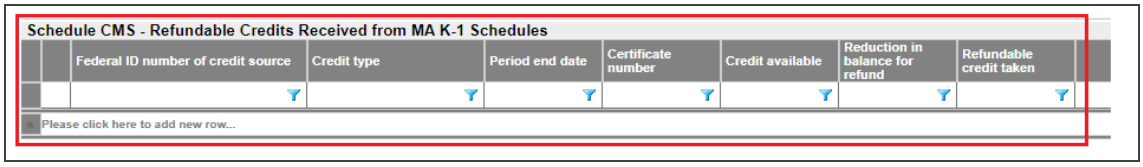
  - **Schedule CMS - Refundable Credits**



  - **Schedule CMS - Non-Refundable Credits Received from MA K-1 Schedules**



  - **Schedule CMS - Refundable Credits Received from MA K-1 Schedules**



Within the **Underpayment Penalty** link for Massachusetts on the States Summary page, the **Taxable 12% income** field in the **Computation of Tax on 2023 Annualized Income** grid in the **Annualized Income Installments** collapsible section was revised to **Taxable 8.5% income**.

Massachusetts

Underpayment Penalty Options 4950 - 2023 - 1010003693 - DivIntOIDB/Misc-R/

Annualized Income Installments

Computation of Tax on 2023 Annualized Income

Description	1/1/2023 - 2/28/2023
Taxable 5.00% income	
Taxable 8.5% income	
Credits	
Taxable 5.00% gains/losses	
Temporary recycling charge	
Annualized income installment (Override)	

Minnesota

Beginning with tax year 2023, the following changes were made to the referenced collapsible sections.

Income and Deductions

The following fields were added to the **Subtractions** category of the **Additions and Subtractions** grid:

- Delayed business interest
- Delayed net operating loss deduction

Minnesota

Minnesota General Information - 308B - 2023 - 1099ACCT - second part

Resident Trust Questionnaire

Income and Deductions

Additions and Subtractions

Category	Description	Amount
Additions	Fiduciary's losses not allowed by the state	
Additions	Capital gain amount of lump sum distribution	
Additions	Expenses deducted on U.S. obligations (Override)	
Additions	80 percent federal bonus depreciation (Override)	
Additions	80 percent of Suspended Loss (Override)	
Additions	Net operating loss carryover adjustment	
Additions	Section 199A qualified business income	
Additions	Foreign-derived intangible income (FDII) deduction	
Additions	Special deduction under section 965	
Additions	Delayed business interest	
Additions	Delayed net operating loss deduction	
Subtractions	Subtraction for railroad maintenance expenses	
Subtractions	State net operating loss carryover	
Subtractions	State income tax refund included as income on the federal tax return (Override)	
Subtractions	Fiduciary's net income not assigned to the state	
Subtractions	Federal bonus depreciation (Override)	
Subtractions	Net interest from U.S. government obligations (Override)	
Subtractions	Prior addback of reacquisition of business indebtedness income	
Subtractions	Deferred foreign income (Section 965)	
Subtractions	Global intangible low-taxed income (GILTI)	
Subtractions	Disallowed section 280E expenses of medical cannabis manufacturers	
Subtractions	Delayed business interest	$2,400.00
Subtractions	Delayed net operating loss deduction	$2,400.00

Nonresident Returns

The following fields were added to the **Income** category of the **Schedule M2NM Income and Deductions - Fiduciary Portion** grid:

- Delayed business interest
- Delayed net operating loss deduction

Schedule M2NM
Income and Deductions - Fiduciary Portion

Category	Description	Total	MN Portion
Income	Interest (Override)		
Income	Dividends (Override)		
Income	Partnership/Fiduciary/S-Corp income (Override)		
Income	Rental/Royalty Income or Loss (Override)		
Income	Business Income/Loss (Override)		
Income	Farm Income/Loss (Override)		
Income	Short-Term Capital Gain (loss) (Override)		
Income	Long-Term Capital Gain (loss) (Override)		
Income	Ordinary Gain (loss) (Override)		
Income	Other Income (Override)		
Income	Delayed business interest	$2,400.00	$2,401.00
Income	Delayed net operating loss deduction	$2,402.00	$2,403.00
Deductions	Interest Paid (Override)		
Deductions	Total taxes paid (Override)		
Deductions	Amount of charity deductions (Override)		
Deductions	Attorney and tax preparation fees (Override)		

Payments and Credits

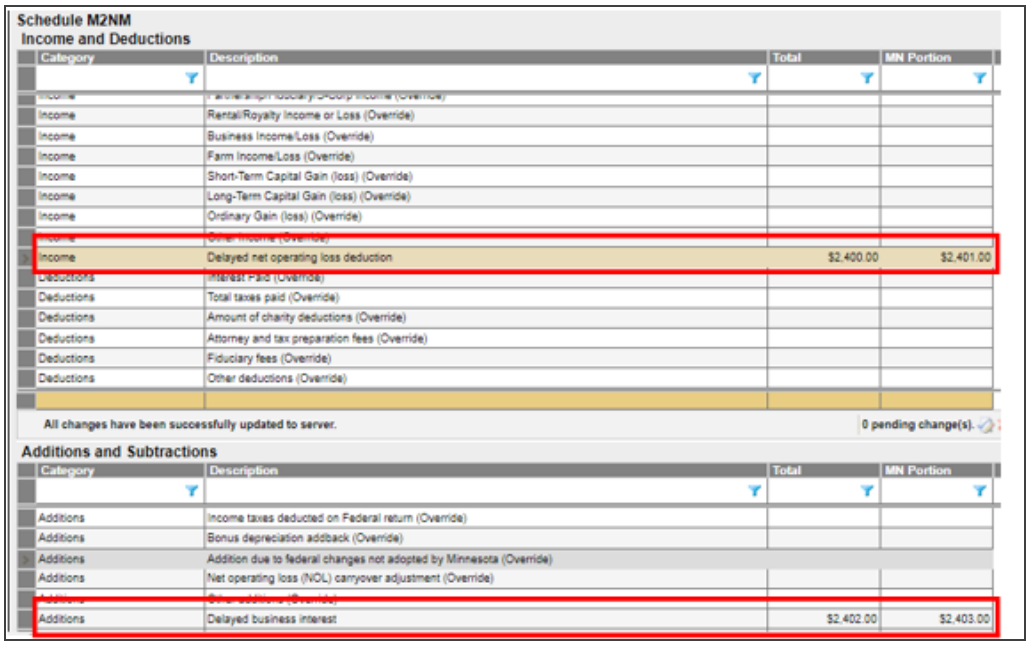
- The **Claiming a credit for taxes paid by a pass-through entity in another state** checkbox was added above the **Payments and Credits** grid
- The following fields were added to the **Credit** category of the **Payments and Credits** grid:
  - Short line railroad infrastructure modernization credit
  - Credit for sales of manufactured home parks to cooperatives
  - Housing tax credit
  - Housing tax credit certificate number

Minnesota
Minnesota General Information - 308B - 2023 - 1099ACCT - second part
Resident Trust Questionnaire
Income and Deductions
Nonresident Returns
Payments and Credits
☑ Claiming a credit for taxes paid by a pass-through entity in another state
Payments and Credits

Category	Description	Amount
Credit	Credit for taxes paid (override)	
Credit	Film Production Tax Credit	
Credit	Certificate number for film production tax credit	
Credit	Credit for increasing research activities (Override)	
Credit	Pass-through entity tax credit (Override)	
Credit	Short line railroad infrastructure modernization credit	$2,401.00
Credit	Credit for sales of manufactured home parks to cooperatives	$2,402.00
Credit	Housing tax credit	$2,403.00
Credit	Housing tax credit certificate number	$2,404.00
Payment	Taxes paid with extension (Override)	
Payment	Payments made with original return (Override)	

ESBT Section

- The **Delayed net operating loss deduction** field was added to the **Schedule M2NM Income and Deductions** grid
- The **Delayed business interest** field was added to the **Schedule M2NM Additions and Subtractions** grid



Schedule M2NM
Income and Deductions

Category	Description	Total	MN Portion
Income	Rental/Royalty Income or Loss (Override)		
Income	Business Income/Loss (Override)		
Income	Farm Income/Loss (Override)		
Income	Short-Term Capital Gain (loss) (Override)		
Income	Long-Term Capital Gain (loss) (Override)		
Income	Ordinary Gain (loss) (Override)		
Income	Delayed net operating loss deduction	$2,400.00	$2,401.00
Deductions	Interest Paid (Override)		
Deductions	Total taxes paid (Override)		
Deductions	Amount of charity deductions (Override)		
Deductions	Attorney and tax preparation fees (Override)		
Deductions	Fiduciary fees (Override)		
Deductions	Other deductions (Override)		

All changes have been successfully updated to server. 0 pending change(s).

Additions and Subtractions

Category	Description	Total	MN Portion
Additions	Income taxes deducted on Federal return (Override)		
Additions	Bonus depreciation addback (Override)		
Additions	Addition due to federal changes not adopted by Minnesota (Override)		
Additions	Net operating loss (NOL) carryover adjustment (Override)		
Additions	Delayed business interest	$2,402.00	$2,403.00

Amended Return

The following fields were added to the **Payments and Credits** category of the **Income, Taxes, Payments, Credits, Additions and Subtractions** grid:

- Housing tax credit certificate number
- Housing tax credit
- Short Line Railroad Infrastructure Modernization Credit
- Credit for Sales of Manufactured Home Parks to Cooperatives
- Other additions
- Delayed business interest
- Delayed net operating loss deduction

Payments and Credits	Pass-through entity tax credit		
Payments and Credits	Housing tax credit certificate number	$2,400.00	
Payments and Credits	Housing tax credit	$1.00	$7.00
Payments and Credits	Short Line Railroad Infrastructure Modernization Credit	$2.00	$8.00
Payments and Credits	Credit for Sales of Manufactured Home Parks to Cooperatives	$3.00	$9.00
Payments and Credits	Other additions	$4.00	$10.00
Payments and Credits	Delayed business interest	$5.00	$11.00
Payments and Credits	Delayed net operating loss deduction	$6.00	$12.00
Subtractions	Net interest from U.S. government obligations		

Montana

Beginning with tax year 2023, the following fields were added to the grid in the **Payment** category in the **Payments and Credits** collapsible section:

- State pass-through entity withholding distributed to beneficiaries
- State pass-through entity tax
- State pass-through entity tax distributed to beneficiaries
- Endowment credit recapture tax
- Tax on lump sum distributions

Montana

Montana General Information - L599 - 2023 - GEN01 - STATES TESTING LOCATOR
Income and Deductions
Nonresident Returns
ESBT and NOL
Payments and Credits

Payments and Credits

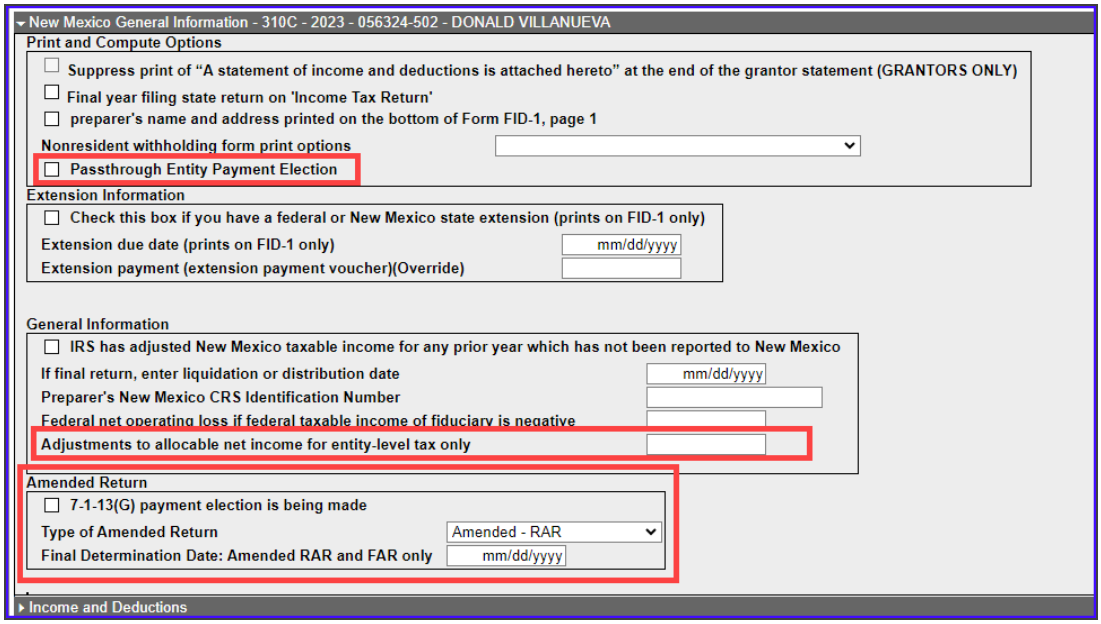
Category	Description	Amount
Credit	Income tax liability paid to other states	
Payment	Taxes paid with extension (Override)	
Payment	Taxes paid with extension (extension only) (Override)	
Payment	Other taxes, penalties and repayments	
Payment	State mineral royalty tax withholding	
Payment	State royalty tax withheld distributed to beneficiaries	
Payment	State pass-through entity withholding	
Payment	State pass-through entity withholding distributed to beneficiaries	$234.00
Payment	State pass-through entity tax	$2,023.00
Payment	State pass-through entity tax distributed to beneficiaries	$2,400.00
Payment	Carryover from prior-year return	
Payment	State tax paid/refund with original filing (Override)	
Payment	Endowment credit recapture tax	$3,456.00
Payment	Tax on lump sum distributions	$456.00

New Mexico

Beginning with tax year 2023, the following changes were made to the referenced collapsible sections:

General Information

- The **Adjustments to allocable net income for entity-level tax only** field was added to the **General Information** group box.
- The **Amended Return** group box was moved here from the **Nonresident Returns** collapsible section.



Income and Deductions

The **Amount of tax paid by a pass-through entity on allocable net income** field was added to the **Additions** category. The **Exemption for net income subject to the Entity Level Tax** field was removed from the **Subtractions** category.

New Mexico

New Mexico General Information - L599 - 2023 - GEN01 - STATES TESTING LOCATOR

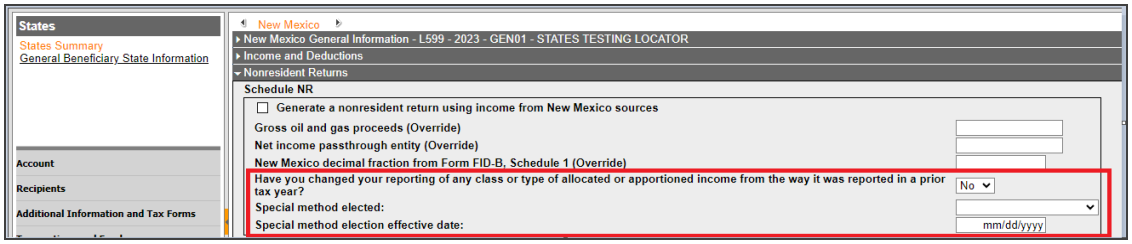
Income and Deductions

Additions and Subtractions

Category	Description	Amount
Additions	Interest from other state and municipal obligations (Override)	
Additions	Federal net operating loss (Override)	
Additions	Amount of tax paid by a pass-through entity on allocable net income	$1,234,567,890.00
Subtractions	New Mexico net operating loss (Override)	
Subtractions	Net interest from U.S. government obligations (Override)	
Subtractions	Net Capital Gain Deduction (Override)	
Subtractions	Income set aside for future distribution to a nonresident individual (Override)	

Nonresident Returns

- The following fields were added to the **Schedule NR** group box:
  - **Have you changed your reporting of any class or type of allocated or apportioned income from the way it was reported in a prior tax year?**
  - **Special method elected** dropdown
  - **Special method election effective date**



- The following group boxes were removed:
  - Nonresident Penalty and Interest
  - RPD-41373 Reason for Overpayment
- The Amended Return group box was moved under New Mexico General Information collapsible section as referenced previously.

New York

Beginning with tax year 2023, the following changes were made to the referenced collapsible sections:

Income and Deductions

The following fields were removed from the Additions category of the **Income and Deductions** grid:

- **Partner's distributive share of adjustments to ordinary income of a partnership**
- **Beneficiary's distributive share of adjustments to federal taxable income of an estate or trust**

Nonresident Returns

Within the **General and New York City Resident Period Information** sub-collapsible section:

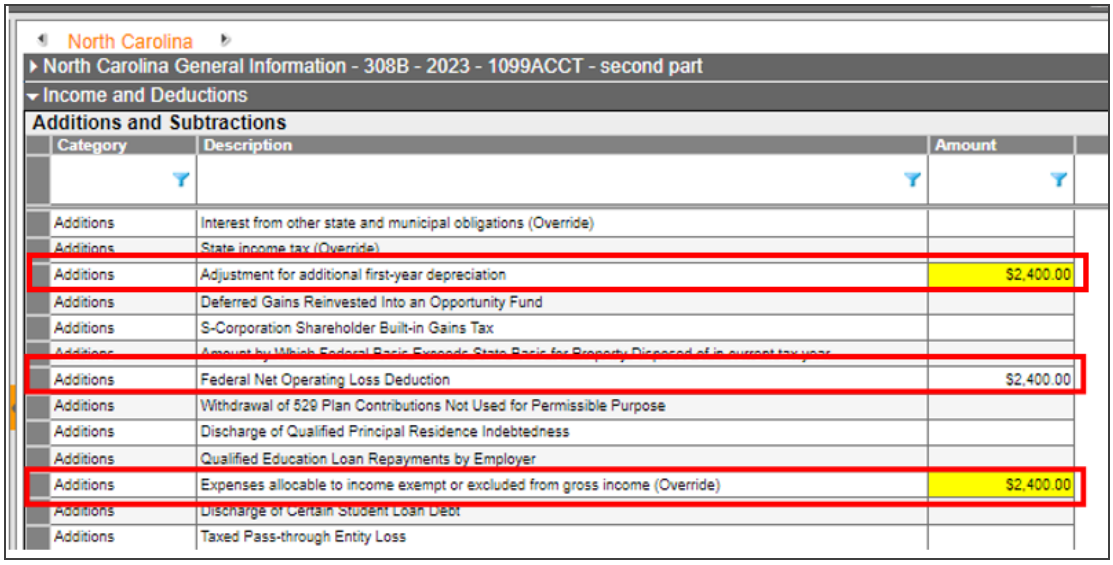
The **Fiduciaries share of Form IT-558 fiduciary adjustment** field was removed from **New York City Resident Period Amounts** category.

North Carolina

Beginning with tax year 2023, the following changes were made to the **Additions and Subtractions** grid in the **Income and Deduction** collapsible section:

- The **Adjustment for 30% additional first-year depreciation** field was changed to **Adjustment for additional first-year depreciation**
- The **Unabsorbed Net Operating Loss Deduction** field was changed to **Federal Net Operating Loss Deduction**
- The **Above-the-line Qualified Charitable Contribution Deduction** field was changed to **Expenses allocable to income exempt or excluded from gross income (Override)**
- The **Business Meal Deduction in Excess of 50%** field was removed
- The **Private Retirement Exclusion** field was changed to **Retirement benefits received by a retired member of the United States Uniformed Services**
- The **Adjustment for bonus depreciation added back in 2017 (override)** field was removed
- The **Adjustment for bonus depreciation added back in 2022 (override)** field was added

- The **Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 - 2019)** field was changed to **Certain Net Operating Loss Carrybacks**
- The **Certain Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in tax years 2019 and 2020)** field was changed to **Certain Net Operating Loss Carryforward**
- The **Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019 and 2020)** field was changed to **Excess Business Loss**
- The **Business Interest Loss Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)** field was changed to **Business Interest Loss Limitation**
- The **Taxed N.C. Net Operating Loss** field was changed to **N.C. Net Operating Loss**



North Carolina

North Carolina General Information - 308B - 2023 - 1099ACCT - second part

Income and Deductions

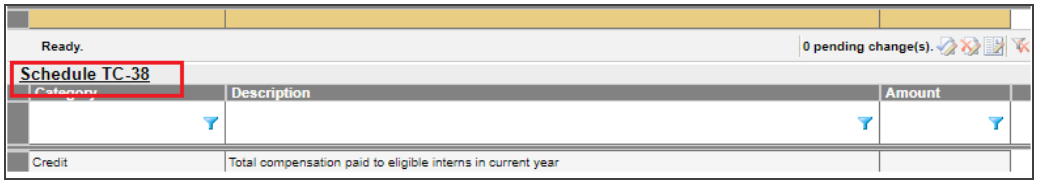
Additions and Subtractions

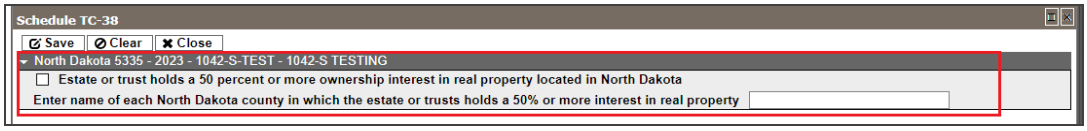
Category	Description	Amount
Subtractions	Retirement benefits received by a retired member of the United States Uniformed Services	$2,400.00
Subtractions	State, local or foreign tax refund	
Subtractions	Adjustment for bonus depreciation added back in 2018 (Override)	
Subtractions	Adjustment for bonus depreciation added back in 2019 (Override)	
Subtractions	Adjustment for bonus depreciation added back in 2020 (Override)	
Subtractions	Adjustment for bonus depreciation added back in 2021 (Override)	
Subtractions	Adjustment for bonus depreciation added back in 2022 (Override)	$2,400.00
Subtractions	Bonus Asset Basis	
Subtractions	Recognized IRC Section 1400Z-2 Gain	
Subtractions	Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	
Subtractions	Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	
Subtractions	Amount by which State Basis exceeds Federal Basis for Property disposed of in current tax year	
Subtractions	Ordinary and Necessary Business Expense Reduced or Not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	
Subtractions	Personal Education Savings Account Deposits	
Subtractions	Certain State Emergency Response and Disaster Relief Reserve Fund Payments	
Subtractions	Certain Economic Incentive Payments	
Subtractions	Certain N.C. Grant Payments	
Subtractions	Certain Net Operating Loss Carrybacks	$2,400.00
Subtractions	Excess Net Operating Loss Carryforward	$2,400.00
Subtractions	Excess Business Loss	$2,400.00
Subtractions	Business Interest Loss Limitation	$2,400.00
Subtractions	Taxed Pass-through Entity Income	
Subtractions	N.C. Net Operating Loss	$2,400.00

North Dakota

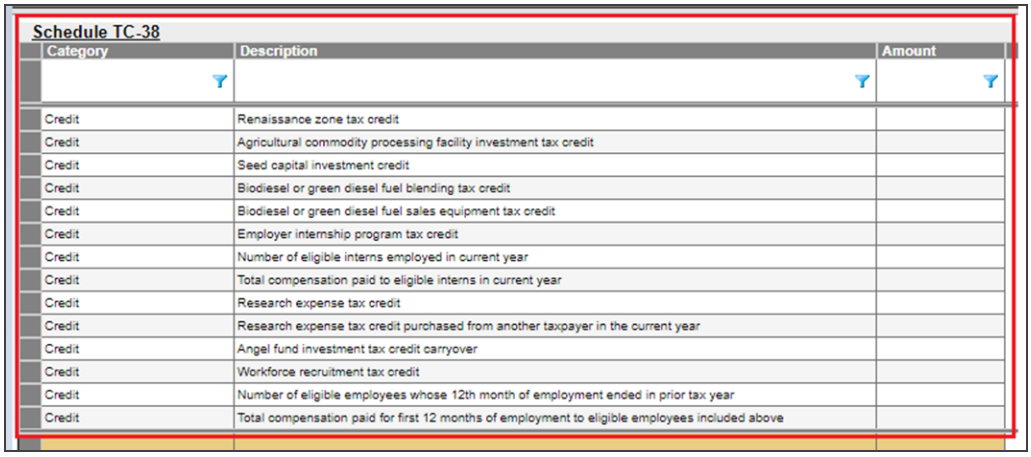
Beginning with tax year 2023, the following changes were made to the **Payments and Credits** collapsible section:

- The following fields were removed from the **Credit** category in the **Payments and Credits** grid:
  - Venture capital corporation credit
  - SBIC credit
  - Nonprofit development corporation credit
  - Geothermal, solar or wind energy device credit
- The **Other Credits** data grid was removed
- The **Schedule TC-38** link was added. The following fields are available after clicking the link:
  - **Estate or trust holds a 50 percent or more ownership interest in real property located in North Dakota** checkbox
  - **Enter name of each North Dakota County in which the estate or trusts holds a 50% or more interest in real property** field





- A **Credit** grid was added



Schedule TC-38

Category	Description	Amount
Credit	Date on which installation of geothermal energy device tax credit was completed	
Credit	Amount of unused carryover of geothermal energy device tax credit	
Credit	Tax credit for wages paid to mobilized employee	
Credit	Endowment fund tax credit from Schedule QEC, line 7	
Credit	Contribution amount from Schedule QEC, line 4	
Credit	Endowment fund tax credit from North Dakota Schedule K-1	
Credit	Contribution amount from North Dakota Schedule K-1	
Credit	Housing incentive fund tax credit carryover	
Credit	Automation tax credit	
Credit	Automation tax credit carryover	
Credit	Nonprofit private primary school contribution tax credit	
Credit	Nonprofit private high school contribution tax credit	
Credit	Nonprofit private college contribution tax credit	
Credit	Developmentally disabled/mentally ill employee tax credit	

Credit	Developmentally disabled/mentally ill employee tax credit	
Credit	Maternity home, child placement agency, or pregnancy help center credit	
Credit	Apprentice tax credit	
Credit	Number of eligible apprentices employed in current year	
Credit	Total compensation paid to eligible apprentices in current year	

Ohio

Beginning with tax year 2023, the **Taxes paid to another state or District of Columbia related to IRS notice 2020-7** field was added to Additions category of the **Additions and Subtractions** grid in the Income and Deductions collapsible section.

States
States Summary
General Beneficiary State Information

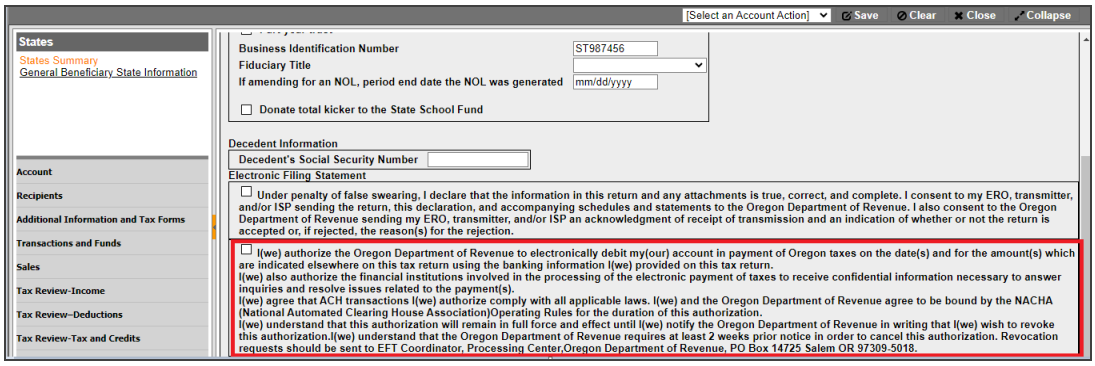
Account
Recipients
Additional Information and Tax Forms
Transactions and Funds
Sales
Tax Review-Income
Tax Review–Deductions

Ohio
Ohio General Information - L599 - 2023 - GEN01 - STATES TESTING LOCATOR
Income and Deductions
Additions and Subtractions

Category	Description	Amount	Selection
Additions	Federal personal exemptions - Estates only (Override)		
Additions	Other state or local government interest and dividends (Override)		
Additions	Losses resulting from the sale, exchange or disposition of state public and purchase obligations		
Additions	Expenses claimed on state estate tax return and deducted on federal return		
Additions	Pass-through entity addback		
Additions	Income from ESBT (Override)		
Additions	Recovery amount previously deducted or excluded		
Additions	Five-sixths of bonus depreciation add-back (Override)		
Additions	Depreciation add-back method (Override)		6/6 ratio
Additions	Taxes paid to another state or District of Columbia related to IRS notice 2020-7	$1,234,567,890.00	
Subtractions	Federal interest and dividends exempt from state taxation net of related expenses (Override)		
Subtractions	State and municipal income tax overpayments (Override)		
Subtractions	Wage/salary expense not deducted due to federal targeted jobs		

Oregon

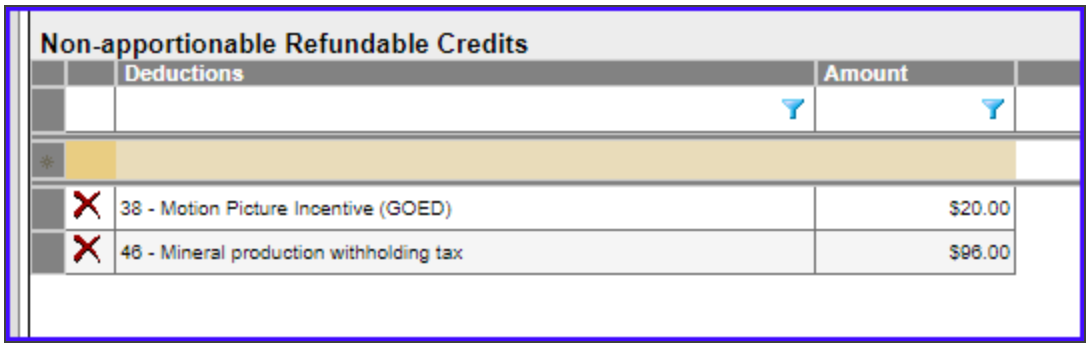
Beginning with tax year 2023, the verbiage was revised for the 2nd checkbox in the **Electronic Filing Statement** group box in the **General Information** collapsible section.



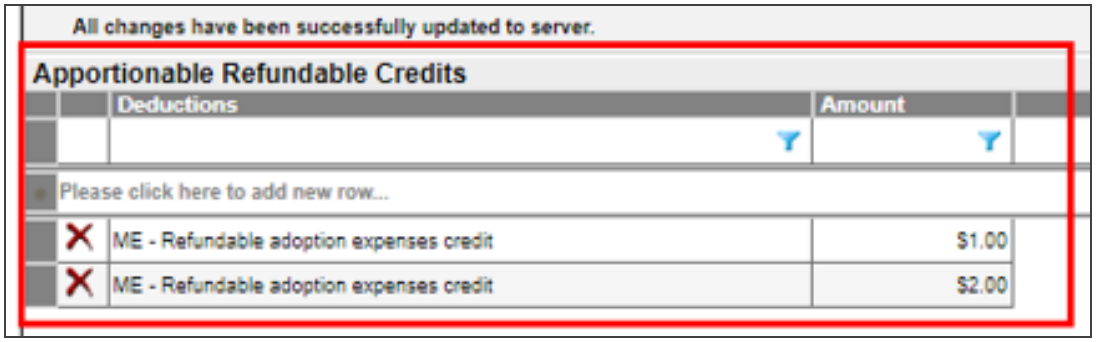
Utah

Beginning with tax year 2023, the following changes were made in the **Payments and Credits** collapsible section:

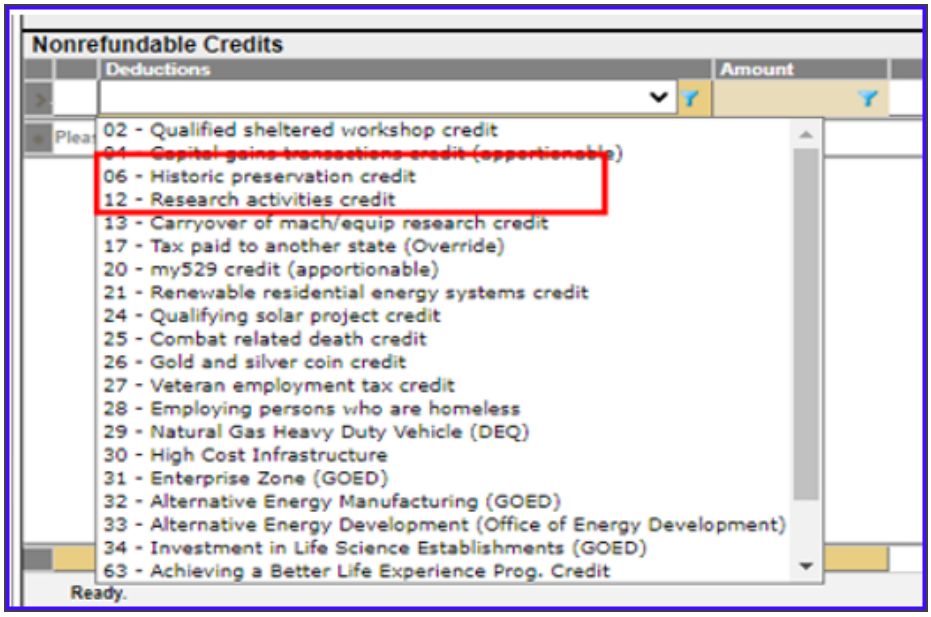
- The **Refundable credits** grid was renamed **Non-apportionable Refundable Credits**



- The **Apportionable Refundable Credits** grid was added



- The **08- Low income housing credit** field was removed from the **Deductions** dropdown list in the **Nonrefundable Credits** grid



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 24.00 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 Insight version 24.00 only includes an update to the version number.

FIXES

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

KNOWN ISSUES

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