

Release Notes

Release Notes – Version 23.07.01
January, 2009

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Welcome to TaxWise® for Tax Year 2008

We look forward to working with you this tax season. If you need assistance, contact Customer Service:

- * Online at <http://support.taxwise.com>
- * By e-mail at customer.support@cchsfcs.com
- * By phone at (866)-641-9473. If you are a Pay-Per-Return customer, please call (706)-290-7201.

Before contacting Customer Service, try searching our Knowledge Base. It is continuously updated and may help you find the answer you need- quick and easy. You can access the Knowledge Base at <https://support.taxwise.com>.

23.07.01 Major Update

Purpose of Update

This update includes changes to the Rebate Recovery Credit worksheet to allow additional credit to flow to Forms 1040, 1040A, and 1040EZ. This change also affects SBBT, River City and Republic bank modules.

23.06.05 Major Update

Purpose of Update

This update includes changes which allow Midwestern disaster victims to use 2007 earned income. It corrects a problem with F1 help not displaying for "Select a Report to Print". It corrects a problem with IRS State Only States updating Federal return accepted status. It corrects a carry forward problem for bonus depreciation from prior year. It corrects a problem picking up Illinois 1040 acknowledgements for processing. It corrects a problem with the DCR being empty after selecting to transmit a return.

Individual Update

- * Schedule EIC worksheet - Modified the diagnostic to allow overriding on lines 1, 2, and 4a, so that the 2007 earned income can be entered for Midwestern disaster victims.
- * Form 8812 - Modified so that the checkbox on line 4a for Midwestern disaster victims electing to use 2007 earned income will be checked when line 4a is overridden and differs from what the calculated value would be.
- * Form 8801 - Minor Proforma changes.

Business Update

- * Asset worksheet - modifies line 1e so that bonus depreciation from prior year will correctly carry forward.

23.05.02 Minor Update

Purpose of Update

This update corrects a batching error when Bank Product Return has multiple States. It also corrects DB updating when processing EFC rejects.

23.04.01 Major Update

Purpose of Update

This update includes a recent change affecting the Child Tax Credit Worksheet.

File Location Problem

Corrects problem with the importing of interview files.

Individual Update

- * Child Tax Credit Worksheet - Corrects calculation error when the Taxpayer qualifies for Retirement Savings Credit (Form 8880)
- * Form 8812 - Calculation corrected when in conjunction with Child Tax Credit Worksheet.
- * Form 5695 - Calculation corrected for Line 24.
- * Form 1040ES - Updated for current Tax Year.

23.03.08 Major Update

Purpose of Update

This update includes changes to the IRS record layout, laser forms and bank changes that are relevant to the start of electronic filing.

Individual Update

Beginning of E-filing

The IRS opens e-filing nationwide on January 16th with CCHSFS opening electronic filing at 9A.M. EST. You can begin sending electronic files to CCHSFS January 12th. These returns will be sent to the IRS when electronic filing begins. Acknowledgments will not be delivered until January 18th.

NOTE: IRAL cannot be submitted prior to January 16th.

The following forms CANNOT be sent electronically until late February:

- * Form 3468 – Investment Credit
- * Form 6478 – Alcohol and Cellulosic Biofuel Fuels Credit
- * Form 8820 – Orphan Drug Credit
- * Form 8835 – Renewable Electricity Production Credit
- * You can prepare tax returns containing one or more of the forms listed above and hold the return until the IRS can accept the forms. The stockpiling rule does not apply in these situations.

NOTE: You must advise the taxpayers that the return will NOT be submitted until the IRS is able to process these forms.

Business Update

Due to late legislative changes, the following MeF forms will not be available in XML at the start of Business e-filing on January 5, 2009. These forms can be attached to the return in PDF format until the XML becomes available in future updates.

- * Form 3468 – Investment Credit
- * Form 4684 – Casualties and Thefts
- * Form 5884 – Work Opportunity Credit
- * Form 6478 – Alcohol and Cellulosic Biofuel Fuels Credit
- * Form 6765 – Credit for Increasing Research Activities
- * Form 8586 – Low-Income Housing Credit
- * Form 8820 – Orphan Drug Credit
- * Form 8844 – Empowerment Zone and Renewal Community Employment Credit
- * Form 8845 – Indian Employment Credit
- * Form 8846 – Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips
- * Form 8864 – Biodiesel and Renewable Diesel Fuels Credit

23.02.01 Minor Update

IRS Communications Testing for Direct Filers

Due to the late notification by IRS of the implementation of Shared Secret setup and the interaction required by end user to set these shared secrets, TaxWise is not supporting the setting up of the Shared Secrets for EMS within the TaxWise program. EROs must obtain a Terminal Server Emulation software to log into the IRS EMS system in order to setup their Shared Secrets.

Specific screen options and displays can be found in Knowledge Base ID 3176. This must be performed upon the initial log in to the IRS EMS System and therefore should be accomplished before beginning any IRS Communications Testing.

Access the Knowledge Base from the Support link from the Customer Support Web site,

<https://support.taxwise.com>

Instructions for IRS Communications Testing

The IRS Communications Test returns are located within the PATS user name.

NOTE: If the PATS user name does not exist, you can create it through Security Manager from the Setup menu of the TaxWise Utility window.

To send returns for Communications Testing, use the following steps:

1. Select PATS as your user name and click OK on the TaxWise Login page.
2. Click the File menu and select Open Return by SSN/EIN.

Enter the following SSNs in the Social Security Number window:

- * 400-00-1001 – Dawn & Gary Green
- * 400-00-1002 – Mary White
- * 400-00-1003 – Jeff Brown
- * 400-00-1018 – One Scenario
- * 400-00-1019 – Test ScheduleR

3. Click Yes for each Confirm dialog box that TaxWise displays.

TaxWise displays the Main Information Sheet in the workspace.

4. EROs must complete Form 8879, including the EFIN and ERO information. Do NOT change any information in the return itself.

5. Create an electronic file for each return.

NOTE: The Currently Testing check box must be selected in the Setup Options for your Service Center.

6. You must transmit three returns and then two returns in two separate batches within the same Testing Drain times.

Currently the Testing Drain times are 11A.M. and 4P.M. local Service Center Time.

NOTE: See TaxWise Help for additional information about setting up and conducting PATS testing.

23.01.02 Minor Update

Training EFC

The first release includes minor changes relating to the Training EFC usage.

You can transmit returns created in the Training user name to CCH SFS Training EFC to receive acknowledgements to your training returns. Practice returns and step-by-step instructions for preparing returns are available at TaxWise University. See <http://www.taxwise.com/training/onlinetraining.htm#2> for additional information on TaxWise University.

What's New in TaxWise

New Forms for 1040 Package

The 1040 package includes Form 5405, First Time Homebuyer Credit, and 1040 Worksheet 5, Recovery Rebate Credit Worksheet.

The 1040 package also includes Form 8846, Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips.

New Forms for Business Packages

Form 8832, Entity Classification Election, is now included in the 1065 and 1120 packages. Form 8916A, Supplemental Attachment to Schedule M-3, is now included in the 1120, 1120S, and 1065 packages.

TaxWise now includes Michigan Multiple Business Tax forms. This brings our software up to the current practice of using Multiple Business form, not single business form.

990 Federal Electronic Filing

TaxWise supports electronic filing of 2008 exempt organization returns. This includes Form 990, Form 990-EZ, and Form 990-PF.

Texas State Module for LLC Filers

A new Texas Individual package will include the required tax forms needed if the Schedule C or Schedule F business is an LLC (Limited Liability Company).

7216 Requirements

TaxWise now includes disclosure forms required by federal law. These forms allow taxpayers to provide consent before any tax return information is sent to the CCH SFS Electronic Filing Center, banks, etc.

The available consent forms are:

- * Bank Use: Bank Product Consent to Use
- * Bank Disclose: Bank Product Consent to Disclose
- * AS Use: Audit Shield Consent to Use
- * AS Disclose: Audit Shield Consent to Disclose
- * FC Use: Fee Collect Consent to Use
- * FC Disclose: Fee Collect Consent to Disclose
- * RO Disclose: Regional Office Consent to Disclose
- * Gen Use: Generic Consent to Use
- * Gen Disclose: Generic Consent to Disclose

NOTE: TaxWise University offers training for the new 7126 regulations. The TWU course contains information concerning Section 7216, which provides guidance on disclosures and use. It includes an overview of Section 7216, authorized disclosure and use, unauthorized disclosure and use, consent to disclosure and use, electronic consents, and penalties for unauthorized disclosure and use.

2 CPE credits are available with this course. See <http://www.taxwise.com/training/onlinetraining.htm#2> for more information.

Audit Shield for Nonbank Product Returns

Beginning with Tax Year 2008, TaxWise allows all eligible e-filed returns to be protected with Audit Shield, not just those associated with a bank product. Audit Shield is an extended warranty program which qualifying tax professionals can offer their clients. The service reimburses the taxpayer for certain penalties, interest or additional taxes up to \$2,500 on a qualifying return for up to 3 years, offering peace of mind to your clients. To offer Audit Shield, go to the Customer Support Web site and enroll.

Backing Up and Restoring Returns

You no longer have the option to choose between a Regular or Advanced backup. The new options are to Start a new backup or Add to a previous backup. TaxWise automatically backs up the tax return and all related files (IRS and state electronic files, database records, and client letter templates).

NOTE: TaxWise also no longer supports backing up to a floppy disk.

Carry Forward

Starting in 2008, only the ADMIN user can carry forward Tax Form Defaults. The other options are not available to any other user unless they are assigned the rights as a group in Security Manager by the ADMIN user.

There is NO difference between the ADMIN and any other user while carrying forward prior year data, employer database or user and groups, as long as the rights are given.

Also, new this year, the default rights for the Super User group do not include the ability to edit Tax Form Defaults. It can be added as a right, but is not a default.

Binary Attachments

The Binary Attachment option located on the Tools menu was removed. To binary attachments, select the highlighted check box for the PDF Attachments located on the main form of the state return.

TaxWise Easy Interview™

The TaxWise Easy Interview™ allows you or your office staff to quickly interview your clients and enter basic information. Once you have completed the interview, the data is stored in a Proforma file. Simply create a new return in TaxWise for the client and TaxWise imports the client data for you and loads required forms.

Report Criteria Window

The TaxWise program no longer allows you to export reports to PDF or removable media from the Report Criteria window. These options are available in the report by clicking the Export Reports icon.

Menu Item for Updates

TaxWise now includes a menu item that allows you to check for available updates. Connect to the CCH SFS Electronic Filing Center through the Communications menu to get updates for your program.

Spouse Column Added to Return List

The Return List now includes not only the taxpayer's name but the spouse's name, as well.

Wide Format for TaxWise Explorer

TaxWise Explorer is easier to use than ever. The new wide format resembles the Return List. It now shows tax return information horizontally rather than vertically as before.

Daily List Report

TaxWise includes a new report called Daily List. This report includes all returns created on the day you run the report. It also shows you the total number of returns and total amount of fees.

For more information on what's new in TaxWise see the 2008 TaxWise Update manual at Knowledge Base Answer ID 3174. Access the Knowledge Base from the Support link from the Customer Support Web site, <https://support.taxwise.com>.

Website Updates

TaxWise Shopping Cart

The TaxWise Shopping Cart allows new users the ease and convenience of ordering TaxWise via the website, www.taxwise.com.

Important Dates

- * December 1, 2008 – Bank software available to download by customers who have installed TaxWise 23.0 and who are approved by their bank
- * December 1, 2008 – Training EFC begins accepting training returns
- * Mid-December – Update to allow direct-to-IRS filers to do PATS testing
- * January 12, 2009 – Required update to TaxWise released; Activates e-filing
- * January 12, 2009 – Begin release of state software
- * January 16, 2009 – 12:01 A.M. begin transmitting LIVE 1040 IRS e-file returns and InterviewPLUS

Online files

Check Hot Topics on the Customer Support Web site, <https://support.taxwise.com>, and TaxWise TV, <http://www.taxwisetv.com/>, during tax season for all the latest news from TaxWise and the IRS.

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