



## 2018 FIXED ASSETS CS, v.2018.1.5

### User Bulletin FA-18.1.5: Update

March 22, 2019

This user bulletin describes changes made to this release of Fixed Assets CS.®

## CHANGES

### Electing out of 163(j) limitation under Section 163(j)(7)(B) or (C) and using ADS

For 2018 and later tax years we have added the option to mark that an activity has made an election under 163(j)(7)(B) or (C). To indicate an activity has made this election go to **Setup > Activities**, Add or Edit the Activity, and select the tax year in the **Election under 163(j)(7)(B) or (C) made in tax year** field. Once the year has been selected verify the value in the **Type of trade or business** field and change if necessary.

The screenshot shows a dialog box titled "168(i)(4) Election...". At the top are buttons for "Add", "Edit", "Delete", "Enter", and "Cancel". Below these are three dropdown menus: "Form / Schedule:" set to "Business", "Unit:" set to "1", and "Situs:". A "Description:" text box contains "Form 1065, Page 1". Under "Method/Life Wizard type:" are five radio buttons: "General" (selected), "Indian Reservation", "Farm", "Indian Reservation Farm", and "Governmental". Below is an empty "Economic type:" dropdown. The "Qualifies as trade or business for Section 199A:" dropdown is also empty. A red rectangular box highlights two fields: "Election under 163(j)(7)(B) or (C) made in tax year:" with a dropdown menu showing "2018", and "Type of trade or business:" with a dropdown menu showing "Real property trade or business". At the bottom left is a button labeled "168(i)(4) Election..." and at the bottom right is a "Done" button.

For more information, see [this article about the Activities dialog](#) in the Help & How-To Center.

### Change of use when electing out of 163(j) limitation under Section 163(j)(7)(B) or (C)

For 2018 and later tax years there is now an option to calculate change of use on an asset when making an election under section 163(j)(7)(B) or (C). When editing an asset, this option will be available under the **Tasks > Change of Use when Electing 163(j)(7)(B) or (C)** for certain types of assets which are required to change to the alternative depreciation system (ADS). You need to complete this individually for each affected asset.

	Exclude	Original Method	Original Life	NBV at Date of Change	New Method	New Life	New ADS Life	Remaining Life
Tax		MACRS	39.00	33,915.59	MACRS SL ADS Life	39.00	40.0000	38.8333
GA		MACRS	39.00	33,915.59	MACRS SL ADS Life	39.00	40.0000	38.8333
AMT		MACRS	39.00	33,915.59	MACRS SL ADS Life	39.00	40.0000	38.8333
ACE		MACRS	39.00	33,915.59	MACRS SL ADS Life	39.00	40.0000	38.8333

For more information, see [Change of Use when Electing 163\(j\)\(7\)\(B\) or \(C\) dialog](#) in the Help & How-To Center.

### Qualified business income deduction and aggregate assets

With this release you can now use the component asset's date in service and cost for the business income deduction. To select this option, go to **Setup > Options** and select **Use component assets instead of aggregate assets for business income deduction**. When you select this option each component asset's date in service and cost will be used for the business income deduction instead of the aggregate asset's date in service and cost. When you are editing a component asset and you select this option, then this **QBI** button is available in the depreciation tab. You can use it to indicate to Fixed Assets CS to exclude the asset from qualified business deduction or to force the amount of basis for the business income deduction.

For more information, see the [Qualified Business Income dialog](#) in the Help & How-To Center.

### State calculations

With this release, Iowa Section 179 limits have been updated for the 2018 tax year for Corporation entities. The 2018 Section 179 maximum dollar limit and taxable income increased from \$25,000 to \$70,000 and the \$200,000 investment limitation increased to \$280,000.