



2019 PLANNER CS, v.2019.2.0

User Bulletin 19.2.0: Update

January 30, 2020

This user bulletin describes changes made to this release of Planner CS® and special information related to the minor child tax calculations.

CHANGES

2019 UltraTax/1040 and Planner CS integration

With this release, you can import data from 2019 UltraTax CS to Planner CS. To do so, you will need to install UltraTax/1040 version 2019.3.0 or higher, which is scheduled to release on January 30, 2020.

Further Consolidated Appropriations Act of 2020

This release of Planner CS includes several federal calculation changes related to the recently-enacted Further Consolidated Appropriations Act of 2020. Changes to Planner CS are summarized below.

- For tax years 2019 and 2020, the AGI floor used to calculate the itemized deduction for medical expenses on the Deductions / Deductions tab is reduced to 7.5% for all taxpayers, regardless of age.
- The maximum age limit of 70-1/2 years for a traditional IRA contribution is no longer in effect for tax years 2020 and later. Refer to the Adjustments / IRA tab for this change.
- The nonbusiness energy property credit, calculated on the Credits / Res Energy tab, has been extended to tax years 2018 through 2020.
- The reduced AMT exemption amount for a minor child is eliminated for tax years 2018 and later. Refer to the **Allowable exemption** field on the AMT / Alt Min Tax tab for this change.

State and local income tax expenses for the net investment income tax

With this release, for a taxpayer subject to the net investment income tax, Planner CS will calculate a prorated amount in the **State/local/foreign taxes** field on the ACA / Allocated Expenses tab when the state and local income tax itemized deduction on the Deductions / Deductions Pg 1 tab is subject to the \$10,000 SALT cap. Previously, the full amount of the itemized deduction for state and local taxes was included in the **State/local/foreign taxes** field.

W-4 Calculator and 2020 IRS Form W-4

With this release, due to the redesign of the 2020 IRS Form W-4, Employee's Withholding Certificate, the W-4 Calculator and printable IRS Form W-4 are not available in Planner CS. The following include alternative options for calculating employee withholding tax.

- The IRS Tax Withholding Estimator at <https://www.irs.gov/individuals/tax-withholding-estimator>.
- 2019 UltraTax/1040 licensees can calculate the Form W-4 Withholding Certificate using amounts from the tax return, the Tax Projection Worksheet, and the IRS Tax Withholding Estimator.

SPECIAL INFORMATION

Minor child tax calculations for tax years 2018 and later

The Further Consolidated Appropriations Act of 2020 repeals the minor child tax calculations that were added by the Tax Cuts and Jobs Act of 2017 (TCJA) for tax years 2018 through 2025. As a result, effective for tax years 2020 and later, the unearned income of a minor child is taxed under the pre-TCJA rules and not at the trust/estate tax rates. Additionally, taxpayers can elect to apply the pre-TCJA rules to tax year 2018 and/or 2019. Updated minor child tax calculations that reflect these changes will be included in a subsequent release of Planner CS.

State updates

The following state modules are updated with the most recent information available at the time of this release.

- North Carolina
- Virginia
- Wisconsin