THOMSON REUTERS

2018 ULTRATAX/1120 PROFORMA & BUSINESS ORGANIZER, v.2018.1.0
User Bulletin 1120US-18.1.0: Initial Release

November 19, 2018

This is a preliminary release of the UltraTax/1120 application. Do not file returns with this version of the application. This release is intended for proforma purposes, client and system setup, and producing Business Organizers. A full release of UltraTax/1120 is scheduled for the week of December 17th.

ENHANCEMENTS
This release includes several enhancements to existing UltraTax/1120 features.

We added the following calculating forms and worksheets.
- Form 8994, Employer Credit for Paid family and Medical Leave
- Form 965, Inclusion of Deferred Income Upon Transition to Participation Exemption System
- Form 965-B, Corporate and Real Estate Investment Trust (REIT) Report of Net 965 Tax Liability and Electing REIT Report of 965 Amounts
- Section 199A Information Worksheet for both S Corporation and Shareholder

We added the following non-calculating forms.
- Form 8991, Base Erosion Minimum Tax
- Form 8992, Global Intangible Low-Taxed Income
- Form 8996, Qualified Opportunity Fund
- Form 965, Schedules A through H

We added the following features.
- Entity option for Grantor Trust / QSST in View > Shareholder Information > Other Info tab
- Custom field view to shareholder address in View > Shareholder Information
- Other Return Option to transfer gain (loss) on disposal of section 179 assets to shareholder basis worksheet
- Other Return Option to treat any Rent screens subsequently added to the client as Rental Real Estate activity
- Support for foreign-owned disregarded entity
- Slipsheet for the Engagement letter

CHANGES
This release includes the following changes in reaction to the Tax Cuts and Jobs Act (TCJA).
- Removed the AMT forms, worksheets, and calculations for C Corporations
- The AMT and ACE treatment columns in the asset module will not populate for assets placed in service by a C Corporation in the 2018 tax year
- Updated the tax rate for the applicable 1120 return series
- Removed the Tax Computation Worksheet

- Modified Screen 1139 in the Carryovers folder to only allow for a two-year carryback for net operating losses incurred in the current tax year
- Modified the Partner basis calculation to limit the partner's share of charitable contributions and foreign taxes by the basis in the partnership interest
- Modified the minimum tax credit carryforward to calculate refundable portion
- Added the *Nondeductible entertainment* field to Screen Mc/Ms in the Balance Sheet folder
- Added Screen QBI in the Income & Deductions, Farm, Farm Rent, and Rent folders to calculate the Section 199A Information Worksheet
- Added Screen 965 in the Income & Deductions folder
- Added Screen 965-B in the Taxes folder for C Corporations

This release includes the following changes from the prior year version of UltraTax/1120.
- Added the *Retained earnings timing differences* field in Screen L-2 for S Corporations. See S Corporation Accumulated Earnings and Profits for more information.
- Modified the rounding adjustment to corporate estimates

IRS Service Center changes
The IRS Service Center in Cincinnati, OH is being phased out and will cease processing tax returns after June 17, 2019. Returns that would otherwise be sent to the Cincinnati location will be sent to an alternate service center, the location of which will depend upon the type of return, the date the return is filed, and the state where the corporation is located. See IRS Service Center Changes in 2018 for more information.

BUSINESS ORGANIZER
The 2018 UltraTax/1120 application includes the Business Organizer. The Business Organizer includes both a questionnaire and a Microsoft® Excel® spreadsheet. You have the option to process the questionnaire only, the Excel spreadsheet only, or both the questionnaire and the Excel spreadsheet.

See Business Organizer frequently asked questions for more information on the Business Organizer.

PROFORMA
Form print collations
We recommend you do not customize or proforma form print collations with this version of the application. The December release of UltraTax/1120 will include more final government forms, which may cause UltraTax CS to override any form print collation customizations you complete prior to the December release.

Client documents
Due to changes made to the IRS Service Center, proforma of the Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax, client documents are not available. Additionally, proforma of the election statements to waive NOL carryback and NOL carryback for farming losses are not available due to removal of AMT text and updates from the IRC section.

State data
When you receive and install your state applications on a later release, UltraTax CS will automatically proforma the prior-year UltraTax/1120 state data as your process returns for each client.