



2022 ULTRATAX PROFORMA & CLIENT ORGANIZER, v.2022.1.0

User Bulletin 1040US-22.1.0: Initial Release

November 21, 2022

This release contains a fully functional federal 1040 program, which is used to proforma client data and produce client organizers.

Many of the forms included in this release are preliminary or prior year versions and are subject to change. As a result, final testing of all federal calculations has not been completed. Therefore, we recommend that, beyond proforma processing and producing client organizers, you do not file actual tax returns with this release. The December release will include fully tested calculations to match all available final government forms used for filing tax returns.

We also recommend that you do not customize or proforma prior-year customized UltraTax/1040 form print collations until you receive the next UltraTax/1040 software update, which is scheduled for release the week of December 8th. The December release of UltraTax/1040 will include more final government forms, which may cause UltraTax CS[®] to override any form print collation customizations you may complete prior to the December release.

CHANGES

This release includes the following changes.

- Form 7202, *Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals* expired during 2021 and is removed from 2022 UltraTax/1040
- Form 8885, *Health Coverage Tax Credit* expired at the end of tax year 2021 and is removed from 2022 UltraTax/1040.
- Schedule 8812, *Credits for Qualifying Children and Other Dependents* has been reduced to two pages and has reverted to 2020 rules.
- The *Unemployment Compensation Exclusion Worksheet* has been removed.
- The *Abode in U.S. more than six months (2441/CTC)* field on Screen 1040 has been removed. The field was used by Form 2441 and Schedule 8812 to determine eligibility for enhanced credits on the forms in 2021. The enhanced credits to the Form 2441 and Schedule 8812 have expired for 2022.
- The Economic Impact Payment (EIP) data entry section of Screen Cr located in the Credits folder has been removed, which was part of the American Rescue Plan Act that expired. In addition, the *Rebate Recovery Worksheet* was removed along with the Setup > 1040 Individual > Federal > Other Return Options > Return Presentation tab option *Default Recovery Rebate Worksheet to only calculate when EIP data exists*.
- The standard charitable contribution fields have been removed from Form 1040/1040NR line 12b, Form 1040X, Return Summary, Preparer Review Report, Two Year Comparison Report, Tax Return History, and Tax Projection Worksheet. Charitable contributions if you take the standard deduction do not apply for tax year 2022. They were only extended through December 31, 2021, according to the COVID-Related Tax Relief Act 2020 of the Consolidated Appropriations Act of 2021 (H.R. 133).

- Box 14, Other codes on Screen W2 for reporting the amount of qualified sick and family leave wages paid to employees for leave taken in 2021 has been removed.

Proforma Changes

- The IRS removed two NAICS business codes and descriptions from the Schedule C instructions. The two codes and descriptions will not proforma from UltraTax 2021 to UltraTax 2022. A new business code will need to be selected for the Schedule C activity after proforma. An UltraTax critical diagnostic will trigger on the Critical tab in the diagnostic window when either of the following codes and descriptions were used in the prior year:
 - 454110 – Electronic Shopping & Mail Order Houses
 - 454390 – Other Direct Selling Establishments
- The IRS updated the NAICS code number, NAICS code description, or both the code number and description for 45 principal business or professional activity codes in the 2022 Schedule C instructions. Code numbers and code descriptions will be updated during proforma as needed. An UltraTax FYI diagnostic will trigger on the FYI tab in the diagnostic window for any Schedule C activity in the client that had a business code, business code description, or both updated during proforma.
- The limitation on cash charitable contributions reverts back to a maximum of 60% of Adjusted Gross Income for 2022. The 100% limitation only applied to 2020 and 2021, according to the COVID-Related Tax Relief Act 2020 of the Consolidated Appropriations Act of 2021 (H.R. 133). Therefore, prior year cash contribution descriptions entered in Screen A with a code 1 for 100% or a code 3 for 60% will both proforma as code 1, 60% item descriptions for 2022. Any actual 100% limitation charitable contribution carryovers not used in 2020 or 2021 will proforma to 2022 Screen CO, along with any other charitable contribution carryovers, and be reflected on the Charitable Contribution Carryover Worksheet.
- The prior year excess business loss incorporated into the net operating loss carryover will proforma to Screen CO to be used in the calculation of qualified business income in current and future years.
- Screen Cr-3 will no longer proforma the T, S, J code field for the Form 5695 Residential energy credit unless there are prior year costs that are being tracked for the lifetime limitation.

Proforma Processing Tip! To configure your proforma options for your clients **prior** to proforma processing, choose Setup > 1040 Individual, click the Other Return Options tab, click Proforma tab, then review many of the options available. Click the desired option to enable for proforma processing. Some options are enabled by default and can be unmarked if not desired.

Proforma of client documents

All 2021 UltraTax/1040 client documents are available for proforma, except the following. Capability to edit client documents will be available on a future update.

- 1040 Amended Return Instructions
- 1040 Amended Return instructions shell
- 1040 Amended Return transmittal letter inserts
- 1040 Amended Return transmittal letter
- 1040 Amended Return transmittal letter shell
- Deferral Worksheet Payment Instructions
- Deferral Worksheet Slipsheet
- Deferral Worksheet Payment (L)

Proforma of state data

When you receive and install state programs for a later release, UltraTax CS automatically proformas the prior-year UltraTax/1040 state data as you process the return for each client.

Note: If your federal data has not already been proforma'd, UltraTax CS proformas the federal and state data simultaneously for clients you have selected for proforma processing.

ENHANCEMENTS TO 2022 ULTRATAX/1040

There are many enhancements in 2022 UltraTax/1040, including those listed below.

- A new statement has been added to Screen Income for *PPP loan forgiveness* data entry. The new PPP Loan Information Required Statement will print with the Required Statements and included in the e-file. You no longer need to add as a General footnote.
- The SECURE Act requires Qualified Charitable Distributions (QCD) to be reduced by current year IRA contributions. A new *Qualified Charitable Distributions (QCD) Worksheet* has been added calculating the exclusion amount. This worksheet can be found in the IRA form folder and corresponding QCD input is located on Screen 1099R-3 in the Retirement folder.
- The 100% Limitation Carryover section has been expanded on the Charitable Contribution Carryover Worksheets (reg/AMT) to now include 2020 and 2021 carryovers, if applicable.
- Social security net benefits (Box 5) are now displayed separately for Taxpayer and Spouse, if applicable, next to line 1 on all the Social Security Worksheets to aid with preparer review.
- Both the *IRA Distribution Report* and *Pension/Annuity Report* will now show the Box 7 Distribution code from the corresponding Screen 1099R to aid with preparer review.
- The last four digits of the *Account number* field on Screen 1099R will now display alongside Payer's name and Taxpayer or Spouse designation on the screen tab for Screens 1099R, 1099R-2, and 1099R-3 to aid with preparer review.
- New field Suppress individual engagement letter has been added to Screen Letter in the General folder. You can now suppress the individual engagement letter at the client level.
- Partnership and S-Corporation Schedule K-3 Gross income from all sources is now data shared to Screen K1-4. Also, new instructional text was added to Screen 1116 to reference income locations from Schedule K-3.
- Screen A includes new separate medical mileage fields for the new 22 cents/mile standard rate for 7/1/22-12/31/22. There is also a new separate calculation for this on the Schedule A, line 1, Medical and Dental expense amount and the corresponding not required statement.
- Screen W-7 *Identification document(s) submitted* statement was expanded so the year column allows for a 4 digit year.
- Four new Form 1116 UltraTax FYI diagnostics were added for interest and dividends when "Foreign if different" columns are blank but foreign tax is present.
- Section 403(b) contributions are now included in the UltraTax diagnostic that alerts preparers when total retirement contributions are over the limitation.

ELECTRONIC FILING

IRS Opening Date for 1040 Electronic Filing

As of the date of this bulletin, the IRS has not announced an opening date. At the present time, the IRS is continuing to update its programming and processing systems for 2023. The IRS anticipates that it will not be able to announce a filing season start date until later in the calendar year. The IRS will continue to work closely with the nation's tax professionals and software community as preparations continue for the 2023 tax filing season. Thomson Reuters is working closely with the IRS and will announce the

opening day through a product news announcement on the UltraTax CS home page as soon as the information becomes available.

Please note that the UltraTax/1040 Electronic Filing utility will be included in a future update of UltraTax/1040. Refer to [User Bulletin 1040US-22.1.0, Electronic Filing Setup Procedures](#) for more information on setup procedures and other information you may need to address prior to electronically filing 1040 returns with UltraTax CS.

ENHANCEMENTS TO 2022 ULTRATAX ELECTRONIC FILING

UltraTax/1040 Electronic Filing has the following new features.

- Form 1040-X, Amended U.S. Individual Income Tax Return
 - Direct deposit for e-file of Form 1040-X. However, the IRS has informed software developers this feature will not be available at e-file start up.
 - Form 8879, IRS e-file Signature Authorization, will reflect the Submission Id of an accepted electronically filed Form 1040-X.
 - E-filing of Form 1040-X for Form 1040NR, Nonresident Alien Income Tax Returns
- Superseded e-file of all Form 1040 family returns (1040, 1040SR, 1040NR, 1040SS, and 1040PR) is planned by the IRS in the future. UltraTax/1040 will work with the IRS and support it when they are ready.
- Corrected e-file of Form 1040-SS and 1040-PR, U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)
- Electronic filing of the Paycheck Protection Program (PPP) Loan Information statement from Screen Income, *PPP loan forgiveness* for Revenue Procedure 2021-48 reporting requirements.
- Form 8915-F, Qualified Disaster Retirement Plan Distributions and Repayments, is included in the electronic file. Previously, Form 8915-F was a PDF attachment.
- Form 5471, Schedule G-1, Cost Sharing Arrangement, is included in the electronic file. Previously, Form 5471, Schedule G-1 was a PDF attachment.
- Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), now allows both taxpayer and spouse units of for electronic filing. Previously, an IRS limitation required combining the taxpayer and spouse information into one Form 8992 unit.

USING ULTRATAX ESIGNATURE

Refer to [User Bulletin 1040US-22.1.0, eSignature Processing Procedures](#) for more information and processing steps for the eSignature feature.

USING ULTRATAX/1040 CLIENT ORGANIZER

The 2022 UltraTax/1040 Client Organizer is a powerful program that allows you to create professional tax organizer packages for your clients. For details, see the [1040 Client Organizer Help Center](#) topic on the Help & How-To Center.

ENHANCEMENTS TO ULTRATAX/1040 CLIENT ORGANIZER

The following enhancements were added to UltraTax/1040 Client Organizer.

- The Economic Impact Payment (EIP) data entry section of Screen Cr located in the Credits folder has been removed, which was part of the American Rescue Plan Act that expired.
- Organizer Form A-1 includes new separate medical mileage fields for the new 22 cents/mile standard rate for 7/1/22-12/31/22.

- The 100% Limitation Carryover section (for regular/AMT) on the Organizer Carryover Information has been expanded.
- New field Suppress individual engagement letter has been added to Screen Letter in the General folder. You can now suppress the individual engagement letter at the client level.
- Client Organizer Checklist now includes Occupation, IRA basis, and Driver's license information.

Important UltraTax/1040 Client Organizer processing tips

- To configure your Client Organizer package for paper or the electronic versions (email PDF and web), choose Setup > 1040 Individual, click the Organizer tab, then review many of the options available. Click the desired option to enable for your Client Organizer package. Some options are enabled by default and can be unmarked if not desired.
- To use the Lite Client Organizer package for paper or the electronic versions (email PDF and web) of Client Organizer, choose Setup > 1040 Individual, click the Organizer tab, click the Options button, and click the desired option to enable this feature.
- If your firm uses the Client Organizer Checklist option for Organizer presentation to your clients, you will need the updated 2022 Checklist information for the CS Default checklist, as well as any user-defined custom checklists. Prior to processing organizers, click the Modify button in the Organizer presentation group box on the Setup > 1040 Individual > Organizer tab. On the Options dialog, click the Checklist button and then Restore CS Default. Note that restoring the CS default content will overwrite any changes you may have previously made. Modify CS default content if desired, as well as any user defined content such as year-specific information from 2021. When you use this Checklist presentation, the client will receive a list of source documents and tax information based on data that proforma'd from 2021 UltraTax/1040. Since the Checklist relies on proforma'd data and contains only text, no amounts (current- or prior-year) will print on the checklist. To learn more, refer to the [Client Organizer Checklist](#) topic on the Help & How-To Center.
- If your firm does not use zip numbers “[]” and “+” control total markers on the printed Client Organizer packages, use the options in the Setup > Office Configuration > Print Options tab to remove zip numbers “[]” and “+” control total markers prior to printing the Client Organizer packages.
- If Schedule D was present in the prior-year return, a blank Organizer Schedule D form will also print with the organizer package. To prevent a blank Organizer Schedule D form from printing with the Info Record of stock purchases on Organizer, mark the *Do not print a blank Sch D Organizer form (unless marked Always in Collation)* checkbox in the Setup > 1040 Individual > Organizer tab.
- When printing organizers for clients that are new to your firm, use the *Print blank Client Organizer (for clients who do not have proforma'd information)* field in the New client options group box in the Setup > 1040 Individual > Organizer tab. If you converted from another tax software vendor, you do not need to mark this field for your converted data. As an alternative, you can mark the *Print blank Client Organizer* field for the applicable new clients in Screen Contact in the General folder in UltraTax/1040. By default, the Classic Client Organizer pages print for the blank organizer package. If you are using the Lite Client Organizer package, you must include the Lite Client Organizer pages in the blank organizer package and remove the equivalent Classic Client Organizer pages.
- If you are licensed for FileCabinet CS and use it to store copies of scanned paper organizers, we recommend that you turn off the shading prior to printing organizers. To turn off the shading, choose Setup > Office Configuration, click the Print Options tab, and click the Page Layout and Shading button. On the Organizer tab, move the slide bar in the Shading group box to the desired shading level.
- Taxpayer and spouse email addresses entered in the Setup > Client Communications dialog automatically update the corresponding email address field in Screen Contact in the General folder.

Changes in one location automatically update the other, eliminating the need to manually update email address information in both locations.

- Because information is passed between the secure CS Connect and NetClient CS[®] servers at certain times every hour, you may experience a brief delay between the time you transmit a web organizer to the CS Connect server and the time it is accessible on the NetClient CS servers. Similarly, when the web organizer is completed and sent back by your clients, there may be a brief delay until it is available for retrieval from the CS Connect server.
- To print the Appointment custom paragraph in the Client Organizer cover letter for any client for whom you want to include appointment information, complete the *Appointment date*, *time*, and *duration* fields in Screen Contact in the Client Organizer General folder. UltraTax/1040 Client Organizer automatically prints appointment information in the cover letter. The appointment date and appointment time fields are also available for next year's appointment information, and the information you enter will proforma to 2023 UltraTax CS.
- You can schedule client appointments via the Status system for use with Client Organizer processing. There is a bi-directional transfer of appointment information entered in Screen Contact (UltraTax CS and Client Organizer data entry) with the UltraTax CS Status system. Once you create the "Appointment Event" in the Setup > Office Configuration > Status tab, next year's appointment information entered in 2022 UltraTax/1040 will automatically populate the Status system during 2023 proforma processing.

Note: The Data Mining feature in 2021 UltraTax CS includes a pre-defined appointment list custom report. Access Data Mining in 2021 UltraTax CS by choosing Utilities > Data Mining.

Refer to [User Bulletin 1040US-22.1.0, Email Client Organizer Procedures](#) and [User Bulletin 1040US-22.1.0, Web Client Organizer Procedures](#), for more information and processing steps for the Electronic Client Organizer feature.

PREPARER TAX IDENTIFICATION NUMBER (PTIN)

If you prepare Forms 1040 for compensation, you must renew your Preparer Tax Identification Number (PTIN) for filing season 2023 (2022 tax year). The IRS PTIN system is now ready to process renewals and accept applications for processing year 2023 (tax year 2022).

For those who already have a 2022 PTIN, the renewal process can be completed online and only takes a few moments. If you can't remember your user ID and password, there are online tools to assist you. Preparers can get started at <https://rpr.irs.gov/datamart/mainMenuUSIRS.do>.

ONLINE PRODUCT STATUS PAGE FOR OUTAGES AND MAINTENANCE NOTIFICATIONS

The [Online Product Status](#) page for all Tax & Accounting Professionals is available and is the source of information on the current status of Thomson Reuters Tax & Accounting Professional online applications, such as communicating system outages and maintenance notifications.

With the Online Product Status page, you can:

- **See the current status of online applications.** A green checkmark next to an application means it's working. This makes it easy to know at a glance if we're having a problem
- **Subscribe to email and text alerts** so you'll be the first to know when there's an issue on our end causing problems.

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- **See the history of incidents.** All outage alerts will be archived in the Past Incidents and Incident History.


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- You can choose which products you subscribe to once you confirm your subscription. We recommend that you only subscribe to the applications you use.
- We recommend that IT professionals and managers at your firm subscribe.

If you have a shared inbox or distribution list, you can enter that email address in the subscription box so the entire group can be notified.

HELP & HOW-TO CENTER

The Help & How-To Center provides one-stop access to the information you need while using UltraTax

CS. You may also access the  from the UltraTax CS Home page where we have gathered popular resources with trusted answers to your UltraTax CS questions, such as [2022 UltraTax CS alerts and notices](#) where you can learn important information related to your software, such as the status of known issues, recently corrected problems, and answers to common questions. For more information on the Help & How-To Center, including sample searches, see [Finding answers to your UltraTax CS questions](#).

THOMSON REUTERS COMMUNITY

Connect with your peers to discuss and get answers to your questions that apply to the breadth of the CS Professional Suite products. An account is required. [Visit the Community](#).

PREPARE FOR 2023 WITH YEAR-END TRAINING CLASSES

Thomson Reuters is pleased to offer year-end training classes that are available from December 2022 through January 2023 for several of our most-popular products, including the *2022 Year-End Update and Productivity Training: UltraTax CS and Federal Tax Update*. With a looming tax season and staffing challenges, now's the time to reduce the impact of your workload and set up your firm for success. Our popular year-end training courses offer a great way to increase your efficiency, maximize your product investments, and earn valuable CPE credit. To learn more about these and many other courses, visit [Prepare for success: Year-end training](#) to register for 2022 Year-end update and productivity training classes.