

February 2, 2009

Issue 2009-04

ExacNews

ExacTax Client:

All 2008 tax systems are available, including fed/state e-file for 1040, and federal e-file for 1041, 1065 and 1120. All available initial proforma and starter kits have been shipped except for recent late renewals, which will ship this week. Proforma for all but a few of the remaining state products will complete shipping this week. Additional 2008 supply requests are being filled this week.

Office Hours

Office hours are currently 8:00 AM – 7:00 PM Pacific Time.

Saturday office hours will commence February 7th from 8:30 – 5:00 Pacific Time.

Beginning February 9th the RST Department (**Rerun/Supplies/Tracking**) will remain open until 8:00 P.M for reruns, supply orders and tracking.

Starter Kits and Manuals

Starter Kits for California 1041, 1065 and 1120 were included with the most recent state proforma shipment beginning last week. The 1040 instruction manual begins shipping this week and the business system manuals will ship next week.

Courier Service

Courier service officially began today, February 2nd. If you are interested in signing up, please contact our Courier Service Manager, Barbara Hammond, at (800) 352-3638, extension 218, to see if this service is available in your area.

Sending Payments

When you send a payment to Exactax included with your input forms, place your check in a separate envelope, such as the one included with your invoice. Loose checks may be overlooked and will end up in the shredder.

Duplicate Payments

If you currently have an ExacPay Credit Card Authorization on file your account will automatically be billed for each invoice. **PLEASE DO NOT SEND A CHECK IF YOU HAVE SET UP EXACPAY**; doing so will result in a duplicate payment.

C.O.D. Policy

IMPORTANT: Accounts with an outstanding balance over 21 days will be placed on C.O.D. status.

Accounts using Courier Service will have all shipments held until the account is current.



All other C.O.D. accounts will be shipped UPS C.O.D. until the account is current.

Hold for Pick-Up

There is no additional charge for returns marked as “Hold for pick-up” at ExacTax. However, returns that are not initially marked as “Hold for pick-up” on Form PI and are subsequently picked-up will still be billed the shipping charge, if any, assigned to that return.


Note: Returns that are designated to be delivered by courier do not incur a default shipping charge when picked up at ExacTax.

RDE Software Releases

By now you should have received and installed UltraTax version 2008.3.0 from Creative Solutions. Additional interim releases, including electronic filing and various state products, are available only by downloading updates after installing version 2008.3. Version 2008.4 is scheduled to be released on February 4th and will contain all previously released products. Check for updates available on your *Home Page* by pressing the *Home Page* icon  on the right-hand side of the tool bar. On the Home Page look for the item  Updates awaiting retrieval via CS Connect [Retrieve updates] to quickly tell if any updates are available.

Important: DO NOT CALL Creative Solutions for support or for inquiries on your shipment status. As an RDE user all of your support must come through ExacTax.

If you have not received the latest CD and would like to download it from the internet, (only if you have a high speed connection such as DSL or cable modem), it will take approximately 15 – 20 minutes.

- Start 2008 UltraTax and from the main menu, select *Help \ On the Web \ Product Support and Service*. This will launch your browser to the Creative Solutions support site.
- Click on *My Downloads* and you will receive a Log In screen.
- Enter the Email address: exactax@exactax.com
- Enter the password (must be all capitals) **EXACTAXRDE**
- Click on *Download the latest version of UltraTax CS*
- Follow the instructions. If you use the Download Manager option it will give you an option to *Launch when done* so that the install will begin automatically when the download has completed. If you do not use this option, then note the location where you are saving the download file so that you can manually execute it when the download is complete.
- When the download is complete check for updates on the *Home Page*  .

How Much Was My 2008 Stimulus Payment?

Some of you are still having difficulty trying to access the IRS web site to verify your client’s stimulus payment. At the www.irs.gov web site, in the search field in the upper right-hand corner, type in the title of this paragraph. Click on the first item in the search results list to take you to a page titled *How Much Was My 2008 Stimulus Payment Home*. Scroll to the bottom and click on the link titled **Take me to How Much Was My 2008 Stimulus Payment?** This will then take you to the screen where you can enter your client’s information needed to confirm the amount actually received.

Input Form Print Error

1040 proforma for Dividend Income, Form **[26B]**: the postal code was printed slightly to the left in the *In-State Source %* column. No change is required as the data is stored correctly in the Postal Code column.

Late Input Form Changes

A late change was made to 1040 Input Form AMT-Credit, **[84]**, after proforma and supplies were printed. New zips 61 and 62 were added to enter the amount of prior year alternative minimum tax attributable to the exercise of an incentive stock option (ISO) and any interest or penalties due to that exercise. There is no need to replace your existing Form **[84]** unless you have an entry for one of these new zips. An updated copy of this form is included in this bulletin.

On 1040 Input Form Pen **[5]**, zip 8 was added to indicate a penalty waiver due to a federally declared disaster. There is no need to change your current Form **[5]** unless an entry in this zip is required.

All new supply orders will receive the most current version of these forms.

State Program Issues and Changes

California e-file

Head of Household e-filers must always complete Form HOH **[CA42]**. The phone number and the best time to call are often omitted which will disqualify from e-file.

Colorado State Use codes on federal Form 1099R

Two new Colorado state use codes, 22 and 23, are available on federal Form 1099R **[23A & 23B]**, zip 47. These allow early distributions from a pension, annuity, or IRA, regardless of the distribution code entered in box 7, to be included in the exclusion calculation for the Colorado Pension-Annuity Subtraction Worksheet. Distributions using code 22 print on line 'd' – Federal taxable pensions or annuities. Distributions using code 23 print on line 'f' – Federal taxable qualified IRA distributions.

Hawaii conformity to federal forms

Hawaii does not conform to the deferral of income from disaster distributions reported on federal Form 8930. On the 2008 Hawaii Form N-11, line 10, two-thirds of the distribution is added back to income. In 2009 and 2010, one-third of the deferred distribution will be subtracted from income on Form N-11, line 18. On the 2008 Hawaii Form N-15, 100 percent of the IRA or pension distribution included is presented on line 15, IRA distributions and/or line 16, Pension distributions. In 2009 and 2010, one-third of the distribution will reduce IRA and pension distributions.

Other changes also include an update to the Hawaii Form 4684 calculation. Hawaii does not conform to the federal disaster provisions for the exclusion of the \$100 floor and 10 percent AGI limitation for personal casualties.

Massachusetts pension contribution and Railroad Retirement withholding

Amounts entered in federal Form W2 **[20A or 20B]**, Box 14 (zip 44) with Code 21 (Massachusetts pension contribution) or Codes 13 and 14 (Tier 1 and Tier 2 Railroad Retirement tax withheld) are now automatically included in Massachusetts Form 1, Line 11, Amount paid to Soc. Sec. Medicare, R.R., US or MA retirement.

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Form 8801 - Credit for Prior Year Minimum Tax

Enter amounts from 2007 return.

* If prior yr Sch D Part IV (or Sch D Tax Worksheet) not completed enter amount that would have been reported.

Form 6251, sum of lines 1, 6, 10	37	2007 Schedule D Tax WS line 10	50
Form 6251, adj & tax pref (Excls only)	38	2007 Next Year's Tentative Minimum Tax Credit WS line 30(2008, 8801 ln 32)	51
1041, Schedule K-1 exclusion items	39	2007 Qual Div & Capital Gains WS 7 or Schedule D Tax WS ln 14*	52
Minimum tax credit NOL deduction	40	2007 Form 2555 line 45	53
Child's earned income plus min exempt	41	2006 Form 8801 line 18	55
U.S. real property net gain	42	2006 Form 8801 line 20	56
Minimum tax foreign tax credit	43	2007 Form 8801 line 18	57
Form 6251, line 34	44	2007 Form 8801 line 20	58
Form 6251, line 35	45	2007 Form 8801 line 55	59
Electric vehicles CO's	46	2005 Form 8801 line 26	60
2007 filing status†	47	PY AMT attributable to exercise of ISO (Unpaid as of 10/03/08)	61
2007 Qual Div & Capital Gains WS ln 6 or Schedule D Tax WS ln 13*	48	Int & pen on PY AMT due to exercise of ISO (Paid before 10/03/08)	62
2007 Schedule D line 19*	49		

† Filing status 1 = Single, 2 = Married filing joint, 3 = Married filing separate, 4 = Head of household, 5 = Qualifying widower

CO

Carryovers

Minimum Tax Credit carryforward to 2008 (from 2007 Form 8801, line 28)	2
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CACrAMT

California Form 3510 Credit for Prior-year AMT - Exclusions

Enter data from the prior year Schedule P or P(NR)

Part I, lines 15 through 18 - Taxable income, NOL, AMTI exclusion	1
Part I, lines 1 through 7, 13a, 13c, 13l - deductions, contribution, depletion, qualified small business stock	2
Exclusions items (Includes Sch K-1 (541), line 9d, column (d))	3
Part I, line 20 - AMTCNOLD	4
Filing status was married filing separate	5
Part II, line 22 worksheet, line 1 - Base amount	6
Part II, line 22 worksheet, line 3 - Threshold amount	7
Part II, line 22 worksheet, line 9 - Minor child AMT exemption	8
Part II, line 25 - Regular tax before credits (Resident only)	9

Form 3510 Credit for Prior-year AMT - Form 540NR

Part II, ln 35 - Ttl AMT itemized deductions	10	Excl items (Include Sch K-1 (541), ln 9d, col (e))	13
Part II, ln 28-CA AGI adj by NOL/AMTI Excl	11	Standard/Itemized deductions in prior yr (1 = Standard, 2 = Itemized (Default))	14
Part II, line 29a, 29h, and 29q	12	Part II, line 44 - Regular tax	15

Form 3510 Credit for Prior-year AMT - Computation of Credit

Enter data from the prior year Schedule P or P(NR)

Schedule P (540), Part II, line 26; Schedule P (540NR), Part II, line 45 - AMT	16
Solar energy credits used to reduce AMT	17
Prior year AMT credit carryover	19

See input Form [85B] for federal preferences and adjustments.
See input Forms CAAMT [CA50A] and CAAMT2 [50B] for California preferences and adjustments.