



# **TAX YEAR 2020 ENTITY 101 TRAINING SEMINAR**



# **Entities**

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## **Topics covered in this section:**

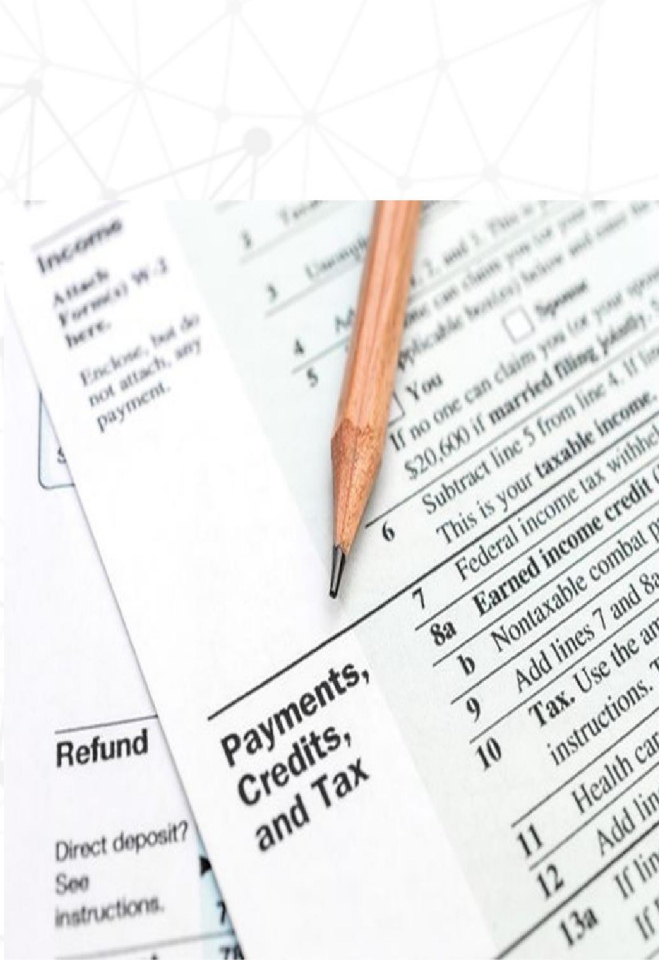
- **Tax Law Changes**
- **Defaults and Settings**
- **Start Page**
- **Main Menu**
- **Deductions**
- **Schedules K, K1, M1 and M2**
- **Print Screen**
- **Billing**
- **State Input**
- **E-File**

# Tax Law Changes - 1120

<b>Form 1120</b>		<b>U.S. Corporations</b>	
Department of the Treasury Internal Revenue Service		For calendar year 2020 or tax year beginning	
		▶ Go to <a href="http://www.irs.gov/Form1120">www.irs.gov/Form1120</a>	
<b>A Check if:</b>		<b>Name</b>	
<b>1a</b> Consolidated return (attach Form 851) <input type="checkbox"/>		<b>TYPE OR PRINT</b>	
<b>b</b> Life/nonlife consolidated return <input type="checkbox"/>			
<b>2</b> Personal holding co. (attach Sch. PH) <input type="checkbox"/>			
<b>3</b> Personal service corp. (see instructions) <input type="checkbox"/>		<b>Number, street, and room or suite no.</b>	
<b>4</b> Schedule M-3 attached <input type="checkbox"/>		<b>City or town, state or province, county</b>	
<b>E</b> Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/>			
<b>Income</b>	<b>1a</b>	Gross receipts or sales	
	<b>b</b>	Returns and allowances	
	<b>c</b>	Balance. Subtract line 1b from line 1a	
	<b>2</b>	Cost of goods sold (attach Form 1125-A)	
	<b>3</b>	Gross profit. Subtract line 2 from line 1c	
	<b>4</b>	Dividends and inclusions (Schedule C, line 23)	
	<b>5</b>	Interest	
	<b>6</b>	Gross rents	
	<b>7</b>	Gross royalties	
<b>8</b>	Capital gain net income (attach Schedule D (Form 1120))		
<b>9</b>	Net gain or (loss) from Form 4797, Part II, line 17 (attach		

- Schedule J – Added line 9f Interest/Tax due under Section 456A. Deleted line 20c 8827 alt min deletions.
- Schedule K added line 26 Foreign entity have substantial ownership and lists by vote or by value.
- Schedule K line 24 addition of line 24a.
- Form 8827 removed line 3 for refundable minimum tax credit which eliminated pg 2.
- About ½ the states are converted to NG.

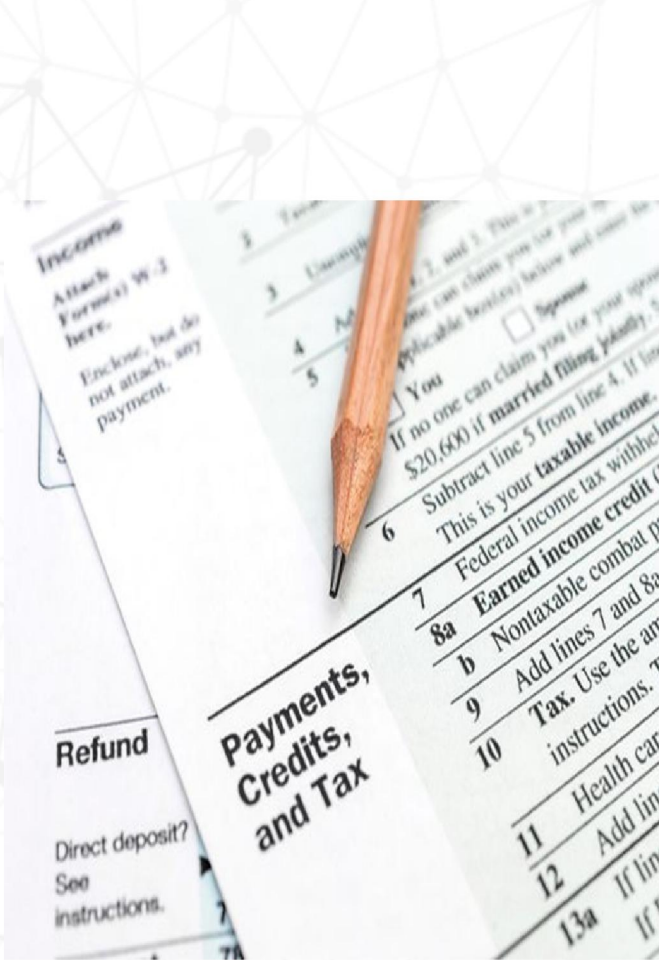
# Tax Law Changes – 1120S



- **8827** Same changes as noted with the 1120
- **Schedule K and K1**
  - **Other income** deleted Code F Sect 965
  - **Other Deductions** deleted Code K Section 965
  - **Foreign Transactions** changed Code U to Section 951A information. It used to be Section 965 information.
  - **Other Information** – Added codes M through, reserved code S and T, added code U and AC.
- In print we added the Code designation and itemization on those items in the K1 if they will fit. If there are too many we print the total with the itemized breakdown on our supplemental K1 information sheet

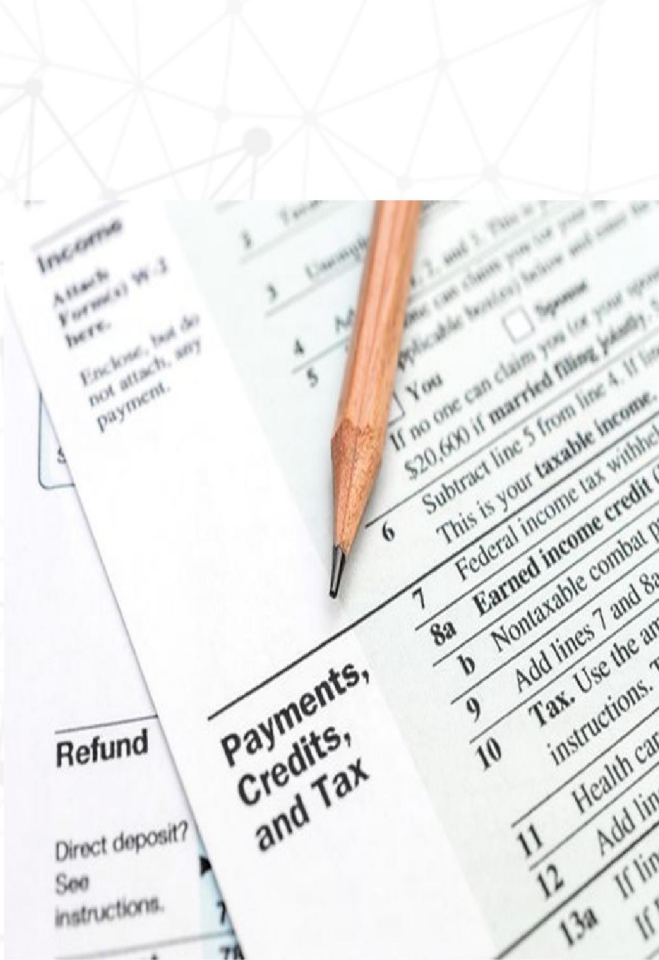


# Tax Law Changes – 1065



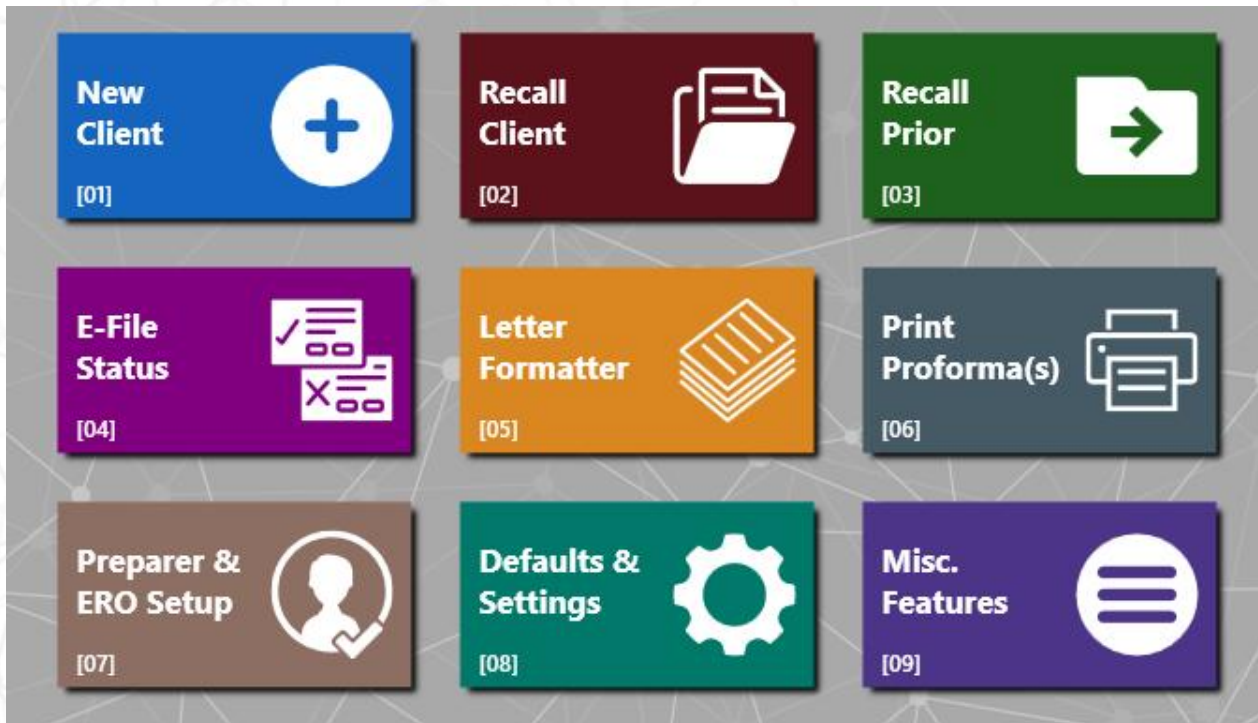
- Schedule B added line 29 Foreign entity have substantial ownership and lists by vote or by value.
- Partnership had the most changes this year and are primarily on the K/K1
  - Switched from providing a pg 2 of the K1 with the itemized items to a code sheet found in the Schedule K1 instructions.
  - Other Income removed code G Section 965A
  - Other deductions added Code G and removed Section 965C.
  - Foreign transactions added code AA through AI
  - Distributions removed Section 704
  - Other information, changed code F and G, Added Code O through Y, removed code AG
- In print we added the Code designation and itemization on those items in the K1 if they will fit. If there are too many we print the total with the itemized breakdown on our supplemental K1 information sheet.
- We also include the IRS list code sheet as an optional print item when printing K1s.

# Tax Law Changes – 1041



- **Schedule G Added lines 17 and 18 for qualified sick and family leave**
- **Schedule K1, Final Year Deductions, adjusted code A to be Section 67e expenses and added code B excess deductions**

# Start Page



- **New Client**
- **Recall Current**
- **Recall Prior**
- **Settings and Prep/ERO Setup**
- **E-File Status**
- **Miscellaneous Features**

# Defaults and Settings

**Defaults** **Current User and ID**

[01] Change Current User ... WINUSER

[02] Taxware Client ID [REDACTED]

**Defaults** **Data and Program Paths**

[03] Taxware 'SettingsAndData' Path ... D:\TaxwareProgramming\Taxware20\WinPtrn\l

[04] Current Year Data Folder ... 20Data

[05] Prior Year Data Folder ... D:\TaxwareProgramming\Winptrn19\WinPtrn\l

[06] Depreciation Program Folder ... D:\TaxwareProgramming\Taxware19\Windepr\l

[07] TWPDFArchive program path ... C:\TWPDFDocArchive2009\Debug

[08] Wintax 1040 Program Path ... D:\TaxwareProgramming\Taxware18\WINTAX\l

**Defaults** **Print/Preview Defaults**

[09] Print in reverse? ☐ Reverse

[10] Select Letter Format ... D:\TaxwareProgramming\Winptrn20\WinPtrn\l

[11] Select Title Page Format ... D:\TaxwareProgramming\Winptrn20\WinPtrn\l

[12] Preview Acks instead of printing? ☐ Yes?

[13] Printer Selection ...

**Defaults** **Client Information and Miscellaneous Features**

[14] Preparation Date 12-17-2020

[15] Automatically check for and download updates when you start WinPtrn? ☐ Yes

[16] Federal/Piggy Back E-File Transmission Method ... A2A

[17] Billing Defaults Billing Defaults

- **Data Paths**
- **Letter Selection**
- **Client ID and Autopatch**
- **Program Paths**
- **K1 Import**



# Miscellaneous Features

The screenshot displays a software interface with a blue header bar labeled 'Misc Data Backup'. Below this, there are four rows of controls: a text input for '[01] Backup Storage Path' with a browse button, a 'View' button for '[02] View Backup Folder in windows explorer', a 'Backup' button for '[03] Run Backup now', and an 'Add' button for '[04] Add a new Backup Schedule'. A section titled 'Backup Schedule - Size of current backups: 08' contains a 'Mode' dropdown menu. Below this is a blue header bar labeled 'Defaults Save and Restore Data Folders, Bill and Below Configuration Files To Cloud Server'. This section includes a text input for '[05] Master Taxware Client ID', a 'Save Data Folder/Config' button for '[06] Save Data Folder & Configuration Files(Items Listed Below)', and a 'Restore Data Folder/Config' button for '[07] Restore Folder Information'. A 'Restore Selection' section with the note 'Only the Checked Items Below Will Be Restored' contains four checkboxes: 'Data Paths', 'ERO Database', 'Preparer Database', and 'ELF Tracker Database'. Below this is a blue header bar labeled 'Tools Reports', which includes a 'Client Listing' button for '[08] Current Client Listing' and a 'Lost Clients' button for '[09] Lost Client Report'. Finally, a blue header bar labeled 'Tools Utilities' includes a 'Copy Client to New Number' button for '[10] Copy existing client to a new client number'.

Misc Data Backup	
[01] Backup Storage Path	...
[02] View Backup Folder in windows explorer	View
[03] Run Backup now	Backup
[04] Add a new Backup Schedule	Add
Backup Schedule - Size of current backups: 08	
Mode	

Defaults Save and Restore Data Folders, Bill and Below Configuration Files To Cloud Server	
[05] Master Taxware Client ID	
[06] Save Data Folder & Configuration Files(Items Listed Below)	Save Data Folder/Config
[07] Restore Folder Information	Restore Data Folder/Config
Restore Selection - Only the Checked Items Below Will Be Restored	
<input type="checkbox"/> Data Paths	<input type="checkbox"/> ERO Database
<input type="checkbox"/> Preparer Database	<input type="checkbox"/> ELF Tracker Database

Tools Reports	
[08] Current Client Listing	Client Listing
[09] Lost Client Report	Lost Clients

Tools Utilities	
[10] Copy existing client to a new client number	Copy Client to New Number

- Backup Utility
- Client listing reports
- Copy To New Client Number

# Main Menu

**name**

Forms/Schedules Used	
1065	
Schedule K	
Schedule K1(s)	

Total Income	80,000
Total Deductions	0
Taxable Income	80,000
Balance Sheet Status	Not Accessed
Number of Partners	2

States Used	
CA-California LLC 568	

[01] Basic Information	Basic Information
[02] Questions and Additional Information	Questions
[03] Gross Income Categories	Income
[04] Deduction, Tax, and Payment Categories	Deductions
[05] Schedule K and K1 input	Sch K and K1 input
[06] Schedules M1 and M2	Schedule M1/M2
[07] Balance Sheet (Schedule L)	Schedule L
[08] Miscellaneous Scheduling	Misc. Sched.
[09] Application for automatic extension (Form 7004)	Form 7004
[10] Reconciliation for Corp's with assets over \$10 Million	Schedule M-3
[11] Print Forms	Print
[12] Client Billing Information	Billing
[13] Access State Partnership Program	CA568 State Ptnr.
[14] Electronically File This Return	E-File
[15] Clear Forms and Schedules	Clear Forms

- Workflow
- Basic Information
- Questions
- Income
- Deductions
- Schedules
- Breadcrumb Navigation

# Deductions

Preview Print

Transaction Totals	
Total Income	
<b>80,000</b>	
Total Deductions	
Taxable Income	
<b>80,000</b>	

PTNR Partnership Deductions			
[01] Salaries/wages		Less Jobs Credit	Total
[02] Guaranteed payments to partners			
[03] Repairs			
[04] Bad debts			
[05] Rents			
[06] Taxes (statement)			...
[07] Interest			
[08] Depr. (Form 4562)		Less Depr. taken elsewhere	...
[09] Depletion (Do not deduct oil and gas depletion)			
[10] Pensions, profit-sharing, etc. plans			
[11] Employee benefit programs			
[12] Other deductions (statement)			...
Tax and Pymnt			
[13] Interest due under the look-back method—completed long-term contracts (attach Form 8697)			
[14] Interest due under the look-back method—income forecast method (attach Form 8866)			
[15] BBA AAR imputed underpayment (see instructions)			
[16] Other taxes (see instructions)			
[17] Payment (see instructions)			

- Depreciation
- Other Deduction Statements
- Schedule B (1041)

# Schedule K and K1

Preview Print

**SchK** Partners' Shares of Income, Credits, Deductions, etc

[001] Ordinary income(loss) from trade or business activities (pg. 1, line 22)	80,000
[002] Net income(loss) from rental real estate activities (Form 8825)	...
[003] Gross income from other rental activities	
[004] Expenses from other rental activities(Statement)	...
[005] Guaranteed payments	<input checked="" type="checkbox"/> Do Not Batch Allocate
[006] Interest income	
[007] Ordinary dividends	
[008] Qualified dividends	
[009] Dividend equivalents	
[010] Royalties	
[011] Net short-term capital gain(loss)	...
[012] Net long-term capital gain(loss)	...
[013] Collectibles (28% gain or loss)	
[014] Unrecaptured section 1250 gain	

Income(Loss)

- **Input Mirrors Form**
- **Form 8825**
- **Information Carried**
- **Allocations**
- **Percentages**
- **Capital Analysis**
- **Entity Type**
- **How to Delete**



# Schedule M1 and M2

Preview Print

**Expenses on books not included on Sch. K 1-11a and on 14a, 17e, and 18b**

[05] Depreciation	
[06] Travel and entertainment	500
[07] Other	Amount
Total of Lines 01-04 <b>3,285,002</b>	

**Income on books not included on Sch. K 1-7**

[08] Tax exempt interest	
[09] Other	Amount

**Deductions included on Sch. K 1-11 and on 14a, 17e, and 18b, not charged to book income**

[10] Depreciation	1,994,497
[11] Other	Amount
[12] Other	Amount
Total of Lines 06-10 <b>1,994,497</b>	

Net Income or Loss **1,290,505**

Schedule K income(loss) **1,290,505**

Form 1065 (2020)

Page 5

## Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p.	1	1,290,505
2	Analysis by	<input type="checkbox"/> Corporate <input type="checkbox"/> Individual <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Exempt <input type="checkbox"/>	

- Automatically Calculated
- Overrides
- Under 250k Assets and Receipts
- Optional but Suggested for Clean Reporting

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**  
Note: The partnership may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	3,284,502	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		a	Depreciation \$	1,994,497
a	Depreciation \$				1,994,497
b	Travel and entertainment \$	500	8	Add lines 6 and 7	1,994,497
		500	9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	1,290,505
5	Add lines 1 through 4	3,285,002			

# Schedule L

Preview Print

Beginning of tax year column (ON/OFF) ☐ Yes

**Sch L Assets**

	Beginning of tax year		End of tax year	
	Column(a)	Column(b)	Column(c)	Column(d)
[01] Cash				
[02] Trade notes and accounts receivable				
[04] Less allowance for bad debts				
[06] Inventories				
[07] US government obligations				
[08] Tax-exempt securities				
[09] Other current assets			...	
[10] Loans to partners			...	
[11] Mortgage and real estate loans				
[12] Other investments			...	
[13] Buildings and other depreciable assets				
[15] Less accumulated depreciation				
[17] Depletable assets				
[19] Less accumulated depletion				

- **Input Mirrors Form**
- **If New Client Enter Beginning Year**
- **Review What is Carried**
- **Make Changes if Necessary**
- **Out Of Balance Indicator**

# Print Menu

Ptnr Forms and number of copies to print			
[01] Form 1065 Page 1	<input type="checkbox"/> No	No. copies	
[02] Form 1065 Page 2,3,B1,B2	<input type="checkbox"/> No	No. copies	
[03] Form 1065 Page 4	<input type="checkbox"/> No	No. copies	
[04] Form 1065 Page 5	<input type="checkbox"/> No	No. copies	
[05] Form 1065 Schedule D	<input type="checkbox"/> No	No. copies	
[06] Partnership Schedule F	<input type="checkbox"/> No	No. copies	
[07] Form 4562	<input type="checkbox"/> No	No. copies	
[08] Form 4797	<input type="checkbox"/> No	No. copies	
[09] Form 6252	<input type="checkbox"/> No	No. copies	
[10] Form 8825	<input type="checkbox"/> No	No. copies	
[11] Form 7004	<input type="checkbox"/> No	No. copies	
[12] Partnership K-1s	<input checked="" type="checkbox"/> Yes	No. copies	
[13] Include Supplemental K1 Code Sheet			<input checked="" type="checkbox"/> Yes
[14] Supporting Statements	<input type="checkbox"/> No	No. copies	
[15] Miscellaneous Schedules	<input type="checkbox"/> No	No. copies	
[16] Schedule K and K1 Comparison	<input type="checkbox"/> No	No. copies	
[17] Schedule M3	<input type="checkbox"/> No	No. copies	
[18] Title Page and letter's			Letters and Labels
[19] Select State Forms			State Forms
<hr/>			
[21] Configuration			Configuration
[22] Clear Table			Clear Table
[23] Save Defaults			Save Defaults
[24] Restore Defaults			Restore Defaults
[25] Print Selected Froms	<b>Print Forms</b>	[27] Preview Selected Forms	<b>Preview Forms</b>
[26] Print Completed Return	<b>Print Return</b>	[28] Preview Completed Return	<b>Preview Return</b>
		[29] PDF Archive Selected Forms	<b>Archive</b>
Launch TWPFDocArk	<b>TWPFDocArk</b>	[30] PDF Archive Completed Return	<b>Archive Return</b>

- **Print Options**
- **Print vs Preview vs Archive**
- **K1 Printing**

# Billing Menu

Preview Print

**Ptnr Partnership tax billing information**

[01] Bill Description 1		Amount	
[02] Bill Description 2		Amount	
[03] Bill Description 3		Amount	
[04] Bill Description 4		Amount	
[05] Bill Description 5		Amount	
[06] Bill Amount(Adjustment)	...		
[07] Amount Received			
[08] Invoice Number		1	
[09] Invoice Date		10-24-2019	
[10] Terms			
[11] Account Number			
[12] Invoice Remarks Line Number 1			
[13] Invoice Remarks Line Number 2			
[14] Invoice Remarks Line Number 3			
[15] Invoice Remarks Line Number 4			
[16] Title Information			

- Individual Items
- Adjustments
- Remarks
- Billing Title Information

**Ptnr Default Invoice Information**

**Default Invoice Description and Amounts**

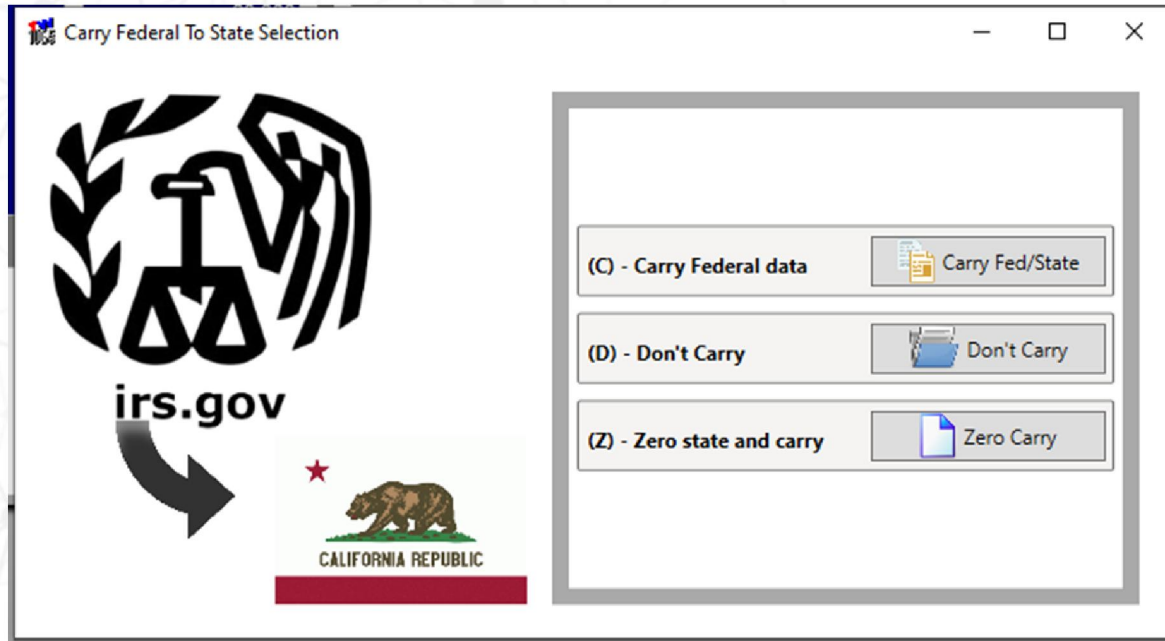
[01] Bill Description 1		Amount	
[02] Bill Description 2		Amount	
[03] Bill Description 3		Amount	

**Default Remarks**

[04] Invoice Remarks Line Number 1	
[05] Invoice Remarks Line Number 2	



# State Input





- **Carry/Don't Carry/Zero Carry**
- **State Workflow**
- **Preview State Return**

# Electronic Filing

<b>Ptnr Electronic Filing</b>	
[01] Select a electronic filing transmitter	Transmitter 0-
[02] Select a Electronic Return Originator (ERO)	ERO 2-Electronic Tax filers Inc
[03] Officer Signature Information (8879F-8453F)	Officer PIN
[04] Add MeF Attachments	Add Attachments
[05] Clear Attachments	Clear Attachments
[06] Federal EFile Status ... Accepted	[07] State EFile Status ... No Status
[08] Validate XML E-File document	Validate
[09] Create an XML E-File Document	Create/Transmit
[10] Status notes	
[11] Open IRS MeF E-Services Web Site	IRS Website
[12] Receive federal (fed/state piggy back) acknowledgements	Get Acks
[13] Electronically file extension (7004)	EFile 7004

- **ERO Selection**
- **Officer PIN**
- **PDF Attachments**
- **Validation**
- **Transmission**

# Electronic Filing

 Preview				 Print			
<b>PTNR Officer Signature Information</b>							
[01] Signature Officer First Name		JONATHAN		Last Name		TEAK	
				SSN		000-30-0003	
[02] Officer Title				PRESIDENT			
[03] Taxpayer PIN				55666			
[04] Officer Phone				(555) 555-5555			
[05] Officer E-Mail Address				ANYMAIL@EMAIL.COM			
[06] Date Signed				10-11-2021			
[07] Third Party Designee?				<input type="checkbox"/> Yes			
[08] PIN Entered By				... ERO			
[09] Total income amount from prior year return(if applicable)				57,000			
[10] Print Form 8879				Print 8879-PE			
<p>Note: The 8453-PE is usually only used when the IRS requires actual signatures. The 8879 is utilized in most cases. Please refer to the instructions, but this is rare and usually involves large corporations which in general Taxware doesn't support for E-File. To E-File using the 8453-PE, printout the form, obtain signatures, scan the form as a PDF file, and then attach as a binary attachment.</p>							
[11] Print Form 8453				Print 8453-PE			
IF 8453 IS USED YOU HAVE TO ATTACH IT AS A PDF MEF ATTACHMENT							

- **Officer PIN**
- **8879 VS 8453**
- **Prior Year Income**

# Electronic Filing

Ptr Electronic Filing	
[01] Select a electronic filing transmitter	Transmitter 0-
[02] Select a Electronic Return Originator (ERO)	ERO 2-Electronic Tax filers Inc
[03] Officer Signature Information (8879F-8453F)	Officer PIN
[04] Add MeF Attachments	Add Attachments
[05] Clear Attachments	Clear Attachments
[06] Federal EFile Status	Accepted
[07] State EFile Status	No Status
[08] Validate XML E-File document	Validate
[09] Create an XML E-File Document	Create/Transmit
[10] Status notes	
[11] Open IRS MeF E-Services Web Site	IRS Website
[12] Receive federal (fed/state piggy back) acknowledgements	Get Acks
[13] Electronically file extension (7004)	EFile 7004

- PDF Attachments
- Validation
- Transmission



# Electronic Filing

Get Acks

Station Filter

Rebuild

Print

Filter

Expanded

Condensed

Client Search

EIN

Name

Client ID

Return Date

Transmission Date

Acknowledgment Date

Accepted

Rejected

Awaiting Ack

Client ID	EIN	Name	Gov Code	Status	Return Date	Trans Date	Ack Date
1	00-2000001	SAM STARLING LLP	FED	Accepted	12-07-2020	11-04-2020	12-07-2020
2	00-2000002	JENNINGS BOAT LLC	FED	Accepted	12-07-2020	11-04-2020	12-07-2020
4	00-2000003	EASTLAND QUARRIES	FED	Accepted	12-11-2020	11-04-2020	12-07-2020

EFile

Expanded Information

Client ID

Name

EIN

Gov Code

Status

Preparation Date

Transmission Date

Ack Date

Accepted Date

Rejected Date

Submission ID

Reprint Ack

Show History

Reprint Ack

A2A History

- Tracking
- Getting Acks
- Reprinting Acks

THANK YOU FOR CHOOSING

**TAXWARE**  
SYSTEMS INC.