



Highlights of This Update

- Earliest-ever final release (and two months ahead of last year)
- 81 test scenarios approved for paper and e-filing
- Approvals obtained for 1041 (e-file/paper), 709 (paper), and all 12 states
- 2nd Release: three (3) fixes to 1st Release
- 2nd Release: four (4) open issues
- Automatic updates upon every 6-in-1 launch:
 - License Key (annual)
 - PA-1500 Interest Rate (annual, late November/early December)
 - 7520 Rate for life estate calculations (about the 18th of every month)
- New “Digital Assets” question (mandatory) on 1041 and 709
- MA M-706 \$2M exclusion retroactive to 1/1/2023
- New mortality tables (2010CM) released officially in June 2023
- Inflation adjustments for 2023 (706, 709, 1041, DecoupleCruncher)
- 6-in-1 user statistics:
 - Launches: 231,000 (average per year)
693,790 (total from 2/15/21 through 1/31/2024)
 - Devices: 4,000
 - Firms: 800+
- 388 forms Included in 6-in-1 (1977-2023)
- Annual changes to 100+ tax return pages
- Several thousand changes made to the software (both large and small)
- e-file submission speed again dramatically fast (5-10 sec. 1041, 3-5 sec. state)
- e-file self-help with **purple** block that explains in English the reason for rejection
- Exhibits A-C to illustrate:
 - PA-41 (Schedule D) netting of gains and losses (645 election)
 - MA M-706 \$2M exclusion effective 1/1/2023: nuances explained
 - e-file Center: self-help error messages (**purple** block)

A

2nd Release This Season

1st Release

2024-010 (01/10/2024) (announced to the 119 firms that e-filed any returns in 2023)

2nd Release

2024-031 (01/31/2024)

Password: **showtime**

[6-in-1 Downloads and Installation Instructions](#)

B

Status of 2023 forms

This version includes the following updated forms for 2023:

1. e-file

Approved: 1041

CT, DE, MA, NJ, NY, OH, PA, VA

2. Paper file

Approved: 1041, 709 (no new 706 for 2023)

CT, IL, IN, NC, NJ, PA, VA, WI

Paper-filing approval not sought: DE, MA, NY, OH

Watermark will display ("Do Not File" or "Client Copy")

C

Fixes to 1st Release

1. 1041 Capital Loss Carryover (in final year)

In the 2024-010 release (1/10/2024), these amounts were not appearing on the carryover worksheet or on the final-year K-1. ***This issue has been resolved.***

2. 706 Deductions - Statement and Waiver

In the 2024-010 release, these amounts were not appearing (for the same reason as the capital loss carryovers). *This issue has also been resolved.*

3. PA-41 RK-1/NRK-1 Formatting (Dates, Amounts, Telephone Numbers)

Special formatting for these fields needed to be applied. *This issue has been resolved.* You should resubmit your returns for e-filing if you see error messages relating to these field.

D

Open Issues in 2nd Release

1. 709 Annual Exclusion (Display of “Max \$16K” should read “Max \$17K” for 2023)

This is simply a **display** issue on the Gift Details screen for 2023. The calculations all use the appropriate \$17K exclusion for 2003 gifts.

2. 706 Line 4, Adjusted Taxable Gifts from Form 709

If you have connected your 706 to the 709, and decedent made any gifts in the year of death, Line 4 should populate with the TG Worksheet for Line 7, Column (d), last row (cumulative through and including the year of death). It is currently populating with the TG worksheet for Line 4, Line 2, Column (b) (cumulative through the year **before** death). You have always had, and still have, the option to enter your own value on the 706, Line 4, without connecting it to Form 709.

3. PA-41 RK-1/NRK-1 Formatting (Zip + 4)

Special formatting needed to be applied to this field to strip out the hyphen. You should remove the hyphen if you see this error, then resubmit.

4. EFIN Missing After Some Upgrades

Occasionally a firm reports that, after upgrading 6-in-1 in FileMaker 19/20, the EFIN (“Electronic Filing Identification Number”) goes missing. We’re still trying to track that down.

That number can be found on any of your prior printed Forms 8879-F, Part III, ERO’s EFIN/PIN. The EFIN appears as the leftmost six digits of that number.

To restore that EFIN to your e-file Center:

- a. e-file Center
- b. Select any estate or trust
- c. More... (button in the upper right corner)
- d. Firm Info (middle tab)
- e. Enter the EFIN (top right field)

E New in 2nd Release

1. State Fiduciary Income Tax Returns

Approval received for 10 more states in addition to NC and PA (seven of them include **e-file**)

CT, DE, IL, IN, MA, NJ, NY, OH, VA, WI

2. 1041 Visual Tax Table (button on Line 24 of the 1041) and Tax Chart

These screens have been updated to reflect the new brackets (four instead of five) that were implemented in 2018.

3. 1041 Recalc Timer

On the main pages of the 1041 (Pages 1-3, Schedules D and I), there is a new “Display Timer” checkbox. Check this box, then click on the red Recalc button, to test the speed of recalc. In our testing, this speed comes in at less than 10 seconds. If your recalc takes substantially longer, please contact Support so that we can suggest ways to speed up your system.

4. PA-41 RK-1/NRK-1 Form Shortened (Beneficiary K-1 Equivalent)

This form was dramatically shortened by the PA Department of Revenue for 2023 (RK-1 from 20 to 2 lines, NRK-1 from 18 to 3 lines).

5. PA-41 645 Election

Based on feedback from the PA Department of Revenue, we have refined how netting of gains and losses occurs across all lines on an entity's Schedule D, and then across all entities that are being consolidated on a single return via a 645 election. See **Exhibit "A"** below for how we posed the question and how the PA Department answered.

6. M-706 \$2M Exclusion (refined)

We have had extensive discussions with the MA Estate Tax Unit on how this calculation should be implemented. The law, the revised form, and instructions are all ambiguous.

We believe that MA will settle on the interpretation that its new form implements in the case of out-of-state property (prorate according to MA and non-MA property first, compute the tax, then take the entire \$99.6K credit against that tax). Compared to the other way (see next paragraph), this calculation reduces the tax by an amount equal to \$99.6K x the ratio of non-MA property (but not below zero).

We do provide you with an option to see the calculation the other way (compute the tax, then subtract \$99.6K, then prorate). Please consult the help screen via the small question mark on Page 2, right panel, next to "Credit: ≥ 2023". See also **Exhibit "B"** below with annotations of Pages 2 and 3 of the M-706.

F New in 1st Release

1. 1041 Approved (paper and e-filing)

2. States Approved

NC (paper filing)

PA (paper and e-filing)

3. Automatic Updates

A. License Key. We used to make 800+ calls a year upon receipt of 6-in-1 renewal payments. Two years ago, we implemented an "Update License Key" button. We have now made this fully automatic and transparent. When we have processed your renewal payment, your next launch of 6-in-1 will display your new License Key. ***No more need for phone calls or e-mails. Fully automatic!***

B. PA-1500 (Inheritance Tax) interest rate. On late payment of tax (late November every year, once feds release Q1 interest rate for the following year). ***Now fully automatic.***

C. Monthly 7520 Rate (about the 18th of each month). ***Now fully automatic.***

4. 1041 Changes to Form

Page 2: Schedule G, Line 6 expanded to Lines 6a-c

Page 2: Schedule G, Lines 10-19 moved to Page 3

Page 3: Other Information, new Line 13 for Digital Assets

5. Digital Assets (709 and 1041)

A new question relating to "Digital Assets" has been added to these forms for 2023:

- a. **1041** Page 3, Other Information, Line 13
- b. **709**, Page 1, Line 20.

This question **MUST** be answered on each form. Please consult the help screen via the question mark button to the right of those questions. We currently default the answer to "No".

6. MA M-706 \$2M Exclusion (retroactive to 1/1/2023).

Massachusetts Governor Maura Healey signed this bill on October 4, 2023.

7. Life Estate Calcs

On 6/2/2023, the IRS released final regulations including [mortality] **Table 2010CM** based on the 2010 Census, a little over four years after the required release date of 5/1/2019. These final regulations provided a transition period for using **Table 2000CM**

or **Table 2010CM** starting with all transfers made between 5/1/2019 and 6/1/2023. 6/1/2023 is included in this transition period but not the rest of June 2023.

Because life expectancies increased from 2000 to 2010, this has the following effect:

Life Estate: larger

Remainder: smaller (1 minus Life Estate)

Annuity: larger (Life Estate divided by 7520 rate)

G

Inflation Adjustments for 2023

1. 706 (through 2024)

Federal Basic Exclusion Amount

2021: \$11.70M

2022: \$12.06M

2023: \$12.92M

2024: \$13.61M

Form 706

2022: August 2019 is still the most recent version issued by the IRS

2022: New Instructions for Form 706

2023: New Instructions for Form 706

2. 709 (through 2024)

Basic Exclusion Amount

2021: \$11.70M

2022: \$12.06M

2023: \$12.92M

2024: \$13.61M

Annual exclusion (per donee)

2018 – 2021: \$15K

2022: \$16K

2023: \$17K

2024: \$18K

Alt-Click allows for virtually instantaneous navigation from page to page, worksheets back to main, and year to year across all 21 years (2003 – 2023)

3. DecoupleCruncher

(a) **Year 2024** Added to Dropdown Year Menu

(b) **Exclusions for 2024** (changes in **blue**)

CT: **\$13,610,000** (up from \$12,920,000) (CT-706/709 and CT-706 NT updated for 2023 decedents)

DC: **\$4,710,000** (up from \$4,528,800)

HI: \$5,490,000

IL: \$4,000,000

MA: **\$2,000,000** (up from \$1,000,000) (change retroactive to 1/1/2023)

MD: \$5,000,000

ME: **\$6,800,000** (up from \$6,410,000)

MN: \$3,000,000

NY: **\$6,940,000** (up from \$6,580,000)

OR: \$1,000,000

RI: **\$1,774,583** (up from \$1,733,264)

RI Credit of **\$83,370** (up from \$80,395)

VT: \$5,000,000

WA: \$2,193,000

H Interesting Facts About 6-in-1

1. User Statistics

Counting firms that have installed 6-in-1 on or after 2/15/2021 (almost 36 months ago) through 10 pm on 1/31/2024, 6-in-1 launch counts for users of 6-in-1 are as follows:

	<u>2/21 – 2/22</u>	<u>2/22 – 1/23</u>	<u>1/23 – 1/24</u>	<u>Total</u>
Firms:	731	834	873	
Users* (via "Device ID"):	3,156	4,446	4,104	
Launches (6-in-1 opened):	200,178	236,950	256,662	693,790

* This reflects the number of users running 6-in-1 on multiple devices.

We have followed the same update procedure for at least the past 17 years (starting with a 6-in-1 update e-mail sent on 2/20/2007).

2. 388 Forms Included in 6-in-1 (1997-2023)

19 versions of the 706 (1997 - 1999, 2001 - 2013, 2017 - 2019, covering 2020 - 2023).

Supports estates going back to 10/9/1990.

22 versions of the 1041 (2002 - 2023)

21 versions of the 709 (2003 - 2023)

267 versions of the State Fiduciary Income Tax Returns
(2002 - 2023; NC 2006 - 2023 ; VA 2005 - 2023)

12 versions of the Inventory (12 states)

12 versions of the Accounting (12 states)

9 U.S. miscellaneous forms (SS-4, 56, 843, 2848, 4421, 4810, 5495, 8821, 8822)

11 NC Probate Forms

15 PA Probate Forms

388 Total Tax Returns, Inventories, Accountings, and Probate Forms

3. Annual Changes to 100+ Tax Return Pages

Each year, there are several thousand items throughout the software that have to be changed then tested to reflect changes required in the 100+ tax return pages that we support. Thus, it's a highly iterative process that lasts from September until all forms are released by the IRS and state departments of revenue in final form.

4. Earliest-Ever Complete Release

This year's release of all approved forms on January 31, 2024, represents the earliest-ever complete release in the history of 6-in-1. This beats last year's final release by a full two months!

5. 81 Test Scenarios

For 1041 e-filing, eight (8) state e-filings, and 8 state paper filings, we have to submit a total of 81 test scenarios in order to gain approval from all these jurisdictions (37 paper tests and 44 e-filing tests).

6. No Paper Filing: DE, MA, NY, OH

Because NY has not accepted paper filing of the IT-205 for some years, we no longer seek approval of the paper version of that form. It was a long and laborious process, for naught.

In addition, this year, we are not supporting paper filing for DE, MA, or OH. E-filing has become “the way of the world”. We can foresee a time when this will be the only way to file tax returns.

DE now displays a watermark that reads “Do Not Mail”.

MA, NY, and OH now display a watermark that reads “Client Copy”.

No watermark is displayed on any of the K-1 equivalents for any of these four states.

I

Important Tips and Tricks

1. Move 6-in-1 Window

On the 6-in-1 Main Menu, **Shift-Click** on the Beneficiaries button (4th green button down the center). This will simply change your FileMaker menu (very top, left) from “Edit” to “File Edit View...”. But this will release the “lock” on 6-in-1’s Window position and allow you to move it around.

2. Return to 6-in-1 Main Menu Screen from Anywhere

Simply **Shift-Click** on the 6-in-1 button in the upper right corner of most screens. From there you can click once more to get to any other module.

3. Transact => Page 1 of Any Module

Simply **Alt-Click** on the module button at the top of the Transact screen. This will take you directly to Page 1 of the module. On a **Mac**, it’s **Command-Click**.

4. Transact => Schedule Details

Simply **Ctrl-Click** on the modules button at the top of the Transact screen. This will display a dropdown list of every schedule with data.

J e-filing

1. Note on e-filing speed

We changed e-file servers last year, but the e-file submission script (triggered by your button clicks) were still pointing to the old server for a somewhat redundant part of the process. We have repointed this script to the new server. This dramatically increases the transmission speed from the level where it was two years ago to 5-10 seconds now for a 1041 and 3-5 seconds now for a state return.

2. e-file Launch (Production Year 2024, Tax Year 2023)

- a. **Controlled Launch (1/11/2024).** A number of firms participated in this “Controlled Launch” and submitted 27 returns.
- b. **Opening Day (1/16/2024).** A number of firms also submitted a total of 34 returns on “Opening Day”.
- c. **PA-41 Processing Delays.** For some reason, PA took about two weeks after Opening Day to process any of the returns that had been e-filed during that time. It is now turning these returns around in about an hour as in past years.

3. e-file Rejections

Last year we processed nearly 5,800 e-filed returns. Issues arose with nearly 400 of them. The most frequent issues were the following:

Count

- 92 **IRS 1041 Schema switched** on 3/20/2023 from 2022v5.1 to 2022v6.0 without much, if any, notice. We do not anticipate this issue to arise again.
- 79 **Name Control.** This apparently affects some 2% of all e-filed 1041 returns once the IRS started enforcing a match between the four-character "Name Control" string and the EIN of the estate or trust.
- 21 **Duplicate Returns.** We now check for status as soon as you click on the e-file 1041 button. This should cut down on these rejections.
- 12 **Form 8995** Qualified Business Income Deduction. This world is

unduly complicated. We help out on a case-by-case basis.

- 11 **Form 8960 High-Bracket Amount** of \$14,450 for 2023 returns submitted with 2022 schema that wrongly expects that amount to be \$13,450. We have been trying for several years to get the IRS to fix this issue, so far to no avail. By the way, the High-Bracket Amount for 2024 will be \$15,200. It is possible that the IRS will fix this issue before fiscal-year returns with 2024 begin dates start getting submitted.

a. **Form 8960**

The Line 19b highest-bracket amount should be as follows:

2021: \$13,050

2022: \$13,450

2023: \$14,450

2024: \$15,200

When you file a short-year 2023 return (for example) before January 2024, your only option is to file with the 2022 “schema” released in January 2022. But the 2022 schema were testing for a highest-bracket amount of \$13,450 (correct for a 2022 return) when they should have been testing for \$14,450 (correct for a 2023 return). The IRS has not yet fixed this issue despite our urging during the past two years.

b. **Name Control**

This is a four-character value that the IRS assigns to every estate and trust when an EIN is issued. Generally speaking, it is based on the first four (4) characters of the decedent or grantor’s LAST name. For EINs obtained online and starting with a particular set of two-digit numbers, however, it is based on the grantor’s FIRST name. The IRS business rule that tested for this Name Control string had been disabled for several years but was reenabled in early 2022. This accounted for the rejection of **79** of our 5,500+ submissions in 2023. A number of firms did track down their EIN confirmation letter, found the correct Name Control at the top of Page 2, and successfully resubmitted. Others may have tried calling the IRS number we provided, but we imagine that this was largely futile given how short-handed the IRS had become, especially during the COVID-19 pandemic. **So far in 2024, of over 250 returns that have been submitted, only three (3) have been rejected on the basis of an incorrect Name Control value.**

4. Additional Notes on e-file

a. Filter Returns with Colored Blocks

All blocks: click to filter list by status (**Pending**, **Accepted**, **Error LGI**, **Rejected IRS**)

Click on **green**, then Shift-Click on **blue**: **Pending** and **Accepted**

Click on **blue**, then Shift-Click on **green**: **Pending** and **Accepted**

b. New Feature to Help with Rejected Returns

In the e-file Center, the colored status blocks to the right of the estate/trust names (normally **green**, **blue**, **pink**, or **red**) will display in **purple**. Click on that block, and you will see a help screen that lists the reason(s) for the rejection. This will allow more users to engage in "self-help" to fix any returns that don't go through the first time. See Exhibit "C" below.

b. Name Control

We learned last year that, if you have an "fbo" (for benefit of) 1041 that bounces because of a "Name Control" issue, try using the first four letters of the beneficiary's first name.

K

FileMaker 11 vs. FileMaker 19/20 (2023)

Three sets of users:

- A. FileMaker 11. (Windows).
- B. FileMaker 19/20 (2023) (Windows).
- C. FileMaker 19/20 (2023) (Mac).

1. FileMaker 19/20 (2023)

Windows Server 2019/2022 and the Mac OS of recent years have "outrun" FileMaker 11 (become incompatible). Accordingly, over the past several years, we have been migrating these firms to FileMaker 16/17/18/19/20, the last of which is nearly 14 years newer than FileMaker 11. The rest of our user base will be hearing more about this in the months to come.

2. FileMaker 19

Most users not running FileMaker 11 are running FileMaker 19. We are starting to move these users to FileMaker 20 (2023). The file format is the same for 19 and 20 (2023), so these versions are essentially interchangeable.

L System

1. Update Notifications:

Now available directly from your 6-in-1 License Key and Main Menu screens. Whenever an update has been posted, your next launch of 6-in-1 will compare your current version with the latest version. You will see a message at the top (in **green** letters) that an update is available. The version number and revision date of your current version (very top) will turn **red** to alert you that you are no longer running the latest release.

2. Release Notes.

Available directly from your 6-in-1 Main Menu screen (**blue** button, bottom, center). Clicking this button will open a web browser to recent release notes that will highlight changes that have been made.

3. Privacy Notice.

Bottom left of your License Key screen. This lists the data (none of it is Personal Information) that we gather every time you launch 6-in-1. This allows us to improve the software and your overall experience, as well as determine at any given time what operating system and what version of 6-in-1 you are running. This is what allowed us, for example, to provide you with the statistics above about the number of firms, unique users, and 6-in-1 launches to date. The unique user count is based on the "Device ID", an encrypted version of the hard drive serial number that the IRS requires us to include with every e-filed 1041.

M

Installing Update

1. Server update

Make sure to run Step #2 (run FileMaker Pro then open the Opener file) before restarting FileMaker Server

2. Server installations.

After restarting FileMaker Server:

v10 (FileMaker 11): wait 25-30 minutes

v19 (FileMaker 19) or v20 (FileMaker 20 (2023)): wait 8-10 minutes

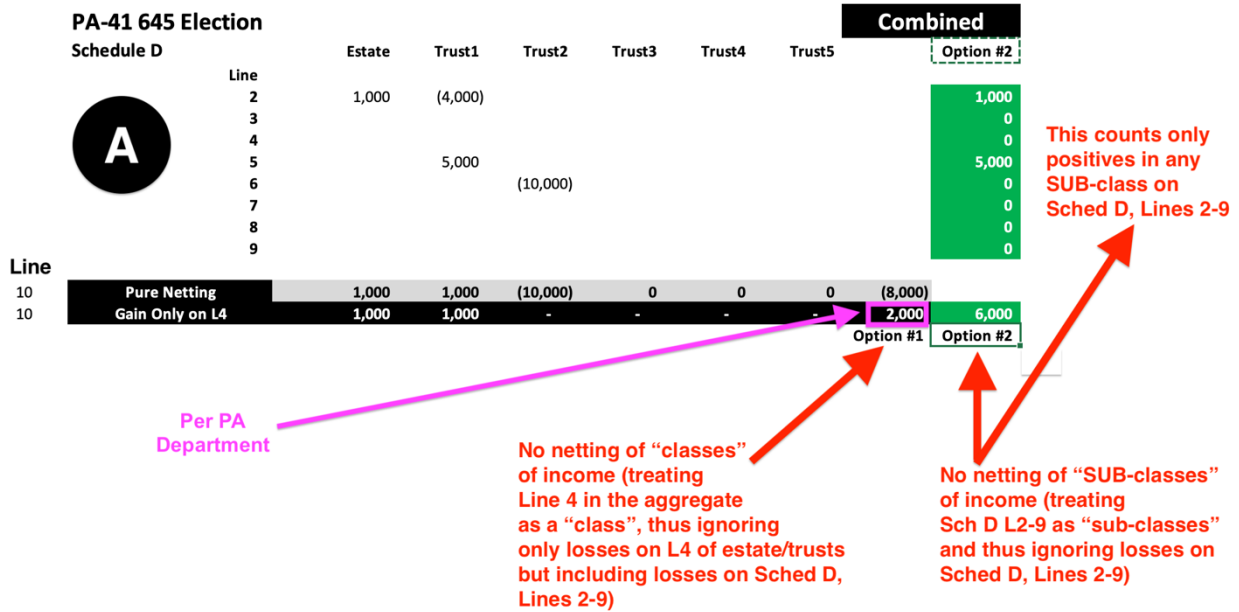
...then let users know that they can relaunch 6-in-1 at their desktops.

4. “SSL Certificate **Expired on [date]**” Message in FileMaker Server Admin Console

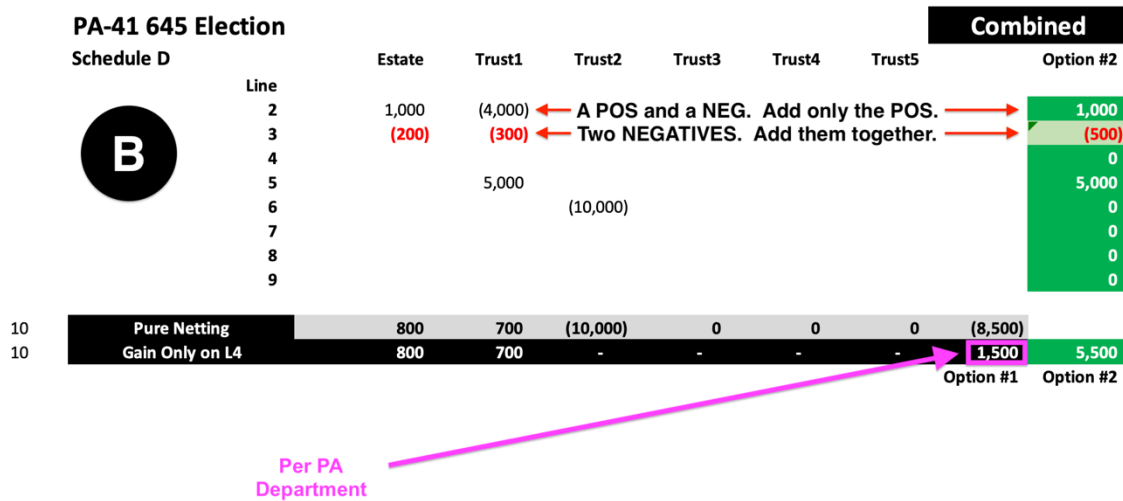
You may disregard this message. A future release of FileMaker Server will eliminate this message.

Exhibit A. PA-41 (Schedule D) Section 645 Election

We provided the following charts to the PA Department of Revenue to clarify how the netting of gains and losses on Schedule D should work. We received its feedback as noted below in pink and reflected this feedback in update 2024-031.



The Lackner Group, Inc., 10-28-2023



The Lackner Group, Inc. 10-28-2023

Exhibit B. MA M-706 (effective 1/1/2023)

Part 1. Tentative Massachusetts estate tax

[Link to 706](#)

1 Total gross estate (from page 1, line 1 of U.S. Form 706 with a revision date of July 1999 or from Part 5, line 12 of this return).....	1	1,093,785.32
2 Total allowable deductions (from page 1, line 2 of U.S. Form 706 with a revision date of July 1999 or from Part 6, line 11 of this return).....	2	0.00
3 Subtract line 2 from line 1.....	3	1,093,785.32
4 Adjusted taxable gifts (from page 1, line 4 of U.S. Form 706 with a revision date of July 1999).....	4	
Relevant only to the extent that the MA DOR might challenge a gift of a residence, for example, with a retained life estate. MA might argue that such a gift should be included as part of the MA gross estate.		
5 Add lines 3 and 4.....	5	1,093,785.32
6 Total gift tax payable (from page 1, line 9 of U.S. Form 706 with a revision date of July 1999).....	6	
No longer relevant effective 1/1/2023		
7 Credit for state death taxes (from page 1, line 15 of U.S. Form 706 with a revision date of July 1999).....	7	38,451.98

Note: Starting in 2023, you may continue to refer to Line 15 of the July 1999 revision of U.S. Form 706, but don't limit it to the amount on Line 14. This is now a straight Table B calculation.

Part 4. Massachusetts estate tax due

1 Massachusetts estate tax.....		
a Enter the amount from Part 1, line 7; Part 2, line 8; or Part 3, line 5, whichever applies.....	1a	38,451.98
b Massachusetts credit for decedents dying on or after January 1, 2023. For decedents dying on or after January 1, 2023, enter the smaller of Part 4, line 1a. or \$99,600.....	1b	38,451.98
Total tax. Subtract line 1b from line 1a. Not less than 0.....	1	0.00


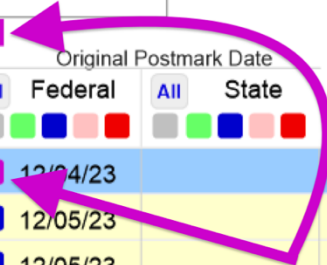
Exhibit C. e-file Center – Self-Help Error Messages


6-in-1 | e-file Center



Fiduciary Income Tax Returns Found Count: **5**











1041 State
 Paper
 e-file
 All [Show all](#)

○ 2021 ○ 2022 ● 2023

Click for Details =>  

Original Postmark Date  [View Report](#)

Don't Paper File
File Fed State **Estate/Trust** U   Type Link All Federal All State Errors

	Don't File	Paper File Fed State		Type	Link	Original Postmark Date	Errors
1	<input type="checkbox"/>	<input type="checkbox"/>	US 01 Pearl Purple Trust	T		 12/04/23	
2	<input type="checkbox"/>	<input type="checkbox"/>	US 02 Black and Orange	T		 12/05/23	
3	<input type="checkbox"/>	<input type="checkbox"/>	US 03 Magenta	T		 12/05/23	
4	<input type="checkbox"/>	<input type="checkbox"/>	US 04 Green, Hobert			 12/05/23	
5	<input type="checkbox"/>	<input type="checkbox"/>	US 05 Green, Cheryl	G		 12/05/23	


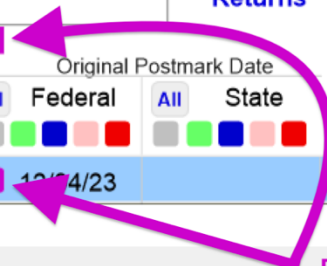
Rejected return. Purple block. Click for details.


6-in-1 | e-file Center



Fiduciary Income Tax Returns Found Count: **5**



1041 State
 Paper
 e-file
 All [Show all](#)

○ 2021 ○ 2022 ● 2023

Click for Details =>  

Original Postmark Date  [View Report](#)

Don't Paper File
File Fed State **Estate/Trust** U   Type Link All Federal All State Errors

	Don't File	Paper File Fed State		Type	Link	Original Postmark Date	Errors
1	<input type="checkbox"/>	<input type="checkbox"/>	US 01 Pearl Purple Trust	T		 12/04/23	

Error Message

US 01 Pearl Purple Trust (EIN: 00-4043211)

If Form 1041, Line 6 'NetFarmProfitLossAmt' has a non-zero value, then Schedule F (Form 1040) must be attached to Line 6.

Rejected return. Purple block. Details to left.