

COMPREHENSIVE TAX COURSE

Course Topics by Module - LEARNING OBJECTIVES

Module 1

Chapter 1: General Material

- Determine who should file a return.
- Identify what filing status the taxpayer should use.
- Determine what IRS forms to use.
- Identify filing requirements for most taxpayers and their dependents.
- Determine the due dates of various tax forms.
- Understand how to apply for an extension of time to file.
- Differentiate various accounting periods and methods.
- Understand the signature and identification number requirements of a paid preparer.

Chapter 2: Standard Deduction and Exemptions

- Understand how to calculate the standard deduction.
- Determine when to use the standard deduction.
- Define what constitutes an exemption.
- Identify when the taxpayer can claim an exemption.
- Understand the support issues.
- Understand the steps necessary to file a decedent's tax return.
- Identify the rules for tax withholding and estimated tax payments.

Chapter 3: Income

- Identify various types of income such as employee compensation, fringe benefits, tips, alimony, and other income.
- Identify where to report these forms of income.

- Determine when it is appropriate to use Forms 1040, 1040A, and 1040EZ.
- Be aware of Form 4137, Social Security Tax on Unreported Tip Income.

Chapter 4: Interest and Dividend Income

- Know the different types of interest income.
- Understand the difference between taxable and nontaxable interest.
- Identify where to report interest income.
- Understand how to report dividend income and nontaxable distributions.
- Understand the client interview process.

Chapter 5: Earned Income Credit

- Identify the definition of earned income for Earned Income Credit.
- Describe the requirements for qualifying children for Earned Income Credit purposes.
- Realize that taxpayers without children may qualify for the Earned Income Credit.
- Determine how to complete Schedule EIC.
- Identify where the Earned Income Credit appears on the Forms 1040 and 1040A.
- Understand IRS due diligence requirements.

Module I Final Exam

Module 2

Chapter 6: Tax Credits — Child Care and Others

- Describe the qualification requirements for various tax credits (Child Tax Credit, Child Care Credit, Credit for the Elderly and Disabled, the Additional Child Tax Credit and Education Credits).
- Understand the requirements for Form 2441.
- Prepare Form 2441, Child and Dependent Care Expenses and or Schedule 2.
- Identify Form 8863, Education Credits.
- Understand the requirements for IRS Form 1040, Schedule R, Credit for the Elderly or the Disabled.
- Identify IRS Form 8812, Additional Child Tax Credit.

Chapter 7: Retirement Income and Other Types of Income

- Recognize retirement income, including income from pensions, annuities, Social Security, and equivalent retirement benefits. Students will learn how to “read” Forms 1099-R and SSA-1099.
- Understand other types of income such as barter, partnership and recoveries.
- Identify how to report rental of personal property, repayments, royalties, and income that is not taxed.
- Determine where to report information from Forms 1099-R and SSA-1099 on the IRS Form 1040 series.

Chapter 8: Adjustments to Income

- Understand the various adjustments to income, including Individual Retirement Arrangements (IRAs—Traditional and Roth) and SIMPLE IRAs.
- Identify where to report these items on tax returns.

Chapter 9: Itemized Deductions

- Determine whether standard or itemized deductions are the most advantageous for the taxpayer.

- Identify what items qualify as taxes, and eligible interest deductions.
- Name eligible medical expenses.
- Understand the limitations on itemized deductions.
- Calculate the value of charitable contributions and understand how to complete Form 8283.
- Describe how to report casualties and thefts and how to complete Form 4684.

Chapter 10: Electronic Filing

- Understand the rules and regulations governing electronic filing.
- Describe the various methods of receiving a refund through electronic filing.
- Identify the warning signs of taxpayer fraud.
- Understand the requirements for signing electronic returns.
- Identify how to correct an electronic return rejected by the IRS.

Module 2 Final Exam

Module 3

Chapter 11: Employee Business Expense and Miscellaneous Itemized Deductions

- Describe expenses that qualify as employee business expenses.
- Differentiate between the Standard Mileage Rate and the Actual Auto Expense methods of tracking auto expenses.
- Identify what expenses are deductible for the business use of a home.
- Describe deductible travel expenses and deductible entertainment expenses.

Chapter 12: Education Tax Benefits

- Identify who can claim Education Tax Credits.
- Define what expenses qualify under the available credits.
- Differentiate between the American Opportunity Credit and the Lifetime Learning Credit.
- Name adjustments to Qualified Education Expenses.
- Recognize the MAGI phase out limits for Educational Tax Credits.
- Compute the Student Loan Interest Deduction.
- Identify expenses which qualify for work-related education.

Chapter 13: Capital Gains and Losses

- Define the terminology unique to Capital Gains and Losses.
- Identify the capital gains tax rates.
- Describe basis of property including inherited and gifted property.
- Compute the basis of real estate and gain or loss on sale.

Chapter 14: Depreciation and Disposition of Business Property

- Classify the different types of property eligible for depreciation.
- Differentiate between various depreciation methods.
- Describe repairs and replacements affect the basis of property.

- Define the terminology unique to depreciation transactions.
- Compute the Section 179 Deduction.
- Introduce the students to disposition of business property

Chapter 15: Self-Employment Income

- Provide the definition of a sole proprietor.
- Differentiate between an independent contractor and statutory employee.
- Describe the requirements for deducting self-employed health insurance and retirement plan contributions.
- Differentiate between activities qualify as a business and which ones qualify as a hobby.
- Describe the advantages and disadvantages of selecting sole proprietorship as the form of business entity.
- Differentiate between income and non-income items.
- Describe the Uniform Capitalization Rules.
- Define the terminology unique to inventory valuation.

Module 3 Final Exam

Module 4

Chapter 16: Rental Property

- Compile and report rental income.
- Classify deductible rental expenses.
- Describe examples of repairs and improvements to rental property.
- Determine the nuances of renting vacation homes and other dwelling units.
- Define the limits on rental and passive activity losses.
- Describe the rules for property and how they may change if the taxpayer is a real estate professional.

Chapter 17: Farm Income

- Emphasize the process of maintaining a PTIN
- Discuss tax return preparer requirements
- Describe paid preparer responsibilities

Chapter 18: Alternative Minimum Tax, Less Common Credits and Penalties

- Determine which taxpayers are affected by Alternative Minimum Tax.
- Classify who is considered an innocent spouse and who is considered an injured spouse.
- Define various credits such as the credit for electric vehicles.
- Describe the various civil and criminal penalties for failure to comply with income tax laws.

Chapter 19: Payments, Extensions and Amended Returns

- Compute the “kiddie” tax.
- Describe how to file an amended return.
- Define the due dates for tax payments.
- Determine the “nanny” tax.

Chapter 20: Ethics and Responsibilities of Tax Professionals

- Describe professional responsibilities in tax return preparation.
- Determine the actions necessary to maintain client confidentiality.
- Identify the requirements to practice before the IRS.

Module 4 Final Exam

Note: The Appendices and Reading Assignments are an integral part of the reading material for this course.