

# ADVANCED II TAX COURSE

## Course Topics by Module – LEARNING OBJECTIVES

### Module 1

#### Chapter 1: Amended Returns

- The student will recognize when an amended return is necessary.
- The student will learn the requirements for filing an amended return.
- The student will learn how to complete an amended return Form 1040X.
- The student will learn the rules for amended returns as they relate to divorced taxpayers.
- The student will be made aware of the IRS rules regarding changing accounting periods.
- The student will understand when and how a taxpayer can request an installment agreement to pay tax owed to the IRS.

#### Chapter 2: Special Needs and Concerns for Seniors

- Understand and calculate Required Minimum Distributions (RMDs)
- Describe Social Security and Equivalent Railroad Retirement Benefits
- Learn about medical deductions for in-home care and assisted living
- Learn about long-term care insurance and its deductibility
- Gain knowledge of estate planning and tax-free investments

#### Chapter 3: Tax Issues for High Income Taxpayers

- Describe which items can contribute to Alternative Minimum Tax (AMT)
- Understand about limitations on certain itemized deductions
- Study limits regarding IRA contributions and deductions
- Become familiar with AGI adjustments
- Learn more about refundable and nonrefundable credits

#### Chapter 4: Net Operating Losses

- Understand net operating losses (NOLs) for individual taxpayers, estates and trusts
- Determine how to figure an NOL
- Identify when to use an NOL
- Understand how to claim an NOL deduction
- Calculate an NOL carryover
- Understand how to report and file an NOL with the IRS

#### Chapter 5: Schedule D – Special Issues

- Understand wash sale rules
- Differentiate between put and call options
- Understand the tax implications of put and call options for writers and holders
- Identify the differences between statutory and non-statutory stock options
- Determine taxable income due to award of employee stock options
- Calculate the gain of taxable gain on the sale of a personal residence
- Understand when installment sale income should be reported on Form 6252
- Identify the types of property which are eligible for a nontaxable like-kind exchange

### Module 1 Final Exam

## **Module 2**

### **Chapter 6: Tax Issues for Divorced and Separated Taxpayers**

- Understand tax issues facing divorced and separated taxpayers
- Determine how a taxpayer's filing status and personal exemption amounts can be affected by divorce and separation
- Calculate how alimony paid or received can affect a taxpayer's income
- Learn the rules regarding qualified domestic relations orders (QDRO)
- Ascertain how IRAs affect divorced taxpayers
- Identify how property settlements and divorced related costs can affect divorced taxpayers
- Figure out how tax withholding and estimated tax payments are impacted by divorced taxpayers
- Recognize any community property issues facing divorced taxpayers

### **Chapter 7: Tax Planning, Savings Strategy, and Updates**

- Understand the importance of year-end tax planning and the various factors to be considered in the planning
- Gain knowledge of the Alternative Minimum Tax (ATM) and how it affects taxes due
- Develop insight into the tax savings of investment planning
- Compare retirement plans and the advantages and availability of each
- Understand the variety of strategies that can influence the AGI as a tax planning tool
- Develop an awareness of the changes in the tax code and how these changes may influence tax planning for upcoming years

### **Chapter 8: Responding to the IRS**

- Learn when a payment plan may be set up with the IRS and the procedure for applying
- Become familiar with the most common notices sent to a taxpayer by the IRS along with recommended taxpayer actions
- Become familiar with the major issues usually covered in an IRS audit targeting the Earned Income Credit (EIC)
- Have an understanding of the types of supporting documentation necessary to justify claiming EIC, Head of Household (HOH) filing status, and dependency exemptions
- Learn the purpose of an Offer in Compromise (OIC) and the application of the statutory collection period to a non-filer
- Understand which recommendations to make to taxpayers who have been selected for an audit by IRS

### **Chapter 9: Part-year Resident and Nonresident State Tax Preparation Principles**

- Describe the major differences among the states concerning imposition of personal income taxes
- Differentiate between residents, part-year residents, and nonresidents in filing state income taxes
- Discuss sources of income and allocation of income for part-year residents and nonresidents
- Describe the process of prorating exemptions and deductions for part-year residents and nonresidents
- Determine when moving expenses are reflected as an adjustment to income on a state return
- Show how income from real property is recognized for state tax purposes
- Understand the purpose of reciprocal agreements between states
- Learn how to apply credits for taxes paid to another state
- Become aware of special situations which may arise due to the variance in state tax laws

## **Chapter 10: Nonresident Alien Returns**

- Become familiar with the differences between a resident and nonresident alien for income tax purposes
- Determine when a nonresident alien must file a tax return and which income must be reported
- Become aware of the various types of adjustments which can be made to arrive at U.S. taxable income
- Determine exemptions and filing status for resident and nonresident aliens
- Summarize the type of itemized deductions that resident and nonresident aliens can take
- Understand the application of tax treaty benefits in determining the amount of tax due to the United States

## **Module 2 Final Exam**