

# COMPREHENSIVE TAX COURSE

## Course Topics by Module - LEARNING OBJECTIVES

### Module 1

#### Chapter 1: General Material

- Determine who should file a return
- Identify filing requirements for most taxpayers
- Identify filing requirements for dependents
- Determine which IRS forms to use
- Determine when, where, and how to file, then choose method of payment
- Differentiate various accounting periods and methods
- Discuss the requirement for a correct social security number or taxpayer identification number when filing the tax return
- Identify what filing status the taxpayer should use
- Determine if the taxpayer is a resident or nonresident alien
- Describe the information presented on the taxpayer's W-2 form
- Describe the signature, identification number and records retention requirements of a paid preparer

#### Chapter 2: Standard Deduction and Exemptions

- Be able to calculate the standard deduction and determine when to use it.
- Define what constitutes an exemption and identify when the taxpayer can claim an exemption.
- Summarize the tests for determining when a dependent is a qualifying child or a qualifying relative.
- Understand support issues
- Understand the steps necessary to file a decedent's tax return
- Identify the rules for tax withholding and estimated payments

#### Chapter 3: Income

- Identify various types of employee compensation, including fringe benefits and tips.
- Discuss business income, including income from farming, rentals and bartering.
- Discuss alimony received as taxable income.
- Summarize other types of income that may be fully or partially taxable, such as savings and investment income, unemployment compensation, and Social Security Benefits.
- Summarize the general rules of community property.

- Compute taxable and nontaxable income
- Determine where to report various types of income.

#### **Chapter 4: Interest and Dividend Income**

- Identify the different types of interest income
- Summarize the difference between taxable and nontaxable interest
- Discuss the tax reporting of interest income
- Describe how to report dividend income and nontaxable distributions
- Explain the client interview process

#### **Chapter 5: Earned Income Credit**

- Examine the most common tax credit, the Earned Income Credit (EIC).
- Define earned income as it is related to the Earned Income Credit
- Identify the eligibility rules for the Earned Income Credit which apply to everyone.
- Summarize the additional eligibility rules which apply to taxpayers with a qualifying child.
- Describe how taxpayers without children could qualify for Earned Income Credit.
- Determine how to fill out Schedule EIC and where to put the information from the appropriate worksheet on the 1040 or 1040A forms.
- Discuss the circumstances when IRS would disallow the EIC.
- Examine IRS due diligence requirements.
- Indicate if a special rule would apply to certain taxpayers depending upon the circumstances.

#### **Module 1 Final Exam**

## **Module 2**

### **Chapter 6: Child Care and Other Credits**

- Determine if the taxpayer qualifies for the child tax credit and/or the additional child tax credit.
- Determine if the taxpayer qualifies for the child care credit.
- Determine if the taxpayer qualifies for the credit for the elderly and disabled.
- Determine if the taxpayer qualifies for the adoption credit.
- Determine if the taxpayer qualifies for an education credit.
- Explore other less common credits

### **Chapter 7: Retirement Income and Other Income Types**

- Recognize retirement income, to include distinguishing between pensions and annuities
- Discuss specific types of pension plans, including SEP and SIMPLE plans, IRAs, qualified plans, and federal civil service retirement, along with distributions from such plans which are reported on Form 1099-R (Form CSA 1099R for federal civil service)
- Discuss government retirement benefit programs, specifically Social Security and railroad retirement and the applicable reporting forms (Forms SSA-1099, RRB-1099, and RRB-1099-R)
- Summarize other types of income, specifically barter, activities not for profit and partnership income.
- Identify how to report certain other types of income, such as rental of personal property, royalties, repayments, and income that is not taxed

### **Chapter 8: Adjustments to Income**

- Explain the applicability and reporting of either the educator or moving expense adjustment as it relates to employment
- Discuss the required reporting of any of the four business-related adjustments
- Understand the required reporting of the retirement-related adjustments for self-employed and individual taxpayers.
- Explain the applicability and reporting of either adjustment related to education expenses
- Understand when a deduction can be taken for HSA, Penalty on early withdrawal of savings or Alimony as it applies to the individual taxpayer
- Identify the other less common adjustments which, if applicable, may be claimed on line 36 of Form 1040

## **Chapter 9: Itemized Deductions**

- Determine whether standard or itemized deductions are the most advantageous for the taxpayer
- Describe the overall limitation on itemized deductions
- Explain eligible medical expenses and cite examples
- Identify which items qualify as deductible taxes
- Determine the types of interest which qualify as an itemized deduction
- Define an appropriate charitable contribution deduction and understand when Form 8283 is required
- Indicate the proper reporting of casualties and thefts and how to complete Form 4684
- Name various types of miscellaneous deductions and discuss applicability of the 2% limitation

## **Chapter 10: Electronic Filing**

- Identify 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
- Indicate the requirements for signing electronic returns
- Determine 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**

- Summarize the miscellaneous itemized deduction limitation.
- Identify expenses that qualify as employee business expenses.
- Differentiate between the Standard Mileage Rate and the Actual Auto Expense methods of tracking auto expenses.
- Indicate the conditions which must be met and which expenses are deductible for the business use of a home.
- Discuss deductible travel, gift, and entertainment expenses.
- Identify other expenses which may be deductible to the taxpayer as miscellaneous itemized deductions.

### **Chapter 12: Education Tax Benefits**

- Identify education-related tax credits and adjustments.
- Summarize the qualification requirements for claiming the American Opportunity Credit.
- Summarize the qualification requirements for claiming the Lifetime Learning Credit.
- Compare the American Opportunity Credit and the Lifetime Learning Credit.
- Discuss the Tuition and Fees Deduction.
- Describe the Student Loan Interest Deduction.
- Identify requirements for claiming additional tax benefits which are related to education.

### **Chapter 13: Capital Gains and Losses**

- Describe a gain or loss from sale of a capital asset.
- Explain a capital gain distribution and its tax treatment.
- Discuss the tax reporting of capital gains and losses on a tax return.
- Determine the basis of property in various circumstances.
- Describe the tax treatment for potential gains on the sale of a home or personal residence.
- Indicate the tax treatment for an installment sale.

### **Chapter 14: Depreciation and Disposition of Business Property**

- Classify the different types of property eligible for depreciation
- Differentiate between various depreciation methods
- Describe how repairs and replacements affect the basis of property
- Define the terminology unique to depreciation transactions
- Compute the Section 179 deduction

- Summarize the appropriate reporting of dispositions of business property
- Discuss specific guidelines related to the final repair regulations

### **Chapter 15: Self-Employment Income**

- Indicate when the taxpayer is considered to be a sole proprietor.
- Describe the calculation of gross income on Schedule C.
- Determine what is an appropriate expense which can be deducted from gross income on Schedule C.
- Describe the requirements for deducting self-employed health insurance and retirement plan contributions.
- Identify other taxes that a self-employed taxpayer may be required to pay.
- Indicate circumstances which would allow a self-employed taxpayer to claim a deduction for office in home.

### **Module 3 Final Exam**

## **Module 4**

### **Chapter 16: Rental Property**

- Determine rental income and proper reporting of that income.
- Summarize the types of deductible rental expenses.
- Determine the nuances of renting vacation homes and other dwelling units
- Define the limits on rental and passive activity losses
- Describe the rules for reporting rental property sales.
- Identify the proper reporting of certain other types of income such as royalties and partnership income

### **Chapter 17: Alternative Minimum Tax, Injured and Innocent Spouse, Less Common Credits, and Penalties**

- Discuss the application of the Alternative Minimum Tax (AMT) to taxpayers
- Determine who is considered an innocent spouse and who is considered an injured spouse
- Summarize other types of less common credits
- Describe the civil and criminal penalties applicable to taxpayers who do not comply with income tax laws

### **Chapter 18: Payments, Extensions, Amended Returns, Preparer Regulations**

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

### **Chapter 19: Tax Law Updates 2015 & ACA 2014/2015**

- Recognize new tax rates
- Identify features of the Affordable Care Act (ACA)
- Identify the rules of same-sex marriages
- Calculate the new 0.9% Medicare Tax
- Calculate the 3.8% surtax on Net Investment Income
- Identify the new electronic filing requirements for electronic signature
- Identify employer’s responsibilities in regard to the ACA
- Identify tax law changes

## **Chapter 20: Ethics and Responsibilities of Tax Professionals**

- Describe professional responsibilities in tax return preparation
- Discuss IRS rules as defined in Circular 230
- Identify the requirements that must be met to practice before the IRS
- Explain violations of the IRS rules as defined in Circular 230 and their penalties

### **Module 4 Final Exam**