

# **COMPREHENSIVE TAX COURSE**

## **Course Topics by Module - LEARNING OBJECTIVES**

### **Module 1**

#### **Chapter 1: General Material**

- Determine who must file a return
- Determine who should file a return
- Identify filing requirements for most taxpayers and dependents
- Determine if the taxpayer is a resident or nonresident alien
- Determine which IRS forms to use
- Determine the due dates of various tax forms and understand how to apply for an extension of time to file
- Differentiate various accounting periods and methods
- Identify what filing status the taxpayer should use
- Understanding the W-2 form
- Understand the signature and identification number requirements of a paid preparer

#### **Chapter 2: Standard Deduction and Exemptions**

- Understand how 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
- 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, tips, alimony, and other income
- Compute taxable and nontaxable income
- Identify earned and unearned income
- Identify where to report various forms of income
- Compute the taxable portion of sick pay
- Determine when it is appropriate to use Form 4852
- 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**

- Examine the most common tax credit, the Earned Income Credit
- Know the definition of earned income as it is related to the Earned Income Credit
- Identify the requirements for qualifying children for Earned Income Credit purposes
- Understand how taxpayers without children may qualify for Earned Income Credit
- Determine how to fill out Schedule EIC and where to put the information from that form on the 1040 or 1040A forms
- Examine IRS due diligence requirements

## **Module 1 Final Exam**

## **Module 2**

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

- Determine if the taxpayer qualifies for the child tax credit, child care credit, credit for the elderly and disabled, additional child tax credit, and/or education credits
- Identify the forms/worksheets necessary to claim the credit – Child Tax Credit Worksheet, Form 2441, Child and Dependent Care Expenses, Form 8863, Education Credits, and Form 1040 Schedule R, Credit for the Elderly or Disabled, Schedule 8812, Additional Child Tax 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, partnership, and recoveries
- Identify how to report certain other types of income, such as rental of personal property, repayments, royalties, and income that is not taxed

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

- Explain the applicability and reporting of either adjustment related to employment
- Determine applicability and required reporting of any of the four business-related adjustments
- Determine applicability and required reporting of either of the retirement-related adjustments
- Explain the applicability and reporting of either adjustment related to education expenses
- Determine applicability and reporting of any of the three remaining major adjustments applicable to individual taxpayers
- Demonstrate awareness of 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 what 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 how to report 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**

- Summarize 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**

- Understand 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
- Understand 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**

- Comprehend how capital gains and losses are treated on a tax return
- Understand the proper tax treatment of an installment sale
- Compute the potential gain on the sale of a home or personal residence
- Understand what constitutes a like-kind exchange
- Calculate and understand nonresident withholding on real property

### **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
- Introduce the students to the reporting of dispositions of business property
- Discuss specific guidelines related to the final repair regulations

## **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 that 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 3**

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

- Gather and report rental income
- Categorize 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: 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

## **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**





# Comprehensive Tax Course

## Module 1

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## Glossary

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## Appendices

# ADVANCED I TAX COURSE

## Course Topics by Module – LEARNING OBJECTIVES

### Module 1

#### Chapter 1: Affordable Care Act

- Identify features of the Affordable Care Act (ACA)
- Identify ACA exemptions allowed
- Calculate Shared Responsibility
- Identify employer's responsibilities in regard to the ACA

#### Chapter 2: Employee Business Expenses

- Identify which employee business expenses are deductible and when the expenses are allowed
- Explore employer reimbursements and accountable plans and nonaccountable plans
- Understand the importance of keeping accurate, detailed records of business expenses
- Identify and learn more about tax homes and the main place of business or work
- Complete a return including Schedule A and Form 2106, *Employee Business Expenses*

#### Chapter 3: Clergy

- Learn the rules for reporting clergy income
- Study the various types of expenses related to clergy income
- Become familiar with the forms necessary to deduct the expenses
- Complete a return with Schedule C, Schedule SE, Form 2106 and clergy worksheets

#### Chapter 4: Investments

- Explore capital assets and noncapital assets
- Become more familiar with basis of property, property received in trades, adjusted basis,
- identifying stocks or bonds sold, dividend reinvestment, stock splits, transfers and exchanges
- Learn how to handle losses on sales and trades of property for related parties
- Learn about installment sales
- Learn how to account for like-kind exchanges
- Learn about like-kind exchanges between spouses and other related parties
- Learn what wash sales are
- Explore the new surtax on net investment income

#### Chapter 5: Schedule C (Part I)

- Learn to identify the various types of business entities
- Become familiar with the different steps necessary to develop a sole proprietorship
- Learn the proper record keeping for a sole proprietorship and the length of time the taxpayer is expected to keep business records
- Become familiar with the types of accounting methods
- What is necessary when hiring employees
- Complete a return including Schedule C, Schedule SE, Form 8829, and Form 4562

### Module 1 Final Exam

## **Module 2**

### **Chapter 6: Schedule C (Part II)**

- Learn more about sole proprietorships and the advantages and disadvantages of this type of business entity
- Recognize the various types of income earned by a sole proprietorship
- Understand the cost of goods sold, inventory valuation, beginning inventory, ending inventory and uniform capitalization rules

### **Chapter 7: At-Risk Rules and Passive Activities**

- Understand at-risk rules
- Become familiar with passive activities, passive activity income, and passive activity deductions
- Learn about rental real estate activities and material participation

### **Chapter 8: Rental Property (Part I)**

- Recognize what constitutes rental property, what expenses are deductible and how to handle sales of rental property
- Learn about losses from rental real estate activities
- Complete Schedule E

### **Chapter 9: Rental Property (Part II)**

- Learn how to divide expenses between personal and rental use
- Learn how to handle property that is only partially rented
- Understand rules regarding fair rental rates
- Understand the exceptions to claiming rental income and expenses

### **Chapter 10: 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

## **Module 2 Final Exam**





## Advanced Level I

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**Final Exam: Instructor will distribute. Online students can download.**

**Forms Packet**

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- Appendix 1 – Tax Tables**
- Appendix 2 – Instructions for Forms W-2 and W-3**
- Appendix 3 – 1099-R, Box 7 Distribution Codes**
- Appendix 4 – Sales Tax Tables**

# **SMALL BUSINESS I TAX COURSE**

## **Course Topics by Module – LEARNING OBJECTIVES**

### **Module 1**

#### **Chapter 1: Business Organization**

- Identify the best choice of business entity for a client
- Summarize the advantages and disadvantages of choosing sole proprietorship, partnership, LLC, S corporation or C corporation as the business entity
- Demonstrate the difference between cash and accrual accounting methods
- State the various types of taxes that are paid by businesses
- Discuss the recordkeeping requirements of small businesses

#### **Chapter 2: Understanding the Balance Sheet**

- Reconcile the Owner's Equity Account
- Identify the asset, liability, revenue and expense accounts in the general ledger
- Understand potential problems from the account balances
- Calculate common financial ratios and use the ratios to analyze the financial health of a business
- Understand how to prepare the Schedules M-1, M-2, and M-3 for Forms 1065, 1120, and 1120S

#### **Chapter 3: Income, Expenses and Basis**

- Explain the various types of income and their sources
- Calculate the cost of goods sold
- Identify the difference between Capital Expenses and day-to-day business expenses
- Discuss the various depreciation methods
- Demonstrate the tax advantage of a like-kind exchange
- Calculate the basis and adjusted basis of assets

#### **Chapter 4: Dispositions**

- Identify the terminology unique to dispositions of business property
- Discuss the changes in accounting necessary when business usage of depreciable property drops to 50% or below
- Apply the proper procedures to determine basis of property including inherited and gifted property
- Calculate the gain or loss on the sale of business property
- Select the proper IRS Code Sections that apply when business assets are sold
- Explain where and how to report the gain or loss on the sale of property

#### **Chapter 5: Sole Proprietorship**

- Describe the recordkeeping requirements for a sole proprietorship
- Understand the advantages and disadvantages of the business use of a home
- Determine when to elect the Section 179 Deduction

### **Module 1 Final Exam**

## Module 2

### Chapter 6: Partnerships

- Be familiar with partnership formation and the need for a partnership agreement
- Know the types of partnerships and partners
- Understand the basis of a partnership interest
- Be familiar with the partnership return and Schedule K-1

### Chapter 7: Corporations

- Describe the general characteristics of C corporations.
- Discuss the concept of an “accounting period.”
- Review the uniform capitalization (UNICAP) rules.
- Summarize the major sources of income.
- Explain inventory valuation methods.
- Examine the major elements of expense which may be deducted from gross income to arrive at taxable income.
- Discuss the elements which comprise contributed capital of a corporation.
- Summarize required tax reconciliations.

### Chapter 8: S Corporations

- Examine S corporations and the S corporation election
- Understand estimated tax payments for an S corporation
- Understand unrealized built-in gains and the built-in gains tax
- Understand the concept of adjusted basis for shareholders
- Examine distributions to shareholders
- Review Form 1120S, U.S. Income Tax Return for an S Corporation
- Understand separately stated items, due dates, penalties, and loss limitations
- Understand excess net passive income tax

### Chapter 9: Employment Taxes

- Explore employment taxes and withholding issues for independent contractors and statutory employees
- Review earned income tax credit
- Introduce Form 941, *Employer’s Quarterly Federal Tax Return*, Form 940, *Employer’s Annual Federal Unemployment (FUTA) Tax Return*, and tax deposits

### Chapter 10: Retirement Plans

- Explain various types of retirement plans
- Understand plan requirements and related definitions
- Learn the contribution limits for employers and employees

## Module 2 Final Exam



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