

# **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**