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## Course Information

**Course Title:** *EITC Due Diligence Course #291917*

**Number of continuing education credit hours recommended for this course:**

In accordance with the standards of the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

**EA, RTRP** 2.5 (All States) IRS: Qualified Sponsor number: *FWKKO*.

**CPA:** 2 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

**CLU, ChFC: 2.5** (Professional Recertification)

### Course Description

This course briefly summarizes the earned income credit rules, examines the common errors committed when claiming the credit, discusses the EIC due diligence requirements imposed on professional tax return preparers, and identifies the sanctions to which preparers and their employers may be subject for a failure to meet expected due diligence requirements.

**Program Delivery Method:** Self-Study (NASBA QAS Self-Study/Interactive)

### Subject Codes/Field of Study

IRS (EA/OTRP): Federal Tax Law Update

NASBA (CPA): Taxes

### Course Level, Prerequisites, and Advance Preparation Requirements

Level: Overview. This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

### Course Content

Publication/Revision Date: 3/28/2017.

Author: Paul J. Winn CLU ChFC

Final exam (online): Twenty-eight questions (multiple-choice).

## Instructions for Taking the Final Exam Online

- Login to your account online at [www.bhfe.com](http://www.bhfe.com).
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

### Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.
- EA credits are reported weekly.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

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## **Introduction to the Course**

The Earned Income Credit (EIC) is a refundable tax credit that has a significant impact on United States revenue. It is also the source of a disproportionately large number of errors in tax returns in which a claim for it is made. In a recent year, 148.7 million individual federal tax returns were filed, and more than 19% claimed the Earned Income Credit<sup>1</sup>. Based on that percentage, it would not be unexpected that, in the years ahead, approximately one taxpayer in every five will claim the EIC. Approximately 70% of federal income returns claiming the earned income credit are prepared by professional tax return preparers.

This course briefly summarizes the earned income credit rules, examines the common errors committed when claiming the credit, discusses the EIC due diligence requirements imposed on professional tax return preparers, and identifies the sanctions to which preparers and their employers may be subject for a failure to meet expected due diligence requirements.

## **Learning Objectives**

Upon completion of this course, you should be able to:

- Recognize the earned income credit eligibility rules;
- List the common errors committed in connection with claiming the earned income credit;
- Describe the consequences for the taxpayer of the IRS' disallowance of the earned income credit;
- Identify the tax return preparer's earned income credit due diligence requirements; and
- List the sanctions that may be applied on a tax return preparer and his or her employer for a failure to meet due diligence requirements.

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<sup>1</sup> SOI Tax Stats-Individual Income Tax Returns may be accessed at: <https://www.irs.gov/uac/soi-tax-stats-individual-income-tax-returns>.