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## Course Information

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**Course Title:** *Financial Planning: Tax Strategies*

**#490524**

**Recommended CPE credit hours for this course:**

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

**CFP®:** **10** (All states) CFP Board Course ID# 257131  
CFP Board sponsor number: 1008.

**CPA:** **14.5** (All states)  
National Registry of CPE Sponsors ID Number: 107615.  
Sponsor numbers for states requiring sponsor registration:  
Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)  
Hawaii Board of Public Accountancy: 14003  
New York State Board of Accountancy (for ethics): 002146  
Ohio State Board of Accountancy: CPE .51 PSR  
Pennsylvania Board of Accountancy: PX178025  
Texas State Board of Accountancy: 009349

**EA/RTRP:** **14** (All States) IRS: Qualified Sponsor number: *FWKKO*.

**Course Description:**

This presentation integrates federal taxation with overall financial planning. The course will explore tax strategies relating to the central financial tactics of wealth building, capital preservation, and estate distribution. The result is a unified explanation of tax economics that will permit the tax professional to locate, analyze, and solve financial concerns. Designed to improve the quality of services to clients and the profitability of engagements, this program projects the accountant into the world of financial planning. This course will give the participant practice in analyzing problems, developing solutions, and presenting final personal financial plans to clients. The emphasis is on practical simplicity in dealing with the self-employed and highly compensated individual.

**Course Content**

Publication/Revision Date: 9/2/2024

Author: Danny Santucci, J.D.

Final exam (online): Ninety questions (multiple-choice).

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

**Subject Codes/Field of Study**

CPA, CFP Board of Standards, Inc.; "D" Taxes.

EA, OTRP: Federal Tax Law.

NAPFA: Taxes

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

Program Level: CFP Board: Intermediate; NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

**Instructions for Taking This Course**

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- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

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- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
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***Table of Contents appears after the Learning Objectives***

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# Learning Assignments & Objectives

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As a result of studying each assignment, you should be able to meet the objectives listed below each assignment.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 1</b>	<b>Financial Tax Planning</b>

At the start of Chapter 1, participants should identify the following topics for study:

- \* Goals v. purposes
- \* Investment purposes
- \* Myths of retirement
- \* Investment goals
- \* Investment needs of five critical decades
- \* Investment vehicles & entities
- \* Retirement - the ultimate objective
- \* Retirement costs & income needs
- \* Retirement plan development
- \* Basic planning elements

### **Learning Objectives**

After reading Chapter 1, participants will be able to:

1. Differentiate short-term financial goals and investment purposes.
2. Specifying ways to hold title to assets starting with the simplest and most direct way to hold property and citing the tax benefits and drawbacks of co-tenancies, corporations (both C & S), partnerships, qualified retirement plans, and trusts
3. Recognize the importance of early retirement planning using a balance sheet method and identify cost and income needs specifying the purpose of savings.

After studying the materials in Chapter 1, answer exam questions 1 to 10.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 2</b>	<b>Building an Estate</b>

At the start of Chapter 2, participants should identify the following topics for study:

- \* Types of income
- \* Information reporting on taxable income
- \* Rules of budgeting
- \* Cash
- \* Acquisition
- \* Assets
- \* Rules of management
- \* Managing risk
- \* Taxes

\* Leverage

### **Learning Objectives**

After reading Chapter 2, participants will be able to:

1. Identify money management specifying income types, recognize causes of increased taxable income for itemizing taxpayers, and specify taxable income types and their proper reporting.
2. Determine the distinctions between tax-free and tax deferred income, and identify tax-deferred investments.
3. Specify ways to shelter income stating how income sheltering amplifies investment return.
4. Recognize the budgeting of income into cash by containing expenditures and developing discretionary income and determine how to convert income into assets by purchasing investments
5. Specify tax-advantaged investments citing management rules and determine the economic impact of accelerating deductions.

After studying the materials in Chapter 2, answer exam questions 11 to 23.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 3</b>	<b>Preservation of Wealth</b>

At the start of Chapter 3, participants should identify the following topics for study:

- \* Obstacles to preservation
- \* Tracking spending
- \* Building savings
- \* Designing a budget
- \* Determining worth
- \* Analyzing net worth
- \* Ignorance
- \* Inflation
- \* Taxes
- \* Tax planning tactics

### **Learning Objectives**

After reading Chapter 3, participants will be able to:

1. Identify the barriers to wealth preservation stating how to design a budget to increase discretionary income and determine net worth using a balance sheet.
2. Specify why individuals should take primary responsibility for investment planning and recognize basis planning tactics.

After studying the materials in Chapter 3, answer exam questions 24 to 28.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 4</b>	<b>Deferral</b>

At the start of Chapter 4, participants should identify the following topics for study:

- \* Elements of like-kind exchanges
- \* Related party exchanges

- \* Personal & multiple property regulations
- \* Delayed (deferred) exchange regulations
- \* Actual & constructive receipt rule
- \* Qualified contribution plans
- \* Tax-deferred annuities
- \* Installment sales
- \* At-risk rule
- \* Deferred compensation and options

### **Learning Objectives**

After reading Chapter 4, participants will be able to:

1. Identify the benefits of tax deferral and recall the tax deferral advantage under §1031 listing its elements.
2. Specify the related party §1031 restrictions identifying prohibited parties or entities, disallowance of personal property and partnership exchanges, and recognize the use of an intermediary in exchanges .
3. Identify retirement plan design, and list popular methods for providing for retirement.
4. Specify the requirements for an installment sale, identify the application of the at risk rules, and determine how to use a property option to receive income and postpone tax.

After studying the materials in Chapter 4, answer exam questions 29 to 43.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 5</b>	<b>Reduction</b>

At the start of Chapter 5, participants should identify the following topics for study:

- \* Work Opportunity Credit & Rehabilitation Credit
- \* Low Income Housing Credit & Child & Dependent Care Credit
- \* Estimated taxes
- \* Interest
- \* Automobile deductions
- \* Business entertainment deductions
- \* Depreciation & cost recovery
- \* Net operating losses
- \* Tax breaks for nonitemizers
- \* Amended returns

### **Learning Objectives**

After reading Chapter 5, participants will be able to:

1. Identify tax credits specifying qualified computational expenses, limitations, and restrictions.
2. Recognize the types of deductible and nondeductible interest including personal, investment, prepaid interest.

3. Identify business vehicle operating costs using (or switching between) the actual cost method or the standard mileage rate.
4. Recall the statutory exceptions to the disallowance of entertainment deductions and recognize the application of R.R. 90-23 and R.R. 99-7 to the deduction of transportation costs to a temporary work location.
5. Determine the requirements of business asset expensing under §179 and identify sources of §172 net operating losses (NOLs) recognizing carryback and carryover rules.

After studying the materials in Chapter 5, answer exam questions 44 to 59.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 6</b>	<b>Income Splitting</b>

At the start of Chapter 6, participants should identify the following topics for study:

- \* Using progressive tax rates
- \* Deductible business expenses
- \* Home-office deduction
- \* C or regular corporations
- \* S corporations
- \* Family partnerships
- \* Kiddie tax trap
- \* Childcare & education
- \* Gifts
- \* Interest-free loans

#### **Learning Objectives**

After reading Chapter 6, participants will be able to:

1. Recognize formats for income splitting, determine the restricted tax treatment of employee business expenses, and cite changes made to home office deduction under TRA '97.
2. Identify the tax treatment of personal and business casualty losses and bad debts.
3. Determine the uses and tax characteristics of regular and S corporations by recognizing the taxation of these entities including their ability to split income.
4. Recognize the use of partnerships to split income among partners and reduce estate taxes.
5. Identify the use of custodianship to split income specifying "kiddie" tax considerations and recognize good investments for children including bonds.

After studying the materials in Chapter 6, answer exam questions 60 to 72.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 7</b>	<b>Elimination</b>

At the start of Chapter 7, participants should identify the following topics for study:

- \* \$500,000 home sale exclusion
- \* Municipal bonds

- \* Divorce & separation settlements
- \* Gifts & inheritances
- \* Life insurance
- \* Fringe benefits
- \* Taxation & valuation of benefits
- \* Employee expense reimbursement & reporting
- \* Social security

### **Learning Objectives**

After reading Chapter 7, participants will be able to:

1. Recognize the requirements of the current §121 home sale exclusion citing its differences with prior tax law and specify the tax elimination aspects of interfamily transactions such as divorce and gifts.
2. Recognize employer deductions as a means to increase tax-free incentive-based compensation for employees using fringe benefits under §132 and employer-paid accident & health coverage.
3. Identify how to comply with ERISA plan requirements, and specify the proper reporting of reimbursed and unreimbursed business expenses under accountable and nonaccountable plans.

After studying the materials in Chapter 7, answer exam questions 73 to 80.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 8</b>	<b>Estate Planning</b>

At the start of Chapter 8, participants should identify the following topics for study:

- \* Unlimited marital deduction
- \* Applicable exclusion amount
- \* Stepped-up basis
- \* Basic estate planning goals
- \* Simple will
- \* Types of trusts
- \* Charitable trusts
- \* Insurance trusts
- \* Family documents
- \* Private annuities

### **Learning Objectives**

After reading Chapter 8, participants will be able to:

1. Recognize the unlimited marital deduction including its effect on the gross estate of the value of property, specify the applicable exclusion amounts for various years of death, determine a "stepped-up basis" for inherited assets, and identify the function of probate.
2. Specify several basic estate plans including family documents, wills, and trusts, and identify the advantages and disadvantages of private annuities.

After studying the materials in Chapter 8, answer exam questions 81 to 90.

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## **Financial Planning Tax Strategies**

**By  
Danny C. Santucci**

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