



51A Middle Street Newburyport, MA 01950

Phone: 800-588-7039 Fax: 877-902-4284

[contact@bhfe.com](mailto:contact@bhfe.com)

[www.bhfe.com](http://www.bhfe.com)

## Course Information

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**Course Title:** *Auto Rules #492217*

### **Recommended CPE credit hours 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.

**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

**EA/OTRP 2** (All States) IRS: Qualified Sponsor number: *FWKKO*.

**CLU, ChFC: 2** (Professional Recertification)

### **Course Description**

Operating costs for vehicles used in the course of a taxpayer's business are deductible. Thus, when taxpayers use their vehicles in their businesses or employment, they can deduct that portion of the cost of operating their vehicle. Such costs that can be deducted are property taxes that are paid on their vehicle if deductions are itemized on Schedule A. This mini-course reviews apportionment of personal and business use, the actual cost method and the standard mileage method, and expensing. Moreover, this presentation informs practitioners about topics such as the benefits and costs of leasing versus owning, and working condition fringe benefits.

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

### **Subject Codes/Field of Study**

NASBA (CPA) Taxes; IRS (EA, OTRP): Federal Tax Law.

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

Program 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: 4/3/2017.

Author: Danny Santucci, J.D.

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

## **Instructions for taking this course**

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page, studying the text, and 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).

## **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.
- CFP® and 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).

# Learning Assignment & Objectives

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

## **ASSIGNMENT**

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

- \* Apportionment of personal & business use
- \* Deduction limitations using actual cost method
- \* Expensing - §179
- \* Predominate business use rule
- \* Auto leasing
- \* Standard mileage method
- \* Auto trade-in vs. sale
- \* Employer-provided automobile
- \* Nonpersonal use vehicle
- \* Reporting of employer-provided automobile

## **Learning Objectives**

After reading the materials, participants will be able to:

1. Recognize tax vehicle depreciation (§168) and expensing (§179) methods including their requirements and limitations under MACRS and recognize basis, business use and deduction computations.
2. Specify the predominate business use rule noting the result of less than 50% qualified business use, cite the pros and cons of auto leasing and determine how to estimate monthly lease payments indicating what factors affect payments so clients may recognize leasing costs and know common leasing terms.
3. Identify items included under the standard mileage method noting items that may be separately deducted, determine the taxable fringe benefit value of an employer provided automobile using the general and special valuation methods and specify several qualified nonpersonal use vehicles noting what reporting standards apply.

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

## **Notice**

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# Auto Rules



By

**Danny C. Santucci**

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**Danny Santucci**

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