



Passive Loss and At-Risk Rules



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Course Information

Course Title: *Passive Loss and At-Risk Rules #492917*

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 2.5 (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 Professional Recertification 2

Course Description

With the adoption of the passive loss limitation rules, taxpayers are looking to CPAs for guidance related to what deductions are allowed, disallowed, or suspended. Updating practitioners on the practical aspects of §469, this course addresses the needed skill to handle these pragmatic issues. Fundamentals are reviewed, planning opportunities are identified, and creative strategies are discussed and evaluated along with remaining traditional approaches. The goal of this instructive course is to understand and solve client problems under §469, with emphasis on tax savings ideas. Participants

will learn to master the proper administration of these complex and often cumbersome provisions.

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: 1/31/2017.

Author: Danny Santucci, J.D.

Final exam (online): Twenty 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.
- 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.

Learning Assignment & Objectives

After reading the materials, participants will be able to:

1. Identify affected taxpayers, categories of income and loss and passive losses under §469 and necessary §469 calculation steps and specify the §469 & §1211 limits and the ordering and suspension of any disallowed losses.
2. Recognize a taxpayer's material participation in an activity by:
 - a. Identifying the material participation tests and their application to entities such as partnerships and corporations;
 - b. Specifying the activity grouping rules noting exempt activities;
 - c. Determining passive activity particularly, the treatment of rental activity as passive; and
 - d. Identifying "nested" activities.
3. Identify special passive loss rules and calculations by:
 - a. Determining alternating use affects on amount realized and adjusted basis and citing additional loss limitations outside of §469;
 - b. Recognizing requirements for the special \$25,000 allowance; and
 - c. Specifying recharacterization rules and their purpose.
4. Recognize the passive activity audit guidelines identifying audit issues, determine the real estate rental activity credit exception, and cite the at-risk limit rules as they relate to §469.

After studying the materials, answer the exam questions 1 to 20.

Notice

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Passive Loss & At-Risk Rules

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By

Danny C. Santucci

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