BEACON HILL
FINANCIAL EDUCATORS

51A Middle Street Newburyport, MA 01950
Phone: 800-588-7039 Fax: 877-902-4284
contact@bhfe.com www.bhfe.com

Course Information

Course Title: *Property Dispositions #493019*

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
- Pennsylvania board of Accountancy: PX178025
- Texas State Board of Accountancy: 009349

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

CLU, ChFC Professional Recertification 2

Course Description

Tax reform provisions have frequently changed the tax on profits realized from the disposition of real estate. This has forced investors to seek "escape hatches" from fluctuating capital gains taxes. Tax-deferred exchanges permit the disposition of property often with the taxpayer receiving significant cash but without the payment of any tax. Functionally, an exchange is a "bridge" over the normally taxable event of moving from one property to another. This course alerts the practitioner to the different planning opportunities that surround exchanging and also identifies the tax consequences of home sales, foreclosure, repossession and other real property dispositions. Additional topics of interest include involuntary conversions and at-risk limits.

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: NASBA/CPA, IRS: 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: 4/12/2019.

Author: Danny Santuccci, 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.
- 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

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:

* Capital gains
* Home sales
* Installment method
* Contingent payments or price
* Section 1031 like-kind exchanges
* Delayed exchange regulations
* Actual & constructive receipt rule
* Foreclosure
* Repossession
* Condemnations

Learning Objectives

After reading the materials, participants will be able to:

1. Identify capital gains rates with applicable assets using the "basket" approach, cite the requirements of the home sale exclusion, and determine gain under the installment method recognizing the application of the unstated interest rules.

2. Specify the types of property that qualify for a like-kind exchange and recognize the methods of identifying such property in a delayed exchange including the mechanics for such an exchange.

3. Recognize the differences between recourse and nonrecourse indebtedness identifying their impact on foreclosures, determine how various types of property affect the repossession rules of §1038 including basis and gain or loss for both installment and non-installment method sales.

4. Determine how easements affect condemnations and how to report gain or loss associated with involuntary conversions, cite the types of payments included in a condemnation award, and specify the types of entities that qualify for exclusion from at-risk limits recognizing the impact of recourse and nonrecourse financing.

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

Notice

Property Dispositions

By
Danny C. Santucci

The author is not engaged by this text or any accompanying lecture or electronic media in the rendering of legal, tax, accounting, or similar professional services. While the legal, tax and accounting issues discussed in this material have been reviewed with sources believed to be reliable, concepts discussed can be affected by changes in the law or in the interpretation of such laws since this text was printed. For that reason, the accuracy and completeness of this information and the author's opinions based thereon cannot be guaranteed. In addition, state or local tax laws and procedural rules may have a material impact on the general discussion. As a result, the strategies suggested may not be suitable for every individual. Before taking any action, all references and citations should be checked and updated accordingly.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert advice is required, the services of a competent professional person should be sought.

—-From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a Committee of Publishers and Associations.

Table of Contents