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Course Information

Course Title: *Tax Guide to S Corporations #493222*

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 3 (Accepted in 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 (for ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

EA/OTRP 3 (All States) IRS: Qualified Sponsor number: *FWKKO*.

Course Description

In this course, the intricacies of setting up and terminating an S corporation are detailed and taxation is discussed. The numerous advantages and disadvantages of this entity are identified to help practitioners determine whether the S corporation is most suitable for their clients. Eligible domestic corporations can avoid double taxation by electing to be treated as an S corporation under the rules of Subchapter S. Subchapter S provides an optional method of corporate taxation and allows small business corporations to elect unusual tax treatment. The S corporation is taxed like a partnership, but in other respects, S corporations are taxed like C corporations.

Course Content

Publication/Revision Date: 3/24/2022.

Author: Danny Santucci, J.D.

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

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

Subject Codes/Field of Study

NASBA (CPA): Taxes.

IRS (EA, OTRP): Federal Tax Law.

NAPFA: Taxes

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

Instructions for Taking This Course

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
- **You must complete this course within one year** of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **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).

Instructions for Taking the Online Exam

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- 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.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

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:

- * Advantages & disadvantages
- * S corporation status
- * Termination
- * Income & expense
- * Built-in gain
- * Passive income
- * Basis of stocks & debts
- * Distributions
- * Form 1120S
- * Fringe benefits

Learning Objectives

After reading the materials, participants will be able to:

- 1.** Recognize a client's potential use of the S corporation format and its tax advantages and disadvantages by citing the requirements for an S corporation election, identifying eligible S corporation shareholders, specifying the one-class-of-stock regulations, and determining the ways an S corporation election can be terminated.
- 2.** Identify the concepts of S corporation taxation by:
 - a.** Recognizing the application of passive income taxation, accumulated adjustments accounts, built-in gains, net operating losses, tax preference items, and potential capital gains taxes,
 - b.** Determining a shareholder's stock basis from capitalization and loan activity,
 - c.** Specifying the related party rules including their impact on deductions, available fringe benefits, and tax forms to use when filing as an S corporation.

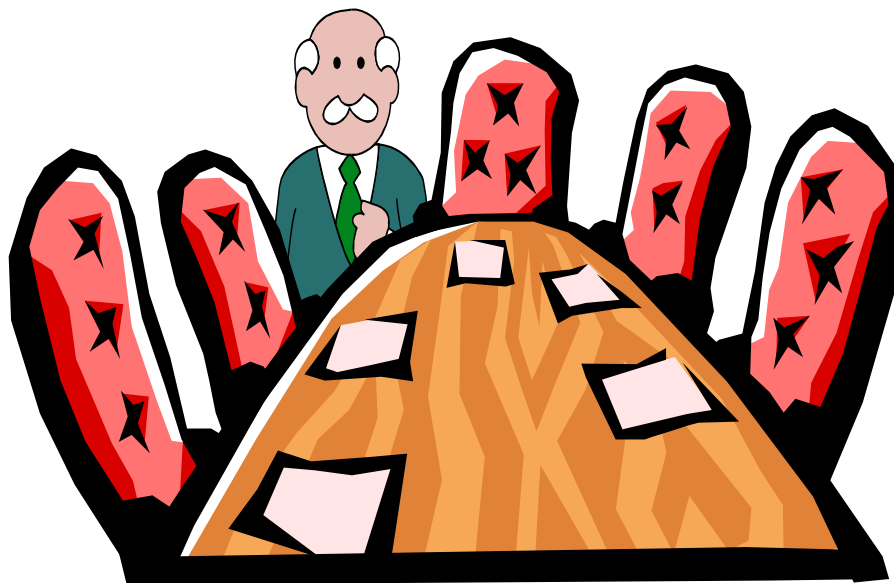
After studying the materials, answer the exam questions 1 to 15.

Notice

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Tax Guide to S Corporations

By
Danny C. Santucci



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Table of Contents

Introduction	1
Advantages	2
Planning	4
Disadvantages	4
Passthrough Entities - 20% Deduction	5
Becoming an S Corporation	5
S Corporation Status.....	7
Number of Shareholders	7
Individuals Only.....	7
Estates	7
Grantor Trusts.....	8
Voting Trusts.....	8
Testamentary Trust	8
Qualifying Simple Trusts	8
Electing Small Business Trusts.....	8
Aliens	9
C Corporations.....	9
Tax-Exempt Entities	9
Exception for S Corporation ESOP - §512.....	10
One Class of Stock	10
Affiliated Groups & Subsidiaries	12
Prior Law.....	12
Current Law.....	14
Domestic Corporation.....	14
Election Requirement	15
Making the Election	15
Form 2553	15
Invalid S Elections	17
Extension.....	17
S Corporation Termination.....	20
Revoking the Election	20
Procedure	22
Effective Date	22
Ceasing to Qualify.....	22
Effective Date	23
Passive Income - §1362.....	23
Effective Date	23
S Termination Year	23
Pro-Rata Allocation	24
Allocation Based On Normal Accounting Rules	24
Annualization of 1120 Short Year.....	25
Taxation of S Corporations	25
S Corporation Income & Expense.....	26
Separately Stated Items.....	26
Nonseparately Stated Items.....	27
Interest Expense on Debt-Financed Distributions	27

Tax Exempt Income	28
Net Operation Losses.....	28
Carryover of C Corporation NOLs	28
Reduction of Pass-Thru Items.....	29
Built-In Gain - §1374	29
Net Recognized Built-In Gain.....	30
Recognized Built-In Gains	31
Recognized Built-In Loss	31
Deduction Items.....	31
Amount of Tax	32
Credits.....	32
Net Operating Loss Carryovers	32
Treatment of Certain Property.....	32
Transfer of Assets.....	33
Passive Income - §1375.....	33
Gross Receipts.....	33
Sales or Exchanges of Stock or Securities.....	34
Passive Investment Income.....	34
Royalties.....	34
Rents	34
Interest.....	35
Figuring the Tax on Excess Net Passive Income.....	35
Net Passive Income.....	35
Excess Net Passive Income	35
Special Provisions.....	36
Waiver of Tax	36
Tax Preference Items.....	37
LIFO Recapture Tax.....	39
Capital Gains Tax.....	40
Reducing Corporate Capital Gains	40
Figuring Corporate Taxable Income.....	40
Recapture of Investment Credit.....	40
Estimated Corporate Tax Payments	41
Basis of Stock & Debts.....	41
Adjustments to Basis	41
Limitation on Loss Deductions	41
Basis Limit	41
Adjustments to Stock Basis.....	43
Increases.....	43
Decreases	43
Adjustments to Debt Basis	44
Restoring Basis of Loans.....	44
Loan Repayments	44
Guarantees	45
At-Risk Rules - §465.....	45
Reasonable Compensation.....	46
Related Party Rules	46
Definition of Related Party	46
Stock Attribution Rules	47
Business Expenses & Interest	47
Distributions	48

Earnings & Profits	48
Accumulated Adjustments Account (AAA)	48
Dividend Election	50
Post-Termination Distributions.....	50
Transition Period	50
Order of Distribution.....	51
No Earnings & Profits	52
Appreciated Property Distributions	52
Taxable Year.....	53
Business Purpose.....	53
Change of Tax Year.....	54
Form 1120S	54
Extension	54
Late Filing.....	54
Reasonable Cause	55
Schedule K-1.....	55
Shareholder’s Treatment Of S Corporation Items.....	55
Pro-Rata Share.....	56
Optional 10-year Write-Off of Tax Preferences.....	56
Fringe Benefits	57
Health Insurance Premiums	57
Reporting Requirements	58
Medical Deduction	58

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