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## Course Information

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**Course Title:** *Tax Guide to Corporations #493316*

**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/PACE Recertification 2**

**Course Description**

This course examines and explains the basics of corporate taxation. The focus is on regular or C corporations, their formation, and operation under tax law. The advantages and disadvantage of corporations are examined; incorporation and capitalization issues are discussed; and, basic tax rates and specialty taxes are reviewed. The tax treatment of operational expenses and deductions are outlined; and accounting periods and methods are explored. Finally, the dangers of multiple corporations and corporate distributions are highlighted.

**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: 2/17/2016.

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:

- \* Corporation defined
- \* PSC corporations
- \* Incorporation
- \* Small business stock exclusion
- \* Start-up & organizational expenses
- \* Alternative minimum tax
- \* Capital gains & losses
- \* Accumulated earnings
- \* Accounting periods & methods
- \* Inventories

## Learning Objectives

After reading the materials, participants will be able to:

1. Recognize regular corporation elements, specify their advantages and disadvantages noting tax treatment, and determine how to distinguish them from PSC corporations.
2. Identify §351 requirements for tax free incorporation, recognize the impact of the transfer of money, property or both by prospective shareholders, and determine the availability of §1244 for stock losses and §195 for amortization of start-up expenditures.
3. Identify the corporate alternative minimum tax noting the small corporation exemption, specify the corporate tax consequences of capital gains and losses, and recognize ways to avert the accumulated earnings trap noting the potential use of the accumulated earnings credit.
4. Determine accounting periods and methods available to corporations and specify the tax consequences of liquidating property distributions.

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

## Notice

This course and test have been adapted from materials and information contained in the above text and any supplemental material provided. This course is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional advice and assumes no liability whatsoever in connection with its use. Since laws are constantly changing, and are subject to differing interpretations, we urge you to do additional research and consult appropriate experts before relying on the information contained in this course to render professional advice.



## **Tax Guide to Corporations**

**By**

**Danny C. Santucci**

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**Danny Santucci**

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