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## Course Information

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**Course Title:** *Tax Guide to Business Expenses #493516*

**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/PACE Recertification 2**

**Course Description**

Business expenses are the costs of carrying on a trade or business, and they are usually deductible if the business is operated to make a profit. This mini-course reviews various expenses that businesses may deduct and the requirements that must be met for those expenses to qualify for deduction. Furthermore, practitioners can use this as a guide to determine which of their clients' taxes are deductible as business expenses.

**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:

- \* Section 162
- \* Expenses of not-for-profit activities
- \* Rent expenses
- \* Interest expense
- \* Deductible taxes
- \* Other selected deductible costs
- \* Amortization
- \* Depletion -§613
- \* Business bad debts
- \* Depreciation

## Learning Objectives

After reading the materials, participants will be able to:

1. Cite the elements of the §162 and the limitations imposed by the not-for-profit provisions noting how these elements and restrictions impact business deductions such as cost of goods sold, leases, taxes, loan points, and interest expense.
2. Determine the corporate dividends received deduction, identify the cost allocation on the business use of a residence and specify casualties, thefts and research costs in the context of business deductions under §162.
3. Recognize methods of amortization for business startup, organizational costs, and §179 intangibles with the cost depletion methods used on natural resources.
4. Identify depreciation rules related to ACRS and MACRS, and cite the elements of the business bad debt provisions under §166.

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

## Notice

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# Tax Guide to Business Expenses

By

**Danny C. Santucci**

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**Danny Santucci**

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