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Course Information

Course Title: *1040 Workshop*

#496623-2

Number of continuing education credit hours recommended for this course:

In accordance with the standards of the CFP Board and the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

CFP®: **20** (Accepted in all States) CFP Board sponsor number: 1008.

CPA: **28** (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: PX1078025

Texas State Board of Accountancy: 009349

Course Description

Designed to make the practitioner comfortable with “high traffic” issues, this program enables participants to discuss and handle individual tax essentials. The course examines and explains the practical aspects of return preparation and individual planning, bridging the gap between theory and application. Significant new developments are summarized with an emphasis on tax savings ideas. Practical applications and illustrations are used to systematically explore tax deferral, reduction, and elimination opportunities accompanying return preparation. For example, the analysis of gross income is discussed together with in-come splitting techniques; property transactions are examined alongside like-kind exchanges and involuntary conversions. The result is an extraordinary blend of the latest developments affecting individual returns and their related planning ideas.

Course Content

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Author: Danny Santucci, J.D.

Final exam (online): One-hundred fifty questions (multiple-choice).

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

Subject Codes/Field of Study

NASBA (CPA), CFP Board of Standards, Inc., NAPFA; “D” Taxes.

Course Level, Prerequisites, and Advance Preparation Requirements:

Program Level: CFP Board: Intermediate; NASBA/CPA: 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).
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- 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 OBJECTIVES

As a result of studying each assignment, you should be able to meet the objectives listed below each assignment.

ASSIGNMENT

SUBJECT

Chapter 1

Individual Tax Elements

At the start of Chapter 1, participants should identify the following major topics for study:

- * Tax rates and tables
- * Filing status
- * Gross income
- * Dividends and distributions
- * Discharge of debt income
- * Exclusions from income
- * Nonbusiness and personal deductions
- * Education and medical expenses
- * Casualty and theft losses
- * Tax credits

Learning Objectives

After reading Chapter 1, participants will be able to:

1. Identify federal revenue tax sources citing the definitive role of gross income and, determine a client's tax liability using current rates, tables, exemptions, statutory amounts, and their withholding and/or estimated tax responsibility.
2. Specify the various filing statuses and their filing requirements recognizing the advantages and disadvantages of each.
3. Determine what constitutes gross income under §61 stating the tax treatment of compensation, fringe benefits, rental income, Social Security benefits, alimony, prizes, and awards, identify dividend and distribution types and their tax differences, and specify how debt discharge can result in taxable income.
4. Identify the mechanics of income exclusions such as education-related exclusions, gift and inheritance exclusions, insurance, personal injury awards, interest on state and local obligations, and the foreign earned income exclusion.
5. Recognize income tax deductions and their use to reduce tax liability by:
 - a. Identifying personal, spousal, and dependency exemptions and reporting requirements including pre-2005 dependency rules;
 - b. Specifying the deductibility of §163 interest categories, §162 educational expenses, pre-2018 §217 moving expenses, pre-2018 §165 casualty & theft losses, and §164 taxes stating their proper reporting and substantiation;

- c. Determining variables that impact the deductibility of charitable contributions, and identifying qualified organizations, permissible contributions contribution limitations, their tax treatment, and substantiation requirements;
 - d. Identifying the deductibility of medical care expenses including medical insurance, meals and lodging, transportation, home improvements, and lifetime care payments recognizing the impact of Medicare;
 - e. Specifying deductions that are subject to the pre-2018 2% of AGI limitation, deductions not subject to the 2% limit, and nondeductible expenses.
6. Determine distinctions among several types of tax credits identifying the eligibility requirements and citing changes created by recent tax legislation to individual tax returns.

ASSIGNMENT

SUBJECT

Chapter 2

Expenses, Deductions & Accounting

At the start of Chapter 2, participants should identify the following major topics for study:

- * Landlord's rental expenses
- * Health insurance costs
- * Home office deduction
- * Travel and entertainment expenses
- * Employee expense reimbursement and reporting
- * Automobile deductions
- * Fringe benefits
- * Methods of accounting
- * Expensing and depreciation
- * Amortization

Learning Objectives

After reading Chapter 2, participants will be able to:

1. Recognize the tax treatment of rental property expenses specifying their impact on landlords and tenants taking into consideration the tax differences given to rent, advance payments, and security deposits.
2. Identify the application of the hobby loss rules to a business, determine deductible health insurance costs and the requirements of the home-office deduction, and specify self-employment taxes and available business and investment credits.
3. Determine how to properly deduct travel and pre-2018 entertainment expenses by:
 - a. Identifying deductible business travel expenses, a taxpayer's tax home, if any, and work locations based on the IRS's definition and recalling the "away from home" requirement and "sleep and/or rest" rule;
 - b. Specifying the key elements of deductible domestic and foreign business travel costs recognizing the Reg. §1.162 deduction of convention and meeting expenses;

- c. Identifying §274 pre-2018 entertainment deductibility tests, determining the limits on home entertaining, ticket purchases, and meals and entertainment stating the eight exceptions to the percentage reduction rule; and
 - d. Recognizing the substantiation requirements associated with business gifts, employee achievement awards, and sales incentive awards.
4. Determine the differences between accountable and nonaccountable plans including the requirements for an accountable plan particularly adequately accounting for travel and other employee business expenses.
 5. Determine what constitutes local transportation and commuting including how nondeductible personal commuting relates to local business transportation expenses.
 6. Identify the apportionment of automobile expenses between personal and business use, the actual cost and standard mileage methods, and the gas guzzler tax.
 7. Specify the various types of excluded fringe benefits that can increase employers' deductions and incentive-based compensation of employees listing examples of each.
 8. Recognize the cash, accrual, or other methods of accounting, select available accounting periods specifying their impact on income and expenses and identify expensing depreciation, and amortization.

ASSIGNMENT

SUBJECT

Chapter 3

Property Transfers & Retirement Plans

At the start of Chapter 3, participants should identify the following major topics for study:

- * Sales and exchanges of property
- * Home sale exclusion
- * Installment sales
- * Repossession
- * Involuntary conversions
- * At-risk rules
- * Like-kind exchanges
- * Retirement plans
- * IRAs
- * SIMPLEs

Learning Objectives

After reading Chapter 3, participants will be able to:

1. Specify the tax consequences on the sale of easements and the holding period and basis of inherited property.
2. Identify the application elements of the §121 home sale exclusion specifying the associated safe harbor regulations.
3. Recognize the importance of the installment method and §453 requirements, and specify the §453 basic terminology.

4. Identify the variables that determine which §1038 rules apply recognizing distinctions among the rules, calculations, and effects of repossessions of personal property and repossessions of real property, and recognize when a bad debt deduction may be taken on a repossession.
5. Specify the tax treatment of a §1033 involuntary conversion by:
 - a. Determining related terminology and the tax consequences of receiving a condemnation award or severance damages;
 - b. Identifying gain or loss from condemnations recognizing the reporting of payments associated with involuntary conversions; and
 - c. Determining whether clients can postpone gain on condemned, damaged, destroyed, or stolen property and specifying the related party rule.
6. Recognize the scope of the §465 at-risk rules and their effect on property depreciation, and identify the requirements, mechanics, and types of §1031 like-kind exchange.
7. Identify qualified deferred compensation plans and nonqualified plans by:
 - a. Determining the major benefit of the qualified deferred plans and the calculation basis of benefits and contributions; and
 - b. Recognizing the current and deferred advantages and the disadvantages of corporate plans stating fiduciary responsibilities and prohibited transactions.
8. Identify the requirements of the basic forms of qualified pension plans permitting clients to compare and contrast such plans.
9. Determine the distinctions between defined contribution and defined benefit plans, specify the types of defined contribution plans, and identify their effect on retirement benefits.
10. Identify how self-employed plans differ from qualified plans for other business types and owners and specify the requirements of IRAs and the special requirements of Roth IRAs.
11. Determine what constitutes SEPs and SIMPLEs recognizing the mechanics and eligibility requirements of each type of plan.

ASSIGNMENT

SUBJECT

Chapter 4

Losses, AMT & Compliance

At the start of Chapter 4, participants should identify the following major topics for study:

- * Passive loss rules
- * Suspension of disallowed losses under §469
- * Computing the alternative minimum tax
- * Minimum AMT tax credit
- * Reporting compliance rules and provisions
- * Accuracy related penalties
- * Information reporting penalty final regulations

- * Penalty for unrealistic position
- * Statute of limitations for assessments
- * Examination of returns

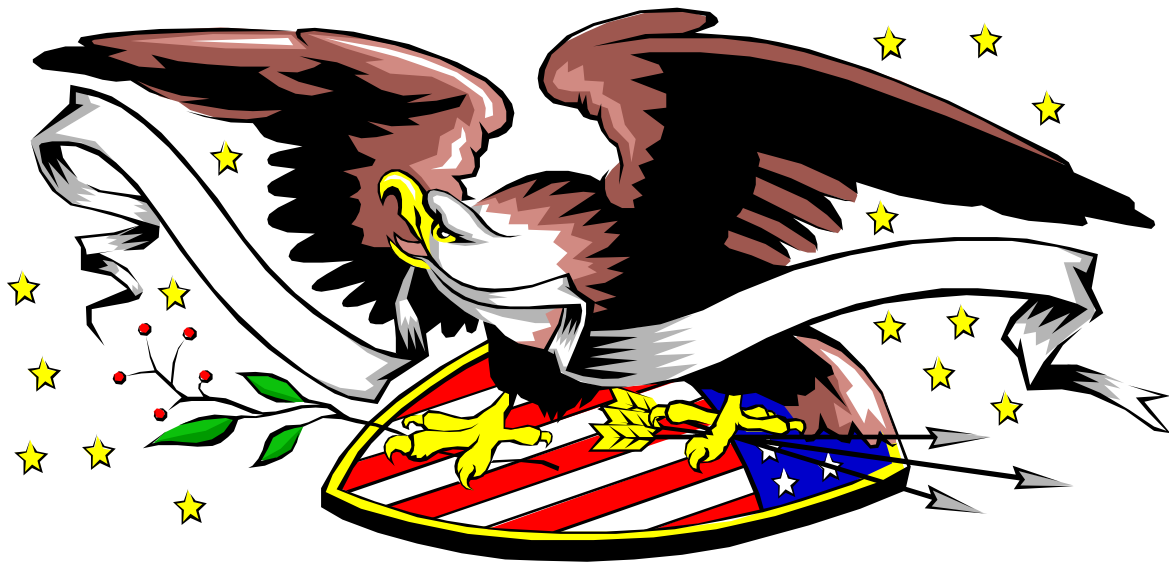
Learning Objectives

After reading Chapter 4, participants will be able to:

- 1.** Identify basic income types and the “buckets” of income and loss under §469 that can influence what can be deducted, determine the suspension of disallowed passive losses, and recognize the special rules for transfers deemed not to be fully taxable dispositions.
- 2.** Specify differences between the regular and alternative minimum tax recognizing the application tax preferences and adjustments, and determine the life of assets under ADS, alternative minimum taxable income, passive losses under the AMT, and what constitutes ACE.
- 3.** Identify the reporting requirements for real estate transactions, independent contractors, and cash reporting.
- 4.** Recognize types of accuracy-related and unrealistic position penalties, and specify the IRS's examination of returns policy and assessment process including applicable statute of limitations.

Notice

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1040 Workshop

By
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