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## COURSE INFORMATION

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**Course Title:** *1040 Workshop*

#496624-2

**Number of continuing education credit hours recommended for this course:**

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

**CFP®:** **18.5** (Accepted in all States) CFP Board sponsor number: 1008.

**CPA:** **24.5** (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: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX1078025

Texas State Board of Accountancy: 009349

**EA/OTRP:** **24** (All States) IRS: Qualified Sponsor number: *FWKKO*.

### 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

Publication/Revision Date: 2/6/2024.

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.

IRS (EA, OTRP): Federal Tax Law.

**Course Level, Prerequisites, and Advance Preparation Requirements:**

Program Level: CFP Board: Intermediate; 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](http://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](http://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](mailto:contact@bhfe.com).

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# LEARNING OBJECTIVES

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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 fringe benefits, rental income, prizes, and awards, and specify how debt discharge and foreclosure can result in taxable income.
4. Identify the mechanics of income exclusions such as education-related exclusions, insurance, and personal injury awards.
5. Recognize income tax deductions and their use to reduce tax liability by identifying interest related to businesses, investments, qualified residences, and deductions for medical expenses, charitable contributions, casualty losses, and moving expenses.
6. Determine distinctions among several types of tax credits for children and education identifying amounts and eligibility requirements.

After studying the materials in Chapter 1, answer exam questions 1 to 34.

**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, insurance, tax preparation fees, property taxes, and purchased leases.
2. Identify the application of the hobby loss rules to a business, determine deductible expenses, recognize the requirements of the home-office deduction, and specify self-employment taxes.
3. Determine how to properly deduct travel by identifying deductible domestic and foreign business travel expenses, a taxpayer's tax home, if any, and work locations; specify the "away from home" and convention rules; and define the adequate substantiation methods.
4. Differentiate accountable and nonaccountable plans including the requirements for an accountable plan particularly adequate accounting using per diem rates for non-related employees.
5. Determine what constitutes local personal commuting and deductible travel to temporary work sites.
6. Identify the apportionment of automobile expenses between personal and business use, the actual cost and standard mileage methods, depreciation, expensing, 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, and other methods of accounting, select available accounting periods specifying their impact on income and expenses and identify expensing depreciation, and amortization.

After studying the materials in Chapter 2, answer exam questions 35 to 81.

**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

**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 ownership and use requirements.
3. Recognize the §453 installment method requirements, the residential lot exception, and the pledging rule limitation.
4. Identify the elements necessary for a §1038 repossession, the different rules for real property and personal property repossessions, and calculating basis and gain on repossession
5. Specify the tax treatment of a §1033 involuntary conversion on condemnation or threat of condemnation; differentiate between condemnation awards and severance damages; and identify replacement periods needed to postpone gain.
6. Recognize the scope of the §465 at-risk rules and their effect on property depreciation, and identify the requirements, taxation, and types of §1031 like-kind exchanges.
7. Identify planning considerations for benefit planning and funding a qualified retirement plan; determine the compensation base used for funding calculations and the impact of PBGC insurance in assuring benefits.
8. Identify the requirements of the basic forms of qualified pension plans permitting clients to compare and contrast such plans.
9. Differentiate defined contribution and defined benefit plans; specify the types of defined contribution plans particularly Keogh plans and IRAs identifying 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 Roth IRAs recognizing their contribution, rollover, and RMD requirements and restrictions.

**11.** Determine what constitutes SEPs and SIMPLEs recognizing the mechanics and eligibility requirements of each type of plan.

After studying the materials in Chapter 3, answer exam questions 82 to 129.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 4</b>	<b>Losses, AMT &amp; Compliance</b>

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**

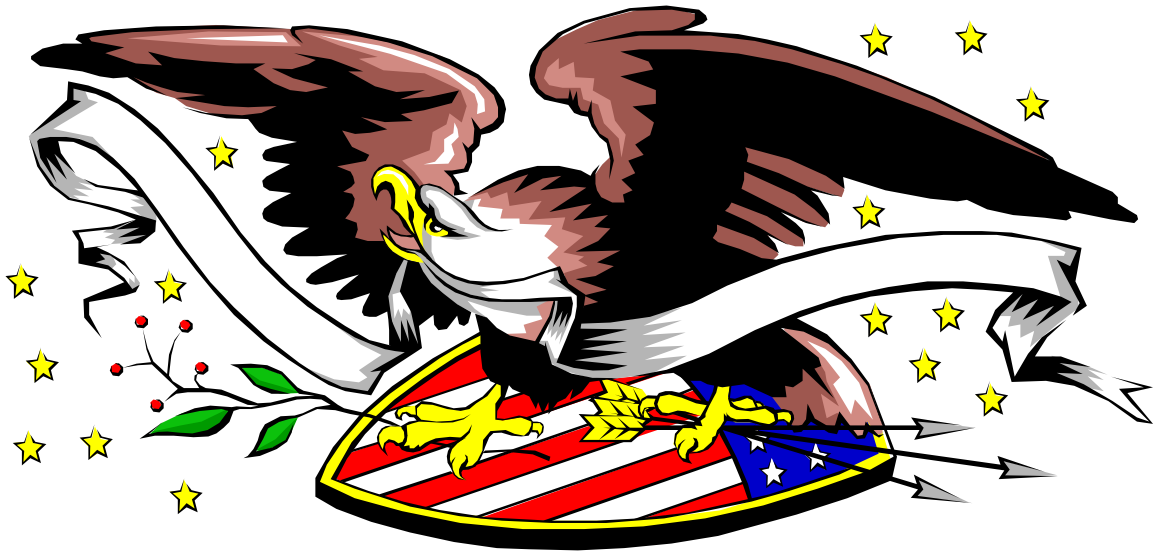
After reading Chapter 4, participants will be able to:

- 1.** Identify how the passive loss rules limit the ability to take deductions, what transactions free disallowed losses, how suspended losses are carried forward, and when real estate professionals can escape the passive lost rules.
- 2.** Specify differences between the regular and alternative minimum tax recognizing the impact of tax preferences and adjustments.
- 3.** Identify the reporting requirements for employers, real estate transactions, independent contractors, and cash reporting.
- 4.** Recognize types of accuracy-related and valuation overstatement penalties including the substantial authority defense for reporting positions, and specify the IRS's examination of returns policy and assessment process including applicable statute of limitations.

After studying the materials in Chapter 4, answer exam questions 130 to 150.

### **Notice**

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## **1040 Workshop**

***For 2024 Planning & 2023 Filings***

**By**

**Danny C. Santucci**

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## 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 fringe benefits, rental income, prizes, and awards, and specify how debt discharge and foreclosure can result in taxable income.
4. Identify the mechanics of income exclusions such as education-related exclusions, insurance, and personal injury awards.
5. Recognize income tax deductions and their use to reduce tax liability by identifying interest related to businesses. investments, qualified residences, and deductions for medical expenses, charitable contributions, casualty losses, and moving expenses.

**6. Determine distinctions among several types of tax credits for children and education identifying amounts and eligibility requirements.**