

2023 Comprehensive Income Tax Course – Learning Objectives

MODULE 1

Chapter 1 – General Overview

- 1) Determine who should file a tax return.
- 2) Identify filing requirements for most taxpayers.
- 3) Identify filing requirements for dependents.
- 4) Discuss the Tax Cuts and Jobs Act of 2017 and other recent legislative updates.
- 5) Discuss Form 1040 and the three numbered schedules that accompany the form.
- 6) Discuss the new Form 1040-SR for Seniors.
- 7) Determine when, where, and how to file; then, choose the method of payment.
- 8) Summarize accounting periods and methods.
- 9) Discuss the requirement for a correct Social Security number or taxpayer identification number when filing a tax return.
- 10) Identify the correct filing status for taxpayers.
- 11) Determine if the taxpayer is a resident or nonresident alien.
- 12) Discuss the importance of the Path Act.
- 13) Describe the information presented on the taxpayer's W-2 form.
- 14) Discuss Paid Preparer Penalties and Responsibilities.
- 15) Provide an overview of the tax return filing process.

Chapter 2 - Standard Deduction and Dependents

- 1) Calculate the standard deduction and determine when to use it.
- 2) Define what constitutes a dependent and identify when the taxpayer can claim a dependent.
- 3) Summarize the tests for determining when a dependent is a qualifying child or a qualifying relative.
- 4) Determine support provided to a potential dependent.
- 5) Describe the steps necessary to file a decedent's tax return.
- 6) Identify the rules for tax withholding and estimated payments and tax return assembly order and processing.

Chapter 3 – Income

- 1) Identify various types of employee compensation, including fringe benefits and tips.
- 2) Discuss business income, including income from farming, rentals, and bartering.
- 3) Discuss alimony received as taxable income.
- 4) Summarize other types of income that may be fully or partially taxable, such as savings and investment income, unemployment compensation, and Social Security benefits.
- 5) Summarize the general rules of community property.
- 6) Compute taxable and nontaxable income.

Chapter 4 – Interest and Dividends

- 1) Identify the different types of interest income.
- 2) Summarize the difference between taxable and nontaxable interest.
- 3) Examine the tax reporting of interest income.
- 4) Discuss dividend income and nontaxable distributions.
- 5) Compute the "kiddie" tax.

MODULE 2

Chapter 5 – Earned Income Credit

- 1) Examine the most common tax credit, the earned income credit (EIC).
- 2) Define earned income as it relates to the earned income credit.
- 3) Identify the eligibility rules for the earned income credit that apply to everyone.
- 4) Summarize the additional eligibility rules that apply to taxpayers with a qualifying child.
- 5) Describe how taxpayers without children may qualify for the earned income credit.
- 6) Determine how to complete Schedule EIC and where to put the information from the appropriate worksheet on Form 1040.
- 7) Discuss circumstances when the IRS would disallow the earned income credit.
- 8) Examine IRS due diligence requirements.
- 9) Recognize when special rules apply to a taxpayer claiming the earned income credit.

Chapter 6 – Tax Credits

- 1) Examine rules for claiming the child tax credit (CTC), the credit for other dependents (ODC), and the additional child tax credit (ACTC).
- 2) Review the qualifications for claiming the credit for child and dependent care expenses.
- 3) Summarize the qualifications for claiming the credit for the elderly or the disabled.
- 4) List the qualifications for claiming the adoption credit.
- 5) Differentiate between the two education credits.
- 6) Discuss the due diligence requirements paid preparers must comply with when claiming the EIC, the CTC/ACTC/ODC, the AOTC, and/or Head of Household filing status.
- 7) Summarize the recovery rebate credit and employee retention tax credit.
- 8) Explore other less common credits.

Chapter 7 – Retirement Income and Other Income Types

- 1) Recognize retirement income, including distinguishing between pensions and annuities.
- 2) Discuss specific types of pension plans, including SEP and SIMPLE plans, traditional and ROTH IRAs, qualified plans, and federal civil service retirement, along with distributions from such plans which are reported on Form 1099-R (Form CSA 1099-R for federal civil service).
- 3) Discuss government retirement benefit programs; specifically, Social Security and railroad retirement and the applicable reporting forms (Forms SSA-1099, RRB-1099, and RRB-1099-R).
- 4) Summarize where to report various types of income.

Chapter 8 – Adjustments to Income

- 1) Explain the applicability and reporting of the educator and moving expense adjustments as they relate to employment.
- 1) Discuss the required reporting of the three business-related adjustments.
- 3) Review the required reporting of the retirement-related adjustments for self-employed and individual taxpayers.
- 4) Explain the applicability and reporting of the adjustments related to education expenses.
- 5) Determine when a deduction can be taken for a Health Savings Account, penalty on early withdrawal of savings, or alimony as they apply to the individual taxpayer.
- 6) Identify the other less common adjustments, which, if applicable, will be included as part of the totals on Schedule 1 (Form 1040).

MODULE 3

Chapter 9 – Itemized Deductions

- 1) Determine whether standard or itemized deductions are the most advantageous for the taxpayer.
- 2) Explain eligible medical expenses and cite examples.
- 3) Identify which items qualify as deductible taxes.
- 4) Determine the types of interest which qualify as an itemized deduction.
- 5) Recognize what constitutes a deductible charitable contribution and understand when Form 8283 is required.
- 6) Review other deductions and their limitations.

Chapter 10 – Filing Tax Returns

- 1) Identify the rules and regulations governing electronic filing.
- 2) Describe the various methods of receiving a refund through electronic filing.
- 3) Identify the warning signs of taxpayer fraud.
- 4) Indicate the requirements for signing electronic returns.
- 5) Determine how to correct an electronic return rejected by the IRS.
- 6) Explain how to file an amended return.
- 7) Summarize tax extensions and installment agreements.
- 8) Describe the civil and criminal penalties applicable to taxpayers who do not comply with income tax laws.
- 9) Determine who is considered an injured spouse and who is considered an innocent spouse.

Chapter 11 – Capital Gains and Losses

- 1) Describe gains or losses from the sale of capital assets.
- 2) Explain capital gain distributions and their tax treatment.
- 3) Discuss the tax reporting of capital gains and losses on a tax return.
- 4) Determine the basis of property in various circumstances.
- 5) Describe the tax treatment for potential gains on the sale of a home or personal residence.
- 6) Examine the tax treatment for an installment sale.
- 7) Discuss the classification of property for virtual currency.

Chapter 12 – Depreciation and Disposition of Business Property

- 1) Classify the different types of property eligible for depreciation.
- 2) Define the terminologies unique to depreciation transactions.
- 3) Differentiate between various depreciation methods.
- 4) Compute the section 179 deduction and special depreciation allowance.
- 5) Summarize the appropriate reporting of dispositions of business property.
- 6) Discuss specific guidelines related to the final repair regulations.

MODULE 4

Chapter 13 – Self Employment Income

- 1) Indicate when the taxpayer is considered a sole proprietor.
- 2) Calculate gross income on Schedule C.
- 3) Determine what types of business expenses may be deducted directly from gross income on Schedule C.
- 4) Discuss rules to claim travel, gift, meal, and entertainment expenses.
- 5) Describe the requirements for deducting self-employed health insurance and retirement plan contributions.
- 6) Review methods for calculating the auto expense deduction.
- 7) Discuss circumstances that would allow a self-employed taxpayer to claim a deduction for office-in-home.
- 8) Calculate net profit or loss on Schedule C.
- 9) Identify other taxes a self-employed taxpayer may be required to pay.
- 10) Calculate the qualified business income deduction available under Section 199A.

Chapter 14 – Rental Property

- 1) Determine rental income and proper reporting of that income.
- 2) Summarize the types of deductible rental expenses.
- 3) Determine the nuances of renting vacation homes and other dwelling units.
- 4) Define the limits on rental and passive activity losses.
- 5) Describe the rules for reporting rental property sales.
- 6) Identify the proper reporting of other types of supplemental income, such as royalty and partnership income.
- 7) Discuss the qualified business income (QBI) deduction as it relates to rental properties.

Chapter 15 – Federal Tax Law Updates (2022/2023)

- 1) Summarize inflation adjustments for individual provisions.
- 2) Summarize inflation adjustments to above-the-line deductions.
- 3) Discuss the pass-through business deduction for qualified business income and Forms 8995 and 8995-A.
- 4) Summarize inflation adjustments to credits.
- 5) Summarize inflation adjustments to itemized deductions and exclusions.
- 6) Describe recent tax law changes for taxpayers.
- 7) Discuss Social Security, retirement plan, and IRA updates.
- 8) Discuss cost recovery and other provisions affecting businesses.
- 9) Indicate the status of federal tax extenders.

Chapter 16 – Ethics & Responsibilities of Tax Professionals

- 1) Describe the professional responsibilities in tax return preparation.
- 2) Discuss IRS rules as defined in Circular 230.
- 3) Identify the AICPA Statements on Standards for Tax Services (SSTS).
- 4) Discuss tax preparer regulations.
- 5) Explain the IRS Annual Filing Season Program (AFSP) and determine who is exempt.