

## **LEARNING OBJECTIVES – SYSTEM 10**

### **TAX ASPECTS OF THE SELF-EMPLOYED**

Course knowledge – intermediate

Prerequisites – some basic knowledge and experience

#### **Chapter 1 – Starting the Business – Learn about**

- How to apply for an EIN
- Business license's
- Bookkeeping and recordkeeping systems

#### **Chapter 2 – Accounting Periods – Learn about**

- Tax years – Fiscal vs. Calendar
- Changes in accounting periods

#### **Chapter 3 – Accounting Methods – Learn about**

- The cash and accrual methods
- Changing the accounting method

#### **Chapter 4 – Business Assets – Learn about**

- Kinds of capital expenses
- Types of business assets
- Going into business costs
- Business start-up costs
- Costs you can choose to deduct or capitalize

#### **Chapter 5 – Basis of Business Assets – Learn about**

- The cost basis
- Types of assets
- Adjusted basis

#### **Chapter 6 – Business Income – Learn about**

- Accounting for your income
- Prepaid income
- Advance income from sales

## **Chapter 7 – Costs of Goods Sold – Learn about**

- Figuring cost of goods sold
- Different types of inventory
- Valuing inventory

## **Chapter 8 – Business Deductions – Learn about**

- The different types
- Employee benefit programs
- Meals and lodging for employees
- Rent expenses
- Methods of treating business bad debts
- Interest expenses
- Taxes

## **Chapter 9 – Travel, Meals, and Entertainment Expenses – Learn about**

- The standard meal allowance
- Types of entertainment expenses and which ones are deductible
- The directly related test vs. the associated test
- Recordkeeping

## **Chapter 10 – Depreciation – Learn about**

- Amortizations of certain intangible assets
- MACRS
- The section 179 expense deduction
- Listed property including automobiles

## **Chapter 11 – Self-Employment Taxes – Learn about**

- Employee's vs. employer's taxes

## **Chapter 12 – Sale of a Business – Learn about**

- Classification of assets
- Nontaxable exchanges

## **Chapter 13 – SIMPLE IRA Plans for Small Businesses – Learn about**

- Advantages of the SIMPLE IRA
- Operating and establishing the plan
- Terminating the plan.