

LEARNING OBJECTIVES – SYSTEM 3

CHAPTER 1 – CHARITABLE CONTRIBUTIONS – Learn about

- The IRS's official list of qualified organizations.
- How tax preparers can maximize deductions for clients.
- The rules on students living with you.
- Contributions of property – Special rules.
- Cash contributions – How to document.

CHAPTER 2 – MEDICAL EXPENSES – Learn about

- Which capital improvements may be deductible?
- How you can advise clients to schedule medical payments for their deductible advantage.
- Cosmetic surgery – What is deductible?
- The latest on stop-smoking deductions.

CHAPTER 3 – CHILD AND DEPENDENT CARE CREDIT – Learn about

- The qualifying person test. A special rule that allows your spouse to qualify.
- The earned income test. Why your client may not have to work to qualify.
- Which expenses qualify and which do not.
- When a married couple does not have to file a joint return to qualify.
- When the care provider does not have a social security number – What to do?

CHAPTER 4 – MOVING EXPENSES – Learn about

- The time and distance tests.
- When clients are not subject to the distance tests.
- Special rules for the self-employed.
- Special rules for members of the U.S. Armed Forces.
- Special rules for retirees.

CHAPTER 5 – TAXABLE AND NONTAXABLE INCOME – Learn about

- The IRS code (61a) definition of income – just 15 items included.
- Taxation of fringe benefits.
- Disability income – Sometimes taxable, sometimes not.
- Cancelled debt – Sometimes taxable, sometimes not.
- An alphabetized list of 170 items – some taxable, some not, some “maybe”.

CHAPTER 6 – MISCELLEANEOUS DEDUCTIONS – Learn about

- Unreimbursed employer expenses – A comprehensive list.
- Computers used in your home – Which expenses may be deductible.
- A list of over 30 employee business expenses which are not deductible.
- CPA accreditation fees – Are they deductible?
- Seven miscellaneous deductions not subject to the 2% limit.

CHAPTER 7 – SALE OF RESIDENCE – Learn about

- How your clients gain on a sale of residence may be reduced.
- When the IRS will allow an exclusion of gain because of “unforeseen” circumstances.
- Safe harbor rules on the sale of your client’s principal residence.
- Special rules on escrow closing costs.