

AFSP Exempt Package 2

Summary of Courses in the Package

AFSP Federal Tax Law Course 2017-2 (10 credit hours)

Education Tax Benefits

Few advantages are as sought after by parents for their children as an education that will enable them to grow professionally and enjoy the benefits such an education can help bestow. The federal government supports and encourages their efforts to provide that education through various programs and income tax incentives.

This course will examine the programs, credits, deductions and federal income tax treatment of various items that affect saving for and financing an individual's education. In so doing, it will consider:

- Qualified tuition programs;
- Coverdell education savings accounts;
- The education savings bond program;
- Federal tax credits for education;
- The federal tax treatment of scholarships, fellowships, grants and tuition reductions; and
- Deductions available for student loan interest, tuition and fees.

Home Office Deduction

This course will examine the federal income tax deduction for business use of a home and will discuss:

- Qualifying for a home office tax deduction;
- Determining a taxpayer's home office deduction using the actual expense and simplified methods;
- The special home-office deduction rules that apply to daycare facilities;
- The taxpayer's home-office deduction recordkeeping requirements; and
- Where to take the deduction and the forms a tax preparer must use in connection with it.

Tax Treatment of Retirement Plans, Pensions, and Annuities

This course covers how to:

- Distinguish between the types of qualified employee plans;
- Recognize the limits imposed on qualified employee plan contributions and benefits;
- List the requirements applicable to qualified employee plan loans;
- Apply the federal tax laws to qualified employee plan contributions and distributions;
- Recognize the tax treatment of nonqualified annuity distributions; and
- Identify the tax treatment of annuity contributions and distributions.

This is a combination program that includes the following three courses:

Education Tax Benefits

Home Office Deduction

Tax Treatment of Retirement Plans, Pensions, and Annuities

Federal Income Tax Changes – 2017 (3 credit hours)

Each year, various limits affecting income tax preparation and planning change. Some changes commonly occur each year as a result of inflation indexing, while others occur because of new legislation or the sunset of existing law.

This course will examine the tax changes that took effect in 2017 that are more significant from the perspective of an income tax preparer. Some context will be supplied, as appropriate, to assist readers in understanding the changes.

EITC Due Diligence (2 credit hours)

The Earned Income Credit (EIC) is a refundable tax credit that has a significant impact on United States revenue. It is also the source of a disproportionately large number of errors in tax returns in which a claim for it is made. In a recent year, 148.7 million individual federal tax returns were filed, and more than 19% claimed the Earned Income Credit^[1]. Based on that percentage, it would not be unexpected that, in the years ahead, approximately one taxpayer in every five will claim the EIC. Approximately 70% of federal income returns claiming the earned income credit are prepared by professional tax return preparers.

This course briefly summarizes the earned income credit rules, examines the common errors committed when claiming the credit, discusses the EIC due diligence requirements imposed on professional tax return preparers, and identifies the sanctions to which preparers and their employers may be subject for a failure to meet expected due diligence requirements.