

Small Business Tax Review

Learning Objectives/Table of Contents

Chapter

1 C Corporations

- 1-A** Review general rules and basic taxation principles of C corporations in order to calculate taxes owed.
- 1-B** Recognize different corporation ownership and transaction strategies, including nontaxable and personal asset transfers, and determine gains on small business stock.
- 1-C** Apply the rules and regulations pertaining to income and expenses, earnings and profits, and shareholder wages.

2 S Corporations

- 2-A** Apply the rules for formation and retention of S corporation status.
- 2-B** Distinguish between ordinary business income and separately stated items flowing through an S corporation to S corporation shareholders.
- 2-C** Identify the character of S corporation distributions and calculate taxable income and basis adjustments.

3 Partnerships and LLCs

- 3-A** Identify characteristics of the partnership business entity and classify business transactions.
- 3-B** Compute the partner's outside basis in the partnership interest, and recognize the effect of changes in the partner's liabilities with regard to the partner's basis.
- 3-C** Analyze the effect of partnership distributions on the taxable income and adjusted basis of the partner.

4 Small Business Retirement

- 4-A** Communicate the general benefits and qualification requirements for retirement plans to employers and employees.
- 4-B** Recognize the various ways an IRA can be used to set up an employee retirement plan.
- 4-C** Explain the various types of qualified retirement plans and illustrate the characteristics and contribution rules of each.

5 Employee Health Benefits

- 5-A** Describe the characteristics of employer provided health plans, as well as the facets of health reimbursement arrangements.
- 5-B** Illustrate the application of a flexible spending account.
- 5-C** Identify a health savings account and the rules regarding contributions and use.

6 Business Credits

- 6-A** Determine the general rules for the proper reporting of general business credits.
- 6-B** Interpret certain non-general business credits, their corresponding forms, and determine how to properly claim those credits for qualifying taxpayers.

7 Estates, Trusts, and Fiduciaries

- 7-A** Organize a decedent's tax information and file the proper forms following the death of a taxpayer.
- 7-B** Classify income and expenses for estates and trusts, and report the items properly on the beneficiaries' tax returns.
- 7-C** Analyze the effect of transfers of assets from decedents and the effect on the basis of property transferred.