### III. Federal Tax Process, Procedures, Accounting, Planning (11% - 15%)

#### A. Federal Tax Legislative Process

#### B. Federal Tax Procedures

1. Due dates and related extensions of time  
   - 6011  
   - 6012  
   - 6072  
   - 6081  
   - 6161

2. Internal Revenue Service (IRS) audit and appeals process  
   - 6212

3. Judicial process

4. Required disclosure of tax return positions  
   - 6662

5. Substantiation requirements  
   - 170(f)(8) Charity  
   - 274(d) Entertainment

6. Penalties
   - Failure to file or pay  
     - 6651
   - Underpayment of estimated tax  
     - 6654
   - Interest accrued on tax debt or refund  
     - 6601  
     - 6611
   - Accuracy related  
     - 6662 (Indiv)  
     - 6663, 4  
     - 6694 (Preparer)

7. Statute of limitations  
   - 6501  
   - 6511

#### C. Accounting Periods

- 441  
- 442 Change period  
- 444  
- 706, 1378

#### D. Accounting Methods

1. Recognition of revenues and expenses under cash, accrual, or other permitted methods

2. Inventory valuation methods, uniform capitalization rules  
   - 471-75  
   - 263A Unicap Rules

3. Accounting for long-term contracts

4. Installment sales

5. Adjustments for change in method (cash to accrual, etc)

#### E. Tax Return Elections, Including Federal Status Elections, Alternative Treatment Elections, or Other Types of Elections Applicable to an Individual or Entity’s Tax Return

#### F. Tax Planning

1. Alternative treatments

2. Projections of tax consequences

3. Implications of different business entities

4. Impact of proposed tax audit adjustments

5. Impact of estimated tax payment rules on planning

6. Role of taxes in decision-making

#### G. Impact of Multijurisdictional Tax Issues on Federal Taxation

(Including Consideration of Local, State, and Multinational Tax Issues)

#### H. Tax Research and Communication

1. Authoritative hierarchy

2. Communications with or on behalf of clients

### IV. Federal Taxation of Property Transactions (12% - 16%)

#### A. Types of Assets

#### B. Basis and Holding Periods of Assets

#### C. Cost Recovery (Deprec, Depletion, Amort.)

- 263  
- 167  
- 168  
- 179  
- 280F

- Limits on luxury autos  
  - 280F

#### D. Taxable and Nontaxable Sales and Exchanges

#### E. Amount, Character of Gains & Losses, and Netting

#### F. Related Party Transactions

#### G. Estate and Gift Taxation

[Not a gift: paying tuition or med costs directly to institution]

1. Transfers subject to the gift tax  
   - 6019  
   - 2501  
   - 2512  
   - 2513  
   - 2523

2. Annual exclusion and gift tax deductions  
   - 2502  
   - 2505 Unified Cr

3. Determination of taxable estate  
   - 6018  
   - 2051  
   - 2053  
   - 2054

4. Marital deduction
   - 2056

5. Unified credit
   - 2010 Unified Credit

Note: Code sections and a few clarifying subtopics were added by instructor.
## V. Federal Taxation of Individuals (13% - 19%)

### A. Gross Income

| 1. Inclusions and exclusions | 61-90 Income | 101-152 Exclusions & Dep. |
| 2. Characterization of income | 1221 | 1222 |

### B. Report Items from Pass-Through Entities

| 702 | 1366 | 652,662 Also Mutual Funds |

### C. Adjustments and Deductions to Arrive at Taxable Income

| 62 Ded for AGI |

### D. Passive Activity Losses

| 469 | 469(i) Special $25,000 deduction. |

### E. Loss Limitations

| 465 Loss limit- amount at risk |

| No loss on sale to related party | 267 |

| Hobby, start-up, vacation homes | 183 | 195 | 280A Also covers office in home |

### F. Taxation of Retirement Plan Benefits

| 401 | 401(k) | 402 | 408 | 408A | 409A |

### G. Filing Status and Exemptions

| 2 File status | 151-152 Exemption, Dep. |

### H. Tax Computations and Credits

| 1 |

### I. Alternative Minimum Tax

| 55+ |

## VI. Federal Taxation of Entities (18% - 24%)

### A. Similarities and Distinctions in Tax Treatment Among Business Entities

| 351 | 701 |

| 3. Distributions 4. Liquidation |

### B. Differences Between Tax and Financial Accounting

| 103 | 168,170 | 199 | 243 | 274(n) | 1211, 12 |

| 2. Disclosures under Schedule M-3 |

### C. C Corporations

| 162(m) |

| 1. Determination of taxable income/loss | 61 |

| 2. Tax computations, credits, including AMT | 11, 1201 | 26-51 | 531 | 541 | 55 |

| Personal service corporations | 11(b)(2) | 280H |

| 3. Net operating losses | 172 |

| 4. Entity/owner transactions, including contributions and distributions | 301 | 302 | 303 | 305 | 311, 336 |

| 5. Earnings and profits | 312 | 316 | 317 |

| 6. Consolidated returns | 1501 | 1502 | 1561 Cont. Groups |

### D. S Corporations

| 6037 |

| 1. Eligibility and election | 1361 | 1362 | 1363 No income tax, generally |

| 2. Ordinary income/loss. Separately stated items | 1366 |

| 3. Basis of shareholder’s interest | 1367 |

| 4. Entity/owner transactions, including contributions and distributions | 1368 Also: 311 | 336 |

| 5. Built-in gains tax (Godfrey-Passive Inc. tax) | 1374 | 1375 |

### E. Partnerships

| 6031 | 7701(a)(2) | 301.7701-1 | 6222 |

| 1. Ordinary income/loss & separately stated items | 702 | 703 | 704 |

| 2. Basis of partner’s/member’s interest and basis of assets contributed to the partnership | 705 | 722 | 742 |

| 3. Partnership and partner elections | 723 | 734 |

| 4. Transactions between a partner and the partnership | 707 |

| 5. Treatment of partnership liabilities | 752 |

| 6. Distribution of partnership assets | 708 | 731 | 732 | 733 | 734 |

| 7. Ownership changes-liquidation-termination of partnership | 736 | 741 |

### F. Trusts and Estates

| 1. Types of trusts |

| 2. Income and deductions |

| 3. Determination of beneficiary’s share of taxable income |

### G. Tax-Exempt Organizations

| 6033 | 501(a) |

| 1. Types of organizations | 501(c)(3) | 507 | 508(b) | 509 | 527, 528 | 529, 530 |

| 2. Obtaining and maintaining tax-exempt status | 503 | 508(a)(1) |

| 3. Unrelated business income | Sec. 11 | 511 | 512 | 513 |