

Big Picture		Income & Deductions		Indirect- From Entities. Etc.	
Tax (Rates)		Gross Income. Exclusions.		Corporations (301-385)	
<b>1</b>	<b>Individuals</b>	<b>Inclusions [partial list] (71-90)</b>		<b>301</b>	Dividends from Corp., etc
<b>11</b>	<b>Corporations</b>	<b>71</b>	Alimony Income	<b>302 +</b>	Stock Redemptions, etc
<b>1401, 3101+</b>	<b>Self-Employment, P/R Tax</b>	<b>72</b>	Annuities, Early Distributions	<b>305-7+</b>	Stock Dividends, Basis
<b>2001+</b>	<b>Estate and Gift</b>	<b>73</b>	Services of a child	<b>311</b>	Gain-Distribution of Prop.
<b>Credits-Partial List</b>		<b>74</b>	Prizes and awards	<b>316</b>	Definition of Dividend
<b>21</b>	Dependent care credit	<b>79</b>	Group term life insurance	<b>331+</b>	Liquidation
<b>22</b>	Credit for elderly	<b>82</b>	Moving Expense Reimbursement	<b>351+</b>	Transfer to Corp., etc.
<b>23</b>	Adoption expenses	<b>83</b>	Stock Options, etc.	<b>354-68</b>	Liquidation, Reorganization
<b>24</b>	Child tax credit	<b>85</b>	Unemployment Compensation	<b>381-85</b>	Carryovers, Thon Corp.
<b>25</b>	Interest on certain mortgages	<b>86</b>	Social security benefits	<b>Retirement Plans (401-424)</b>	
<b>25A</b>	Hope & Lifetime learning	<b>Exclusions [partial list] (101-140)</b>		<b>401</b>	Qualified plans
<b>25B</b>	Elective deferrals	<b>101</b>	Life insurance benefits	<b>402</b>	Taxation of Distributions
<b>27</b>	Foreign tax credit	<b>102</b>	Gifts and inheritances	<b>421</b>	Qualified stock options
<b>30</b>	Credit for qualified vehicles	<b>103</b>	Municipal bond interest	<b>Partnerships (701-777)</b>	
<b>31</b>	Tax withheld on wages	<b>104</b>	Damages, etc.	<b>701</b>	Partners pay the tax
<b>32</b>	Earned income	<b>105</b>	Accident & Health Reimb.	<b>702</b>	Income & credits
<b>33</b>	Withholding-Aliens-For.Corp.	<b>106</b>	Employer Cont. to Health Plan	<b>703</b>	Partnership computations
<b>Alternative Minimum Tax</b>		<b>108</b>	Debt forgiveness	<b>704</b>	Distributive shares
<b>53</b>	AMT credit	<b>109-10</b>	Leasehold improvements, Allow.	<b>705</b>	Basis of interest
<b>55</b>	AMT imposed	<b>111</b>	Recovery of tax benefit items	<b>721</b>	Contributions to Ptshp
<b>56-57</b>	Adjustments, Preferences	<b>112</b>	Combat Zone Pay	<b>731</b>	Distributions
<b>58-59</b>	Denial of losses. Definitions	<b>117</b>	Scholarships	<b>S Corporations (1361-1379)</b>	
<b>59A</b>	Environmental tax	<b>121</b>	Exclusion-Gain on Residence	<b>1361-2</b>	S Corp. Election
<b>Taxable Income</b>		<b>132</b>	Fringe Benefits	<b>1363</b>	Effect of election - tax free
<b>61</b>	<b>Gross Income</b>	<b>Deductions. Limits.</b>		<b>1366</b>	Pass through- Income, Loss
<b>62</b>	Adj. Gross Income	<b>151-2</b>	Personal Exemptions	<b>1367</b>	Adjustment to basis
<b>63</b>	Taxable Income	<b>Ded. for Individuals &amp; Corp. (BUS)</b>		<b>1368</b>	Distributions-Shareholders
<b>64</b>	Ordinary income	<b>161</b>	Deductions allowed	<b>1371</b>	Related to SubChap C
<b>65</b>	Ordinary loss	<b>162</b>	Expenses of trade or business	<b>641+</b>	Trusts and Estates
<b>66</b>	Community income	<b>163</b>	Interest	<b>851+</b>	Mutual Funds
<b>67</b>	2% floor	<b>164</b>	Taxes	<b>Loss Flow-Through</b>	
<b>68</b>	Phase-out of item. deductions	<b>165</b>	Losses	<b>Partnerships (701-777)</b>	
<b>Gains on Dealing in Property (Losses - See 165)</b>		<b>166</b>	Bad Debts	<b>701</b>	Partners pay the income tax
<b>1001</b>	Gain or Loss	<b>167-8</b>	Depreciation.	<b>702</b>	Income & credits
<b>1011</b>	Adjustments to basis	<b>169</b>	Amort Pollution Cont. Assets	<b>704</b>	Distributive shares
<b>1012</b>	Property basis - cost	<b>170</b>	Charitable Contributions	<b>705 +</b>	Basis of interest, etc.
<b>1013</b>	Basis of inventory	<b>172</b>	Net Operating Loss Deduction	<b>S Corporations (1361-1379)</b>	
<b>1014</b>	Basis of inherited property	<b>174</b>	Research and Experimental	<b>1366</b>	Pass Through, etc.
<b>1015</b>	Basis of gift property, etc.	<b>178</b>	Amortize Lease acquisition cost	<b>1367 +</b>	Basis, etc. (Loss Limit)
<b>1016</b>	Basis adjustments, etc.	<b>179</b>	Election to write-off cost of asset	<b>Non-Deduct. Exp. (261-280H)</b>	
<b>1017</b>	Discharge of Debt	<b>183</b>	Hobbies	<b>261</b>	Disallowed Deductions
<b>1019</b>	Property - lease improvement	<b>190</b>	Architectural barrier removal	<b>262</b>	Personal expenses
<b>1022</b>	Prop. inherited (2009 or 2010)	<b>195</b>	Start-up expenditures	<b>263</b>	Capital expenditures
<b>1031</b>	Like kind exchanges, etc.	<b>197</b>	Amortization of goodwill	<b>265</b>	Exp. - tax exempt income
<b>1032</b>	Exchange - Stock for Assets	<b>199</b>	Income -Domestic Production	<b>267</b>	Losses with related parties
<b>1033</b>	Involuntary Conversions	<b>Deductions for Individuals (211-223)</b>		<b>269</b>	Acquisitions to evade tax
<b>1035-36</b>	Ins. Policies. Stock	<b>211</b>	Allowance of deductions	<b>269A</b>	PHC Acquisitions-evade tax
<b>1041</b>	Property Transfer - Divorce	<b>212</b>	Expenses to produce income	<b>273</b>	Holder of terminable int.
<b>1042</b>	Sale to ESOP	<b>213</b>	Medical, dental, etc.	<b>274, 5</b>	Entertainment. Certain Taxes
<b>1060</b>	Asset Acquisitions	<b>215</b>	Alimony deduction	<b>279</b>	Interest-Acquisition of corp.
<b>1059</b>	Basis-Tax Free Dividend Rec'd	<b>216</b>	Cooperative Housing Deductions	<b>280A</b>	Vacation homes, autos, etc.
<b>1201</b>	Alternative Tax - Corporations	<b>217</b>	Moving expenses	<b>280B, C</b>	Demolish building. Credits
<b>1202</b>	Exclusion - sale of stock	<b>219 +</b>	Individual Ret. Accounts, etc.	<b>280E</b>	Expenses-illegal drug bus.
<b>1211</b>	Capital loss limits.	<b>221</b>	Education Loan Interest	<b>280F</b>	Luxury Autos- Ded. Limited
<b>1212</b>	Capital loss carryovers	<b>222</b>	Education Expenses	<b>280G</b>	Golden Parachutes
<b>1221-23</b>	Capital asset. Holding Period	<b>223</b>	Health Savings Accounts	<b>280H</b>	Limits on deduct. of PSC
<b>1231</b>	Assets used in Business (Cap)	<b>Deductions for Corporations.</b>		<b>291</b>	Corporate Preference Items
<b>1244</b>	Loss on Small Business Stock	<b>241</b>	Allowance of special deductions	<b>Accounting Methods (441-483)</b>	
<b>1245, 50</b>	Depreciation Recapture	<b>242-247</b>	Dividends Received by Corp.	<b>441-483</b>	Accounting periods, etc.
<b>1256</b>	Mark-to-market rules	<b>248</b>	Organizational Expenditures	<b>1301</b>	Farm Income Averaging
<b>1271-86</b>	Bond Discounts, etc.	<b>249</b>	Limit on Ded. for Bond Premium	<b>1311-14</b>	Correction of Errors, etc.
				<b>1341</b>	Restore - Claim of Right

CPA EXAM SPECIFICATIONS. Effective July 1, 2011						
<b>III.</b>	<b>Federal Tax Process, Procedures, Accounting, Planning (11% - 15%)</b>					
	<b>A. Federal Tax Legislative Process</b>					
	<b>B. Federal Tax Procedures</b>					
	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			
	<b>C. Accounting Periods</b>	441	442	Change period	444	706,1378
	<b>D. Accounting Methods</b>	446		448	Cash method limits	
	Year of inclusion	451		1.451-1	Right to receive income	
	Year of deduction	461		1.461-1(a)(2)	Warranties, etc.	
	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	460				
	4. Installment sales	453				
	Adjustments for change in method (cash to accrual, etc)			481		
	<b>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</b>					
	<b>F. Tax Planning</b>					
	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					
	<b>G. Impact of Multijurisdictional Tax Issues on Federal Taxation (Including Consideration of Local, State, and Multinational Tax Issues)</b>					
	<b>H. Tax Research and Communication</b>					
	1. Authoritative hierarchy					
	2. Communications with or on behalf of clients					
<b>IV.</b>	<b>Federal Taxation of Property Transactions (12% - 16%)</b>					
	<b>A. Types of Assets</b>					
	<b>B. Basis and Holding Periods of Assets</b>	1011	1012	1014	1015	1041(b) 1223
	<b>C. Cost Recovery (Deprec, Depletion, Amort.)</b>		263	167	168	179 280F
	Limits on luxury autos	280F				
	<b>D. Taxable and Nontaxable Sales and Exchanges</b>		1001	121	1031	1032 1033, 1202
	<b>E. Amount, Character of Gains &amp; Losses, and Netting</b>		1001	1211	1212	1221 1222
	<b>F. Related Party Transactions</b>	482				
	<b>G. Estate and Gift Taxation</b>	[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.

CPA EXAM SPECIFICATIONS. Effective July 1, 2011

<b>V.</b>	<b>Federal Taxation of Individuals (13% - 19%)</b>						
<b>A.</b>	<b>Gross Income</b>						
	1. Inclusions and exclusions	61-90	Income		101-152	Exclusions & Dep.	
	2. Characterization of income	1221	1222				
<b>B.</b>	<b>Report Items from Pass-Through Entities</b>						
			702	1366	652,662	Also Mutual Funds	
<b>C.</b>	<b>Adjustments and Deductions to Arrive at Taxable Income</b>						
					62	Ded for AGI	
<b>D.</b>	<b>Passive Activity Losses</b>						
		469		469(i)	Special \$25,000 deduction.		
<b>E.</b>	<b>Loss Limitations</b>						
		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		
<b>F.</b>	<b>Taxation of Retirement Plan Benefits</b>						
		401	401(k)	402	408	408A	409A
<b>G.</b>	<b>Filing Status and Exemptions</b>						
		2	File status		151-152	Exemption, Dep.	
<b>H.</b>	<b>Tax Computations and Credits</b>						
		1					
<b>I.</b>	<b>Alternative Minimum Tax</b>						
		55+					
<b>VI.</b>	<b>Federal Taxation of Entities (18% - 24%)</b>						
<b>A.</b>	<b>Similarities and Distinctions in Tax Treatment Among Business Entities</b>						
	1. Formation	351	701				
	2. Operation						
	3. Distributions 4. Liquidation						
<b>B.</b>	<b>Differences Between Tax and Financial Accounting</b>						
	1. Reconcile book income to tax. income	103	168,170	199	243	274(n)	1211, 12
	2. Disclosures under Schedule M-3						
<b>C.</b>	<b>C Corporations</b>						
	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		351				
	distributions		301	302	303	305	311, 336
	5. Earnings and profits		312	316	317		
	6. Consolidated returns		1501	1502	1561	Cont. Groups	
<b>D.</b>	<b>S Corporations</b>						
		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		351				
	and distributions		1368	Also:	311	336	
	5. Built-in gains tax (Godfrey-Passive Inc. tax)		1374	1375			
<b>E.</b>	<b>Partnerships</b>						
		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		705	722	742		
	basis of assets contributed to the partnership		723	743			
	3. Partnership and partner elections		703(b)				
	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		
<b>F.</b>	<b>Trusts and Estates</b>						
	1. Types of trusts						
	2. Income and deductions						
	3. Determination of beneficiary's share of taxable income						
<b>G.</b>	<b>Tax-Exempt Organizations</b>						
		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		