

THE PROFESSIONAL TAX PREPARER PROGRAM



Module I

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INTRODUCTION

Welcome to the newest edition of the Professional Tax Preparer course. Since 1979, Universal Accounting Center has provided quality training in bookkeeping and tax skills. We have helped thousands of people qualify for better-paying jobs and showed countless entrepreneurs how to become self-employed and take control of their careers.

The world of tax preparation is dynamic, exciting, and lucrative. The Professional Tax Preparer course is designed to teach you everything you need to know in order to handle the majority of everyday tax returns for individual taxpayers as well as most small businesses.

The **Professional Tax Preparer Program** provides clear explanations of the broadest range of basic tax concepts, with specific examples of how these concepts apply to real taxpayers. This program also includes hands-on practice with actual IRS tax forms, practical tips for tax professionals and their clients, and multiple-choice quizzes to test your knowledge.

Within that range of tax concepts, there are issues the course only mentions in passing, if at all. The tax code is so vast and complex it would be impossible to cover everything in a single course, even one that includes four volumes of materials and 10 hours of video training, and adequately address every tax rule that exists. This course was not intended—nor does it pretend—to be a one-stop, all-purpose tax encyclopedia. Instead, it covers the most important and common topics, and anyone who finishes our course should be able to complete, without much difficulty, 95% of the returns his clients will present.

Another key objective of this course is to help you understand how important research and study are in the tax profession, and what to do when a client presents a tax problem you've never encountered before.

There is an online test for every module in the tax course. We encourage you to login to the UA website, and create a testing account to measure your mastery of the material before proceeding to the next chapter. There is also a midterm, comprising questions from Modules I and II, as well as a final exam that covers all of the 1040 and business returns materials from Modules I through IV. To receive a certificate, a student needs to score 70 percent on the final exam. Students who pass the final exam with a score of 90 percent or better earn the PTP designation and become Professional Tax Preparers, entitled to use those initials on their resumes and business cards.

As mentioned previously, we feel it is very important for students to realize that doing research and using reference materials is a major aspect of professional tax work. We encourage you not to try to memorize everything you learn. Not only is the sheer volume of information likely to make that an impossible task, but a good deal of tax information is updated every year, so it is also a pointless one. For that reason, we specifically allow students to use their course materials when taking their online exams. While it is probably not possible to stop and look up every answer in a timed test, we do consider them “open book” tests.

Finally, we have also included a wealth of marketing and management advice in Module IV. Where other tax courses leave you to your own devices when it comes to translating your tax knowledge into an actual business, Universal provides practical and proven training in starting and maintaining a successful tax practice.

We'll show you how to effectively market yourself and develop a clientele. We'll help you price your service to maximize profits. We'll teach you comfortable interviewing techniques to ensure that you understand your clients' tax situations and prepare the most fair and accurate returns possible. Last, but not least, we'll unveil the secrets that will allow you to become an expert tax preparer, helping your clients claim every legal tax advantage, thus gaining their trust (and their repeat business), tax year after tax year.

In this course you will notice that we will sometimes refer to certain important terms by their abbreviations. Common ones include:

- IRS (Internal Revenue Service)
- IRC (Internal Revenue Code)
- SSN (Social Security Number)
- SSA (Social Security Administration)
- TIN (Taxpayer Identification Number)
- ITIN (Individual Taxpayer Identification Number)
- ATIN (Adoption Tax Identification Number)
- PIN (Personal Identification Number)
- AGI (Adjusted Gross Income)
- EIC (Earned Income Credit)
- AMT (Alternative Minimum Tax)
- MFJ (Married Filing Jointly)
- MFS (Married Filing Separately)
- HOH (Head of Household)
- QW (Qualifying Widow/Widower)
- IRA (Individual Retirement Account)
- SE (Self-Employment)

While we recognize that technically we could refer to taxpayers, dependents or others as “he or she” or “his or her,” for simplicity’s sake we will just use “him” or “his” when gender is not an issue.

You will notice that we use a variety of fonts and styles for course headings. This was intended to avoid a clum-sier numerical/alphabetical outline. The following are examples of the hierarchy we will follow throughout the course:

CHAPTER HEADINGS

...are centered and look like this.

Part Headings

...are primary levels, also centered, and look like this.

SECTION TITLES

...are secondary levels, left-aligned, and look like this.

Sub-Section Titles

...are tertiary levels, also left-aligned, and look like this.

Topic Headings will be on the same line, in the same font, as the information being described.

Examples of tax rules will look like this and use fictitious taxpayers to describe how the rules apply in real life.

We'd like to take this opportunity to thank you for putting your faith and future in our hands. We honestly believe that the Professional Tax Preparer course is not only the best tax training value on the market but the best tax training course of its kind, bar none. We are sure you will feel the same after completing the course.

So, if you're ready for the challenge, turn the page and let's begin this journey together. Welcome, indeed, to the dynamic, exciting, and lucrative world of tax preparation!

A word about the Tax Cuts and Jobs Act: At the end of 2017, Congress passed the Tax Cuts and Jobs Act, which makes substantial changes to the Internal Revenue Code as we have known it for many decades. Central to the many changes introduced by the TCJA is the fact that much of the Act has a built-in sunset provision, and will expire after eight years, or beginning December 31, 2017 and ending January 1, 2026. For all practical purposes, that means it will be in effect for tax years from 2018 to 2025.

Therefore, throughout the course we will not delete provisions that pre-date the TCJA and which will presumably be restored in 2026. Instead, we will include with them an explanation of the temporary TCJA rules under which tax professionals will be expected to work through 2025.

