The Professional Tax Preparer Program

Module III

Revised January 2019

Universal Accounting Center
Accounting Training Professionals
Since 1979

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INTRODUCTION

Welcome to the latest edition of the *Profitable Business Returns* course, also referred to as Module Three of the Professional Tax Preparer series. This course features tax law as it exists for the 2018 tax year (2019 tax preparation season).

This basic level course will train you in the preparation of the most common business returns including Schedule C, Form 1065, Form 1120, and Form 1120S. There are no pre-requisites needed before taking this course, although a person may wish to complete *Establishing the Tax Foundation* which provides training in Page 1 of the 1040 Form to prepare him or herself to complete the entire form.

This manual, together with the four DVD's, provides clear explanations of the broadest possible range of basic tax concepts associated with business tax returns. It includes specific examples of how these concepts apply to real taxpayers, as well as 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 not be possible to create a single course that could address every tax rule that exists. As a basic level course, it was not intended—nor does it pretend—to be a one-stop, all-purpose tax encyclopedia. Instead, it covers the most important and most common topics, and anyone who finishes this course should be able to complete returns for 95% of businesses without too much difficulty.

But at the end of the day, an equally important outcome of our training should be to help you understand how important research and study is in the tax profession, and what to do when a client presents a tax problem you've never encountered before. Each chapter of the *Profitable Business Returns* course contains dozens of references to Internal Revenue Service publications which can be readily obtained at your local IRS office, or easily accessed online at www.irs.gov.

At the end of this course, you are invited to take an online exam. Once you have completed the course, we encourage you to login to the UA website and create a testing account to measure your mastery of the material.

By the way, 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 exam. While it is not possible to stop and look up every answer in a timed test, we do consider them "open book" tests.

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)
- PIN (Personal identification number
- AGI (Adjusted gross income)
- EIC (Earned income credit)
- AMT (Alternative minimum tax)
- IRA (Individual retirement account)
- SE (Self-employment)

While it may be more technically correct when referring to taxpayers, dependents or others who may be of either sex as "he or she" or "his or her," for simplicity sake we will just use "him" or "his" when gender is not at issue.

You will notice that section headings in the course use a variety of fonts and styles. This was designed to avoid a clumsier 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.

SPECIAL NOTE TO CPE CANDIDATES

To qualify for Continuing Professional Education (CPE), a CPE candidate must have completed the course, including the final examination, within one year of date of purchase.

