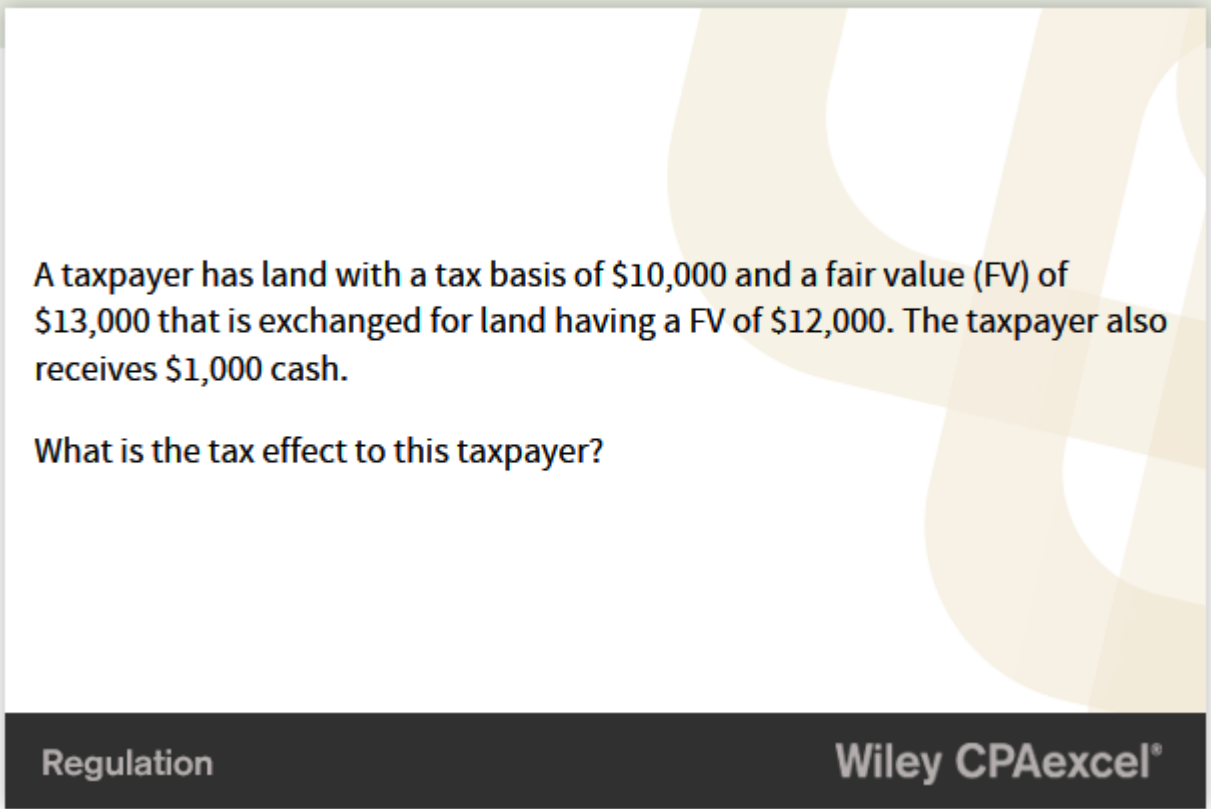



Change Log for *CPAexcel REG January 2019*

Date	Lesson and Content Identifier <i>(for example, Question ID)</i>	Change
2/28/19	Printed Flashcard: Federal Taxation of Property Transactions > Property Transactions > Like-Kind Exchanges and Involuntary Conversions > fc.like.exchange.001_2017	<p>Front:</p>  <p>A taxpayer has land with a tax basis of \$10,000 and a fair value (FV) of \$13,000 that is exchanged for land having a FV of \$12,000. The taxpayer also receives \$1,000 cash.</p> <p>What is the tax effect to this taxpayer?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>

		<p>Because this is a like-kind exchange where cash is also received, the taxpayer is taxed on the lesser of the boot received (cash of \$1,000) or the realized gain. The realized gain is the value received (\$13,000 or \$12,000 plus \$1,000) in excess of the tax basis surrendered (\$10,000). Thus, the realized gain is \$3,000. Because the boot received was less, the \$1,000 is the taxable (recognized) gain to the taxpayer.</p> <p>The \$2,000 remaining realized gain is postponed gain and is used to reduce the adjusted basis of the land received to \$10,000 (\$12,000 – \$2,000).</p> <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Individuals > Deductions > Deductions for AGI > FC1844	Front:

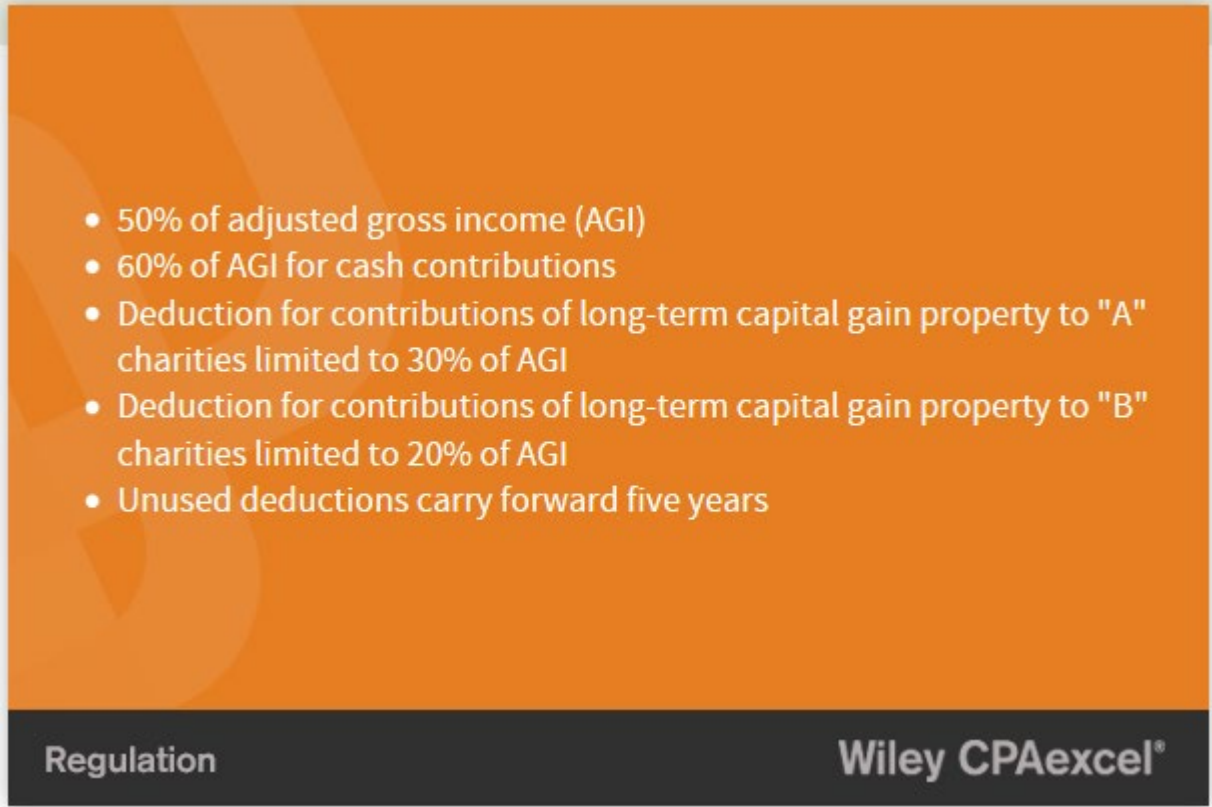
		<p>What common deductions are allowed "above the line" to arrive at adjusted gross income (AGI)?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <ul style="list-style-type: none"> • Alimony payments through 2018 • Trade or business • Rent or royalty expenses • Losses • 50% of self-employment tax • 100% of medical insurance for self-employed • IRA and Keogh contributions • Student loan interest • Classroom expenses for certain teachers <p style="text-align: center;">Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Individuals > Deductions > Itemized Deductions— Medical, Taxes, Interest > FC1891	Front:

		<p>How is the uninsured medical expense deduction calculated for 2018?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <p>Total medical expenses for taxpayer, spouse, and dependents reduced by 7.5% of adjusted gross income</p> <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Individuals > Deductions > Itemized Deductions— Other > FC1887	Front:

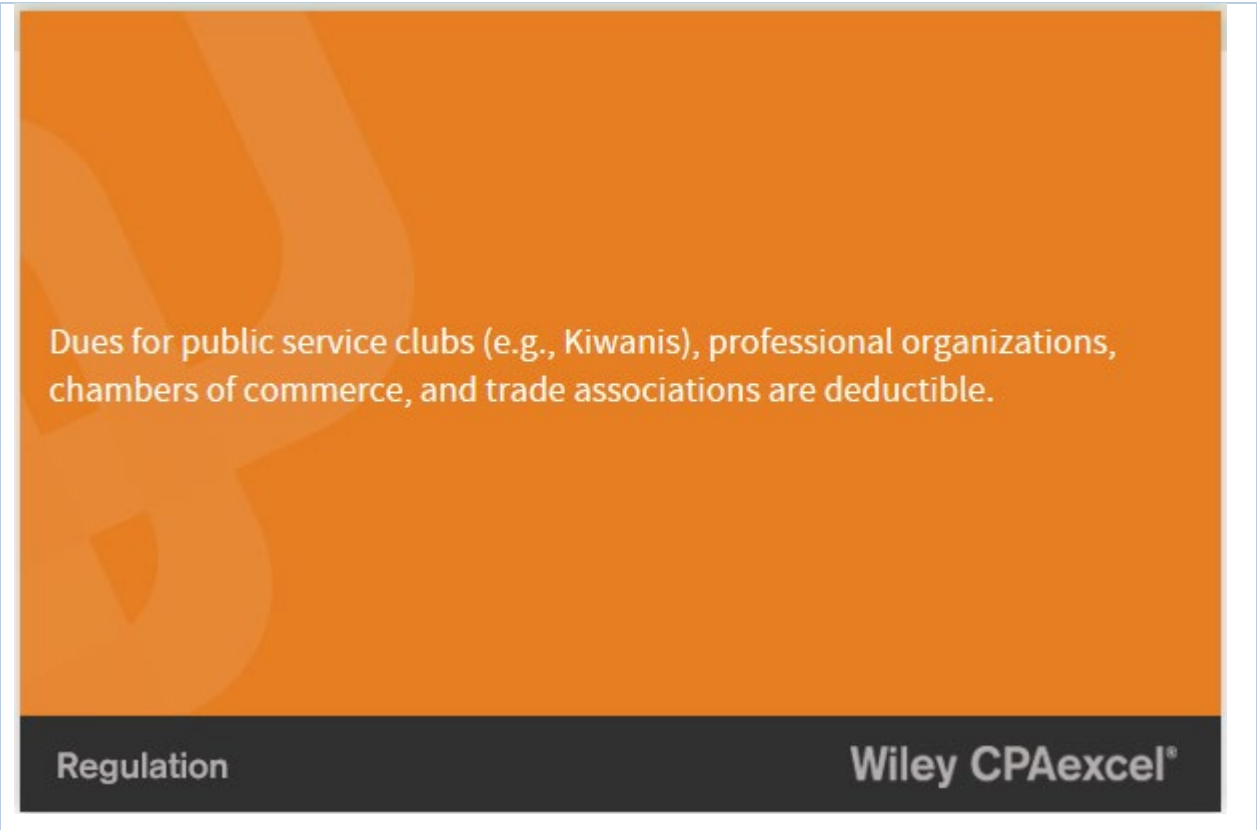
		<p>Describe the limits on charitable contributions for individuals.</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <ul style="list-style-type: none"> • 50% of adjusted gross income (AGI) • 60% of AGI for cash contributions • Deduction for contributions of long-term capital gain property to "A" charities limited to 30% of AGI • Deduction for contributions of long-term capital gain property to "B" charities limited to 20% of AGI • Unused deductions carry forward five years <p style="text-align: center;">Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Individuals > Deductions > Itemized Deductions— Other > FC4300	Front:


		<p>What deductions are subject to a 2% floor?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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2/28/19	Printed Flashcard: Federal Taxation of Individuals > Deductions > Business Expenses > FC1872	Front:

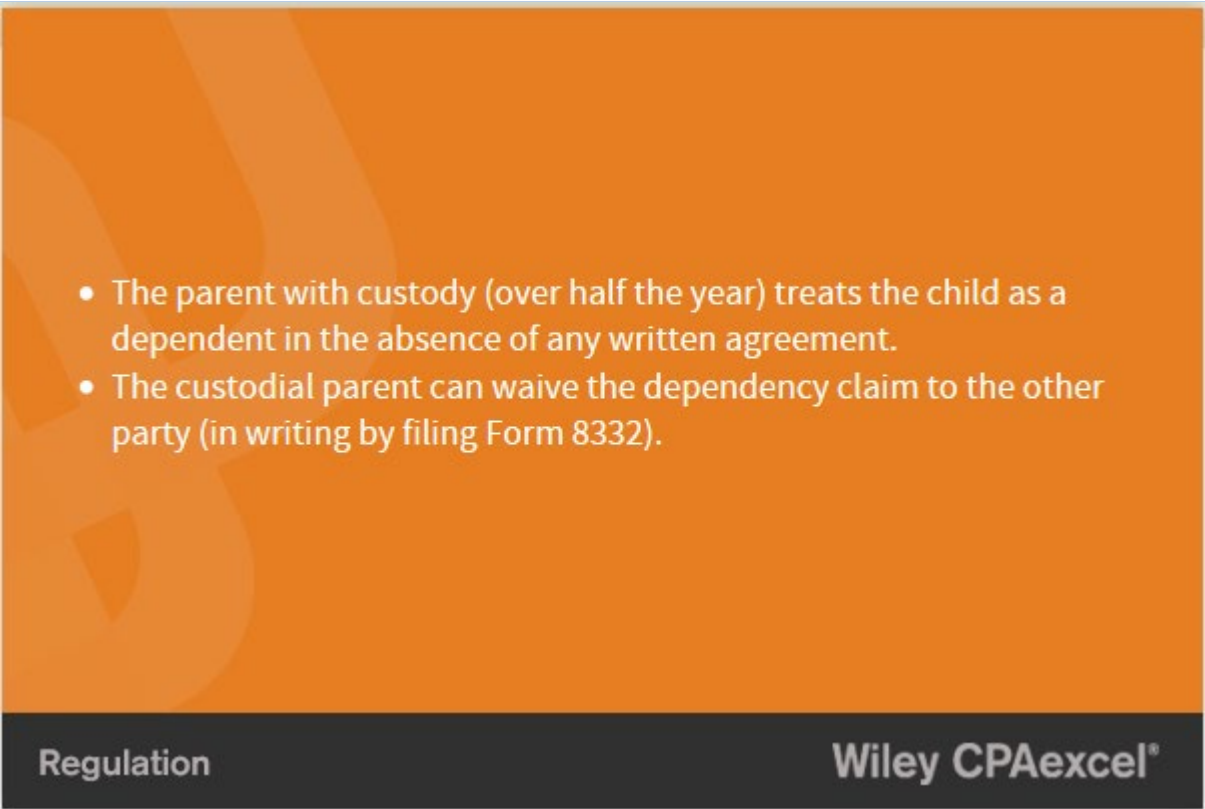
		<p>What type of membership dues can be deducted as a business expense?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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2/28/19	Printed Flashcard: Federal Taxation of Individuals > Individual Tax Issues > Tax Dependents > FC1893	Front:

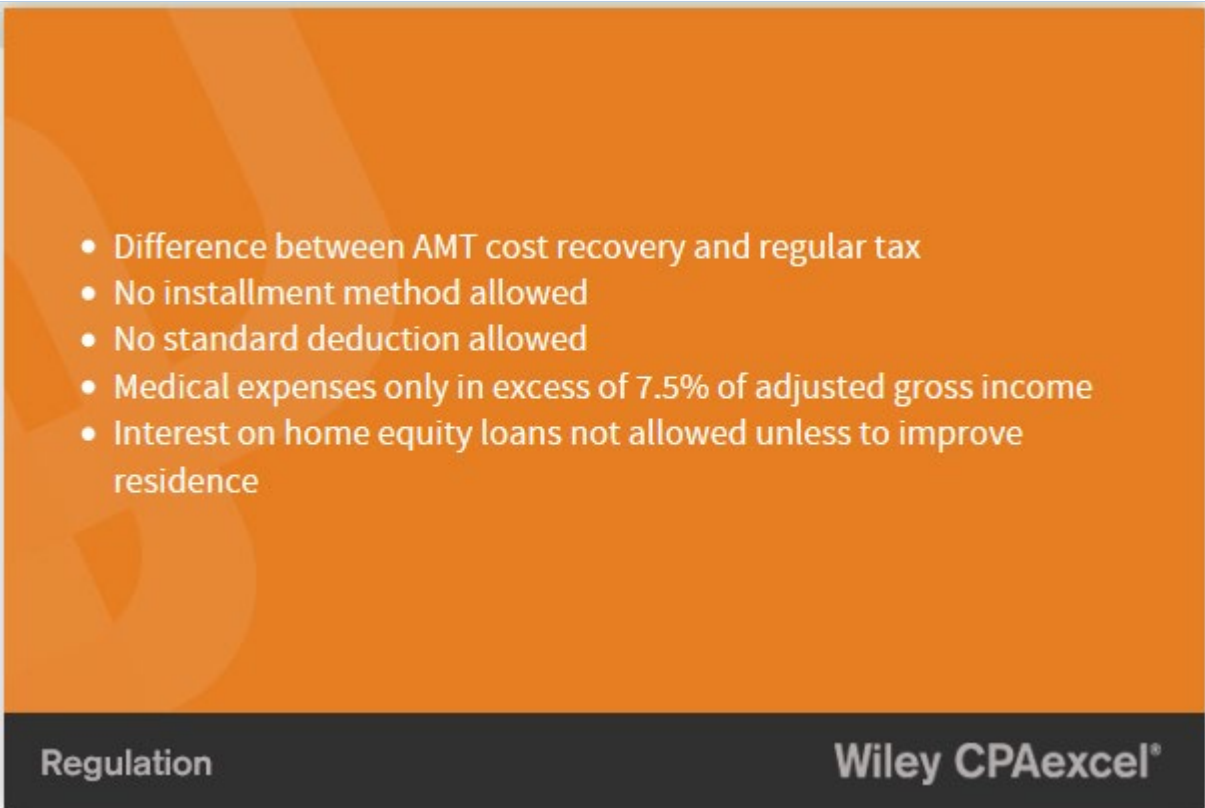
		<p>List the six tests for a child to qualify as a dependent.</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <p>1. Residence test 2. Age requirement 3. Relationship test 4. Marital test 5. Residency test 6. Not-self-supporting test</p> <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Individuals > Individual Tax Issues > Tax Dependents > FC1901	Front:

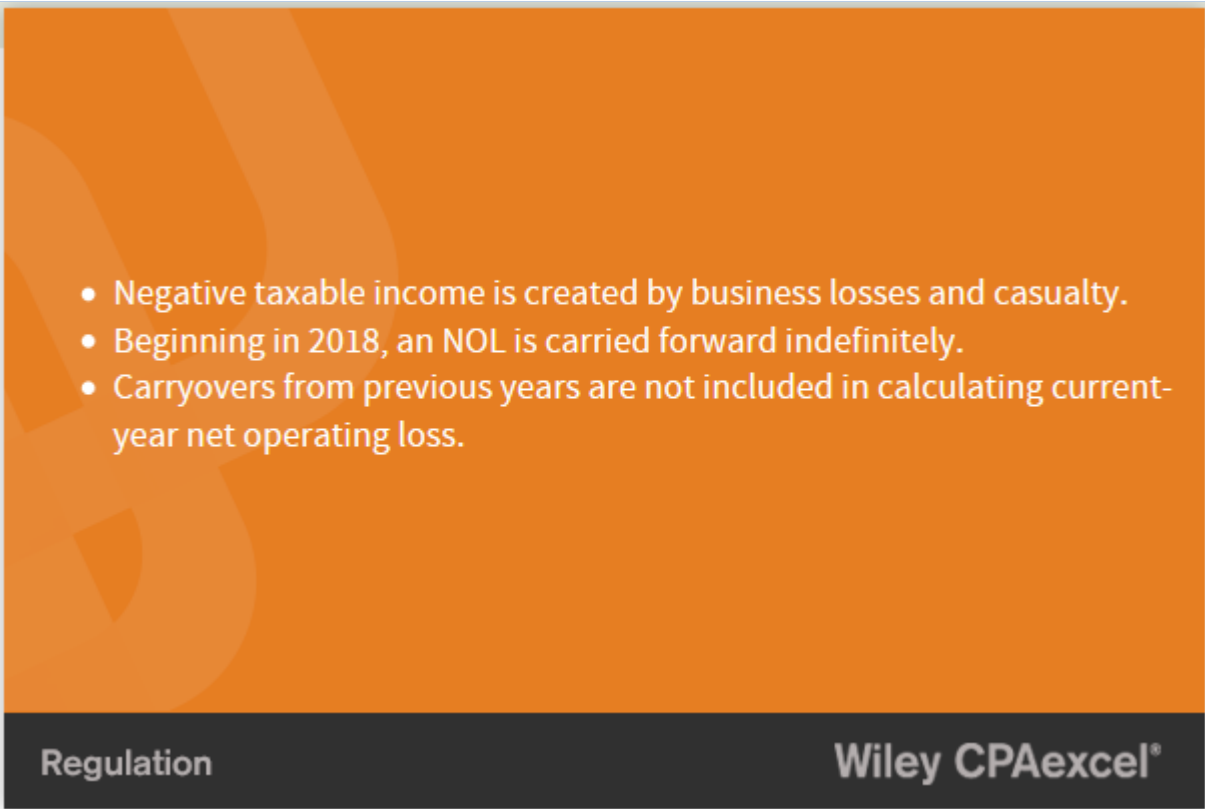
		<p>When parents are divorced, which parent is able to treat the child as a dependent?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <ul style="list-style-type: none">• The parent with custody (over half the year) treats the child as a dependent in the absence of any written agreement.• The custodial parent can waive the dependency claim to the other party (in writing by filing Form 8332). <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Individuals > Individual Tax Issues > Alternative Minimum Tax and Other Taxes > FC1923	Front:

		<p>Describe the adjustments for the alternative minimum tax (AMT).</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <ul style="list-style-type: none">• Difference between AMT cost recovery and regular tax• No installment method allowed• No standard deduction allowed• Medical expenses only in excess of 7.5% of adjusted gross income• Interest on home equity loans not allowed unless to improve residence <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Entities>Corporate Taxation>Corporate Income > FC2632	Front:


		<p>List the characteristics of a net operating loss.</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <ul style="list-style-type: none">• Negative taxable income is created by business losses and casualty.• Beginning in 2018, an NOL is carried forward indefinitely.• Carryovers from previous years are not included in calculating current-year net operating loss. <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Entities, Corporate Taxation> Special Corporate Deductions > FC2629	Front:

		<p>What is the dividends-received deduction when a corporation owns less than 20% of stock?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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2/28/19	Printed Flashcard: Federal Taxation of Entities>Corporate Taxation>Taxation of Related Corporations > FC2666	Front:

		<p>Describe the tax consequences of being a controlled group.</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		 <ul style="list-style-type: none">• Limited to one S. 179 deduction• One accumulated earnings credit• Intercompany losses treated as related-party sales <p>Regulation Wiley CPAexcel®</p>
2/28/19	Printed Flashcard: Federal Taxation of Entities>S Corporation Taxation>Distributions and Special Taxes > FC6751	Front:

		<p>What tax rate is applied to built-in gains income?</p> <p>Regulation Wiley CPAexcel®</p> <p>Back:</p>
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		<p>Highest statutory corporate income tax rate; currently 21%</p> <p>Regulation Wiley CPAexcel®</p>
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