

# Small Business Tax Review

## Learning Objectives/Table of Contents

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### Chapter

#### 1 C Corporations

**SB1-A** Review general rules and basic taxation principles of C corporations in order to determine the influencing factors of calculating taxes owed.

**SB1-B** Recognize different corporation ownership and transaction strategies including nontaxable and personal asset transfers and determining gains on small business stock.

**SB1-C** Apply the rules and regulations pertaining to income and expenses, earnings and profits, and shareholder wages and distributions, to tax planning sessions for clients with C corporations.

#### 2 S Corporations

**SB2-A** Apply the rules for formation and retention of S corporation status.

**SB2-B** Distinguish between ordinary business income and separately stated items flowing through an S corporation to S corporation shareholders.

**SB2-C** Identify the character of S corporation distributions and calculate taxable income and basis adjustments.

#### 3 Partnerships and LLCs

**SB3-A** Identify characteristics of the partnership business entity and classify business transactions.

**SB3-B** Compute the partner's outside basis in the partnership interest, and recognize the effect of changes in the partner's liabilities with regard to the partner's basis.

**SB3-C** Analyze the effect of partnership distributions on the taxable income and adjusted basis of the partner.

#### 4 Small Business Retirement

**SB4-A** Comply with rules for administering Simplified Employee Pensions (SEPs), Savings Incentive Match Plans for Employees (SIMPLEs), and qualified retirement plans.

**SB4-B** Compute maximum allowable employee elective deferrals and required employer matching contributions for retirement plans.

**SB4-C** Identify situations where penalties may apply for improper retirement plan funding and violations of nondiscrimination rules.

#### 5 Employee Health Benefits

**SB5-A** Analyze the tax benefits of employer-provided health benefit plans.

**SB5-B** Develop a plan for employer-provided health reimbursement arrangements (HRAs).

**SB5-C** Create an employer health care program by means of health savings accounts (HSAs).

#### 6 Business Credits

**SB6-A** Determine how to properly report certain general business credits and their corresponding tax form.

**SB6-B** Identify motor vehicle tax credits and determine when a taxpayer qualifies to take a motor vehicle tax credit.

#### 7 Estates, Trusts, and Fiduciaries

**SB7-A** Organize a decedent's tax information and file the proper forms following the death of a taxpayer.

**SB7-B** Classify income and expenses for estates and trusts, and report the items properly on the beneficiaries' tax returns.

**SB7-C** Analyze the effect of transfers of assets from decedents and the effect on the basis of property transferred.

## **8 Payroll and Labor Laws**

- SB8-A** Identify required payroll tax deposit dates, compute required amounts, and file the associated returns.
- SB8-B** Compute federal unemployment tax liability and identify situations where advance deposits must be made.
- SB8-C** Recognize situations where a trust fund recovery penalty may be applied and identify procedures necessary to avoid the penalties.

## **9 Choosing a Business Entity**

- SB9-A** Recognize a business plan and the different loan programs provided by the Small Business Administration and identify the variety of contracting methods used by the United States Government.
- SB9-B** Determine the similarities and differences between patents, trademarks, and copyrights, and who issues or registers each of these.

## **10 Exempt Organizations**

- SB10-A** Determine the appropriate tax form that needs to be filed on behalf of a tax-exempt organization.
- SB10-B** Identify the types of organizations that qualify for tax-exempt status.
- SB10-C** Identify the steps needed to apply for tax-exempt status, and what qualifies for unrelated business income tax (UBIT).