

***TTB Online CPE* — Introduction to Business Entities**

Learning Objectives/Table of Contents

Chapter

1 Business Entities

- 1-A** Determine basic characteristics of business activities.
- 1-B** Recognize types of federal taxes that may apply to business entities.
- 1-C** Identify the information provided by financial statements.
- 1-D** Analyze relevant factors used to determine whether an activity is a hobby or a for-profit business for purposes of deducting losses.
- 1-E** Identify transactions which may cause the IRS to question the integrity of the business's transactions.

2 Sole Proprietorships/Single-Member LLCs

- 2-A** Recognize the benefits available to a sole proprietor by hiring a family member.
- 2-B** Identify the proper form for computing net profit or loss from a sole proprietorship.
- 2-C** Determine adjustments to income available to self-employed taxpayers.
- 2-D** Identify the limitations for the business-use-of-home deduction.
- 2-E** Contrast the benefits of sole proprietorships and single-member LLCs.

3 Partnerships/Multi-Member LLCs

- 3-A** Recognize what business organization constitutes a partnership for tax purposes.
- 3-B** Discern the effect of reporting pass-through income by a partner.
- 3-C** Differentiate distributive share vs. guaranteed payments.
- 3-D** Identify partnership items that must be separately stated.
- 3-E** Recognize items that will increase a partner's basis in a partnership.

4 Corporations

- 4-A** Determine the limitations of corporate liability protection.
- 4-B** Recognize S-corporation-eligible shareholders.
- 4-C** Identify characteristics of C corporation taxation that differ from S corporation taxation.
- 4-D** Recognize traits common to both C corporations and S corporations.
- 4-E** Differentiate the benefits of an S corporation when compared to a partnership