

# ***The Tax Review* Self-Employed and Rental Activities**

## **Learning Objectives/Table of Contents**

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### **Chapter**

#### **1 Sole Proprietors**

- 1-A** Identify the requirements that must be met to take a deduction for business use of the home.
- 1-B** Apply the rules of the simplified method of calculating the business use of home deduction.
- 1-C** Determine the impact to Social Security tax and Social Security work credits when reporting business activities of spouses working as a joint venture.
- 1-D** Apply payroll tax exclusions for a family business that employs family members.
- 1-E** Identify the tax benefits of hiring a spouse as an employee.

#### **2 Business Deductions**

- 2-A** Identify a client's deductible business expenses using IRS per diem rates for meals and incidental expenses while traveling on business.
- 2-B** Identify the components needed for employer reimbursement of employee business expenses.
- 2-C** Apply the rules for deduction of meals and incidental expenses.
- 2-D** Identify deductible expenses and limits on losses of a farming operation.
- 2-E** Identify business start-up costs that would be eligible for amortization or for deduction as a current expense or capital loss.

#### **3 Depreciation**

- 3-A** Apply principles of cost segregation to maximize allowable depreciation deductions.
- 3-B** Determine if intangible property qualifies for amortization under Section 197.
- 3-C** Identify the tax treatment of Section 197 intangibles upon the purchase or sale of a business or assets of a business.
- 3-D** Identify the factors needed to calculate the annual depreciation deduction when passenger automobile limits apply.
- 3-E** Recognize the factors needed to calculate the inclusion amount for deducting expenses of a leased vehicle.

#### **4 Real Estate and Rental Activities**

- 4-A** Identify the tax treatment of rental payments.
- 4-B** Recognize deductible rental expenses.
- 4-C** Distinguish when depreciation on rental property begins and ends.
- 4-D** Recognize when losses from a rental activity are limited under passive activity rules.
- 4-E** Identify proper reporting of rental income and expenses when there is personal use of the property.