



Wolters Kluwer

# Self Employment Tax: Today's World of Sharing, LLCs & Tax Reform Course Instructions

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## Instructions to Participants

To assist the participant with navigating the learning process through to successful completion, this course has been produced with the following elements:

**Overview of Topics / Table of Contents:** In this electronic format you'll find a slide menu on the left side of the screen. This serves as your overview of topics for the program. You may navigate to any topic by clicking on the slide name.

**Definition of Key Terms / Glossary:** You'll find key terms defined for this program in the course information on the following page(s).

**Index / Key Word Search:** You can find information quickly in the PDF materials (slide handout plus any additional handouts) by using the search function built into your Adobe Reader.

**Review Questions:** Questions that test your understanding of the material are placed throughout the course. You'll see explanatory feedback pop up for each incorrect answer, and reinforcement feedback for the correct answer for every review question.

**Final Exam:** The final exam measures if you have gained the knowledge, skills, or abilities outlined in the learning objectives. You may submit your final exam at the end of the course. Exams are graded instantly. A minimum score of 70% is required to receive the certificate of completion. **You have one year from date of purchase to complete the course.**

**Course Evaluation:** Once you have successfully passed your online exam, please complete our online course evaluation. Your feedback helps Wolters Kluwer maintain its high quality standards!

## About This Course

This section provides information that is important for understanding the course, such as course level and prerequisites. Please consider this information when filling out your evaluation after completing the course.

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### Course Description

Self-employment (SE) tax has become a more frequent issue today. Every year we see court decisions involving LLCs as well as whether certain activities are businesses or hobbies. Short-term rentals, such as via Airbnb, may generate SE tax obligations. This webinar reviews the rules and issues regarding self-employment taxes and how to avoid problems.

### Learning Objectives

Upon successful completion of this course, participants should be able to:

- Identify when an individual is subject to self-employment tax
- Recognize COVID-19 tax changes relevant to self-employment tax
- Recognize due diligence steps to avoid problems in the SE tax area
- Identify the Medicare tax percent for self-employment income
- Recognize which IRS Form is used for purposes of calculating additional Medicare tax
- Identify the 2021 Social Security Wage Limit
- Recognize which referenced cases dealt with a blogger's ad revenue

### NASBA Field of Study

Taxes. Some state boards may count credits under different categories—check with your state board for more information.

### Course Level

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

### Prerequisites

None.

### Advance Preparation

None.

### Course Expiration

AICPA and NASBA Standards require all Self-Study courses to be completed and the final exam submitted within 1 year from the date of purchase as shown on your invoice. No extensions are allowed under AICPA/NASBA rules.

## Key Terms

- **Additional Medicare Tax:** The tax applies to the amount of wages, self-employment income and railroad retirement (RRTA) compensation that is more than a threshold amount.
- **AMT:** A supplemental income tax imposed by the United States federal government required in addition to baseline income tax for certain individuals, corporations, estates, and trusts that have exemptions or special circumstances allowing for lower payments of standard income tax.
- **Net Earnings/Self-Employment:** Gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by this subtitle which are attributable to such trade or business, plus his distributive share (whether or not distributed) of income or loss described in section 702(a)(8) from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary income or loss.
- **Old Age, Survivors, etc.:** Old Age, Survivors, and Disability Insurance Tax - Represents the money that employers collect that goes to the federal government in order to fund the Social Security program.
- **Self-Employment Income:** Net earnings from self-employment derived by an individual (other than a nonresident alien individual, except as provided by an agreement under section 233 of the Social Security Act) during any taxable year.
- **Self-Employment Tax:** The self-employed person's version of the tax paid by employers and employees for Social Security and Medicare, and it's due on your net earnings from self-employment.