



Wolters Kluwer

1040 Preparation and Planning 12: Figuring Tax Liability and Making Tax Payments (2023) 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.

Publication Date: September 2022

Course Description

This CPE course, which is the 12th and final course in the series, examines figuring tax liability and making tax payments. In addition to figuring taxable income, the course will walk through the computations for lump-sum distributions, figuring kiddie tax, and other tax computation issues. It also examines various ways in which tax liability is paid, through income tax withholding, estimated tax payments, and tax credits, as well as post-filing options. The course reflects changes made by the Consolidated Appropriations Act, 2022, the Inflation Reduction Act of 2022, and other tax legislation, IRS pronouncements, and court decisions. This course brings the tax preparer "up-to-speed" in preparing 2022 tax returns for the 2023 filing season.

Learning Objectives

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

- Figure taxable income
- Determine whether to use the Tax Table or Tax Computation Worksheet to figure the tax
- Determine whether Schedule D, a separate worksheet, or Schedule J is necessary to figure the tax
- Figure special tax computations for lump-sum distributions
- Figure the kiddie tax
- Determine the sources of income tax withholding
- Complete the schedule for estimated tax payments
- Figure estimated tax installments and when to make payments
- List tax credits treated as tax payments
- List post-filing options for paying outstanding taxes
- Identify through what year the deduction for the personal and dependency exemptions used to reduce taxable income were suspended
- Identify over how many years taxpayers who earn their income from farming or commercial fishing can elect to figure the tax on this portion of their income by using special averaging

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

- **Alternative Minimum Tax:** A separate tax system that requires some taxpayers to calculate their tax liability twice—first, under ordinary income tax rules, then under the AMT—and pay whichever amount is highest.
- **Kiddie Tax:** A tax law imposed on individuals under 19 or 24 years of age whose unearned income surpasses an annually determined threshold.
- **Self-Employment Tax:** A separate tax to cover Social Security and Medicare taxes. Individuals subject to the self-employment tax must attach a separate Schedule SE to their income tax return.