



Wolters Kluwer

1120-S Preparation and Planning 2: Business Income, Deductions and Tax Payments (2023 Edition) Course Instructions

Author: Barbara Weltman, Sidney Kess

Copyright © 2022 CCH CPELink



NASBA - Sponsor number: 103021

Wolters Kluwer, CCH is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State Boards of Accountancy have the final authority on the acceptance of individual course for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.nasbregistry.org.

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 course reviews S corporation income tax return preparation. In this course, you'll learn to correctly report trade or business deductions on Form 1120S, identify when an S corporation may be subject to income tax, describe estimated tax requirements, and more.

Learning Objectives

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

- Correctly report gross receipts and inventory (including the cost of goods sold) on Form 1120S
- Recognize what other income is included in trade or business income
- Correctly report trade or business deductions on Form 1120S
- Describe built-in gains tax issues
- Identify when an S corporation may be subject to Income tax
- Describe estimated tax requirements
- Identify when income becomes taxable
- Identify on what line compensation of officers is reported on
- Identify an example of a deductible tax for an S Corporation
- Identify what percent of the dividends-received deduction is allowed to be claimed by an S corporation
- Identify the deduction that is not claimed on the corporate level but passes through to shareholders

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

1120S Preparation and Planning 1: Tax Fundamentals

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

- **Capital Loss:** The loss incurred when a capital asset, such as an investment or real estate, decreases in value.
- **C Corporation:** Refers to any corporation that is taxed separately from its owners. A C corporation is distinguished from an S corporation, which generally is not taxed separately.
- **Liquidation:** The process of selling off assets to repay creditors and distributing the remaining assets to the owners.
- **Safe Harbor:** A provision of a statute or a regulation that specifies that certain conduct will be deemed not to violate a given rule.
- **S Corporation:** A closely held corporation (or, in some cases, a limited liability company (LLC) or a partnership) that makes a valid election to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code.
- **Tax Benefit Rule:** A rule that states that if tax was reduced by a deduction claimed for an expense in a prior year that was recouped in the current year, that recoupment must now be reported as income on the current year's return.