



Wolters Kluwer

# Preparing Form 1065: Part 2

## 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:** December 2022

### Course Description

The IRS has made important changes to the 2022 Form 1065. We'll present a comprehensive course on preparing Form 1065, including in-depth treatment of the important new changes.

In the second part of a two-part Form 1065, experienced tax practitioner and instructor Greg White, CPA, will provide a detailed discussion on how to complete Form 1065 and apply new rules that are crucial to preparing partnership tax returns.

### Learning Objectives

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

- Identify partnerships that are able to elect out of the CPAR (centralized partnership audit regime)
- Recognize how to report self-employment earnings for LLC members
- Identify partnership clients that are eligible to elect out of the dangerous new IRS audit rules for partnerships (CPAR)
- Identify how to streamline Form M-3 reporting for some partnerships

### 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

- **Cash Method:** Method of recording accounting transactions for revenue and expenses only when the corresponding cash is received, or payments are made.
- **Disregarded Entity:** Refers to a business entity with one owner that is not recognized for tax purposes as an entity separate from its owner.
- **Form 1065:** An information return used to report the income, gains, losses, deductions, credits, etc., from the operation of a partnership.
- **General Partner:** A member of a business partnership who has unlimited liability for debts incurred by the business.
- **Limited Liability Company: (LLC)** - A corporate structure whereby the members of the company are not personally liable for the company's debts or liabilities.
- **Limited Partner:** A partner in a company or venture whose liability towards its debts is legally limited to the extent of their investment.
- **Partnership:** A type of business organization in which two or more individuals pool money, skills, and other resources, and share profit and loss in accordance with terms of the partnership agreement.
- **QBID: (Qualified Business Income Deduction)** - Provides for a qualified business income deduction of up to 20% of qualified business income, applied at the individual level, and subject to certain limitations.
- **Rental Income:** The amount of money collected by a landlord from a tenant or group of tenants for using a particular space.
- **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.
- **Section 179:** Section 179 of the United States Internal Revenue Code allows a taxpayer to elect to deduct the cost of certain types of property on their income taxes as an expense, rather than requiring the cost of the property to be capitalized and depreciated.
- **Self-Employment Tax:** The imposed tax that a small business owner must pay to the federal government to fund Medicare and Social Security.