



Wolters Kluwer

# Schedule C of Form 1040

## 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:** January 2023

### Course Description

Many self-employed or sole proprietors find themselves having to navigate Schedule C in reporting business income. While this attachment to Form 1040 seems straightforward on the surface, there are many traps for the unwary.

### Learning Objectives

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

- Identify the appropriate taxpayers who should be filing Schedule C
- Recognize how to differentiate between the cash and accrual method, and the correct period in which taxpayers must recognize income and/or deductions
- Recognize how to develop a working knowledge of related issues; such as reporting the deduction of self-employed health insurance, employment taxes, home office deductions, and proper reporting of employee/independent contractor salaries, and retirement contributions
- Describe types of typical deductions, such as advertising, utilities, supplies, etc.
- Recognize how to determine the methods of deducting the cost of a company car
- Identify how to apply the rules, such as Section 179 or bonus depreciation, which permit the immediate expensing of some or all of the cost of certain assets

### 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:** An accounting method that recognizes revenues and expenses at the time cash is received or paid out.
- **Constructive Receipt:** An accounting term that requires an individual or business to pay taxes on income despite the fact that the money has not yet been received in actuality.
- **Qualified Business Income:** Ordinary, non-investment income of the business.
- **(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.
- **Schedule C:** An IRS form which provides the profit or loss from a business.
- **Sole Proprietorship:** A type of enterprise that is owned and run by one person and in which there is no legal distinction between the owner and the business entity.