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Course Information

Course Title: *Pass-Through Business Deduction*

#496724

Recommended CPE credit hours for this course

In accordance with the standards of the CFP Board, the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

CFP® 1 CFP Board sponsor number: 1008.

EA/OTRP 2 IRS: Qualified Sponsor number: *FWKKO*.

CPA 2 Accepted in all states.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE .51 PSR

Pennsylvania Board of Accountancy: PX 178025

Texas State Board of Accountancy: 009349

Course Description

The Tax Cuts and Jobs Act (P.L. 115-97), enacted Dec. 22, 2017, created, under §199A, a new deduction for up to 20% of qualified business income (QBI) from partnerships, limited liability companies (LLCs), S corporations, trusts, estates, and sole proprietorships for tax years beginning after Dec. 31, 2017. However, determining the §199A deduction amount and availability is a very complex multi-step process that may phase out some or all of the deduction.

In the face of this complexity, the text provides a selected overview of the basic components of this below-the-line deduction. Qualified business income, taxpayer's taxable income, wage/capital limit, specified services trade or businesses, and other key

components are not only defined and calculated but their interaction is demonstrated and exemplified.

Course Content

Publication/Revision Date: 3/19/2024.

Author: Danny Santucci, J.D.

Final exam (online): Fifteen questions (multiple-choice).

Program Delivery Method: Self-Study (NASBA QAS Self-Study/interactive)

Subject Codes/Field of Study

NASBA (CPA), CFP Board of Standards, Inc.: Taxes.

IRS (EA, OTRP): Federal Tax Law.

NAPFA: Taxes

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: CFP Board: Intermediate; NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Instructions for Taking This Course

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
- **You must complete this course within one year** of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- **Log in to your secure account at www.bhfe.com. Go to "My Account."**
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Assignment & Objectives

As a result of studying the assigned materials, you should be able to meet the objectives listed below.

ASSIGNMENT

At the start of the materials, participants should identify the following topics for study:

- * Deduction amount
- * Wage/capital limit
- * Qualified business income
- * Qualified trade or business
- * Specify service trade or business
- * De minimis regulatory rule
- * Domestic business

Learning Objectives

After reading the materials, participants will be able to:

1. Recognize §199A's limited effective time period, its complex calculation process and the general exclusions, limits, and restrictions applicable to the provision.
2. Determine the §199A deduction amount, the type of W-2 wages used in calculating the wage/capital limit and specify how the limit impacts the amount and availability of the deduction.
3. Identify qualified business income and loss, its basic components and the ability of a taxpayer to aggregate businesses in its determination.
4. Recognize the specified services trade or business exclusion, the listed excluded services and the important exceptions provided by the regulatory de minimis rule. Identify a domestic trade or business.

Notice

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Passthrough Business Deduction

Section 199A Selected Overview

By
Danny C. Santucci

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