

Annual Federal Tax Refresher (AFTR) Course Outline (For Preparation of 2022 Individual 1040 Tax Returns)

Domain

1 – New Tax Law/Recent Updates*

- 1.1 Annual inflation and cost of living adjustments (Rev. Proc. 2021-45; Rev. Proc. 2021-25; Notice 2021-61)
- 1.2 New standard mileage rates (Notice 2022-03)
- 1.3 Third Party Network Transactions (Form 1099-K) change in reporting requirement to greater than \$600
- 1.4 3-yr repayment of COVID-19 related distributions from retirement accounts now on Form 8915-F (replacing Form 8915-E)
- 1.5 Adjustment for charitable cash contributions for nonitemizers has not been extended
- 1.6 Current status of tax extenders:
 - 1.6.1 Credit for non-business energy property has not been extended
 - 1.6.2 Itemized deduction for mortgage insurance premiums has not been extended
 - 1.6.3 Exclusion of cancellation of debt income from qualified principal residence indebtedness extended through 2025

Domain 2 – General Review

- 2.1 Taxability of earnings (e.g., wages, salaries, tips)
- 2.2 Schedule B: interest, dividends, foreign accounts and trusts
- 2.3 Reporting and taxability of retirement income (Social Security benefits, pensions, annuities, 401(k) distributions)
- 2.4 IRAs (contributions, deductions, distributions and 10% penalty)
- 2.5 Reporting and taxability of unemployment compensation
- 2.6 Alimony (divorce agreements executed before 2018; executed after 2018; and modified after 2018)
- 2.7 Reporting and taxability of Form 1099-K, Payment Card and Third-Party Network Transactions
- 2.8 Schedule C, Profit or Loss from Business (Sole Proprietorship)
 - 2.8.1 Determination of gross income & deductions
 - 2.8.2 Business versus hobby
 - 2.8.3 Business use of home (regular vs. simplified method)
 - 2.8.4 Recordkeeping requirements
 - 2.8.5 Entertainment expenses (100% of business meals deductible)
 - 2.8.6 Section 179 expense limits
 - 2.8.7 Depreciation
 - 2.8.7.1 Bonus depreciation
 - 2.8.7.2 Luxury auto depreciation limits
 - 2.8.7.3 Listed property updates
- 2.9 Schedule D and Form 8949, overview of capital gains and losses
- 2.10 Standard Deduction
- 2.11 Schedule A, Itemized deductions
 - 2.11.1 Medical and dental expenses
 - 2.11.2 State and local tax deduction (\$10,000 married/\$5,000 married filing separate)
 - 2.11.3 Home mortgage interest and home equity loans
 - 2.11.4 Charitable contributions
 - 2.11.4.1 60% AGI limit for cash contributions
 - 2.11.4.2 Contemporaneous written acknowledgement required for \$250 or more
 - 2.11.5 Federally declared disaster area casualty loss deduction (including loss deduction for non-itemizers)
 - 2.11.6 Moving expense deduction suspended and reimbursement taxable (except active military)
 - 2.11.7 Recordkeeping and documentation of deductions
- 2.12 Tax credit eligibility (child tax credit, credit for other dependents, child and dependent care tax credit, education tax credits, earned income tax credit)
- 2.13 Overview Topics
 - 2.13.1 Tax treatment of the acquisition and disposition of virtual currency (Notice 2014-21)
 - 2.13.2 Alternative Minimum Tax (AMT) - exemption/phaseout amounts
 - 2.13.3 QBI deduction (including Form 8995 and Form 8995-A)

- 2.13.4 Kiddie Tax
- 2.13.5 Section 529 Plans
- 2.13.6 Achieving a Better Life Experience (ABLE) account
- 2.13.7 Cancellation of student debt (when to exclude from income)
- 2.13.8 Net operating loss (NOL)
- 2.13.9 Premium Tax Credit
- 2.13.10 Employee fringe benefits
- 2.13.11 Depreciation of rental property
- 2.14 Withholding and estimated tax payments
- 2.15 Balance due and refund options
- 2.16 Tax return due dates and filing for extensions

Domain 3 – Practices, Procedures and Professional Responsibility

- 3.1 Tax-related identity theft (Pub. 5199)
- 3.2 Safeguarding taxpayer data (Pub. 4557)
- 3.3 Overview and expiration of Individual Taxpayer Identification Numbers (ITINs) (Notice 2016-48)
- 3.4 Preparer penalties (cost of living adjustments to penalty amounts found in Rev. Proc. 2021-45)
- 3.5 Tax preparation due diligence (for filing as head of household, earned income tax credit, child tax credit, and American opportunity tax credit)
- 3.6 E-file requirements (e.g., no pay stub filing, when to get signature form, timing for handling rejects)
- 3.7 Annual Filing Season Program Requirements (Pub. 5227)
 - 3.7.1 Circular 230 and consent to Circular 230 rules**
 - 3.7.2 Limited representation

**Any new tax law enacted after publication of this outline may be voluntarily incorporated into the course. If the topic is required to be taught per the AFTR outline, you should test on the most current/accurate material you presented in the course.*

***Please remind course participants to go into their PTIN account and sign the Circular 230 Consent statement in order to participate in the Annual Filing Season Program. For steps on how to complete the consent, see the instructional video in the upper right corner of the Annual Filing Season Program web page on IRS.gov at: <https://www.irs.gov/Tax-Professionals/Annual-Filing-Season-Program>*