

Domain 1: Preliminary Work and Taxpayer Data 14 Questions

1.1. Preliminary work to prepare tax returns

- Use of prior years' returns for comparison, accuracy, and carryovers for current year's return
- Taxpayer personal information (e.g., date of birth, marital status, dependents, identity protection PIN, state issued photo ID)
- Residency status and/or citizenship (e.g., , visas, green cards, resident alien or non-resident alien, ITIN)
- Filing requirements and due date
- Taxpayer filing status
- Sources of worldwide taxable and non-taxable income (e.g., interest, wages, business, sales of property, dividends, rental income, flow-through entities, alimony received)
- Sources of applicable exclusions and adjustments to gross income (e.g., foreign earned income exclusion, retirement plans, HSAs, alimony paid, health insurance, self-employment tax)
- Sources of applicable deductions (e.g., itemized, standard)
- Qualifications for dependency
- Sources of applicable credits (e.g., education, foreign tax, child and dependent care, credit for other dependents, child tax credit)
- Sources of tax payments and refundable credits
- Previous IRS correspondence with taxpayer
- Additional required returns to be filed, and taxes paid (e.g., employment, gifts, international information returns, and other information returns)
- Special filing requirements (e.g. foreign income, presidentially declared disaster areas, injured spouse)
- Foreign account and asset reporting (e.g., **FBAR, Form 8938**)
- Minor children's unearned income ("Kiddie" tax)
- ACA requirements (e.g., , total household income, premium tax credit, household size)

Domain 2: Income and Assets 17 Questions

2.1. Income

- Taxability of wages, salaries and other earnings
- Interest Income (e.g., taxable and non-taxable)

- Dividends and other distributions from mutual funds, corporations, and other entities
- Personal property rental
- Gambling income and allowable deductions (e.g., Form W-2G, documentation)
- Tax treatment of cancellation of debt (e.g., Form 1099C, foreclosures, insolvency)
- Tax treatment of a U.S. citizen/resident with foreign income (e.g., tax treaties, Form 1116, Form 2555, Form 3520, Form 5471)
- Other income (e.g., scholarships, barter income, hobby income, alimony, non-taxable combat pay, unearned income, taxable recoveries, NOL, illegal income)
- Constructive receipt of income
- Constructive dividends (e.g., payments of personal expenses from a business entity)
- Passive income and loss
- Pass-through income (e.g., Schedule K-1, income, deductions, basis, qualified business income (QBI) items)
- Royalties and related expenses
- State/local income tax refund and other itemized deduction recoveries
- 1099 MISC, 1099 NEC, 1099 K reporting, irregularities, and corrections

2.2. Retirement income

- Basis in a traditional IRA (Form 8606)
- Comparison of and distributions from traditional and Roth IRAs
- Distributions from qualified and non-qualified plans (e.g., pre-tax, after-tax, rollovers, Form 1099R, qualified charitable distribution)
- Excess contributions and tax treatment (e.g., penalties)
- Penalties and exceptions on premature distributions from qualified retirement plans and IRAs
- Prohibited transactions and tax consequences
- IRA conversions and recharacterization (Form 8606)
- Required minimum distributions
- Loans from qualified plans
- Taxability of Social Security and Railroad Retirement benefits
- Inherited retirement accounts
- Foreign pensions and retirement income

2.3. Property, real and personal

- Sale or disposition of property including depreciation recapture rules and 1099A
- Capital gains and losses (e.g., netting effect, short-term, long-term, mark-to-market, virtual currency)
- Basis of assets (e.g., purchased, gifted or inherited)
- Basis of stock after stock splits and/or stock dividends (e.g., research, schedules, brokerage records)
- Publicly traded partnerships (PTP) (e.g., sales, dispositions, losses)
- Sale of a personal residence (e.g., IRC sec 121 exclusions)
- Installment sales (e.g., related parties, original cost, date of acquisition, possible recalculations and recharacterization)
- Options (e.g., stock, commodity, ISO, ESPP)
- Like-kind exchange
- Non-business bad debts
- Investor versus trader

2.4. Adjustments to Income

- Self-employment tax
- Retirement contribution limits and deductibility (e.g., earned compensation requirements)
- Health savings accounts
- Other adjustments to income (e.g., student loan interest, alimony, moving expenses for active military, write-in adjustments)
- Self-Employed Health Insurance

Domain 3: Deductions and Credits 17 Questions

3.1. Itemized deductions and QBI

- Medical, dental, vision, long-term care expenses
- Various taxes (e.g., state and local, personal property, real estate)
- Interest expense (e.g., mortgage interest, investment interest, tracing rules, points, indebtedness limitations)
- Charitable contributions (e.g., cash, non-cash, limitations, documentation required)
- Nonbusiness casualty and theft losses

- Other itemized deductions
- Itemized deductions for Form 1040-NR
- Qualified Business Income (QBI) deduction

3.2. Credits

- Child and dependent care credit
- Child tax credit and credit for other dependents
- Education credits
- Foreign tax credit
- Earned income tax credit (e.g., paid preparer's earned income credit checklist, eligibility and disallowance)
- Adoption credits (e.g., carryovers, limitations, special needs)
- ACA premium tax credit
- Other credits (refundable and non-refundable) (e.g., health coverage tax credit, energy credits, Retirement savings contribution credit)

Domain 4: Taxation 15 Items

4.1. Taxation

- Alternative minimum tax and credit for prior year
- Household employees
- Underpayment penalties and interest
- Self-employment tax
- Excess Social Security withholding
- Tax provisions for members of the clergy
- Tax provisions for members of the military
- Income in respect of decedent
- Net investment income tax
- Additional Medicare tax
- Uncollected Social Security and Medicare tax
- Other taxes (e.g., first time homebuyer credit repayment)

Domain 5: Advising the individual taxpayer 11 Questions

5.1. Advising the Individual Taxpayer

- Reporting obligations for individuals (e.g., 1099, bartering, cash)
- Property sales (e.g., homes, stock, businesses, antiques, collectibles)
- Education planning (e.g., lifetime learning credit, IRC section 529 plans)
- Estate planning (e.g., gift versus inheritance, trusts, family partnerships, charitable giving, long-term care, life insurance)
- Retirement planning (e.g., annuities, IRAs, employer plans, early retirement rules, required minimum distribution, beneficiary ownership, charitable distributions from an IRA)
- Marriage and divorce (e.g., divorce settlement, common-law, community property, alimony)
- Items that will affect future/past returns (e.g., carryovers, net operating loss, Schedule D, Form 8801, negative QBI carryover)
- Injured spouse
- Innocent spouse
- Estimated tax and penalty avoidance (e.g., mid-year estimated tax planning)
- Adjustments, deductions, and credits for tax planning (e.g., timing of income and expenses)
- Character of transaction (e.g., use of capital gain rates versus ordinary income rates)
- Advantages and disadvantages of MFJ/MFS/HOH filing statuses in various scenarios (e.g., joint and several liability)
- Conditions for filing a claim for refund (e.g., amended returns)
- Penalty of perjury

Domain 6: Specialized Returns for Individuals 11 Questions

6.1. Estate Tax

- Gross estate, taxable estate (calculations and payments), unified credit
- Jointly held property
- Marital deduction and other marital issues (e.g., portability election)
- Life insurance, IRAs, and retirement plans
- Estate filing requirements and due dates (e.g., Form 706: Form 1041)

6.2. Gift Tax

- Gift-splitting

- Annual exclusion
- Unified credit
- Effect on estate tax (e.g., Generation skipping transfer tax)
- Filing requirements (e.g., Form 709)

6.3. International Information Reporting

- Filing and reporting requirements and due dates (e.g., FBAR, Form 8938, Form 8865, Form 5471, Form 3520)
- Covered accounts (e.g., FBAR, Form 8938)
- Potential penalties (e.g., failure to file, underreporting, substantially incomplete, statute of limitations, reduction of tax attributes)
- Distinctions between FBAR and Form 8938 requirements

Domain 1: Business Entities and Considerations 30 Questions

1.1. Business Entities

- Sole proprietorships
- Partnerships and qualified joint ventures (QJV)
- Corporations
- S corporations
- LLCs
- Tax-exempt entities and associations
- Entity type default classifications and elections
- Employer identification number
- Accounting periods (tax year)
- Reporting requirements (e. g., Forms W-2, W-4, Form 1099)
- Hobby versus business determination and loss limitations

1.2. Partnerships

- Partnership income, expenses, distributions, and flow-through (e. g., self-employment income)
- Family partnerships
- Partner's dealings with partnership (e. g., exchange of property, guaranteed payments)
- Contribution of property and/or services to a partnership (e. g., partnership's basis, property subject to indebtedness)
- Basis of partner's interest
- Disposition of partner's interest
- Partnership formation (e. g., partnership agreement, general vs limited partners, capital contributions)
- Dissolution of partnership (e. g., sale, death of partner)
- Filing requirements, due dates, penalties, and audit notice requirements
- Partnership cancellation of debt
- Partnership level audit and opt-out

1.3. Corporations in general

- Filing requirements, due dates, and penalties

- Earnings and profits
- Shareholder dividends, distributions, and recognition requirements
- Special deductions and credits (e. g., dividends received deductions, charitable deduction)
- Liquidations and stock redemptions
- Accumulated earnings tax
- Estimated tax payments
- Corporate minimum tax credit

1.4. Forming a corporation

- Services rendered to a corporation in return for stock
- IRC section 351 exchange
- Transfer and/or receipt of money or property in addition to corporate stock
- Transfer of property subject to indebtedness
- Controlled groups
- Closely held corporations

1.5. S corporations

- Requirements to qualify (e. g., qualifying shareholders)
- Election procedure
- Income, expenses and separately stated items
- Treatment of distributions
- Shareholder's basis (e. g., loan basis, distributions and losses in excess of basis, services for stock)
- Revocation, termination and reinstatement
- Debt discharge

Domain 2: Business Tax Preparation 37 Questions

2.1. Business Income

- Gross receipts and other income
- Cost of goods sold (e. g., inventory practices, expenditures included, uniform capitalization rules)
- Net income/loss and at-risk limitations

- Cancellation of business debt

2.2. Business expenses, deductions and credits

- Officers and employees' compensation (e. g., deductibility, fringe benefits, rules of family employment, statutory employee, necessary and reasonable)
- Business rental deduction, including self-rentals
- Depreciation, amortization (start-up and organizational cost), **IRC section 179**, depletion, bonus depreciation, and correcting errors
- Business bad debts
- Business travel, meals, and gift expenses
- Vehicle use and expenses
- Interest expense
- Insurance expense
- Taxes (e. g., deductibility of taxes, assessments, and penalties; proper treatment of sales taxes paid, excise)
- Employment taxes
- Casualties, thefts, and condemnations
- Qualified business income(QBI) (e.g., SSTB, calculations, phase out, UBI)
- Eligibility and deductibility of general business credits (e. g., disabled access credit, R & D credit, small business healthcare tax credit, foreign tax credit)
- Net operating loss deduction
- Home office

2.3. Business assets

- Basis of assets
- Disposition of property or assets
- Like kind exchange
- Converted property
- Capitalization and repair regulations (e. g., elections)

2.4. Analysis of financial records

- Proper business type, the use of classification codes, and year to year comparison
- Income statement

- Balance sheet (e. g., proofing beginning and ending balances, relationship to income statement and depreciation)
- Method of accounting and changes (e. g., accrual, cash, hybrid, Form 3115)
- Depreciation recovery (e. g., recapture, IRC sec 280F)
- Pass-through activity (e. g., K-1, separately stated items, non-deductible expenses)
- Reconciliation of tax versus books (e. g., M-1, M-2, M-3)
- Related party activity
- Loans to and from owners

2.5. Advising the business taxpayer

- Reporting and filing obligations (e. g., extended returns and potential penalties, international information returns, Form 1099 series, Form 8300)
- Payments and deposit obligations (e. g., employment tax, excise tax)
- Record-keeping requirements (e. g., mileage log, accountable plans)
- Selection of business entity (e. g., benefits and detriments)
- Comingling (e. g., personal usage of business accounts, separation of business and personal accounts)
- Advice on accounting methods and procedures (e. g., explanation of requirements)
- Transfer of property in or out of the business
- Life cycle of the business (e. g., formation, dissolution)
- Type of industry (e. g., specified service business owners)
- Worker classification (e.g., independent contractor versus employee, outside sales, full-time versus part-time)
- Deductions and credits for tax planning (e.g., timing of income and expenses, NOL, depreciation versus IRC section 179 versus bonus depreciation)
- ACA compliance

Domain 3: Specialized Returns and Taxpayers 18 Questions

3.1. Trust and estate income tax

- Trust types (e. g., simple/complex, grantor, irrevocable, tax shelters, foreign)
- Distributable net income and accounting income
- Exclusions, exemptions, and deductions

- Fraudulent trusts
- Income (e. g., allocations, corpus versus income)
- Separately stated items (e.g., items reported on the K-1)
- Filing requirements, tax years, and penalties

3.2. Exempt organizations

- Qualifying for and maintaining tax-exempt status (e. g., IRC 501(c))
- Applying for IRS tax-exempt status (e. g., Form 1023, Form 1024)
- Filing requirements (e. g., Form 990 series)
- Unrelated business taxable income

3.3. Retirement plans

- Employer and employee contributions
- Reporting requirements
- Plans for self-employed persons (e. g., SEP and SIMPLE)
- Prohibited transactions
- Qualified and non-qualified plans
- Non-discrimination rules

3.4. Farmers

- Farm income (e.g., livestock, crop insurance proceeds, subsidies, patronage dividends, conservation payments)
- Depreciation for farmers
- Disaster-area provisions (e.g., drought, flood, other weather-related conditions)
- Farm rental (e.g., Form 4835)
- Farm tax computation (e.g., Schedule J, Schedule SE, estimated tax)

3.5 Rental Property

- Real estate professional qualifications
- Commercial rentals versus residential rentals
- Mixed used property/vacation home
- Passive loss limitation (e.g., special \$25,000 allowance, MAGI limits)
- Rental income (e.g., deposits, pre-paid rent, not rented for profit)

-Rental expenses (e.g., allocation between personal and rental, repair versus capitalized)

Domain 1: Practices and Procedures 26 Questions

1.1. Practice before the IRS

- What constitutes practice before the IRS
- Categories of individuals who may practice and extent of practice privileges

1.2. Requirements for Enrolled Agents

- Information to be furnished to the IRS
- Omission or error on return, document, or affidavit
- Rules for employing or accepting assistance from former IRS employees or disbarred/suspended persons
- Rules for restrictions on advertising, solicitation and fee information
- Rules regarding fees (e.g., contingent, unconscionable)
- Due diligence requirements
- Conflict of interest
- Rules for refund check negotiation
- Standards for written advice, covered opinions, tax return positions and preparing returns
- Continuing education requirements
- Enrollment cycle and renewal
- Rules for prompt disposition of matters before the IRS
- Rules for returning a client's records and documents
- PTIN requirements
- Practitioner supervisory responsibilities

1.3. Sanctionable acts

- Incompetence and disreputable conduct
- Sanctions imposed by the Office of Professional Responsibility
- Frivolous submissions (returns and documents)
- Fraudulent transactions (e.g., badges of fraud)

1.4. Rules and penalties

- Assessment and appeal procedures for preparer penalties
- Types of penalties (e.g., negligence, substantial understatement, overvaluation)

- Furnishing a copy of a return to a taxpayer
- Signing returns and furnishing identifying numbers
- Keeping copies or lists of returns prepared
- Employees engaged or employed during a return period (e.g., IRC section 6060)
- Preparer due diligence penalties

Domain 2: Representation before the IRS 25 Questions

2.1. Power of attorney

- Purpose of power of attorney
- Signature authority (e.g., extension of assessment period, closing agreement)
- Authority granted by taxpayer
- Limitations on signing tax returns on behalf of taxpayer
- Proper completion of power of attorney (Form 2848)
- Alternate forms of power of attorney (durable)
- Rules for client privacy and consent to disclose
- Distinctions between power of attorney (Form 2848) and tax information authorization (Form 8821)
- Requirements to be met when changing or dropping representatives or withdrawal of representative
- Purpose of a Centralized Authorization File (CAF) number
- Conference and practice requirements (Publication 216)

2.2. Building the taxpayer's case-Preliminary work

- Identification of tax issue(s) with supporting details
- Potential for criminal aspects
- Competence, expertise, and time to handle issue
- Conflict of interest in regards to representation
- Transcripts from IRS (e.g., access to and use of e-services)

2.3. Taxpayer financial situation

- Taxpayer's ability to pay the tax (e.g., installment agreements, offer in compromise, currently not collectible)

- General financial health (e.g., bankruptcy, lawsuits, garnishments, cash flow, assets, and insolvency)
- Third-party research (e.g., property assessment for taxes, asset values, state and local tax information)
- Discharge of the tax liability in bankruptcy
- IRS Collection Financial Standards

2.4. Supporting documentation

- Financial documents and expense records (e.g., cancelled checks or equivalent, bank statements, credit card statements, receipts, brokerage records)
- Legal documents (e.g., birth certificate, divorce decrees, lawsuit settlements)
- Prior and subsequent tax returns
- Other substantive and contemporaneous documentation (e.g., corporate minutes)
- Business entity supporting documents (e.g., partnership agreement, corporate bylaws)

2.5. Legal authority and references

- Internal Revenue Code and income tax regulations
- Revenue rulings and revenue procedures
- Case law
- IRS forms, instructions, and publications
- Private letter ruling
- Internal Revenue Manual
- Authoritative versus non-authoritative source material
- Tax treaties

2.6. Related issues

- Statute of limitations
- Post-filing correspondence (e.g., math error notices, under-reporting notices)
- Deadlines and timeliness requirements
- Third-party correspondence (e.g., witness communications, employment records)
- Freedom of Information Act (FOIA) requests
- Tax avoidance vs tax evasion
- Tax return disclosure statements

- Taxpayer Advocate Service (e.g., criteria for requesting assistance)
- Taxpayer identity Theft
- Judicial levels of representation beyond the scope of EA representation

Domain 3: Specific Areas of Representation 20 Questions

3.1. Representing a taxpayer in the collection process

- Extension of time to pay (e.g., **Form 1127**)
- Installment agreements
- Offer in compromise
- Collection appeals program (e.g., denial of installment agreements, discharge applications)
- Collection appeals and due process (e.g., lien, levy, and **Form 12153**)
- Adjustments to the taxpayer's account (e.g., abatements and refund offsets)
- Requesting an audit reconsideration (e.g., documents and forms)
- Representing a decedent
- Collection notice and Notice of Federal Tax Lien
- Levy and seizure of taxpayer's property
- Currently Not Collectible (e.g., reasons and reactivation)
- IRS Collection Summons (e.g., purposes)
- Collections statute of limitations
- Trust fund recovery penalty
- Amended returns and claims for refund (e.g., **Form 1040X**, **Form 843**, effect on statute of limitations)
- Passport revocation

3.2. Penalties and/or interest abatement

- Penalties subject to abatement
- Basis for having penalties abated or refunded
- Basis for having interest abated or refunded
- Interest recalculation
- Procedures for requesting abatement

3.3. Representing a taxpayer in audits/examinations

- IRS authority to investigate
- Limited practitioner privilege (e.g., **IRC section 7525**)
- Verification and substantiation of entries on the return
- IRS authority to fix time and place of investigation
- Steps in the process (e.g., initial meeting, submission of IRS requested information)
- Interpretation and analysis of revenue agent report (RAR) (e.g., 30-day letter)
- Interpretation and analysis of CP-2000 notice and correspondence audits
- Explanations of taxpayer options (e.g., agree or appeal)
- Taxpayer's burden of proof

3.4. Representing a taxpayer before appeals

- Right to appeal Revenue Agent findings
- Request for appeals consideration (e.g., preparation, elements contained)
- Enrolled Agent appearance at appeals conference
- Settlement function of the appeals process
- Issuance of 90-day letter

Domain 4: Filing Process 14 Questions

4.1. Accuracy

- Reliance on software (e.g., review of results)
- Miscalculations and recognition of duplicate entries

4.2. Record maintenance

- Length of time to retain returns and records
- Data security (e.g., electronic, systems, paper)

4.3. Electronic filing

- Application process to be an e-file provider (e.g., e-services, EFIN)
- E-file mandate and exceptions (**Form 8948**)
- Advertising standards
- Definition and responsibilities of an ERO
- Levels of infractions
- Compliance requirements to continue in program

- EFIN revocation appeal process
- E-file authorization and supporting documentation (e.g., Form 8879 and Form 8453)
- Rejected returns and resolution (e.g., client notification, IP PIN)