American Recovery and Reinvestment Act of 2009

Course Description

This course focuses on key tax provisions enacted under the \$800 billion American Recovery and Reinvestment Act of 2009 by analyzing tax issues affecting individuals and businesses contained in this first installment of President Obama's massive economic and recovery agenda. Individual provisions include a new "making work pay" tax credit, an AMT patch, a sales tax deduction, tax credits for education and first-time homebuyers and enhanced tax benefits for energy efficient improvements to homes. Business provisions include the treatment of such issues as extended bonus depreciation, a limited five-year net operating loss carryback period, small business expensing and capital gains, estimated tax payments, and COBRA coverage. In addition, the course discusses new energy incentives and changes made to former energy regulations.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam guestion will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 4 (CPA, EA) **Category:** Taxation

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

Lesson 1: American Recovery & Reinvestment Act of 2009

- Recognize the individual tax provisions of the American Recovery and Reinvestment Act of 2009 ("Act") by:
 - **a.** Identifying the "Making Work Pay' tax credit, the economic recovery payment to Social Security and SSI recipients and the EITC;

- **b.** Listing Act modifications to the 2008 Stabilization Act child tax credit provisions, the Hope credit (renamed the American Opportunity tax credit), tuition saving accounts, the homebuyer tax credit and the low-income housing tax credit; and
- c. Showing how to account for and compute 2009 unemployment compensation taxation, allowable qualified motor vehicle deductions, and 2009 individual AMT exemption amounts.
- Outline the business tax provisions of the American Recovery and Reinvestment Act of 2009 ("Act") by:
 - **a.** Naming three changes to the bonus depreciation provision (§168(k)), listing dollar caps for vehicles, and identifying a special election for corporations;
 - **b.** Defining extended §179 expensing, revised net operating loss provisions; estimated tax payments for small businesses, category additions to the work opportunity credit, and employer-provided transit and vanpool benefits under the Act;
 - c. Recognizing the impact of Congress's legislative response to Notice 2008-83, the new cancellation of indebtedness income election, the §1202 small business stock percentage exclusion, the reduced holding period for §1374 assets and the new markets tax credit; and
 - **d.** Stating the new COBRA requirements, delayed implementation 3% government contractor withholding and expand the definition of industrial development bonds.
- **3.** Identifying the energy provisions of the American Recovery and Reinvestment Act of 2009 ("Act") by:
 - **a.** Listing the tax benefits, limitations, and requirements of credits for energy property (specifically including solar electric and water heating property), alternative fuel refueling property, electric drive motor vehicles, renewable energy production, and advanced energy manufacturing projects.
 - **b.** Stating when an investment tax credit can be taken in lieu of the production tax credit; and
 - **c.** Showing the differences between prior law and the Act's expanded program for clean renewable energy bonds and qualified energy conservation bonds.