

Selected Business Expenses

Course Description

Business expenses are the costs of carrying on a trade or business, and they are usually deductible if the business is operated to make a profit. This mini-course reviews various expenses that businesses may deduct and the requirements that must be met for those expenses to qualify for deduction. Furthermore, practitioners can use this as a guide to determine which of their clients' taxes are deductible as business expenses.

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 question will be provided.

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

CPE Credits: 2 (CPA, EA)

Category: Taxation

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

Lesson 1: Selected Business Expenses

1. Cite the elements of the §162 and the limitations imposed by the not-for-profit provisions noting how these elements and restrictions impact business deductions such as cost of goods sold, leases, taxes, loan points, and interest expense.
2. Determine the corporate dividends received deduction, identify the cost allocation on the business use of a residence and specify casualties, thefts and research costs in the context of business deductions under §162.
3. Recognize the various methods of amortization for business startup, organizational costs, and §179 intangibles with the cost depletion methods used on natural resources.
4. Identify depreciation rules related to ACRS and MACRS, and cite the elements of the business bad debt provisions under §166.