

S Corporations

Course Description

In this course, the intricacies of setting up and terminating an S corporation are detailed and taxation is discussed. The numerous advantages and disadvantages of this entity are identified to help practitioners determine whether the S corporation is most suitable for their clients. Eligible domestic corporations can avoid double taxation by electing to be treated as an S corporation under the rules of Subchapter S. Subchapter S provides an optional method of corporate taxation and allows small business corporations to elect unusual tax treatment. The S corporation is taxed like a partnership, but in other respects, S corporations are taxed like C corporations.

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: 3 (CPA, EA)

Category: Taxation

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

Lesson 1: S Corporations

1. Recognize a client's potential use of the S corporation format and its tax advantages and disadvantages, naming the requirements for an S corporation election, identifying eligible S corporation shareholders, specifying the one-class-of-stock regulations, and determining the ways an S corporation election can be terminated.
2. Identify the concepts of S corporation taxation by:
 - a. Recognizing the application of passive income taxation, accumulated adjustments accounts, built-in gains, net operating losses, tax preference items, and potential capital gains taxes,
 - b. Determining a shareholder's stock basis from capitalization and loan activity,
 - c. Specifying the related party rules including their impact on deductions, available fringe benefits, and tax forms to use when filing as an S corporation.