

Auto Rules

Course Description

Operating costs for vehicles used in the course of a taxpayer's business are deductible. Thus, when taxpayers use their vehicles in their businesses or employment, they can deduct that portion of the cost of operating their vehicle. Such costs that can be deducted are property taxes that are paid on their vehicle if deductions are itemized on Schedule A. This mini-course reviews apportionment of personal and business use, the actual cost method and the standard mileage method, and expensing. Moreover, this presentation informs practitioners about topics such as the benefits and costs of leasing versus owning, and working condition fringe benefits.

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)

Field of Study: Taxes

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

Lesson 1: Auto Rules

1. Recognize tax vehicle depreciation (Section 168) and expensing (Section 179) methods including their requirements and limitations under MACRS and recognize basis, business use and deduction computations.
2. Specify the predominate business use rule recognizing the result of less than 50% qualified business use, cite the pros and cons of auto leasing and determine how to estimate monthly lease payments indicating what factors affect payments so clients may recognize leasing costs and know common leasing terms.
3. Identify items included under the standard mileage method listing items that may be separately deducted, determining the taxable fringe benefit value of an employer provided automobile using the general and special valuation methods and specify several qualified non-personal use vehicles noting what reporting standards apply.