

# Federal Income Tax Changes – 2020

## Course Description

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Each year, various limits affecting income tax preparation and planning change. Some changes commonly occur each year as a result of inflation indexing, while others occur because of new legislation or the sunset of existing law. This course will examine the tax changes that took effect as a result of passage of the Tax Cuts and Jobs Act of 2017 (TCJA) and the inflation-changed limits effective for 2020 that are more significant from the perspective of an income tax preparer. Some context will be supplied, as appropriate, to assist readers in understanding the changes.

**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:** 5 (CPA)

**Category:** Taxation

**Prerequisite:** None

**Advanced Preparation:** None

## Course Learning Objectives

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### Chapter 1

After reading this chapter, you should be able to:

1. Calculate the standard mileage deductions for –
  - a. Use of a personal vehicle to obtain medical care, and
  - b. Charitable use of a personal vehicle;
2. Identify the 2020 standard deduction amounts available to taxpayers;
3. Recognize the changes made to the alternative minimum tax exemption amount for 2020;
4. Apply the tax-free United States savings bond income limits for taxpayers who paid qualified higher education expenses in 2020; and
5. Calculate the tax-deductible premiums for and tax-free benefits received under qualified long-term care insurance contracts.

## **Chapter 2**

After reading this chapter, you should be able to:

1. Calculate the retirement savings contribution credit available to eligible taxpayers;
2. Recognize the rules and income limits applicable to eligibility for the earned income credit; and
3. Apply the adoption credit rules.

## **Chapter 3**

After reading this chapter, you should be able to:

1. Recognize updates to health flexible spending arrangement contribution limits;
2. Identify changes effective in 2020 relating to small business health care tax credit; and
3. Identify changes effective in 2020 relating to large employer shared responsibility provision.

## **Chapter 4**

After reading this chapter, you should be able to:

1. Recognize the eligibility rules applicable to Archer MSAs and HSAs;
2. Calculate the maximum contributions that may be made to an Archer MSA;
3. Apply the tax treatment rules to contributions to and distributions from Archer MSAs and HSAs;
4. Calculate the traditional IRA tax deduction available to a taxpayer who is an active participant in an employer-sponsored retirement plan; and
5. Recognize the MAGI limits that apply to a taxpayer's eligibility to make a Roth IRA contribution.

## **Chapter 5**

After reading this chapter, you should be able to:

1. Identify individual tax rate changes affecting taxpayers;
2. Recognize the changes made to the standard deductions available to taxpayers;
3. Calculate the alternative minimum tax;
4. Determine the amount of assets that may be passed tax-free at death.