

Accredited Tax Preparer (ATP) Exam Outline

Domain 1: Personal Income Taxation
Task 1: Taxable Entities – Determine the tax entity.
Knowledge of:
a. Taxable entities (e.g., individuals, partnerships, corporations [S&C], trusts, estates, nonprofits, limited liability companies)
Task 2: Determine the appropriate filing status of client.
Knowledge of:
a. IRS Publication 17 – Filing Status
Task 3: Report income as prescribed by U.S. tax law.
Knowledge of:
a. Income (e.g., compensation income, including fringe benefits, scholarships, fellowships, teaching stipends, interest, dividends, capital gains, taxable state and local refunds, alimony received)
b. Business income from self-employment and farming activities, rental activities, and pass-through entities
c. Other income (e.g., debt relief, gambling income, hobby income, prizes, jury duty), Social Security benefits, unemployment compensation, retirement distributions, and income exclusions (e.g., life insurance, disability, VA benefits)
Task 4: Determine adjustments to income to arrive at adjusted gross income.
Knowledge of:
a. Adjustments to income (e.g., educator expenses, alimony paid, self-employed health insurance, health savings account [HSA] deductions, Keogh/Self-employment plan [SEP]/individual retirement account [IRA] contributions, self-employment tax deduction, moving expense, penalty on early savings withdrawal, student loan interest, tuition and fees deduction, domestic production deduction)
Task 5: Determine the use of standard or itemized deductions.
Knowledge of:
a. Schedule A itemized deductions (e.g., medical expense, tax expense, interest expense)
b. Charitable contributions, miscellaneous deductions, gambling losses, unreimbursed employee expenses, casualty or theft, and limitation on Schedule A deductions
Task 6: Determine the taxpayer’s taxable income by subtracting itemized deductions and exemptions from adjusted gross income.
Knowledge of:
a. U.S. income tax – Form 1040 and instructions

Task 7: Determine if the taxpayer is subject to alternative minimum tax (AMT) or excess premium tax credit (ACA) repayment.

Knowledge of:

- a. IRS Forms 6251 and 8962 and instructions

Task 8: Determine reductions to income tax by using tax credits to reduce the taxpayer's tax liability (e.g., foreign tax credit, child and dependent care, education, retirement savings, child tax credit, energy credits).

Knowledge of:

- a. Forms 1116, 2441, 8863, 8880, 8812, and 5695, and instructions

Task 9: Determine additional taxes to calculate the proper income tax liability (e.g., self-employment tax, unreported Social Security and Medicare tax, additional retirement tax, household employment tax, first-time home buyer tax, net investment income tax).

Knowledge of:

- a. Schedules SE and H, and Forms 4137, 5329, 5405, 8959, and 8960, and instructions

Task 10: Apply payments and refundable credits to tax liability.

Knowledge of:

- a. IRS Publication 17 – Part Six (e.g., estimated tax and extension payments, withholding tax, credits [earned income credit (EIC), additional child tax credit, American opportunity tax credit, net premium tax credit], excess Social Security withheld)

Task 11: Determine net self-employment income.

Knowledge of:

- a. Accounting methods (tax code), depreciation and amortization, payroll, property basis for non-taxable exchanges, and Schedule C

Task 12: Determine income from real property rental activities, royalties, and K-1s (e.g., Partnerships, S corporations, estates, trusts, REMICs).

Knowledge of:

- a. Schedule E and instructions
- b. Passive Activity Loss Limitations Form 8582

Domain 2: Ethics and Procedures

Task 1: Determine best practices and procedures for tax professionals.

Knowledge of:

- a. Circular 230 and ACAT Code of Ethics