

2024 FALL TAX SCHOOL PROGRAM








I
TAX
SCHOOL

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TAX SCHOOL

Welcome to Fall Tax School!

Digital Versions of the *Federal Tax Workbook*

In addition to the printed workbook, you also have access to **digital versions of the *University of Illinois Federal Tax Workbook* (both 2024 and 2023 books)**. Simply login to your Tax School account at uofi.tax/login, scroll to 2024 Fall Tax School in your event list, and click on the 'Show/Hide Materials' button to access a PDF of the workbook and PowerPoint slides. These will remain in your Tax School account through December of next year.

Update Sheet

As the Fall Tax School season progresses, we continue to provide updates to the *Federal Tax Workbook* text and post them on our website. The Update Sheet is organized by page number and lists changes and updates to the workbook. The Update Sheet can be found electronically at uofi.tax/update.

Sponsored by:

College of Agricultural, Consumer, and Environmental Sciences

Department of Agricultural and Consumer Economics

University of Illinois at Urbana-Champaign



Our Instructors



Keith Baum, EA

Keith Baum, EA joined the Tax School in 2017 as an instructor and a reviewer for the *University of Illinois Federal Tax Workbook*. He graduated from the University of Illinois in Springfield in 2007 with a degree in accountancy, and after working for several firms, launched his own practice in 2014. His practice centers on tax preparation and taxpayer representation for individuals and small businesses. Keith is an NTPF Fellow. He is married and lives in his birthplace of Round Lake, Illinois.



Jerry Brune, CPA, EA

Jerry Brune, CPA, EA has been an instructor for the Tax School and has served as an author and reviewer for the annual *University of Illinois Federal Tax Workbook* since 1999. Jerry was employed as a revenue agent with the IRS for 31 years before retiring. Jerry has taught accounting and business taxation courses at Illinois Central College and the University of Illinois at Springfield, respectively. Jerry currently practices in Bolingbrook. His alma mater is St. Joseph's College in Rensselaer, Indiana.



Bob Rhea, EA

Bob Rhea, EA, has been associated with the Tax School since 2005 as an instructor and reviewer for the *University of Illinois Federal Tax Workbook*. Since 1984, he has assisted farm clients with accounting, tax, and consulting services in west-central Illinois through the University of Illinois FBFM program. He served as CEO of FBFM from 2019-2024 and is now an Advisor. Bob received his bachelor's degree from Western Illinois University and Master's degree from the University of Illinois. Bob resides in Camp Point; family includes his wife, Debbie, 3 children Tracy, Casey, Ashley, their spouses, and 7 grandsons.



**Catherine Riddick,
CPA, JD**

Catherine Riddick, CPA, JD has been associated with the Tax School since 2008 as an instructor and as an author and reviewer for the *University of Illinois Federal Tax Workbook*. She is a CPA and licensed attorney. She worked for one of the large CPA firms in the Chicago area for 10 years and has had her own CPA firm in Westchester, Illinois, since 1994. Catherine received a bachelor's degree from Old Dominion University in Norfolk, Virginia and a law degree from Washington and Lee University in Lexington, Virginia.

Resources, Tools, & Events

FREE Agricultural Issues Webinar

Remember—everyone who registers for Fall Tax School will be given a coupon code to attend an Agricultural Issues webinar at no cost. This webinar will provide 2 additional CPE credits.

Do not register for this webinar yet. You will receive an email with a coupon code and instructions for registering in early December. You will be able to choose from one of the following webinar dates/times.

Wednesday, December 11
2:00–4:00 p.m. Central Time

OR

Thursday, December 12
10:00 a.m.–12:00 p.m. Central Time

Visit uofi.tax/agissues to learn more.

U.S. Master Tax Guide at Discounted Price

We are pleased to offer the Wolters Kluwer CCH *U.S. Master Tax Guide* for just \$175, plus tax. The price includes shipping, which will begin in early 2025. There is no limit to the quantity you can order, but you do need to order before December 13 to guarantee this pricing and availability. Visit uofi.tax/usmtg for details and to place your order.



January 2025 Webinars

Save the date and watch your email for details and registration information for two webinars planned for 2025.

Get Ready for Filing Season

Thursday, January 23 at 2:00 p.m.

Illinois Update

Tuesday, January 28 at 10:00 a.m.



Tax School Facebook Group



Join our private Facebook group to network and ask questions of more than 4,100 other tax professionals. Simply visit facebook.com/groups/taxschool or search for 'Tax School Group' from your Facebook app.

Tax School Blog

You'll find current, relevant, and actionable information for your practice. Written by tax professionals, for tax professionals. Read new posts published weekly at uofi.tax/blog.

Federal Tax Workbook Archive

This free informational resources provides an archive of PDFs of prior year workbooks. Content from 1997-2022 is searchable and available for your reference and download at uofi.tax/arc.

2024 Reference Material

Did you know that we put together a reference document with rates, phaseout amounts, depreciation limits, interest rates, and more? It's available for download at uofi.tax/update.

Self-Study Courses

Looking to learn at your own pace? We have self-study courses worth 1 or 2 CPE credits each. Topics include:

- Basics of Partnership Taxation
- Deciphering IRS Pub. 225, *Farmer's Tax Guide*: Parts 1, 2, and 3
- Divorce
- Sale of a Tax Practice & Other Service Businesses
- Schedule E Activities
- Tax Issues Facing Aging Clients
- Trust Tax Returns—A Primer to Get You Started
- Written Information Security Plans (WISP) and Protecting Client Data **NEW!**

Learn more about each course at taxschool.illinois.edu/self-study.

Give Us Your Feedback

You will receive an email with a link to an evaluation for today's Fall Tax School event. Thank you in advance for taking the time to fill it out. Your feedback is invaluable as we look to improve our events going forward.

CPE Information

- Attendance for each full day earns 8 CPE credits (6.5 for MCLE).
- In accordance with the Illinois MCLE Board standards, MCLE credits are based on a 60-minute hour. All other agencies grant credit based on a 50-minute hour.
- There is no fee for us to file credits with the IRS, but we must have your PTIN on file.
- There is a nominal prepayment fee required for all other filings and we must have your accompanying identification number on file in order to complete the filing.
- The IRS and IL Division of Insurance do not recognize partial hours of credit. Consequently, Tax School must round partial credit hours down when submitting to those agencies.
- Per CFP Board requirements, attendees requesting CFP credit must attend the seminar in its entirety to receive any credit. There is no partial credit allowed.
- CPE certificates are sent via email approximately 2-3 weeks after Fall Tax School concludes.

In-Person

- To obtain CPE or MCLE credit, **attendance cards must be given to Workshop Leaders at the end of each day.** Do not leave your card on the table or ask a colleague to turn it in for you—such cards are voided and no credit will be awarded. Credit is awarded based on arrival and departure times.

Online

- CPE credit is calculated based on time in session PLUS engagement with polling questions. You must be logged in for 50 minutes (60 minutes for MCLE) and answer 3 polling questions for each credit earned.

CPE Accreditation



The University of Illinois Tax School is registered with the National Association of State Boards of

Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417. Website: [nasba.org](https://www.nasba.org).



The Tax School has been approved as an IRS Continuing Education Provider.

Tax preparers should always look for IRS approved providers when fulfilling their continuing education requirements. Visit [irs.gov/taxpros/ce](https://www.irs.gov/taxpros/ce) for more information.

Learning Activities

Chapter 7: IRS Update Offers in Compromise

Fill in the blank.

1. Taxpayers may consider an _____ to settle the balance due for a reduced amount.
2. The objectives of the OIC program include obtaining what can reasonably be collected at the earliest possible time with the least _____ to the government.
3. To be eligible for an OIC, taxpayers must have filed all required _____ returns.
4. The IRS provides a _____ tool to help determine whether a taxpayer qualifies for an OIC.
5. The prequalifier tool requires no personally identifiable _____ about the taxpayer.
6. Form _____ is used to apply for an OIC if the application is based on doubt as to collectability.
7. The IRS may accept an OIC application on the basis of doubt as to collectability, doubt as to liability, or the best interest of effective _____ administration.
8. Taxpayers applying for an OIC must submit information that allows the IRS to evaluate their financial ability to make _____.
9. The IRS uses _____ standards to calculate the taxpayer's ability to pay delinquent taxes.
10. Taxpayers can appeal a rejected OIC within _____ days of the date on their rejection letter.

**Answer keys
for activities
can be found at
uofi.tax/update.**

Chapter 9: Small Business Issues

Retirement Update

Draw a line to match each term on the left with its most appropriate description on the right.

**SECURE
2.0 Act**

Allows employers to make contributions to a retirement plan on behalf of employees making student loan payments

**Plan startup
cost credit**

A retirement plan option for employers with automatic enrollment and no employer contributions

EACA

Allows employers to make after-tax contributions to employees' Roth account

QACA

Increases the credit for small employer retirement plan startup costs to 100% of qualified costs

**Roth
contributions**

An arrangement that applies a default contribution percentage uniformly to all employees

**Student loan
matching**

An arrangement with "safe harbor" provisions that allow the plan to pass annual nondiscrimination testing

**Starter
§401(k) plan**

Legislation that made significant changes to retirement provisions to incentivize saving for retirement

Chapter 5: Partners Terminating Their Interest in a Partnership

**Schedule K-1
(Form 1065)**

Department of the Treasury
Internal Revenue Service

2023

For calendar year 2023, or tax year

beginning / / 2023 ending / /

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

651123

Final K-1 Amended K-1

OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	14	Self-employment earnings (loss)
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked <input type="checkbox"/>
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)	20	Other information
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		
22	<input type="checkbox"/> More than one activity for at-risk purposes*		
23	<input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

Part I Information About the Partnership													
A	Partnership's employer identification number												
B	Partnership's name, address, city, state, and ZIP code												
C	IRS center where partnership filed return:												
D	<input type="checkbox"/> Check if this is a publicly traded partnership (PTP)												
Part II Information About the Partner													
E	Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)												
F	Name, address, city, state, and ZIP code for partner entered in E. See instructions.												
G	<input type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member												
H1	<input type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner												
H2	<input type="checkbox"/> If the partner is a disregarded entity (DE), enter the partner's: TIN _____ Name _____												
I1	What type of entity is this partner? _____												
I2	If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>												
J	Partner's share of profit, loss, and capital (see instructions):												
	<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>%</td> <td>%</td> </tr> <tr> <td>Loss</td> <td>%</td> <td>%</td> </tr> <tr> <td>Capital</td> <td>%</td> <td>%</td> </tr> </tbody> </table>		Beginning	Ending	Profit	%	%	Loss	%	%	Capital	%	%
	Beginning	Ending											
Profit	%	%											
Loss	%	%											
Capital	%	%											
	Check if decrease is due to: <input type="checkbox"/> Sale or <input type="checkbox"/> Exchange of partnership interest. See instructions.												
K1	Partner's share of liabilities:												
	<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Nonrecourse</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Qualified nonrecourse financing</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Recourse</td> <td>\$</td> <td>\$</td> </tr> </tbody> </table>		Beginning	Ending	Nonrecourse	\$	\$	Qualified nonrecourse financing	\$	\$	Recourse	\$	\$
	Beginning	Ending											
Nonrecourse	\$	\$											
Qualified nonrecourse financing	\$	\$											
Recourse	\$	\$											
K2	Check this box if item K1 includes liability amounts from lower-tier partnerships <input type="checkbox"/>												
K3	Check if any of the above liability is subject to guarantees or other payment obligations by the partner. See instructions <input type="checkbox"/>												
L Partner's Capital Account Analysis													
	Beginning capital account \$ _____												
	Capital contributed during the year \$ _____												
	Current year net income (loss) \$ _____												
	Other increase (decrease) (attach explanation) \$ _____												
	Withdrawals and distributions \$ (_____)												
	Ending capital account \$ _____												
M	Did the partner contribute property with a built-in gain (loss)? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach statement. See instructions.												
N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)													
	Beginning \$ _____												
	Ending \$ _____												

For IRS Use Only

Partnership Termination Word Search

Words can be found in any direction (including diagonals) and can overlap each other. Use the word bank below.

W B W L Q G C S Q L U K F R G O K B I J
D W A B I G H P V D L J E J C G T A N I
S F I Y F A I Y S H R C P Y L N G S V W
X D C R T V R R P Y A J I C W R J I E C
O Q G A C G V J G P V W N U E U I S N A
K G V T J D L G T D D O A X C T B L T P
T M P N O P N U S C I S L K N E A B O I
N K A U O O R I F T W H L R O R G W R T
E S R L E E P S A A C H O B I L A Y Y A
M R T O A P D N Z D N O C Y T A N O Z L
N V N V C R I Y G C Q T A R P N O E O A
O F E N I M S T A K F A T L M I I P O C
D Q R I R A H I I B C S I L E F T F B C
N C G E G M G L N S F S O I D L A Z C O
A R T B J D L I A M B E N W E R D Q T U
B M W P F M O B S J V T W D R K I P Y N
A F I A D R B A G Z D L N O O L U N J T
G Y C U D Q T I P Q K K P O V V Q B J K
X I E I G S P L J H L D Y G N R I N Y E
U L W O B G N I X I M K J V T Y L R Z Z

Word Bank

termination	gain	IRD	allocation	capital account
liquidation	DRO	QBID	mixing bowl	involuntary
final return	basis	goodwill	inventory	liability
partner	recapture	hot asset	abandonment	redemption

Chapter 2: Individual Taxpayer Issues

NIIT

Fill in the below numbers for the two scenarios.

Scenario 1: Taxpayers filing MFJ with interest income of \$3,500 and AGI of \$280,000

Scenario 2: Taxpayer filing single with interest income of \$3,500 and AGI of \$201,500.

	Scenario 1	Scenario 2
NII	_____	_____
AGI	_____	_____
Threshold	_____	_____
NIIT	_____	_____

Chapter 6: Installment Sales

For each statement, put a checkmark in the column to note whether the statement is true or false.

	True	False
1 An installment sale cannot be used when property is sold at a loss or if the sale is an item considered to be inventory.		
2 The nature of the gain as short-term or long-term is determined at the time of sale, not when the payments are received.		
3 A taxpayer is free to use whatever interest rate they wish in an installment agreement (including 0%) without repercussions from the IRS.		
4 The reportable gain each year is the gross profit percentage multiplied by the principal payments on the installment agreement.		
5 If the property sold was used in a trade or business or rental activity, the gain reported is shown on Form 4797 instead of Form 6252.		
6 Use of the installment sale method is mandatory.		
7 Depreciation recapture is reported in full in the year of sale.		
8 If the taxpayer repossesses the property after making an installment sale, the taxpayer is required to report the remainder of the gain in the year of repossession.		

In-Person Agendas

Day 1

8:15 a.m.	Introduction
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8:20 a.m.	New Developments
-----------	------------------

9:10 a.m.	IRS Update
-----------	------------

10:00 a.m.	Break
------------	-------

10:10 a.m.	Small Business Issues
------------	-----------------------

11:25 a.m.	Rulings and Cases
------------	-------------------

12:00 p.m.	Lunch (on your own)
------------	---------------------

1:00 p.m.	Planning for the Sunset of the TCJA
-----------	-------------------------------------

2:15 p.m.	Questions/Answers
-----------	-------------------

2:45 p.m.	Break
-----------	-------

3:00 p.m.	Ethics
-----------	--------

4:45 p.m.	Adjourn
-----------	---------

Day 2

8:15 a.m.	Introduction
-----------	--------------

8:20 a.m.	Form 1099 Issues for Various Taxpayers
-----------	--

9:20 a.m.	Partnership Terminations
-----------	--------------------------

10:20 a.m.	Break
------------	-------

10:30 a.m.	Partnership Terminations, continued
------------	-------------------------------------

11:00 a.m.	Divorce
------------	---------

12:00 p.m.	Lunch (on your own)
------------	---------------------

1:00 p.m.	Partners Terminating Their Interest in a Partnership
-----------	--

2:20 p.m.	Break
-----------	-------

2:35 p.m.	Individual Taxpayer Issues
-----------	----------------------------

3:30 p.m.	Installment Sales
-----------	-------------------

4:20 p.m.	Questions/Answers
-----------	-------------------

4:45 p.m.	Adjourn
-----------	---------

Champaign

Nov. 5, 6

Palatine

Nov. 7, 8

Effingham

Nov. 12, 13

Online Agendas

Day 1 Mornings Only

Nov. 19

8:00 a.m.	Introduction
-----------	--------------

8:05 a.m.	New Developments
-----------	------------------

8:55 a.m.	Break
-----------	-------

9:05 a.m.	IRS Update
-----------	------------

9:55 a.m.	Break
-----------	-------

10:05 a.m.	Small Business Issues
------------	-----------------------

11:20 a.m.	Break
------------	-------

11:25 a.m.	Rulings and Cases
------------	-------------------

12:00 p.m.	Adjourn
------------	---------

Nov. 20

8:00 a.m.	Planning for the Sunset of the TCJA
-----------	-------------------------------------

9:15 a.m.	Break
-----------	-------

9:30 a.m.	Questions/Answers
-----------	-------------------

10:00 a.m.	Break
------------	-------

10:10 a.m.	Ethics
------------	--------

12:00 p.m.	Adjourn
------------	---------

Day 2 Mornings Only

Nov. 21

8:00 a.m.	Introduction
-----------	--------------

8:05 a.m.	Form 1099 Issues for Various Taxpayers
-----------	--

9:05 a.m.	Break
-----------	-------

9:20 a.m.	Partnership Terminations
-----------	--------------------------

10:50 a.m.	Break
------------	-------

11:00 a.m.	Divorce
------------	---------

12:00 p.m.	Adjourn
------------	---------

Nov. 22

8:00 a.m.	Partners Terminating Their Interest in a Partnership
-----------	--

9:20 a.m.	Break
-----------	-------

9:35 a.m.	Individual Taxpayer Issues
-----------	----------------------------

10:35 a.m.	Break
------------	-------

10:50 a.m.	Installment Sales
------------	-------------------

11:35 a.m.	Questions/Answers
------------	-------------------

12:00 p.m.	Adjourn
------------	---------

Online Agendas

Day 1 Afternoons Only

Nov. 19

1:00 p.m.	Introduction
1:05 p.m.	New Developments
1:55 p.m.	Break
2:05 p.m.	IRS Update
2:55 p.m.	Break
3:05 p.m.	Small Business Issues
4:20 p.m.	Break
4:25 p.m.	Rulings and Cases
5:00 p.m.	Adjourn

Nov. 20

1:00 p.m.	Planning for the Sunset of the TCJA
2:15 p.m.	Break
2:30 p.m.	Questions/Answers
3:00 p.m.	Break
3:10 p.m.	Ethics
5:00 p.m.	Adjourn

Day 2 Afternoons Only

Nov. 21

1:00 p.m.	Introduction
1:05 p.m.	Form 1099 Issues for Various Taxpayers
2:05 p.m.	Break
2:20 p.m.	Partnership Terminations
3:50 p.m.	Break
4:00 p.m.	Divorce
5:00 p.m.	Adjourn

Nov. 22

1:00 p.m.	Partners Terminating Their Interest in a Partnership
2:20 p.m.	Break
2:35 p.m.	Individual Taxpayer Issues
3:35 p.m.	Break
3:50 p.m.	Installment Sales
4:35 p.m.	Questions/Answers
5:00 p.m.	Adjourn

Online Agendas

Day 1 All Day

Nov. 25, Dec. 3, 5

8:00 a.m.	Introduction
8:05 a.m.	New Developments
8:55 a.m.	Break
9:05 a.m.	IRS Update
9:55 a.m.	Break
10:05 a.m.	Small Business Issues
11:20 a.m.	Break
11:25 a.m.	Rulings and Cases
12:00 p.m.	Lunch
1:00 p.m.	Planning for the Sunset of the TCJA
2:15 p.m.	Break
2:30 p.m.	Questions/Answers
3:00 p.m.	Break
3:10 p.m.	Ethics
5:00 p.m.	Adjourn

Day 2 All Day

Nov. 26, Dec. 4, 6

8:00 a.m.	Introduction
8:05 a.m.	Form 1099 Issues for Various Taxpayers
9:05 a.m.	Break
9:20 a.m.	Partnership Terminations
10:50 a.m.	Break
11:00 a.m.	Divorce
12:00 p.m.	Lunch
1:00 p.m.	Partners Terminating Their Interest in a Partnership
2:20 p.m.	Break
2:35 p.m.	Individual Taxpayer Issues
3:35 p.m.	Break
3:50 p.m.	Installment Sales
4:35 p.m.	Questions/Answers
5:00 p.m.	Adjourn

Tax School Takeaways

A series of horizontal dotted lines for taking notes, spanning most of the page width.