



Wolters Kluwer

1040 Preparation and Planning 4: Gross Income: Interest, Dividends, and Other Ordinary Income (2024) Course Instructions

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Instructions to Participants

To assist the participant with navigating the learning process through to successful completion, this course has been produced with the following elements:

Overview of Topics / Table of Contents: In this electronic format you'll find a slide menu on the left side of the screen. This serves as your overview of topics for the program. You may navigate to any topic by clicking on the slide name.

Definition of Key Terms / Glossary: You'll find key terms defined for this program in the course information on the following page(s).

Index / Key Word Search: You can find information quickly in the PDF materials (slide handout plus any additional handouts) by using the search function built into your Adobe Reader.

Review Questions: Questions that test your understanding of the material are placed throughout the course. You'll see explanatory feedback pop up for each incorrect answer, and reinforcement feedback for the correct answer for every review question.

Final Exam: The final exam measures if you have gained the knowledge, skills, or abilities outlined in the learning objectives. You may submit your final exam at the end of the course. Exams are graded instantly. A minimum score of 70% is required to receive the certificate of completion. **You have one year from date of purchase to complete the course.**

Course Evaluation: Once you have successfully passed your online exam, please complete our online course evaluation. Your feedback helps Wolters Kluwer maintain its high quality standards!

About This Course

This section provides information that is important for understanding the course, such as course level and prerequisites. Please consider this information when filling out your evaluation after completing the course.

Publication Date: September 2023

Course Description

This two-hour CPE course, the fourth in the 1040 Preparation and Planning series, covers gross income from a number of sources, including interest, dividends, Social Security, alimony and other types of ordinary income. A case study that walks you through calculating reportable income is included in this course.

Tax developments reflected in this course, including the Consolidated Appropriations Act, 2023 (including SECURE Act 2.0), the Inflation Reduction Act of 2022, and other tax legislation, IRS pronouncements, and court decision, are extensive. They impact 2023 tax year returns that will be filed during the 2024 filing season and refund opportunities for earlier, years; as well as point the way to strategic planning in 2024 and beyond. This course brings the tax preparer "up-to-speed" in preparing 2023 tax returns for the 2024 filing season.

Learning Objectives

Upon successful completion of this course, participants should be able to:

- Recognize how to report interest income
- Identify qualified dividends
- Recognize how to figure the includible portion of Social Security benefits
- Describe the taxation of alimony under pre-2019 divorces
- Describe the taxation of unemployment benefits
- Recognize how to distinguish cancellation of debt income that is taxable from COD income that is excludable
- List "other income"

NASBA Field of Study

Taxes. Some state boards may count credits under different categories—check with your state board for more information.

Course Level

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

Prerequisites

None.

Advance Preparation

None.

Course Expiration

AICPA and NASBA Standards require all Self-Study courses to be completed and the final exam submitted within 1 year from the date of purchase as shown on your invoice. No extensions are allowed under AICPA/NASBA rules.

Key Terms

- **Below-Market Loans:** A loan where the interest rate charged is lower than the current applicable federal rate (AFR).
- **FBAR:** (Report of Foreign Bank and Financial Accounts) - A report of certain foreign financial accounts, such as bank accounts, brokerage accounts and mutual funds, made to the Treasury Department.
- **Grantor Trust:** A trust in which the grantor, the creator of the trust, retains one or more powers over the trust and because of this the trust's income is taxable to the grantor.
- **Interest:** Compensation received for the use of money, or for the creditor's forbearance from insisting upon payment.
- **Patronage Dividends:** Those distributions of profits paid by a co-operative to their owners.
- **Savings Bonds:** Debt securities issued by the United States Department of the Treasury to help pay for the U.S. government's borrowing needs.