



Wolters Kluwer

1040 Preparation and Planning 5: Gross Income: Capital Gains and Losses (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 five- hour CPE course, the fifth in the 1040 Preparation and Planning series, covers gains and losses, involuntary conversions, basis, capital and ordinary assets, and capital gains and losses.

Tax developments reflected in this course, including changes made by the Consolidated Appropriations Act, 2023 (which includes SECURE Act 2.0), the Inflation Reduction Act of 2022, and other tax legislation, IRS pronouncements, and court decisions, 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:

- Explain how taxable income affects the capital gains rate
- Describe what a capital asset is
- Explain tax basis and holding period
- Recognize how to figure gain or loss
- Recognize how to apply the capital loss limitation
- Explain the wash sale rule
- State the tax treatment of cryptocurrency
- Determine reporting under the installment sale rule
- Determine whether a transaction qualifies as a like-kind exchange
- Explain the rules for involuntary conversions
- State the tax benefits for Opportunity Zone investments
- Complete Form 8949 and Schedule D of Form 1040 or 1040-SR

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

- **Adjusted Basis:** The basis in an asset adjusted for depreciation, capital improvements to property, casualty losses, attorney's fees to acquire property, and similar items.
- **Amount Realized :** The value received when an asset is sold or exchanged for another asset.
- **Basis:** The cost or purchase price of the property.
- **Capital Assets:** Assets held for personal use or investment.
- **Capital Gain:** An economic concept defined as the profit earned on the sale of an asset which has increased in value over the holding period.
- **Fair Market Value:** The price at which property would change hands between a buyer and a seller, neither having to buy or sell, and both having reasonable knowledge of all necessary facts.
- **Goodwill:** The part of the purchase price over the total value of the physical assets.
- **Like-Kind:** Refers to the nature or character of the property, not its grade or quality.
- **Mark to Market Accounting:** An accounting practice that involves adjusting the value of an asset to reflect its value as determined by current market conditions.
- **Ordinary Assets:** Business assets held for sale or exchange in the ordinary course of the taxpayer's business.
- **Property Held for Personal Use:** Includes items such as the taxpayer's personal residence, personal jewelry, or the family car.
- **Realized Gain:** The excess of the amount realized over the adjusted basis of the property sold or given in exchange.
- **Realized Loss:** The excess of the adjusted basis of the property sold or given in exchange over the amount realized.
- **Short Sale:** An offer of a property at an asking price that is less than the amount due on the current owner's mortgage.
- **Wash Sale:** Occurs when an individual sells or trades a security at a loss and, within 30 days before or after this sale, buys the same or a substantially identical stock or security, or acquires a contract or option to do so.