



Wolters Kluwer

# 1040 Preparation and Planning 11: Tax Credits (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, which is the 11th in the 1040 Preparation and Planning series, covers types of tax credits, including refundable and nonrefundable tax credits; figuring each type of personal tax credit; which credits are reported directly on the return and which must first be reported on Schedule 3 of Form 1040 and 1040-SR; and business tax credits.

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:

- Distinguish between refundable and nonrefundable credits
- Figure each type of personal tax credit
- Determine where credits are reported on the tax return
- Identify business tax credits and understand the limitations under the general business credit

### 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

- **American Opportunity Credit:** A tax credit of up to \$2,500 per year for the first 4 years of higher education.
- **Child Tax Credit:** A tax credit for parents with dependent children.
- **Dependent Care Credit:** A tax credit that helps you pay for childcare expenses and the care of other qualifying individuals while you work or look for work.
- **Earned Income Credit:** A credit that helps low- to moderate-income workers and families get a tax break.
- **Lifetime Learning Credit:** A credit of 20% of qualified tuition and fees incurred by a taxpayer, a spouse, or dependents. No portion of this credit is refundable.
- **Premium Tax Credit:** A refundable credit that helps eligible individuals and families cover the premiums for their health insurance purchased through the Health Insurance Marketplace.