

## Index and Additional Information

Citation Index .....	I-3	Other IRS Releases .....	I-11
Code Sections .....	I-3	Forms and Schedules.....	I-13
Regulations .....	I-7	Alphabetical Index .....	I-16
Court Cases .....	I-9	Acronym Glossary.....	I-35
Revenue Rulings.....	I-11	Web Pages .....	I-39
Revenue Procedures.....	I-11	Citation Tips .....	I-43

For 2012, the *University of Illinois Federal Tax Workbook* has been split into three volumes. Depending on the seminars you attend or the books you purchase, you may have one or more of the volumes. In order to make the index as useful as possible, rather than produce a different index for each volume, we have included a combined index that references all three volumes. The page numbers in the index are preceded by a letter indicating the volume (e.g., **A217** means page 217 of Volume A).

The volumes in the 2012 *University of Illinois Federal Tax Workbook* are as follows.

**Volume A:** Tax Update and Ethics

**Volume B:** Entities and Advanced 1040 Issues

**Volume C:** 1040 Issues

If you wish to purchase volumes that you do not have or you need additional copies of volumes, please visit our website at [www.TaxSchool.illinois.edu](http://www.TaxSchool.illinois.edu).

# 2012 Workbook

## Citation Index

### CODE SECTIONS

#### Internal Revenue Code (IRC)

- §1 ... B283
- §1(h) ... B133, C225
- §1(h)(1) ... C218
- §1(h)(1)(C) ... C218
- §1(h)(1)(E) ... C223
- §1(h)(11) ... C225
- §1(h)(5) ... C223
- §2(b) ... B261
- §21 ... C51, C183
- §21(b)(1) ... C183
- §21(b)(2)(A) ... C183
- §21(e)(9) ... A57
- §23 ... C68
- §24 ... C50
- §25 ... C63
- §25(a)(2) ... C68
- §25(c)(1)(B) ... C63
- §25(e)(1)(A) ... C64
- §25(e)(6) ... C63
- §25(i) ... C68
- §25A ... B265, C51
- §25B ... C59
- §25C ... C53
- §30D ... C70
- §32 ... C42
- §32(c)(3)(A) ... B64
- §35 ... C47
- §36B(b)(2)(B)(i) ... A247
- §36B(c)(2)(C)(ii) ... A262
- §36B(d)(2)(B) ... A247
- §36B(d)(2)(B)(iii) ... A220
- §36B(f)(3) ... A251
- §36B(g) ... A250
- §41 ... B264
- §41(a)(1) ... B265
- §41(b)(2)(B) ... B265
- §44 ... C74
- §45B ... C74
- §45R ... C76
- §48 ... B247
- §51(c)(3) ... A216
- §51(f)(1) ... A216
- §51(i)(1)(A) ... A216
- §51(i)(1)(C) ... A216
- §51(i)(2) ... A216
- §51(i)(3)(B) ... A216
- §51(k)(1) ... A219
- §52(b) ... A219
- §53 ... C49
- §54A ... C72
- §56(d)(2)(A) ... B75
- §56(g) ... B238
- §61 ... B259, C173, C255
- §61(a)(12) ... B253, B255
- §67(b)(6) ... C86
- §71 ... B78, B101, B285–B286
- §71(b)(1) ... B78
- §71(b)(1)(A) ... B79
- §71(b)(1)(C) ... B79
- §71(b)(1)(D) ... B79
- §71(b)(2) ... B83
- §71(c)(1) ... B80
- §71(e) ... B80
- §71(f) ... B81
- §71(f)(5) ... B83
- §72(t) ... B309
- §72(t)(2)(E) ... B309
- §79(a) ... C184
- §79(d)(1) ... C185
- §79(d)(2) ... C185
- §83 ... B237
- §83(a) ... C168
- §83(b) ... B4
- §86(b)(2) ... A19
- §101 ... B238
- §101(j) ... B124
- §103(a) ... C240
- §103(b)(1) ... C240
- §103(b)(2) ... C240
- §104 ... B297, B327, C173
- §104(a) ... C90
- §104(a)(1) ... B327, C173
- §104(a)(2) ... C173
- §105 ... C142
- §105(a) ... C174
- §105(b) ... C142, C174
- §105(c) ... C174
- §105(c)(1) ... C174
- §105(g) ... C176
- §105(h)(3)(A)(i) ... C142
- §105(h)(3)(A)(ii) ... C142
- §105(h)(3)(B) ... C142
- §106(a) ... C174
- §106(f) ... A234
- §107 ... B259
- §108 ... B255
- §110 ... B115
- §121 ... B223, C222
- §121(b)(5) ... C222
- §121(d)(6) ... C222
- §127 ... B208
- §127(b)(3) ... B208
- §127(c)(3) ... B208
- §129 ... B208
- §129(d)(4) ... B208
- §132(a)(1) ... C179
- §132(e)(1) ... C181
- §132(f)(3) ... C182
- §132(f)(5)(F)(iii) ... C183
- §132(j)(4) ... B209
- §141 ... C240
- §141(e)(1) ... C240
- §143(m) ... C68
- §146 ... C240
- §147 ... C240
- §148(a) ... C240
- §149(a)(1) ... C241
- §149(a)(2)(A) ... C241
- §149(a)(2)(B) ... C241
- §149(a)(2)(C) ... C241
- §149(b) ... C241
- §149(b)(3) ... C241
- §149(b)(3)(A)(i) ... C241
- §149(b)(3)(A)(ii) ... C241
- §149(b)(3)(B)(i) ... C241
- §149(b)(3)(C) ... C241
- §152(e) ... B61, B64
- §152(e)(1)(A) ... B61
- §152(e)(1)(A)(i)-(iii) ... B61
- §152(e)(2) ... B284
- §162 ... B208, B256–B257, B260, B267, B333–B334, C86, C133, C180
- §162(a) ... C153
- §162(l)(1)(D) ... C174
- §162(l)(2)(A) ... C143, C176
- §162(l)(2)(B) ... C143, C176
- §162(l)(4) ... C143, C176
- §162(m)(6) ... A228
- §163 ... B273–B274
- §163(a) ... C224
- §163(d) ... B255, C224
- §163(d)(2) ... C225
- §163(d)(4)(A) ... C225
- §163(d)(4)(B) ... C225
- §163(d)(4)(B)(ii) ... C225
- §163(g) ... C64
- §163(h)(3)(A) ... B274–B275
- §163(h)(3)(B)(ii) ... B274–B275

# 2012 Workbook

- §163(h)(3)(C)(i) ... B275  
§163(h)(3)(C)(ii) ... B274–B275  
§164 ... B332  
§165 ... B258, B269–B270  
§165(f) ... B258  
§166 ... B251  
§166(d) ... B251  
§166(d)(1) ... B251  
§167 ... B208, B247, C180  
§167(m) ... B247–B248  
§168 ... B247  
§168(b)(1) ... A183  
§168(b)(2)(A) ... A184  
§168(b)(2)(B) ... A182  
§168(e)(3)(D) ... A183  
§168(e)(3)(E)(iv) ... B122  
§170 ... B276–B280  
§170(f)(3)(A) ... A210  
§170(f)(3)(B) ... B282  
§170(f)(3)(B)(iii) ... A210  
§170(f)(8) ... B281  
§170(f)(8)(A) ... B281  
§170(f)(8)(B) ... B281  
§170(g)(2)(A) ... C103  
§170(h) ... A210  
§170(h)(5) ... B282  
§172 ... B328  
§172(b)(1)(F) ... B74  
§172(b)(1)(G) ... B74  
§172(b)(1)(J) ... B74  
§172(b)(3) ... B74  
§172(f) ... B74  
§179 ... B266  
§180 ... A190  
§183 ... B319, B321  
§199 ... A212, B126  
§199(b) ... A212  
§199(c)(4)(ii) ... A212  
§199(c)(4)(iii) ... A212  
§199(d)(9)(A) ... A212  
§199(d)(9)(B) ... A212  
§212 ... B99–B100, B255, B258,  
B267, B280, B323, B334,  
C171  
§212(1) ... B101  
§213 ... C142  
§213(f) ... A234  
§215 ... B78, B285  
§217 ... B334, C182  
§217(a) ... C177  
§217(b)(1) ... C177  
§217(c) ... C177  
§262 ... B99, B257, B333–B334  
§263(g) ... A194–A195  
§263A ... A189, B113  
§263A(e)(4) ... A182  
§264 ... B238  
§264(a)(1) ... B124, C144  
§267 ... B18  
§267(b)(2) ... B18  
§267(c)(4) ... B125  
§274 ... B257, B333  
§274(d) ... B319, C180  
§275(a)(6) ... A265  
§280A ... B256  
§280A(c)(1)(C) ... C205  
§280A(c)(6) ... C212  
§280A(g) ... C223  
§302 ... B234  
§302(b) ... B238  
§302(c) ... B234  
§303 ... B234, B236, B238  
§303(b)(3) ... B236  
§316 ... B283  
§338 ... B249  
§351 ... B13, B18  
§351(b)(1) ... B14, B16  
§351(b)(2) ... B20  
§351(d)(2) ... B14  
§351(d)(3) ... B14  
§357(a) ... B19  
§357(b)(1)(B) ... B19  
§357(c) ... B20  
§358(a) ... B15  
§358(d)(1) ... B19–B20  
§362(a) ... B15–B16, B20  
§362(e)(2) ... B18  
§362(e)(2)(C) ... B18  
§368(c) ... B15  
§401(a)(13) ... B85  
§401(c)(1) ... B208  
§402 ... B326  
§402(c)(11) ... B326  
§402(e)(4)(A) ... A33  
§408 ... B309, B326  
§408(d)(6) ... B83–B84  
§408(m) ... C223  
§414(a) ... B86  
§414(p)(3) ... B86  
§414(p)(9) ... B86  
§421(a)(1) ... C170  
§422(a)(2) ... C170  
§446 ... B271  
§448(c) ... A260  
§448(d)(3) ... C125  
§451 ... B299  
§451(d) ... A201  
§451(e) ... A206  
§453 ... B218  
§453(b) ... A178  
§453(d)(1) ... B218  
§453(d)(2) ... B218  
§453(f)(6) ... B17  
§453(g) ... B222  
§453(k)(2) ... A178  
§453A ... B222  
§453B(a) ... B70, B221  
§453B(a)(2) ... B221  
§453B(g) ... B70, B221  
§461 ... B271  
§465 ... B249  
§465(c)(2)(A) ... B48  
§465(c)(2)(B) ... B48  
§465(c)(2)(B)(i) ... B48  
§465(c)(3)(B) ... B48  
§465(e)(1)(B) ... B48  
§469 ... A116, A187, B47, B323,  
B325  
§469(a)(1) ... B48  
§469(c) ... B325  
§469(c)(1)(A) ... B48  
§469(c)(1)(B) ... B48  
§469(c)(2) ... B323  
§469(c)(4) ... B323  
§469(c)(7) ... A188, B49  
§469(c)(7)(A) ... A121, B325  
§469(c)(7)(B) ... A113–A114,  
B325  
§469(c)(7)(C) ... A114  
§469(c)(7)(D) ... A114  
§469(c)(7)(D)(i) ... A114  
§469(g)(1)(A) ... A116  
§469(h)(1) ... B49  
§469(i) ... A115, A187, B49  
§469(i)(3) ... B324  
§469(i)(5) ... B49  
§469(j)(6)(A) ... B76  
§469(j)(6)(B) ... B76  
§475 ... B258  
§481 ... B271  
§481(a) ... C126  
§483 ... B220  
§483(a) ... A178  
§483(e) ... B220  
§483(e)(2) ... B220  
§501(c)(3) ... B259  
§501(c)(7) ... B317  
§512 ... B317  
§512(a)(3)(D) ... B318  
§529 ... B299  
§529(c)(3)(A) ... B299  
§529(c)(6) ... B299  
§530 ... B299  
§531 ... B239  
§614 ... A214

# 2012 Workbook

- §642 ... B296  
§672(c) ... B229  
§672(e) ... B213  
§691(a)(4) ... A179  
§761 ... B280, B291  
§901 ... C58  
§901(k)(3) ... C58  
§901(l) ... C58  
§911 ... B300  
§943(d) ... C59  
§951 ... B283  
§956 ... B283  
§957 ... B283  
§1001 ... B280  
§1001(a) ... C227  
§1001(e) ... B223  
§1012(c)(1) ... C231  
§1014 ... B224, B232, B236  
§1014(a)(1) ... B38  
§1015(a) ... B38, B68  
§1015(d)(1)(A) ... B38  
§1016(a) ... B45  
§1022 ... B38  
§1031 ... B129, B316  
§1032(a) ... B15  
§1033(a) ... A204  
§1033(a)(2)(B)(i) ... A204  
§1033(e) ... A204, A206  
§1033(f) ... A204  
§1041(a) ... B67, B69  
§1041(a)(1) ... B67  
§1041(a)(2) ... B67  
§1041(b) ... B67, B76  
§1041(c) ... B67  
§1041(d) ... B71  
§1060 ... B141, B249  
§1091 ... B179  
§1091(a) ... C229  
§1091(b) ... C230  
§1091(c) ... C230  
§1091(d) ... C229  
§1092 ... A194–A195  
§1092(c)(1) ... A195  
§1202(a) ... C224–C225  
§1202(c)(1) ... C224  
§1202(d)(1) ... C224  
§1202(e) ... C224  
§1202(e)(4) ... C224  
§1211 ... B258, B270  
§1211(b) ... B258, C226  
§1211(b)(1) ... B71, C226  
§1212 ... B258  
§1212(b) ... C226  
§1212(b)(2) ... C226  
§1212(c)(2) ... C231  
§1221 ... A191, B236  
§1221(a)(1) ... A180–A181  
§1221(a)(6) ... C217  
§1221(a)(7) ... A194  
§1221(b)(2)(A) ... A192  
§1221(b)(3) ... C217  
§1222 ... B280  
§1223(2) ... B15  
§1223(3) ... C229  
§1237 ... A182  
§1237(a) ... A182  
§1237(a)(2) ... A182  
§1239 ... B222  
§1245 ... B249  
§1245(b)(1) ... B76  
§1250 ... B249  
§1250(d)(1) ... B76  
§1256 ... A193–A195  
§1256(f)(5) ... A193  
§1274(d)(1)(A) ... C247  
§1361 ... B3  
§1361(a)(1) ... B1  
§1361(b) ... B2  
§1361(b)(1) ... B1  
§1361(b)(1)(A) ... B2  
§1361(b)(1)(B) ... B6  
§1361(b)(1)(C) ... B6  
§1361(b)(2) ... B2  
§1361(c)(1)(A)(i) ... B3  
§1361(c)(1)(A)(ii) ... B3  
§1361(c)(1)(B)(i) ... B3  
§1361(c)(1)(B)(ii) ... B3  
§1361(c)(1)(B)(iii) ... B3  
§1361(c)(2) ... B3  
§1361(c)(2)(A)(i) ... B6  
§1361(c)(2)(A)(ii) ... B6  
§1361(c)(2)(A)(iv) ... B7  
§1361(c)(3) ... B6  
§1361(c)(6) ... B7  
§1361(c)(6)(A) ... B7  
§1361(d) ... B7  
§1361(e) ... B7  
§1362(a)(2) ... B8  
§1362(b)(1) ... B8  
§1362(b)(5) ... B8, B10  
§1362(d)(1)(B) ... B11  
§1362(d)(1)(C)(i) ... B11  
§1362(d)(1)(C)(ii) ... B11  
§1362(d)(3) ... B205  
§1363(d)(1) ... B55  
§1366 ... B21, B39, B261  
§1366(a)(1)(A) ... B47  
§1366(a)(1)(B) ... B47  
§1366(d)(2) ... B47  
§1367 ... B39, B261  
§1367(b)(2)(A) ... B43  
§1367(b)(2)(B) ... B46  
§1368 ... B39  
§1368(b)(2) ... B50  
§1368(b)(1) ... B50  
§1372 ... B207  
§1372(a) ... B207  
§1372(b) ... B207  
§1374 ... B204  
§1374(d)(7) ... B54  
§1375(a) ... B54, B205  
§1375(b)(1)(A) ... B54  
§1375(d) ... B54  
§1377(a) ... B77  
§1378(b) ... B26  
§1401 ... B328  
§1402 ... A185, B328  
§1402(a) ... A185  
§1402(a)(1) ... A185–A186, B198  
§1411(d)(1) ... A230  
§2032 ... B236  
§2032A ... B246  
§2032A(b)(1)(B) ... B246  
§2032A(e) ... B246  
§2035 ... B293  
§2035(b) ... B293  
§2036 ... B213, B224  
§2036(a)(1) ... B212  
§2036(a)(2) ... B212  
§2053 ... B294  
§2056 ... B293  
§2207A ... B293  
§2501 ... B291  
§2503 ... B214  
§2503(e) ... B214  
§2511 ... B291  
§2512 ... B291  
§2519 ... B293  
§2702 ... B224  
§2703 ... B211–B212  
§2703(a)(2) ... B211  
§2704 ... B212  
§2704(b) ... B211  
§3101 ... B290  
§3102 ... B287  
§3111 ... B290  
§3121 ... B289–B290  
§3121(a) ... B290  
§3121(a)(12)(A) ... B290  
§3121(a)(12)(B) ... B290  
§3121(a)(2)(C) ... C184  
§3121(q) ... B290  
§3402 ... B287  
§3509 ... B302, C138  
§4890H(c)(2)(B) ... A256

# 2012 Workbook

- §4980H ... A255
- §4980H(b)(1) ... A263
- §4980H(c)(2) ... A256
- §4980H(c)(2)(C)(i) ... A257
- §4980H(c)(2)(C)(ii) ... A257
- §4980H(c)(2)(E) ... A257
- §4980H(c)(4) ... A256
- §4980H(c)(4)(B) ... A256
- §4980H(c)(5) ... A261
- §4980H(d)(2) ... A261
- §4980I(c) ... A265
- §4980I(d)(1) ... A265
- §4980I(d)(3) ... A264
- §4980I(f)(10) ... A265
- §4980I(f)(8) ... A265
- §5000A(a) ... A236, A238
- §5000A(b)(1) ... A239
- §5000A(b)(3)(A) ... A245
- §5000A(b)(3)(B) ... A239, A243
- §5000A(c)(2) ... A239
- §5000A(c)(2)(A) ... A239
- §5000A(c)(2)(B) ... A241
- §5000A(c)(3)(C) ... A239
- §5000A(c)(4)(A) ... A243
- §5000A(c)(4)(B) ... A240
- §5000A(c)(4)(C) ... A240
- §5000A(d)(2)(A) ... A237
- §5000A(d)(2)(B) ... A237
- §5000A(d)(3) ... A237
- §5000A(d)(4) ... A237
- §5000A(e)(1)(A) ... A244
- §5000A(e)(1)(B) ... A244
- §5000A(e)(1)(D) ... A244
- §5000A(e)(2) ... A243
- §5000A(e)(3) ... A244
- §5000A(e)(4)(A) ... A244
- §5000A(e)(4)(B)(iii) ... A245
- §5000A(e)(5) ... A245
- §5000A(f) ... A238
- §5000A(f)(2) ... A258
- §5000A(f)(3)(A) ... A238
- §5000A(f)(3)(B) ... A238
- §5000A(f)(4) ... A245
- §5322 ... A130
- §6001 ... B319
- §6011 ... B289
- §6012(a)(1) ... A241
- §6013(a) ... B59
- §6013(a)(1) ... B59
- §6013(a)(2) ... B59
- §6013(b)(2)(A) ... C83
- §6013(d)(1)(B) ... B59
- §6013(d)(3) ... B65
- §6015 ... B300
- §6015(a)(1) ... B301
- §6015(b) ... B90
- §6015(b)(1)(C) ... B91
- §6015(c) ... A48, B90
- §6015(c)(1) ... B93
- §6015(c)(2) ... B92–B93
- §6015(d)(3)(A) ... B93
- §6020(a) ... B66
- §6020(b) ... B66
- §6038 ... A128
- §6038A ... A128
- §6038B ... A128
- §6038C ... A128
- §6038D ... A130
- §6038D(b) ... C257
- §6039I ... B124
- §6045(g) ... B178, C231
- §6045A ... B178
- §6045B ... B178
- §6046 ... A128
- §6046A ... A128
- §6048(b) ... A128
- §6053 ... B290
- §6053(a) ... B291
- §6055(b)(1) ... A250–A251
- §6055(c)(1) ... A251
- §6056(b) ... A258
- §6056(c)(2) ... A259
- §6064 ... B66
- §6065 ... B66
- §6103(e)(6) ... C3
- §6109(a)(3) ... A57
- §6166 ... B238
- §6166 (g)(1)(B) ... B238
- §6201 ... B253
- §6211 ... B332
- §6321 ... B310, B329
- §6330 ... B313
- §6331 ... B310, B329
- §6331(h)(3) ... A220
- §6332 ... B310
- §6332(d)(2) ... B310
- §6402 ... B96
- §6404 ... B309
- §6501 ... B249, B303, B332
- §6501(a) ... B303
- §6501(e) ... A46
- §6501(e)(1)(A) ... B303
- §6511 ... B304
- §6532 ... B304
- §6651 ... B257, B269, B289,  
B306–B308, B313, B328
- §6654 ... B269, B307, B328
- §6656 ... B289, B313
- §6662 ... A48, B249, B258, B260–  
B261, B266–B267, B273,  
B276, B280, B286, B297,  
B309, B311, B315, B319,  
B323, B325, B327, B333
- §6662(a) ... B260
- §6662(b)(2) ... B260
- §6662(d) ... A43
- §6662(d)(1)(A) ... B328
- §6662(h) ... B316
- §6664 ... B249, B311, B332
- §6664(c)(1) ... B311
- §6672 ... B287, B311
- §6695(b) ... A64
- §6695(g) ... A54, C47
- §6696(a) ... A89
- §6696(d) ... A90
- §6701 ... A53
- §6713 ... A74
- §6721 ... C128, C134
- §6721(d) ... B173
- §6721(f) ... A259
- §6724(a) ... A260
- §6724(d)(1)(B)(xxv) ... A259
- §6901 ... B262
- §6902 ... B262
- §7201 ... A51, A130
- §7203 ... A130
- §7206(1) ... A130
- §7206(2) ... A65
- §7216 ... A49, A58, A61, A74
- §7216(a) ... A47
- §7216(a)(2) ... A47
- §7216(b)(2) ... A47
- §7422 ... B270, B304, B311
- §7436 ... B289
- §7501 ... B311
- §7520 ... B223–B224
- §7525 ... A69
- §7525(a)(3)(A) ... A69
- §7525(a)(3)(B) ... A69
- §7525(b) ... A69
- §7605 ... B302
- §7605(b) ... B303
- §7701 ... B259
- §7701(a)(20) ... C184
- §7701(a)(30) ... C255
- §7701(a)(36)(A) ... A89
- §7704 ... B254
- §7704(b) ... A124
- §7704(d)(1)(E) ... A124
- §7803(c) ... A137
- §7872 ... C245, C249, C253
- §7872(a)(2) ... C254
- §7872(b) ... C248–C249, C254
- §7872(b)(2)(A) ... C250
- §7872(b)(2)(B) ... C250

§7872(c) ... C245  
 §7872(c)(2) ... C253  
 §7872(c)(3) ... C253  
 §7872(d) ... C253  
 §7872(e)(2) ... C249  
 §7872(f)(5) ... C246  
 §7872(f)(6) ... C247  
 §7872(g) ... C253  
 §9832(b)(1) ... C78

§1.105-1(d)(1) ... C175  
 §1.105-1(d)(2) ... C176  
 §1.105-2 ... C174  
 §1.105-5(b) ... C176  
 §1.108-7(b) ... A109  
 §1.125-3(p) ... C64  
 §1.132-1(b) ... C178  
 §1.132-1(b)(1) ... B209  
 §1.132-1(b)(4) ... B208  
 §1.132-2(a) ... C179  
 §1.132-2(a)(2) ... C179  
 §1.132-3 ... C180  
 §1.132-3(a)(1)(i) ... C179  
 §1.132-3(a)(1)(ii) ... C180  
 §1.132-3(a)(2)(i) ... C179–C180  
 §1.132-3(a)(2)(ii) ... C179  
 §1.132-3(a)(2)(iii) ... C179  
 §1.132-5(a)(1) ... C180  
 §1.132-5(a)(1)(i) ... B208  
 §1.132-5(a)(1)(iii) ... C180  
 §1.132-5(a)(5) ... C181  
 §1.132-6(d)(2)(i) ... B208  
 §1.132-6(e) ... B208  
 §1.132-8 ... C179  
 §1.132-9 ... C183  
 §1.132-9(b) ... C182  
 §1.152-4 ... B64  
 §1.152-4 (e)(1)(i)-(ii) ... B62  
 §1.152-4(b)(2)(i) ... B61  
 §1.152-4(b)(2)(i)(A)-(C) ... B61  
 §1.152-4(b)(3)(i) ... B62  
 §1.152-4(b)(3)(ii) ... B62  
 §1.152-4(c) ... B61  
 §1.152-4(d) ... B61  
 §1.152-4(e)(1)(ii) ... B62  
 §1.152-4(e)(2) ... B62  
 §1.152-4(e)(3)(ii) ... B284  
 §1.162-1(a) ... C133  
 §1.162-20(a)(20) ... C133  
 §1.162-4 ... C155  
 §1.162-7(b)(3) ... B206  
 §1.163-1(b) ... B274  
 §1.163-3 ... C126  
 §1.163(d)-1(c) ... C225  
 §1.165-8(d) ... B271  
 §1.167(g)-1 ... C222  
 §1.170A-1 (h)(4)(i) ... B281  
 §1.170A-1(h)(4)(i) ... B281  
 §1.170A-10(d)(4)(i) ... B76  
 §1.170A-13 ... B279  
 §1.172-7(c) ... B72  
 §1.179-1(d) ... B267  
 §1.179-4(e) ... B267  
 §1.180-1(b)(2) ... A190  
 §1.183-(2)(b) ... B320

§1.183-1 ... C114  
 §1.183-2 ... A211  
 §1.183-2(b) ... A45, A211, B322  
 §1.183-2(b)(1) ... B320  
 §1.183-2(b)(3) ... B320  
 §1.199-3 ... B127  
 §1.199-3(a) ... A212  
 §1.199-3(i)(9) ... A212  
 §1.199-3(l)(2) ... A212  
 §1.199-3(m)(3) ... A213–A214  
 §1.199-3(m)(6)(iii) ... A212  
 §1.199-7 ... B126  
 §1.212-1(b) ... B323  
 §1.212-1(d) ... B99, C171  
 §1.212-1(k) ... B99, C171  
 §1.213-1(a)(3)(i) ... C84  
 §1.217-2 ... C177  
 §1.217-2(a)(3) ... C177  
 §1.262-1 ... B334  
 §1.262-1(b)(7) ... B100–B101  
 §1.263A-4(a)(4)(iii) ... A183  
 §1.280A-2(f)(2), (3) ... C211  
 §1.280A-2(g)(1) ... C203  
 §1.280A-2(h) ... C203  
 §1.302-4 ... B234  
 §1.401(k)-1(b) ... C150  
 §1.408-10(b) ... C223  
 §1.408-4(g)(1) ... B84  
 §1.446-4 ... A194  
 §1.446-4(d)(1) ... A194  
 §1.451-2(a) ... A174  
 §1.451-6(a)(2) ... A203  
 §1.453-1(b)(2)(iii) ... B219  
 §1.453-1(b)(2)(v) ... B219  
 §1.469-2(f)(6) ... A116  
 §1.469-4(c)(2) ... A118  
 §1.469-4(d)(1)(i) ... A118  
 §1.469-9(g) ... A120  
 §1.469-9(g)(3) ... A120  
 §1.507(c)(7)-1(b) ... B318  
 §1.612-3(c) ... A189  
 §1.691(a)-1(b)(3) ... A179  
 §1.1012-1 ... C232  
 §1.1012-1(e)(1) ... C231  
 §1.1012-1(e)(2)(i) ... C231  
 §1.1012-1(e)(7)(ii) ... C227  
 §1.1012-1(e)(7)(iii) ... C232  
 §1.1014-5(a)(3) ... B223  
 §1.1033(e)-1(d) ... A204  
 §1.1060-1(e)(1)(ii) ... B141  
 §1.1212-1 ... B71  
 §1.1212-1(c)(iv) ... B71  
 §1.1221-2 ... A191  
 §1.1221-2(a) ... A192  
 §1.1221-2(a)(3) ... A191

## REGULATIONS

### Treasury Decisions

9201 ... A43  
 9527 ... C1–C2  
 9564 ... B103–B116

### Treasury Regulations

§1.36B-3(a) ... A250  
 §1.36B-3(a)(i) ... A250  
 §1.36B-3(a)(ii) ... A250  
 §1.36B-3(c) ... A253  
 §1.36B-4(a)(1)(i) ... A251  
 §1.36B-5 ... A251  
 §1.41-2(c)(2) ... B265  
 §1.48-1(e) ... B248  
 §1.61-1 ... B174  
 §1.61-6(a) ... C221  
 §1.61-8(c) ... B115  
 §1.62-2 ... C199  
 §1.62-2(d) ... C199  
 §1.62-2(e) ... C199  
 §1.62-2(f) ... C199  
 §1.62-2(h)(1) ... C200  
 §1.62-2(i) ... C200  
 §1.62-2(k) ... C201  
 §1.71-1 ... B81  
 §1.71-1(b)(3) ... B79  
 §1.72-15(g) ... C176  
 §1.79-0 ... C184  
 §1.79-1(a) ... C184  
 §1.79-3 ... C184  
 §1.79-3(a)(2) ... C184  
 §1.83-2 ... C168  
 §1.83-3(c) ... C168  
 §1.83-7 ... C170  
 §1.83-7(a) ... C168  
 §1.83-7(b) ... C168  
 §1.104-1(a) ... C173  
 §1.104-1(b) ... B327, C173  
 §1.104-1(c) ... C173  
 §1.105-1(a) ... C174, C176

# 2012 Workbook

§1.1221-2(b) ... A192  
§1.1221-2(f)(1) ... A194  
§1.1221-2(f)(2)(ii) ... A194  
§1.1221-2(f)(4) ... A194  
§1.1221-2(g)(2)(ii) ... A195  
§1.1221-2(g)(2)(iii) ... A195  
§1.1250-1(e)(3)(i) ... C221  
§1.1250-3(a)(3)(i) ... B76  
§1.1250-3(a)(3)(ii) ... B69  
§1.1250-5 ... B76  
§1.1272-1 ... C254  
§1.1272-1(b)(1) ... C254  
§1.1274-1(b)(3)(ii) ... C254  
§1.1274-1(b)(3)(iii) ... B70  
§1.1274-4(b) ... C247  
§1.1361-1(b)(3) ... B4  
§1.1361-1(b)(4) ... B4  
§1.1361-1(e)(3)(i) ... B3  
§1.1361-1(h)(1)(v) ... B7  
§1.1361-1(j) ... B7  
§1.1361-1(l)(1) ... B4  
§1.1361-1(l)(2)(i) ... B4  
§1.1361-1(l)(4)(ii)(B)(1) ... B5  
§1.1361-1(l)(4)(ii)(B)(2) ... B5  
§1.1361-1(l)(4)(iii) ... B5  
§1.1361-1(l)(5) ... B5  
§1.1361-1(m) ... B7  
§1.1362-2(a)(1) ... B11  
§1.1362-2(a)(2)(ii) ... B11  
§1.1362-2(a)(3) ... B11  
§1.1362-2(a)(4) ... B11  
§1.1362-4(c) ... B13  
§1.1362-4(e) ... B13  
§1.1362-4(f) ... B13  
§1.1363-2 ... B55  
§1.1366-2(a) ... B37  
§1.1366-2(a)(1) ... B37  
§1.1366-2(a)(5)(i) ... B77  
§1.1366-2(a)(5)(ii) ... B77  
§1.1366-2(b)(2) ... B38  
§1.1367-1 ... B39, C242  
§1.1367-1(d)(1) ... B39, C242  
§1.1367-1(f) ... C245  
§1.1367-1(g) ... B40–B41  
§1.1367-2 ... B47, C242–C243  
§1.1367-2(b)(1) ... B43  
§1.1367-2(c)(2) ... B45  
§1.1367-3 ... B47  
§1.1374-1(d) ... B54  
§1.1377-1(a)(1) ... B77  
§1.1377-1(b) ... B25  
§1.1402(a)-7 ... B328  
§1.1861-8(e)(5) ... C147  
§1.6013-1(a)(2) ... B66  
§1.6013-4(b) ... B65

§1.6013-4(d) ... B66  
§1.6013-6 ... B6  
§1.6015-2(a) ... B91  
§1.6015-2(c) ... B91–B92  
§1.6015-2(e)(1) ... B92  
§1.6015-3(c)(2) ... B92  
§1.6015-3(c)(2)(iv) ... B91  
§1.6015-3(c)(3)(ii) ... B94  
§1.6015-3(c)(3)(iii) ... B94  
§1.6015-3(d)(3) ... B92  
§1.6015-4(c) ... B94  
§1.6015-5(a) ... B90  
§1.6015-5(b)(1) ... B90  
§1.6015-5(b)(3) ... B90  
§1.6015-5(b)(5) ... B90  
§1.6662-3(b)(1) ... B274  
§1.6662-4(d)(3)(iii) ... B242  
§1.6664-4(a) ... B311  
§1.6664-4(b)(1) ... B311  
§1.6664-4(c) ... B310  
§1.6664(c)(1) ... B274  
§1.6695-1(b)(1) ... A64  
§1.6695-2(b) ... A89  
§1.6695-2(b)(3)(i) ... A89  
§1.6695-2(b)(4) ... A89, A91  
§1.7872-13 ... C254  
§1.7872-4 ... C245  
§1.7872-7(a)(1) ... C249  
§20.2031-2(h) ... B235  
§20.2031-7 ... B223  
§20.2032A-8 ... B246  
§20.2032A-8(a)(2) ... B246–B247  
§20.2053-3 ... B294  
§20.2053-3(b)(1) ... B295  
§25.2511-1(h)(1) ... B292  
§25.2704-2(a) ... B211  
§36B-3(f) ... A247  
§301.6402-5(b)(1) ... B96  
§301.6402-5(b)(2) ... B96  
§301.6402-6(g)(1) ... B96  
§301.6402-6(g)(2) ... B96  
§301.6402-6(g)(3) ... B96  
§301.6501(e)-1 ... B304  
§301.6501(e)-1(a)(1)(iii) ... B304  
§301.6721-1 ... A260, B173  
§301.6721-1(f)(3) ... A260  
§301.6724-1 ... A260  
§301.6724-1(a)(1) ... A260  
§301.7216-2(a) ... A47  
§301.7216-2(b)(1) ... A47  
§301.7216-2(c) ... A47  
§301.7216-2(e)(1) ... A47  
§301.7216-2(h) ... A47  
§301.7216-2(j) ... A47  
§301.7216-2(p) ... A47

§301.7216-2(r) ... A62  
§301.7216-3 ... A62–A63  
§301.7216-3(a)(3)(i)(B) ... A63  
§301.7216-3(b) ... A62  
§301.7623-1(d) ... A50  
§301.7623-1(e) ... A50  
§301.7701-1(a)(1) ... A55  
§301.7701-15(f) ... A65  
§301.7701-3 ... B2  
§301.7701-3(b)(1)(i) ... B207  
§301.7701-3(c)(v)(C) ... B8  
§301.7701-5(a) ... B2  
§301.7811-1 ... A139  
§301.7811-1(a)(4)(ii) ... A139  
§601.105(c)(1) ... C21

## Temporary Treasury Regulations

§1.25-2T(d)(2) ... C68  
§1.25-3T(d) ... C63  
§1.25-3T(e) ... C64  
§1.62-1T(d) ... C132  
§1.71-1T(a) ... B78–B79  
§1.71-1T(b) ... B78–B79  
§1.71-1T(c) ... B80  
§1.71-1T(e) ... B81  
§1.162-3T ... B104  
§1.162-3T(c)(2) ... B104  
§1.162-3T(d)(3) ... B107  
§1.163-10T(p)(5)(i) ... B273  
§1.163-8T(a)(3) ... C145  
§1.163-8T(c) ... C145  
§1.163-8T(c)(2)(i) ... C145  
§1.163-8T(c)(4)(i) ... C145  
§1.163-8T(c)(4)(ii) ... C145–C146  
§1.163-8T(c)(4)(iii)(B) ... C146  
§1.163-8T(c)(4)(iv) ... C147  
§1.167(a)-4T ... B120  
§1.168(i)-1T(e)(3)(iv) ... B109  
§1.168(i)-1T(f) ... B105  
§1.168(i)-1T(h) ... B110  
§1.168(i)-1T ... B105  
§1.263(a)-2T ... B111  
§1.263(a)-2T(g) ... B104  
§1.263(a)-3T ... B114  
§1.263(a)-3T(i)(5) ... B119  
§1.274-5T(c)(2)(i) ... C200  
§1.448-1T(f)(1) ... A260  
§1.469-5T ... C127  
§1.469-5T(a) ... A115, A187, B49  
§1.469-5T(d) ... B49  
§1.469-5T(f)(4) ... A114  
§1.1041-1T(a) ... B67, B71  
§1.1041-1T(d) ... B68–B69

§1.7872-5T ... C253  
 §1.7872-5T(a)(2) ... C246  
 §1.7872-5T(b) ... C246  
 §1.7872-5T(c)(1) ... C246  
 §1.7872-5T(c)(2) ... C246  
 §1.7872-5T(c)(3) ... C246  
 §5f.103-1(c) ... C241  
 §54.9815-1251T ... A258  
 §301.7216-2T(n) ... A61  
 §301.7216-2T(p)(1) ... A62

## Proposed Treasury Regulations

§1.168-2(h)(2) ... B106  
 §1.362-4(b)(2) ... B18  
 §1.453-1(f)(3)(ii) ... B17  
 §1.465-1 ... B47  
 §1.7872-1(a) ... C250  
 §1.7872-2(a)(1) ... C245  
 §1.7872-3(b)(3) ... C251  
 §1.7872-6(c) ... C254  
 §1.7872-8(b)(1) ... C253  
 §1.7872-8(c)(2) ... C253  
 §1.7872-8(c)(3) ... C253  
 §1.7872-8(c)(4) ... C253  
 §1.7872-11(g)(1) ... C255  
 §1.7872-11(g)(2) ... C255  
 §1.7872-13(a)(1) ... C252

## COURT CASES

*A. Washington v. Comm'r* ... B79  
*A.E. Calvin v. U.S.* ... B74  
*Ahmed v. Comm'r* ... B297  
*American Bantam Car Co. v. Comm'r* ... B15  
*AmeriSouth XXXII, Ltd. et al. v. Comm'r* ... B247  
*Anderson v. Comm'r* ... C192  
*ASAT, Inc. v. Comm'r* ... B268  
*Avis Rent A Car Sys., Inc. v. U.S.* ... B289  
*B. Ianiello v. Comm'r* ... B92  
*B.W. Coltman, Jr. v. Comm'r* ... B79  
*Bagley v. Comm'r* ... B298  
*Baker v. Comm'r* ... B333  
*Bandes v. Comm'r* ... A174  
*Bandes, et al. v. Comm'r* ... A172  
*Biagetti v. Rhode Island Department of Human Services* ... B230  
*Blackwell v. Comm'r* ... B321  
*Boltinghouse v. Comm'r* ... B285

*Bonds v. Comm'r* ... B323  
*Bot v. Comm'r* ... A187  
*Boyce v. Comm'r* ... C154  
*Bradley v. Comm'r* ... B323  
*Bramante v. Comm'r* ... B285  
*Brooks v. Comm'r* ... B255  
*Brown v. U.S.* ... B293  
*Bulas v. Comm'r* ... B256  
*Bunch v. Comm'r* ... B311  
*Bunney v. Comm'r* ... B85  
*Busby v. Comm'r* ... A176  
*C.A. Chamberlain v. U.S.* ... C173  
*C.B. McClendon v. Comm'r* ... B101  
*C.E. Jones v. Comm'r* ... B42  
*Cadby v. Comm'r* ... A180  
*Cadreja v. U.S.* ... B304  
*Cadwallader v. Comm'r* ... C112  
*Calarco v. Comm'r* ... A45  
*Campbell v. Comm'r* ... B119  
*Carlos v. Comm'r* ... A116  
*Chapman v. U.S.* ... A171  
*Chiavacci v. Comm'r* ... B286  
*Cohan v. Comm'r* ... B324  
*Cohan, et al. v. Comm'r* ... B280  
*Colony, Inc. v. Comm'r* ... B304  
*Comm'r v. C.B. Brown* ... C217  
*Comm'r v. Disston* ... B215  
*Comm'r v. Driscoll* ... B259  
*Comm'r v. Flowers* ... B333  
*Comm'r v. Groetzinger* ... A185, C114  
*Comm'r v. Lincoln Elec. Co.* ... B268  
*Comm'r v. Schleier* ... B260  
*Comm'r v. Stern* ... B263  
*Comm'r v. Tufts* ... B69  
*Concert Staging Services, Inc. v. Comm'r* ... B313  
*Crane v. Comm'r* ... B69  
*Crisp v. Comm'r* ... A171  
*Crispin v. Comm'r* ... B315  
*Crummey v. Comm'r* ... B215, B233  
*Culnen v. Comm'r* ... B43  
*D.A. Swenson v. Comm'r* ... B101  
*D.E. Bolding v. Comm'r* ... B42  
*D.L. Russell et al. v. Comm'r* ... B37, B42  
*D.R. Braden v. Comm'r* ... B91  
*Daly v. Comm'r* ... B333  
*David E. Watson, P.C. v. U.S.* ... B24, B206  
*Dean v. Comm'r* ... B334  
*DeCleene v. Comm'r* ... B130  
*Decrescenzo v. Comm'r* ... B328  
*Deihl v. Comm'r* ... B300  
*Dennis v. Comm'r* ... A45

*Dickerson v. Comm'r* ... B291  
*Ding v. Comm'r* ... B328  
*Disbrow v. Durand* ... B295  
*Dobrich v. Comm'r* ... B131  
*Douglas v. Comm'r* ... B266  
*Driscoll v. Comm'r* ... B259  
*Drye v. U.S.* ... B329  
*Dunlap, et al. v. Comm'r* ... B276  
*Durden v. Comm'r* ... B277  
*E.I. DuPont de Nemours & Co., Inc. v. U.S.* ... B14  
*E.J. Richardson v. Comm'r* ... B80  
*E.M. Selfe v. U.S.* ... B42  
*Edosada v. Comm'r* ... B273  
*Erwin v. U.S.* ... B288  
*Esgar Corporation, et al. v. Comm'r* ... A209  
*Estate of Anne W. Morgens et al. v. Comm'r* ... B293  
*Estate of Bean v. Comm'r* ... B299  
*Estate of Bickmeyer v. Comm'r* ... A179  
*Estate of Bongard v. Comm'r* ... B211  
*Estate of Christiansen v. Comm'r* ... B216  
*Estate of D. Leavitt v. Comm'r* ... B42  
*Estate of Emilia Olivo et al. v. Comm'r* ... B294  
*Estate of Gilford v. Comm'r* ... B292  
*Estate of H. Borax v. Comm'r* ... B60  
*Estate of Kelley v. Comm'r* ... B210  
*Estate of R. Edelman v. Comm'r* ... B101  
*Estate of Rinaldi v. U.S.* ... B238  
*Estate of Rudolph Moragne v. Comm'r* ... B269  
*Estate of Turner et al. v. Comm'r* ... B215  
*Estate of Watts* ... B210  
*Estate of Wimmer v. Comm'r* ... B215  
*Estate of Yaeger v. Comm'r* ... B259  
*Ewens & Miller, Inc. v. Comm'r* ... B289  
*F. Entezam v. Comm'r* ... B93  
*F.A. Sunderland v. Comm'r* ... B101  
*F.G. Brooks v. Comm'r* ... B46  
*Finfrock v. U.S.* ... B246  
*First Nat'l Bank of Kenosha v. U.S.* ... B292  
*Fisher v. U.S.* ... B215, B304  
*Florida Industries Investment Corporation and Subsidiaries v. Comm'r* ... B131  
*Fondren v. Comm'r* ... B215  
*Fred R. Esser* ... B25

# 2012 Workbook

- Freeman v. U.S.* ... B306  
*Fuhrman v. Comm'r* ... B267  
*G. Erdahl v. Comm'r* ... B92  
*G.G. Wolfson v. Comm'r* ... B101  
*G.J. Hemelt v. U.S.* ... C173  
*G.M. Cohan v. Comm'r* ... B102  
*G.T. Helvering v. William Flaccus Oak Leather Co.* ... C217  
*Gessic v. Comm'r* ... B285  
*Giles v. Giles Land Co.* ... B201  
*Goolsby v. Comm'r* ... B130  
*Green v. Comm'r* ... B298  
*Griffith v. Comm'r* ... A175  
*H. Kellner v. Comm'r* ... B102  
*H. Klayman v. Comm'r* ... B66  
*H.C. Goldaper v. Comm'r* ... B102  
*H.E. Wondsel v. Comm'r* ... B60  
*H.I. Joss v. Comm'r* ... B92  
*H.K. Lee v. Comm'r* ... B60  
*H.L. Park v. Comm'r* ... B92  
*Hackl v. Comm'r* ... B215  
*Hall v. U.S.* ... A208  
*Hardin v. Comm'r* ... B307  
*Helvering v. Price* ... A171–A172  
*Hendrix v. Comm'r* ... B217  
*Hennen v. Comm'r* ... A187  
*Herman v. Comm'r* ... C161  
*Himes v. Comm'r* ... B284  
*Hoover v. Comm'r* ... B286  
*I.C. Jaffe v. Comm'r* ... B80  
*In re Albright* ... B203  
*In re Dawes* ... A209  
*In re Fretz* ... B252–B253  
*In re Hall* ... A207  
*In re Jacobs* ... B252–B253  
*In re M.D. Boudreau* ... B87  
*In re Modanlo* ... B203  
*Intermountain Lumber Co. v. Comm'r* ... B15  
*J. Hayman v. Comm'r* ... B92  
*J. Radtke v. U.S.* ... B25  
*J.H. Harris v. Comm'r* ... B42  
*J.L. Dennis v. Comm'r* ... A45  
*J.L. Seymour v. Comm'r* ... B71  
*J.R. Okerson v. Comm'r* ... B80  
*J.W. Lange v. Comm'r* ... B100  
*Jensen v. Comm'r* ... B78  
*Jones v. Comm'r* ... B85  
*K.A. Weir v. Comm'r* ... B87  
*K.T. Sullivan v. Comm'r* ... B60  
*Kahler v. Comm'r* ... B299  
*Karlen v. Comm'r* ... B299  
*Kean v. Comm'r* ... B2  
*Kim v. Comm'r* ... B309  
*Knowles v. Comm'r* ... C144  
*Knudsen v. IRS* ... A208  
*Krabbenhof v. Comm'r* ... B220  
*Kroll v. Comm'r* ... B333  
*L. Gibbs v. Comm'r* ... B70  
*L.E. Kistner v. Comm'r* ... B92  
*L.R. Uri, Jr. v. Comm'r* ... B42  
*Laney v. Comm'r* ... B328  
*Larotonda v. Comm'r* ... B299  
*Levno v. U.S.* ... A177  
*Licha v. Comm'r* ... B129  
*Lindeman v. Comm'r* ... A179  
*Lindros v. U.S.* ... B251  
*Lundquist v. U.S.* ... B220  
*M. Heim v. Comm'r* ... B66  
*M.G. Culver v. Comm'r* ... B93  
*M.S. Howell v. Comm'r* ... B66  
*M.S. Kerzner v. Comm'r* ... B37  
*M.W. Streit v. Comm'r* ... B66  
*Madler v. Comm'r* ... B323  
*Manalo v. Comm'r* ... A188  
*May v. Comm'r* ... B332  
*McNamara v. Comm'r* ... A187  
*Menard, Inc. v. Comm'r* ... B206  
*Miller v. Comm'r* ... B284, B325  
*Miller v. U.S.* ... B247  
*Mitchell v. Comm'r* ... B281, B333  
*Mitchell v. U.S.* ... A53  
*Mizell v. Comm'r* ... A187, B198  
*Mohamed v. Comm'r* ... B278  
*Monfort of Colorado, Inc. v. U.S.* ... A194  
*Mooney v. Comm'r* ... B328  
*Moore v. Comm'r* ... B285, B317  
*Mulcahy, Pauritsch, Salvador & Co. v. Comm'r* ... B260  
*N.T. Semel v. Comm'r* ... B79  
*National Federation of Independent Business, et al v. Sebelius* ... A227  
*Ndile Njenge and Ekinde Rachel v. Comm'r* ... C91, C93  
*Nelson v. Comm'r* ... A203  
*Neonatology Associates, P.A. v. Comm'r* ... B310  
*Newbill v. U.S.* ... B287  
*Nixon v. Comm'r* ... B285  
*O'Bryant v. Comm'r* ... B308  
*Ocmulgee Fields, Inc. v. Comm'r* ... B129  
*Old Virginia Brick Company, Inc. v. Comm'r* ... B6  
*Olmstead v. Federal Trade Commission* ... B203  
*Olsen v. Comm'r* ... B311  
*OMOA Wireless v. U.S.* ... B329  
*Owen v. U.S.* ... A173  
*P.A. Price v. Comm'r* ... B92  
*Peco Foods, Inc. & Subsidiaries v. Comm'r* ... B249  
*Peno Trucking, Inc. v. Comm'r* ... C161  
*Peracchio v. Comm'r* ... B210  
*Petter v. Comm'r* ... B217  
*Piggly Wiggly Inc. v. Comm'r* ... B267  
*Price v. Comm'r* ... B215  
*Pryor v. Comm'r* ... A45  
*R. Dolese et al. v. Comm'r* ... B101  
*R.A. Kiesling v. U.S.* ... B66  
*R.E. Hoover v. Comm'r* ... B79  
*R.K. Wild v. Comm'r* ... B101  
*R&J Furniture Co. v. Comm'r* ... B14  
*Ready v. Comm'r* ... B300  
*Reed v. Comm'r* ... A176  
*Reesink v. Comm'r* ... B130, B316  
*Rice v. Comm'r* ... B332  
*Robinson v. State* ... B271  
*Rodriquez v. Comm'r* ... B283  
*Rogers v. Comm'r* ... B300  
*Rolfs, et al. v. Comm'r* ... B279  
*Rose v. Comm'r* ... B272–B273  
*Ryberg v. Comm'r* ... A46, B319  
*S.W. Jachym v. Comm'r* ... B79  
*Saadian v. Comm'r* ... B251  
*Scalone v. Comm'r* ... B284  
*Scherbart v. Comm'r* ... A176  
*Schofield-Johnson LLC v. U.S.* ... B329  
*Schroerlucke v. U.S.* ... B270  
*Schuneman v. U.S.* ... B246  
*Schusterman v. Comm'r* ... B220  
*Sewards v. Comm'r* ... B327  
*Shami et al. v. Comm'r* ... B264  
*Shellito v. Comm'r* ... C144  
*Sislik v. Comm'r* ... B334  
*Sloan v. Comm'r* ... A51  
*Smoot Sand & Gravel Corp. v. Comm'r* ... B239  
*Social Security Board v. J. Neurotko* ... C173  
*Sophy et al. v. Comm'r* ... B274  
*Spicer Accounting, Inc. v. U.S.* ... B25  
*Starker v. U.S.* ... B317  
*Starnes et al. v. Comm'r* ... B262  
*Stewart v. Comm'r* ... B253  
*Stidham v. Comm'r* ... B257  
*Stromatt v. Comm'r* ... A46  
*T.P. Melcher Est.* ... B101  
*Tamarisk Country Club v. Comm'r* ... B318

*Thom v. U.S.* ... A178  
*Tillman v. Comm'r* ... A188  
*Trupp v. Comm'r* ... A211  
*Twin Rivers Farm Inc. v. Comm'r* ... B289  
*U.S. v. A.B. Winthrop* ... A181  
*U.S. v. Blanchard* ... B332  
*U.S. v. Boyle* ... B307, B310  
*U.S. v. Burke* ... B298  
*U.S. v. Evseroff, et al.* ... B330  
*U.S. v. Frazell* ... B14  
*U.S. v. Gilmore* ... B100  
*U.S. v. Hall* ... A207  
*U.S. v. Haskel Engg. & Supply Co.* ... B268  
*U.S. v. Hayes* ... B260  
*U.S. v. Heli USA Airways, Inc.* ... B310  
*U.S. v. Hendler* ... B18  
*U.S. v. Home Concrete & Supply LLC et al.* ... B303  
*U.S. v. Lewis* ... B273  
*U.S. v. MacIntyre et al.* ... B296  
*U.S. v. Pfister* ... A176  
*U.S. v. Stafford* ... B14  
*U.S. v. T.C. Davis* ... B101–B102  
*U.S. v. Thornton* ... B329  
*V. Boagni, Jr. v. Comm'r* ... B100  
*V. Hennen v. Comm'r* ... B66  
*V.C. Payne v. U.S.* ... B66  
*V.M. Hopkins v. AT&T Global Information Solutions Co.* ... B86  
*van der Lee v. Comm'r* ... B258  
*Vanicek v. Comm'r* ... B295  
*W.K. Carpenter v. U.S.* ... B101–B102  
*W.L. Kann v. Comm'r* ... B66  
*W.R. Wilson v. Comm'r* ... B60  
*Waker v. Bergen* ... B295  
*Walter v. U.S.* ... B299  
*Wandry v. Comm'r* ... B217  
*Warren v. U.S.* ... A177  
*Watson v. Comm'r* ... A175  
*Weber v. Comm'r* ... B289  
*Weichert Co. Realtors v. Ryan* ... B295  
*Welch et al. v. Comm'r* ... B261  
*Weller v. Comm'r* ... A46  
*Wiechens, et al. v. U.S.* ... B130  
*William H. Perry v. Comm'r* ... B42  
*Yates v. Comm'r* ... B43  
*Zaninovich v. Comm'r* ... C133  
*Zeluck v. Comm'r* ... B249

## REVENUE RULINGS

57-55 ... C173  
 58-56 ... B59  
 58-162 ... A175  
 59-252 ... B291  
 59-259 ... B15  
 60-216 ... B74  
 64-56 ... B14  
 64-162 ... C243  
 67-442 ... B60  
 68-537 ... C243  
 70-50 ... B42  
 70-294 ... A177  
 71-288 ... B42  
 72-243 ... B224  
 72-465 ... A177  
 72-545 ... B102  
 73-210 ... A177  
 74-44 ... B24  
 74-145 ... A203  
 74-223 ... A194  
 75-64 ... C173  
 75-144 ... B42  
 76-255 ... B60  
 76-267 ... B76  
 77-257 ... A171–A173  
 78-39 ... C126  
 78-336 ... C173  
 79-229 ... A171–A172  
 79-353 ... B229  
 79-379 ... A177  
 84-3 ... A64  
 84-35 ... A174  
 86-17 ... C252  
 86-41 ... B216  
 87-41 ... C159  
 88-37 ... A210  
 90-93 ... C122  
 92-69 ... B208  
 95-7 ... B290  
 95-58 ... B229  
 2000-43 ... B22  
 2002-22 ... B89  
 2003-102 ... A234  
 2003-106 ... C201  
 2003-127 ... A196  
 2004-71 ... B75, B99  
 2004-72 ... B75, B99  
 2004-73 ... B75, B99  
 2004-74 ... B75, B99  
 2008-5 ... C230  
 2009-9 ... C106  
 2011-29 ... B271  
 2012-7 ... C247  
 2012-26 ... B290

## REVENUE PROCEDURES

87-56 ... A184, B248  
 97-48 ... B8–B9  
 2002-27 ... C155  
 2003-43 ... B8  
 2003-61 ... B301  
 2005-10 ... B334  
 2005-32 ... B303  
 2005-67 ... B334  
 2006-41 ... B334  
 2006-54 ... A162  
 2006-56 ... C201  
 2007-62 ... B9  
 2008-48 ... B65  
 2009-20 ... C106  
 2010-51 ... C192  
 2011-1 ... A120  
 2011-4 ... B318  
 2011-13 ... C157  
 2011-34 ... A120–A121  
 2011-47 ... C194  
 2011-52 ... C42, C50, C69, C83–C84, C86, C99, C116  
 2012-19 ... B103  
 2012-20 ... B103  
 2012-28 ... B254

## OTHER IRS RELEASES

### Chief Counsel Advice

201208029 ... A213  
 201212009 ... A210  
 201212010 ... A210  
 AM 2008-011 ... C115

### IRS Letter Rulings

7918056 ... B2  
 8210074 ... A180  
 8342088 ... B2  
 8739045 ... B221  
 9143050 ... B67  
 9344027 ... B83  
 9552001 ... B47  
 9652016 ... B11  
 9735008 ... B10  
 9743036 ... B11  
 199929043 ... C182  
 199939029 ... B6  
 200340019 ... A180  
 200806006 ... A55  
 201139011 ... B326  
 201213034 ... B317  
 201228012 ... B235

# 2012 Workbook

## IRS Announcements

86-128 ... B55  
2008-105 ... A161  
2011-64 ... B302  
IR-2012-37 ... A191

## IRS New Releases

IR-2011-71 ... A98  
IR-2011-80 ... B95  
IR-2011-98 ... C43  
IR-2011-116 ... C87, C100  
IR-2012-5 ... A127, A130  
IR-2012-17 ... A216  
IR-2011-95 ... C139

## IRS Notices

89-55 ... A201  
2004-70 ... B284  
2009-48 ... B124  
2009-89 ... C70  
2010-44 ... C76, C78  
2010-88 ... C192  
2011-6 ... A63  
2011-38 ... B162  
2011-72 ... B208  
2011-80 ... C2  
2011-81 ... C198  
2011-88 ... B177  
2012-1 ... C192  
2012-8 ... B94–B95  
2012-13 ... A217  
2012-17 ... A256  
2012-31 ... A262  
2012-32 ... A250  
2012-34 ... B178  
2012-40 ... A235  
CP08 ... C7  
CP10 ... C7  
CP10A ... C7  
CP11 ... C7  
CP11A ... C7  
CP12 ... C7  
CP12A ... C7  
CP13 ... C7  
CP14 ... C7  
CP16 ... C7  
CP21A ... C7  
CP21B ... C7  
CP21E ... C7  
CP23 ... C7  
CP24 ... C7  
CP2000 ... C23, C25  
CP2501 ... C23

## Technical Advice Memoranda

9748002 ... A183

## IRS Publications

15-A, Employer's Supplemental Tax Guide. ... C121  
17, Your Federal Income Tax ... C91–C93, C96, C109  
225, Farmer's Tax Guide ... A186, A188  
463, Travel, Entertainment, Gift, and Car Expenses ... C154, C191, C193–C195, C197, C201  
501, Exemptions, Standard Deduction, and Filing Information ... A123  
502, Medical and Dental Expenses ... C84, C88, C187  
503, Child and Dependent Care Expenses ... C52  
504, Divorced or Separated Individuals ... B82  
514, Foreign Tax Credit for Individuals ... C58  
525, Taxable and Nontaxable Income ... B174, C89  
526, Charitable Contributions ... C101, C103  
529, Miscellaneous Deductions ... C171, C233  
530, Tax Information for Homeowners ... C91  
535, Business Expenses ... A189  
536, Net Operating Losses (NOLs) for Individuals, Estates, and Trusts ... B74–B75, C109  
537, Installment Sales ... B145  
544, Sales and Other Dispositions of Assets ... A105, A107, B129  
547, Casualties, Disasters, and Thefts ... C109  
550, Investment Income and Expenses ... A196, C106, C217, C236  
555, Community Property ... B68, C85  
560, Retirement Plans for Small Business ... C150  
561, Determining the Value of Donated Property ... C102  
575, Pension and Annuity Income ... A33–A34

584, Casualty, Disaster, and Theft Loss Workbook ... C107  
587, Business Use of Your Home ... C203–C204, C211  
590, Individual Retirement Arrangements (IRAs) ... B84, C150  
915, Social Security and Equivalent Railroad Retirement Benefits ... A10  
936, Home Mortgage Interest Deduction ... C93  
946, How To Depreciate Property ... B107, B119  
970, Tax Benefits for Education ... A149  
1220, Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically ... A169, B167  
1281, Backup Withholding for Missing and Incorrect Name/TIN(s) ... B169  
1542, Per Diem ... C194  
1660, Collection Appeal Rights ... A160  
3498-A, The Examination Process (Examinations by Mail) ... C23  
3598, What You Should Know About The Audit Reconsideration Process ... C21  
4523, Beware of Phishing Schemes ... A142  
4535, Identity Theft Prevention and Victim Assistance ... A142  
4557, Safeguarding Taxpayer Data ... A148  
4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments ... A108, A112

## FORMS & SCHEDULES

### IRS Forms

- 211, Application for a Reward for Original Information ... A50
- 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals ... A51, A164
- 433-B, Collection Information Statement for Businesses ... A51, B313
- 433-F, Collection Information Statement ... A164
- 656, Offer in Compromise ... A51, A164
- 706, United States Estate (and Generation-Skipping Transfer) Tax Return ... B246, C2, C85
- 709, United States Gift (and Generation-Skipping Transfer) Tax Return ... B214, B292
- 843, Claim for Refund and Request for Abatement ... B303, B305, C167
- 870-AD, Offer to Waive Restrictions on Assessment and Collection of Tax Deficiency and to Accept Overassessment ... C22
- 886-H-EIC, Documents You Need to Prove You Can Claim an Earned Income Credit on the Basis of a Qualifying Child or Children ... A91
- 906, Closing Agreement on Final Determination Covering Specific Matters ... C22
- 911, Request for Taxpayer Advocate Service Assistance ... A137
- 926, Return by a U.S. Transferor of Property to a Foreign Corporation ... A128
- 940, Employer's Annual Federal Unemployment (FUTA) Tax Return ... B313
- 941, Employer's Quarterly Federal Tax Return ... B313, B332
- 945, Annual Return of Withheld Federal Income Tax ... B168
- 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment) ... A102
- 1040, U.S. Individual Income Tax Return ... C59, C121
- 1040X, Amended U.S. Individual Income Tax Return ... B304
- 1065, U.S. Return of Partnership Income ... B205
- 1065-B, U.S. Return of Income for Electing Large Partnerships ... C116
- 1096, Annual Summary and Transmittal of U.S. Information Returns ... B163
- 1098, Mortgage Interest Statement ... B192, C93
- 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes ... C102
- 1099-A, Acquisition or Abandonment of Secured Property ... A101
- 1099-B, Proceeds From Broker and Barter Exchange Transactions ... A193, B178, C232
- 1099-C, Cancellation of Debt ... A101, B253
- 1099-DIV, Dividends and Distributions ... C59, C235
- 1099-INT, Interest Income ... B157, C59, C254
- 1099-K, Merchant Card and Third Party Network Payments ... B175, C129
- 1099-MISC, Miscellaneous Income ... C90, C134, C163
- 1099-OID, Original Issue Discount ... C254
- 1099-PATR, Taxable Distributions Received From Cooperatives ... B126
- 1099-Q, Payments from Qualified Education Programs (Under Sections 529 and 530) ... B299
- 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. ... B175
- 1116, Foreign Tax Credit ... C58–C59
- 1120, U.S. Corporation Income Tax Return ... B249
- 1120S, U.S. Income Tax Return for an S Corporation ... B8, B26, B262
- 1139, Corporation Application for a Tentative Refund ... B302
- 2106, Employee Business Expenses ... C86, C111, C122, C189, C193
- 2106-EZ, Unreimbursed Employee Business Expenses ... C193
- 2441, Child and Dependent Care Expenses ... C51–C52
- 2553, Election by a Small Business Corporation ... B8
- 2555, Foreign Earned Income ... A90
- 2555-EZ, Foreign Earned Income Exclusion ... A90
- 2848, Power of Attorney and Declaration of Representative ... C2, C18
- 3115, Application for Change in Accounting Method ... B249, B258, C126
- 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts ... A128
- 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner ... A128
- 3800, General Business Credit ... A218, C72, C121
- 3949-A, Information Referral ... A50
- 4419, Application for Filing Information Returns Electronically ... B163
- 4549, Income Tax Examination Changes ... C22
- 4562, Depreciation and Amortization ... B266, C121, C134, C193
- 4684, Casualties and Thefts ... C106, C121
- 4797, Sales of Business Property ... B28, B108, C121, C134
- 4852, Substitute for Form W-2 or Form 1099-R ... B175

# 2012 Workbook

- 4952, Investment Interest Expense Deduction ... C225
- 4972, Tax on Lump-Sum Distributions ... A34
- 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations ... A128, B283
- 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business ... A128
- 5500, Annual Return/Report of Employee Benefit Plan ... C148
- 5500-EZ, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan ... C148
- 5500-SF, Short Form Annual Return/Report of Small Employee Benefit Plan ... C148
- 5695, Residential Energy Credits ... C53
- 5884, Work Opportunity Credit ... A217, C157
- 5884-B, New Hire Retention Credit ... C75
- 5884-C, Work Opportunity Credit for Qualified Tax-Exempt Organizations Hiring Qualified Veterans ... A217
- 6198, At-Risk Limitations ... B48, C121
- 6781, Gains and Losses From Section 1256 Contracts and Straddles ... A193
- 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns ... B26
- 8283, Noncash Charitable Contributions ... A65, B276, B278, B282
- 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent ... B62, B284
- 8379, Injured Spouse Allocation ... B97
- 8396, Mortgage Interest Credit ... C63
- 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return ... C90
- 8582, Passive Activity Loss Limitations ... C121, C128
- 8594, Asset Acquisition Statement Under Section 1060 ... B141, C121
- 8689, Allocation of Individual Income Tax to the U.S. Virgin Islands ... C58–C59
- 8801, Credit for Prior Year Minimum Tax — Individuals, Estates, and Trusts ... C49
- 8812, Additional Child Tax Credit ... C50
- 8821, Tax Information Authorization ... C2
- 8824, Like-Kind Exchanges ... C121
- 8826, Disabled Access Credit ... C74
- 8828, Recapture of Federal Mortgage Subsidy ... C64
- 8829, Expenses for Business Use of Your Home ... C147
- 8832, Entity Classification Election ... B8
- 8839, Qualified Adoption Expenses ... C68
- 8844, Empowerment Zone and Renewal Community Employment Credit ... C157
- 8845, Indian Employment Credit ... C157
- 8846, Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips ... C74, C156
- 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit ... A216
- 8857, Request for Innocent Spouse Relief ... B90
- 8863, Education Credits (American Opportunity, Hope, and Lifetime Learning Credits ... A149, C51
- 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships ... A128
- 8867, Paid Preparer's Earned Income Credit Checklist ... A53–A54, A89, A91, C43
- 8873, Extraterritorial Income Exclusion ... C59
- 8879, IRS e-file Signature Authorization ... A61
- 8880, Credit for Qualified Retirement Savings Contributions ... C59
- 8885, Health Coverage Tax Credit ... C47–C48
- 8903, Domestic Production Activities Deduction ... B128, C121
- 8912, Credit to Holders of Tax Credit Bonds ... C72
- 8919, Uncollected Social Security and Medicare Tax on Wages ... C163
- 8925, Report of Employer-Owned Life Insurance Contracts ... B125
- 8932, Credit for Employer Differential Wage Payments ... C157
- 8936, Qualified Plug-in Electric Drive Motor Vehicle Credit ... C70
- 8939, Statement of Specified Foreign Financial Assets ... C256
- 8941, Credit for Small Employer Health Insurance Premiums ... A235, C76, C80, C142
- 8948, Preparer Explanation for Not Filing Electronically ... C90
- 8949, Sales and Other Dispositions of Capital Assets ... B180, C238
- 8952, Application for Voluntary Classification Settlement Program (VCSP) ... C139
- 9423, Collection Appeal Request ... A158
- 11652, Questionnaire and Supporting Documentation, Form 1040 Schedule C (Profit or Loss from Business) ... C15
- 12153, Request for a Collection Due Process or Equivalent Hearing ... B313

# 2012 Workbook

- 12203, Request for Appeals Review ... A155
- 13441-A, Health Coverage Tax Credit (HCTC) Monthly Registration ... C48
- 13711, Request for Appeal of Offer in Compromise ... A160
- 14039, Identity Theft Affidavit ... C38
- 14107, Application for Fast Track Settlement ... A161
- 14411, Systemic Advocacy Issue Submission Form ... A140
- RRB-1099, Payments By The Railroad Retirement Board ... A10
- SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding ... C134, C162
- SSA-1099, Social Security Benefit Statement ... A10
- TD F 90-22.1, Report of Foreign Bank and Financial Accounts ... A128, C255
- W-2, Wage and Tax Statement ... B23, C152
- W-2G, Certain Gambling Winnings ... B164
- W-4, Employee's Withholding Allowance Certificate ... C185
- W-4S, Request for Federal Income Tax Withholding from Sick Pay ... C186
- W-9, Request for Taxpayer Identification Number and Certification ... A57, B162
- W-10, Dependent Care Provider's Identification and Certification ... C52
- W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit ... C75
- 1040, Schedule C, Profit or Loss From Business ... B256, B258, B267, B319, C121, C163
- 1040, Schedule C-EZ, Net Profit From Business ... C122
- 1040, Schedule D, Capital Gains and Losses ... B180, B251, C109, C238
- 1040, Schedule E, Supplemental Income and Loss ... A113, B323
- 1040, Schedule EIC, Earned Income Credit ... C42
- 1040, Schedule F, Profit or Loss From Farming ... B319
- 1040, Schedule R, Credit for the Elderly or the Disabled ... C70
- 1040, Schedule SE, Self-Employment Tax ... C121, C163
- 1065, Schedule K-1, Partner's Share of Income, Deductions, Credits, etc. ... A126, B205
- 1120S, Schedule K, Shareholders' Pro Rata Share Items ... B26
- 1120S, Schedule K-1, Shareholder's Share of Income, Deductions, Credits, etc. ... B26, C242
- 1120S, Schedule L, Balance Sheets per Books ... B27
- 1120S, Schedule M-1, Reconciliation of Income per Books With Income (Loss) per Return ... B27
- 1120S, Schedule M-2, Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed ... B27
- 1120S, Schedule M-3, Net Income (Loss) Reconciliation for S Corporations With Total Assets of \$10 Million or More ... B27

## IRS Schedules

- 1040, Schedule A, Itemized Deductions ... B277, C81, C122
- 1040, Schedule B, Interest and Ordinary Dividends ... B157, C213

## Alphabetical Index

### NUMBERS

- §401(k) plans
  - succession planning
    - considerations ... B209
- §403(b) plans
  - succession planning
    - considerations ... B209

### A

- Accounting method
  - §481(a) adjustment ... C126
  - accrual method ... C126
    - qualifying small business taxpayer ... C125
    - qualifying taxpayer ... C125
  - cash method ... C125
    - farm deductions ... A171
  - changing ... C126
  - inventory items ... C126
  - Schedule C filers ... C125
- Adjusted gross farm income ... A196
  - calculation ... A198
  - defined ... A198
- Adjusted gross income ... A196
  - defined ... A198
- Adoption credit. *See* Credits
- Advertising. *See* Expenses
- AFR ... B220
  - See* Loans
- AGFI. *See* Adjusted gross farm income
- AGI. *See* Adjusted gross income
- Alimony. *See* Divorce
- Alternative minimum tax. *See* AMT
- American Jobs Creation Act of 2004 ... A69
- American opportunity credit. *See* Credits
- American Recovery and Reinvestment Act of 2009 ... B54, C224
- AMT
  - divorce ... B75
  - effect of itemizing
    - deductions ... C83
  - exemption amount ... A221
  - prior year minimum tax credit ... C49
- Annuity payments. *See* Retirement

- Appeal
  - arbitration ... A162
  - collection decision ... A158
  - early referral ... A162
  - fast track mediation ... A162
  - fast track settlement
    - program ... A161
  - formal written protest ... A157
  - offer-in-compromise
    - rejection ... A160
  - post-appeal mediation ... A162
  - preparing a request ... A155
  - small case request ... A155
  - tax treaty situations ... A162
- Applicable federal rate. *See* Loans
- Applicable large employer. *See* Patient Protection and Affordable Care Act
- At-risk rules
  - S corporation ... B47
- Audit
  - appeal. *See* Appeal
  - correspondence ... C11
    - automated system ... C16
    - categories ... C12
    - combo letter ... C16
    - conclusion ... C21
    - earned income credit ... C12
    - initial contact letter ... C16
    - nonfiling issues ... C16
    - opening communication ... C16
    - post-refund ... C12
    - practitioner priority
      - service ... A168
    - pre-refund ... C12
    - primary issues ... C12
    - Schedule A issues ... C16
    - soft notices ... C28
    - statistics ... C11
    - taxpayer response ... C19
  - CP2000 notice ... B194
  - CP2100 notice ... B169
  - CP2100A notice ... B169
  - hedging transactions ... A196
  - protective claim ... B306
  - reconsideration process ... C21
    - outcomes ... C22
    - starting ... C22
  - reexamining closed years ... B302
  - statute of limitations ... B304

- Audit techniques guide
  - new ... A170
- Automated underreporter (AUR)
  - system. *See* Compliance
- Average crop revenue
  - election ... A197

### B

- Bank Secrecy Act ... C256
- Bankruptcy
  - Chapter 12 ... A206
    - tax liability ... A207
    - postpetition sale ... A208
  - Chapter 7 ... B251
  - debt cancellation ... A100
  - MF Global ... A191
- Basis
  - determination ... C226
    - ordering rules ... C228
  - specific lot
    - identification ... C228
- divorce
  - debt in excess ... B69
  - nonrecognition rules ... B68
- double-category method ... C226, C228
- effect of corporate
  - distributions ... C241
- general asset accounts
  - disposition ... B108
- information reporting
  - requirements ... B178
- life estate ... B223
- loan ... C242
- loss/gain utilization
  - method ... C229
- mandatory reporting rules ... C231
- mutual fund ... C226
- ordering rule
  - FIFO ... C228
  - HIFO ... C229
  - LIFO ... C228
- S corporation
  - adjustments
    - §179 deduction ... B41
    - annual ... B38
    - debt ... B43
    - restoration rules ... B45
    - special election ... B40
    - tier 1 ... B39

tier 2 ... B39  
 tier 3 ... B39  
 tier 4 ... B39  
 built-in loss rule ... B18  
     special joint election ... B18  
 debt ... B42  
     shareholder loans ... B42  
 exchanged property ... B15  
 share ... B37  
 shareholder estate  
     modified carryover  
         rules ... B38  
 stock ... B50  
 transferred property ... B15  
**S corporation shareholder**  
 at formation ... B37  
 gifted interest ... B38  
 inherited interest ... B38  
 initial basis ... B37  
 loss limitations ... B37  
 purchased interest ... B38  
**S corporation stock contributed to**  
 charity ... A222  
 single-category method ... C226  
 stock ... C226, C242  
 tangible property  
     disposition ... B107  
     nonrecognition  
         provisions ... B107  
         redetermining ... B110  
 unadjusted depreciable  
     basis ... B111  
**Bonds**  
 arbitrage ... C240  
 earned interest ... C240  
 federally guaranteed ... C241  
 private activity  
     taxability ... C240  
 tax-exempt  
     limitation on issuing ... C240  
     registration-required ... C241  
**Boot** ... B14  
     taxation of gain ... B16  
**Broker**  
 information reporting  
     requirements ... B178  
     short sales ... B179  
     transfer of covered  
         security ... B179  
     wash sales ... B179  
**Built-in gains tax** ... B54  
**Business tax home**  
     travel expense ... C189  
**Business transactions** ... B157

## C

**C corporation**  
     succession planning ... B204,  
         B206  
**Capital asset**  
     defined ... C217  
**Capital expenditures**  
     leased property ... B120  
**Capital gain**  
     collectibles ... C223  
     tax rate ... C223  
     depreciated property ... C221  
     Form 8949 reporting ... C238  
     holding period ... C217  
     offset with loss ... C226  
     reporting ... C217, C237  
     Schedule D reporting ... C238  
     tax rate ... A223  
     taxation rules ... C217  
**Capital loss**  
     holding period ... C217  
     reporting ... C217  
     wash sale ... C229  
**Casualty loss.** *See* Deductions  
**Cell phones.** *See* Deductions  
**Censure**  
     definition ... A67  
**Charitable contribution**  
     20% limit ... C103  
     30% limit ... C103  
     50% and 30%  
         organizations ... C102  
     50% limit ... C102  
     athletic associations ... C99  
     benefits for taxpayer ... C99  
     book inventory ... A222  
     carryovers ... C103  
     computers ... A222  
     conservation easements ... A209  
     deductibility ... C98  
     food inventory ... A222  
     membership fees or dues ... C99  
     nondeductible  
         contributions ... C101  
         partial interest in property ... A210  
         personal expenses ... C100  
         property ... C101  
         qualified organization ... C98  
         vehicles ... C101  
**Charitable lead annuity trust.** *See*  
 CLAT  
**Child and dependent care credit.** *See*  
 Credits

**Child tax credit.** *See* Credits  
**Circular 230**  
     §10.2 ... A40  
     §10.2(4) ... A71  
     §10.2(a)(4) ... C1  
     §10.20 ... A74  
     §10.20(a)(1) ... A69  
     §10.20(a)(2) ... A69  
     §10.21 ... A51–A52, A57, A60,  
         A74  
     §10.22 ... A40–A41, A44, A46,  
         A54, A58, A73–A74  
     §10.22(b) ... A41  
     §10.23 ... A68  
     §10.24 ... A44  
     §10.25 ... A66  
     §10.25(b) ... A66  
     §10.26 ... A70  
     §10.27 ... A60–A61, A73  
     §10.28 ... A56  
     §10.29 ... A48–A49, A58, A73–  
         A74  
     §10.29(b)(3) ... A73  
     §10.3 ... A42, C1  
     §10.3(f)(4) ... A42  
     §10.30 ... A60, A67, A70  
     §10.30 (2)(b) ... A70  
     §10.31 ... A60  
     §10.34 ... A51  
     §10.34(b)(2)(i) ... A50  
     §10.34(d) ... A41  
     §10.35 ... A42–A43  
     §10.37 ... A44  
     §10.50 ... A67  
     §10.51 ... A44, A67, A71  
     §10.51(a)(13) ... A68  
     §10.51(a)(4) ... A74  
     §10.52 ... A68  
     §10.81 ... A67  
     advertising services ... A60  
     censure, suspension,  
         disbarment ... A67  
     confidentiality ... A74  
     conflict of interest ... A48, A58,  
         A73  
         definition ... A48  
         written consent ... A48  
     contingent fees ... A61, A73  
     covered opinions ... A42  
         3 exceptions ... A43  
         disclaimer ... A43  
     diligence as to accuracy ... A44,  
         A73–A74  
     disclosure  
         written consent ... A62

# 2012 Workbook

- disposition of IRS matters ... A68
- due diligence ... A40, A54, A58, A60, A74
  - checklist ... A53
  - selling a practice ... A62
- erroneous or misleading information ... A74
- fees ... A56, A60
  - written schedule ... A70
- former IRS agents ... A66
- fraudulent return ... A49
- impeding/delaying administration of tax laws ... A50
- incompetence and disreputable conduct ... A44, A67
- info requested by IRS ... A69
- informed consent ... A73
- knowledge of omission ... A46, A52, A74
- notary public services ... A70
- petition for reinstatement ... A67
- practice before IRS ... A71
  - definition ... C1
  - practitioners ... C1
- privileged information ... A69
- records
  - definition ... A57
- refund checks ... A60
- release of information ... A47
- reliance opinion ... A43
- RTRP
  - permitted activities ... C2
  - requirements ... C2
- signing a return ... A64
- solicitation ... A60
- supervised preparer ... A63
- written consent
  - selling other services ... A63
- CLAT
  - succession planning considerations ... B216
- Client representation
  - necessary forms ... C2
- Collection
  - fresh start initiative ... A163
  - penalty relief ... A163
- Collection appeals program ... A158
- Collection due process ... A158
- Commodity and futures options
  - MF Global bankruptcy ... A191
- Community property
  - divorce ... B68
- Compliance
  - automated underreporter (AUR) system ... C11
  - notices ... C23
- Conditional sales contract ... C153
  - criteria ... C154
- Confidentiality
  - Circular 230 ... A47
- Conflict of interest ... A73
  - Circular 230 ... A48, A58
  - definition ... A48
  - written consent ... A48
- Conservation easements
  - contributions of capital gain real property ... A222
  - donated ... A209
  - mining ... A209
- Constructive receipt doctrine
  - farm income ... A171, A174, A176
- Corporation
  - buy-sell agreements ... B235
    - advantages and disadvantages ... B237
  - cross-purchase agreement ... B236
  - funding ... B238
  - hybrid agreement ... B236
  - mechanics ... B237
  - redemption agreement ... B236
  - tax consequences ... B236
  - types ... B236
  - stock redemption ... B234
- Cost of goods sold ... C130
  - calculation
    - manufactured products ... C130
- Cover damages ... A204
- Coverdell ESA
  - contribution limits ... A224
- Covered opinion
  - 3 exceptions ... A43
  - Circular 230 ... A42
  - disclaimer ... A43
- CP 01A letter ... C37
- CP 01F letter ... C37
- Credit bureaus ... A144
- Credit to holders of tax credit bonds.
  - See Credits*
- Credits ... C41
  - active duty reservist wages ... A221
  - additional child tax ... C50
  - adoption ... A221, A223, C68
  - eligibility ... C68
  - foreign child ... C69
  - income limits ... C69
  - qualified expenses ... C68
  - special needs individual ... C69
  - American opportunity ... A223
- categories ... C41
- child
  - CP08 ... C7
- child and dependent care ... A57, C51
  - eligibility ... C51
  - income limits ... C52
  - maximum amount ... C52
- child tax ... A223, C50
  - eligibility ... C50
  - income limits ... C50
- construction of new energy efficient homes ... A221
- dependent care ... C183
- disabled access ... C74
- earned income ... A53, A89, A223–A224, C42
  - AGI limits ... C42
  - common errors ... A91
    - child not qualifying child ... A91
    - incorrect filing status ... A92
  - computation ... C43
  - correspondence audit ... C12
  - due diligence ... A91
    - penalties ... A89
    - requirements ... A89, C43
  - eligibility ... A90, C42
  - IRS notice CP10A ... C7
  - IRS notice CP11A ... C7
  - IRS notice CP12A ... C7
  - self employed ... A91
- education ... B265
  - American opportunity ... C51
    - qualified expenses ... C51
  - disallowed ... A149
  - lifetime learning ... C51
- elderly or disabled ... C70
  - eligibility ... C71
  - income limits ... C71
- employer social security and Medicare taxes paid on tips ... C74
- employer-provided child care ... A224
- energy efficient appliances ... A221
- first-time homebuyer military personnel ... A221
- foreign tax ... C58
  - ineligible taxes ... C58
  - qualified foreign entities ... C59
  - qualified taxpayers ... C58
- general business ... C72
- health coverage ... C47

computation ... C48  
 eligibility ... C47  
 health insurance costs ... A221  
 holders of tax credit bonds  
   eligibility ... C72  
 maintaining railroad  
   tracks ... A221  
 mortgage interest ... C63  
   eligibility ... C63  
   related party ... C63  
 new hire retention ... C75  
   qualified employees ... C75  
 nonbusiness energy  
   property ... A221  
 personal ... A221  
 premium assistance ... A220, A246  
   calculation ... A247, A249  
   excess advanced credit  
     recovery ... A251  
   household income ... A247  
   poverty income level ... A248  
   reconciliation ... A250  
   tax reporting ... A250  
 prior year minimum tax ... C49  
   eligibility ... C49  
 qualified plug-in electric drive  
   vehicle  
     computation ... C70  
     eligibility ... C70  
 research ... B264  
 residential energy ... C53  
   claiming ... C55  
   eligibility ... C53  
   energy efficient property ... C54  
   nonbusiness energy property  
     improvements ... C53  
   qualified energy efficiency  
     improvements ... C53  
 retirement savings  
   contributions ... C59  
   computation ... C61  
   eligibility ... C59  
   income limits ... C60  
 small business health care ... C76  
   calculation ... C78  
   claiming ... C80  
   determining FTEs ... C76  
   determining hours of  
     service ... C76  
   determining premiums  
     paid ... C78  
   employer eligibility ... C76  
 small business health insurance  
   phase 1 ... A266  
   phase 2 ... A266

work opportunity ... A215, A221  
   calculation ... A217  
   certification ... A216  
   ineligible individuals ... A216  
   qualified veterans ... A215  
 Criminal penalties  
   nondisclosure  
     foreign income and  
       accounts ... A130  
 Crop-share lease ... A185  
 Custodial parent. *See* Divorce

## D

Damage awards. *See* Income  
 Daycare facilities. *See* Deductions  
 DCP payments. *See* Direct and  
   counter-cyclical program  
   payments  
 Debt  
   cancellation ... A100  
   Form 1099-C ... A101  
   required to be  
     reported ... A102  
   unreported  
     transactions ... A101  
   versus 1099-A ... A101  
   principal residence  
     exclusion ... A102  
     qualifications ... A102  
   short sale ... A106  
   foreclosure  
     cash for keys ... A113  
   insolvent taxpayer ... A108  
   nonrecourse ... A100  
   property abandonment ... A107  
   recourse ... A100  
   transferability ... B263  
 Decedent  
   medical expense deduction ... C85  
 Deductions  
   §179 ... B266  
   limits ... A222, A224  
   accident and health  
     insurance ... C143  
   advertising ... C132  
   alimony ... B285  
   appraisal fees ... C112  
   breach of employment  
     contract ... C110  
   brokerage fees and  
     commissions ... C233  
   business bad debt ... C110  
   business expense ... B261, B321

business insurance ... C144  
 business meal expenses ... C194  
 business use of personal  
   property ... B256  
 capital loss ... C226  
 car and truck ... C134  
   reporting ... C134  
 casualty loss ... C105  
   calculating ... C107  
   clean up or repairs ... C107  
   decrease in FMV ... C107  
   insurance payments ... C108  
   limitations ... C108  
   NOL ... C109  
   proof of loss ... C106  
 cell phone service ... C156  
 charitable contributions ... B276–  
   B280  
   book inventory ... A222  
   computers ... A222  
   conservation easement ... B281  
   facade easement ... B276  
   food inventory ... A222  
   *See* Charitable contribution  
   commissions and fees ... C134  
   contributions to retirement and  
     profit-sharing plans ... C148  
   convenience fee for paying  
     taxes ... C113  
   daycare facilities ... C211  
   deemed payment ... C255  
   depletion of property ... C142  
   depreciable property  
     financed  
       improvements ... A173  
   depreciation  
     computers used for  
       work ... C110  
     personal computer ... C113  
   disabled employees ... C199  
   dividend reinvestment plan service  
     fees ... C113  
   employee business  
     expense ... C110  
   employer-required medical  
     exams ... C110  
   entertainment expense  
     allowable ... C195  
   estate ... B294  
   estate tax on IRD ... C115  
   farm expenses  
     borrowed funds ... A172  
     input costs ... A171  
     livestock feeding  
       arrangements ... A171

# 2012 Workbook

- monthly maintenance
  - fees ... A174
- vendor-financed inputs ... A173
- fees to manage
  - investments ... C113
- gambling losses ... C115
- health coverage ... C176
- health insurance
  - premiums ... C142
- hobby expenses ... C114
- home mortgage
  - points ... C95
- home mortgage interest ... C93
  - divorce ... C94
  - housing allowances ... C94
  - late charges ... C94
  - mortgage assistance program ... C94
  - multiple borrowers ... C93
  - prepaid interest ... C94
  - prepayment penalty ... C94
  - qualified interest ... C93
- home office ... C111
  - calculating ... C205
  - criteria ... C203
  - exclusive and regular use ... C203
  - limitations ... C206
  - more than one business ... C205
  - ordering rules ... C206
  - principal place of business ... C204
  - rental to employer ... C212
  - separate structure rule ... C205
- homeowners' association
  - fees ... C92
- impairment-related work
  - expenses ... C116
- imputed interest ... C245
- insurance premiums ... C86
- interest expense ... C145
  - ordering rule ... C145
- investment expenses
  - defined ... C225
- investment interest ... C96, C224
  - limitations ... C97
  - qualified property ... C96
- investments
  - clerical help and office ... C112
- IRA trustee's administrative
  - fees ... C113
- itemized
  - limitation ... A224
  - types ... C81
  - versus standard deduction ... C83
- who is required ... C83
- job search expenses ... C199
- lease versus purchase
  - payments ... C153
- leased vehicle ... C154
- legal and professional
  - expenses ... C147
- legal expenses ... C110, C113, C171
  - business related ... C171
  - personal versus business ... C171
- license and regulatory fees ... C110
- licenses ... C156
- lodging expenses ... B334
- long-term care premiums ... C86
- losses from failed banks ... C106
- malpractice insurance
  - premiums ... C110
- materials and supplies ... C155
- medical expenses ... C84
  - decedents ... C85
  - dependents ... C84
    - divorced or separated parents ... C85
  - divorce ... B65
  - home improvements ... C87
  - household employees ... C88
  - in 2013 ... A234
  - insurance premiums ... C86
  - long-term care
    - premiums ... C86
  - meals and lodging ... C87
  - Medicare Part A ... C87
  - multiple support
    - agreement ... C85
  - qualified expenses ... C86
  - reimbursements ... C88
  - separate returns ... C85
  - special equipment ... C87
  - transportation ... C87
- Medicare Part A ... C87
- membership dues ... C110
- military uniforms ... C111
- miscellaneous
  - not subject to 2% of AGI ... C115
- mortgage insurance ... A221
  - premiums ... C95
- mortgage interest ... B272–B273
- moving expenses ... C177
- nonbusiness bad debt ... B251
- nondeductible expenses ... C117
- nondeductible interest ... C98
- not for profit expenses ... B321
- occupational tax ... C110
- office supplies and
  - postage ... C147
- ordinary and necessary
  - expenses ... B268
- other expenses ... C112
- passport fees ... C110
- political contributions ... C118
- Ponzi scheme losses ... C106
- professional journals ... C110
- protective clothing ... C111
- qualified residence
  - interest ... B275
- relief fund contributions ... C119
- rent or lease payments ... C153
- repairs and maintenance ... C155
- repayments under claim of right ... C116
- reverse mortgage accrued
  - interest ... C95
- safe deposit box rent ... C113
- Schedule C filers ... C132
- signs ... C133
- standard ... C83
- state and local sales tax ... A221
- tax prep fees ... C112
- taxes ... C156
  - personal property ... C92
  - real estate ... C91
    - cooperative housing ... C91
    - divorce ... C92
    - funds in escrow ... C92
    - housing allowances ... C92
    - proration ... C92
    - sales and use ... C91
    - state and local ... C91
    - state benefit funds ... C91
- teacher expenses ... A221
- theft loss ... B269, C105
  - calculating ... C107
  - insurance payments ... C108
  - limitations ... C108
  - proof of loss ... C107
- timing ... B271
- tools ... C110
- travel expense ... C189–C190
  - conditions for
    - deductibility ... C191
    - home office ... C192
    - military reservist ... C198
    - not away from home ... C192
    - outside U.S. ... C191
    - temporary work
      - location ... C192

- within U.S. ... C190
- tuition and fees ... A222
- uniforms and work clothes ... C110
- union dues ... C110
- unreimbursed employee business expenses ... B257, B333
- voluntary unemployment benefit fund contributions ... C119
- wages ... C157
- website development
  - costs ... C132
- who must itemize ... C83
- work-related education ... C110
- Deferral arrangements. *See* Income
- Deferral contract. *See* Income
- Deferred compensation plan ... B4
- Deficit Reduction Act of 1984 ... C241
- Demand loans. *See* Loans
- Dependent care assistance
  - succession planning
    - considerations ... B208
- Depreciation
  - §179 ... B267
  - 150% declining balance method ... A182
  - 200% declining balance method ... A182
  - agricultural processing activities ... A183
  - betterment expenditures ... B117
  - bonus
    - 100% ... A222
    - 50% ... A224
    - AMT ... A224
  - capitalization. *See* TD 9564
  - cost segregation ... B249
  - custom harvesting
    - activities ... A183
  - decoupled from bonus ... B123
  - farm assets ... A182
  - financed property
    - improvements ... A173
  - lives ... B247
  - maximizing deductions ... B122
  - new or different use
    - expenditures ... B120
  - principal residence converted to rental ... C222
  - property improvements
    - leased property ... B115, B120
  - qualified leasehold improvements ... A222
  - qualified restaurant property ... A222
  - qualified retail improvement property ... A222
  - recapture
    - §1245 ... B132
    - §1250 ... B132
    - §179 ... B132
  - installment sale versus lease ... A188
  - sale of business ... B132
  - routine maintenance ... B116
- Direct and counter-cyclical program payments ... A197
- Disabled access credit. *See* Credits
- Disabled employees
  - deductible expenses ... C199
- Disbarment
  - definition ... A67
- Disposition
  - tangible property
    - rules ... B107
- Dividends
  - income reporting ... C213
  - nominee reporting ... C214
  - regulated investment companies ... A222
  - tax rate ... A223
- Divorce
  - alimony ... B78, B285–B286
    - excess front-loading
      - rules ... B81
    - exceptions ... B83
    - legal fees ... B101
    - qualifications ... B79
  - assignment of income
    - doctrine ... B70
  - carryovers
    - capital losses ... B71
    - charitable contribution ... B76
    - investment interest
      - expense ... B78
    - NOLs ... B72
      - AMT ... B75
      - carryback period ... B74
      - refund limitation ... B75
    - passive activity loss ... B76
  - children
    - medical expense
      - deduction ... B65
  - community property ... B68
  - custodial parent ... B61
  - excess front-loading rules ... B81
    - exceptions ... B83
  - filing status ... B60
  - annulment ... B60
  - appealed judgment ... B60
  - invalid judgment ... B60
  - requirements for joint return ... B66
- home mortgage interest vs alimony ... C94
- injured spouse ... B96
  - applying for relief ... B97
  - priority rules ... B96
  - tax overpayment
    - apportionment ... B97
- innocent spouse ... B90
  - allocating deficiency ... B93
  - equitable relief ... B94
  - making election ... B90
  - relief determination ... B95
  - separate liability relief ... B92
- interlocutory decree ... B60
- legal fees ... B99
  - alimony ... B101
  - allocate deductible v. nondeductible ... B102
  - child support ... B101
  - protecting business interests ... B101
  - tax counseling ... B101
- medical expenses of dependents ... C85
- military pensions ... B87
- property
  - basis
    - debt in excess ... B69
    - nonrecognition rules ... B68
  - division ... B67
  - nonrecognition rules ... B67
    - exceptions ... B70
  - transfers
    - in trust ... B69
    - installment
      - obligation ... B70
      - nonresident alien ... B71
- QDRO ... B85
  - consequences of not using ... B87
- real estate tax deductibility ... C92
- retirement plans
  - nonqualified plans ... B89
  - state pension plans ... B88
- separate maintenance ... B78
- tax liability ... B65
- tax overpayment
  - apportionment ... B97
- transfers
  - child dependency
    - exemption ... B61
    - requirements ... B62

# 2012 Workbook

- tax benefits ... B64
- IRA assets ... B83
- retirement assets ... B83
- services ... B71
- DPAD ... B126
  - deduction limitations ... B126
  - oil and gas ... A212
  - qualifying activities ... B127
  - qualifying industries ... B127
  - reporting on K-1 ... B128
- Due diligence
  - accuracy ... A44
  - Circular 230 ... A40, A54, A58, A60, A74
  - court cases ... A46
  - definition ... A41
  - earned income credit ... A54, A89, C43
    - penalties ... A89
    - statute of limitations ... A90
- Dynasty trust ... B226
  - asset protection ... B230
  - beneficiaries
    - grantor's children ... B230
    - pot trust ... B230
    - simultaneous ... B230
  - GSTT ... B227
  - structure ... B229
  - tax aspects ... B227
  - term ... B228
  - trust protector ... B231
  - trustee considerations ... B228

## E

- Earned income credit. *See* Credits
- Easement
  - facade ... B276
- Education credits. *See* Credits
- Educational assistance programs
  - succession planning
    - considerations ... B208
- EIC. *See* Credits
- Elderly or disabled credit. *See* Credits
- Electronic return originators ... C34
- Emergency Economic Stabilization Act of 2008 ... C231
- Employee
  - classification settlement program ... B103
  - compensation
    - property ... C168
  - incentive stock options ... C170
  - misclassification
    - penalties ... C138

- reporting to IRS ... C163
- payment in kind ... C171
- right of control test ... C159
- statutory
  - benefits of
    - classification ... C122
  - defined ... C121
- stock options ... C168
  - W-2 reporting ... C170
- versus independent contractor ... B289, C134, C159
- 20 factors ... C159
- 7 factors ... C161
- voluntary classification settlement program ... B103, B302, C139, C166
- worker status
  - IRS determination letter ... C162
- Employee business expense deductibility ... C110
- Employee discount. *See* Fringe benefits
- Energy Improvement and Extension Act of 2008 ... B178
- Energy Star ... C54
- Entertainment expenses. *See* Expenses
- Entity
  - comparisons ... B198
- Entity selection. *See* Succession planning
- ERISA §206(d)(3)(A) ... B86
- ERO. *See* Electronic return originators
- e-Services ... C34
  - account transcripts ... C35
  - disclosure authorization ... C34
  - e-file providers
    - available products ... C34
  - e-help desk ... A168
  - electronic account
    - resolution ... C34
  - electronic return originators ... C34
  - tax return transcripts ... C35
  - transcript delivery system ... C34–C35
- Estate
  - gift tax included ... B293
  - tax liability
    - executor ... B296
    - living trust trustee ... B296
- Estate plan
  - farmers
    - options in will ... A179

- Estate tax
  - conservation easement
    - rules ... A224
  - exemption ... A224
    - portability ... A224
  - installment payment rules ... A224
  - rate ... A224
  - state ... A224
- Estimated tax payment
  - corporations ... A221
  - CP10 ... C7
  - CP24 ... C7
- Estimated tax penalty relief
  - farming and fishing ... A191
- Ex-dividend date ... C236
- Expenses
  - advertising and promotional ... C132
  - business meals
    - criteria for deduction ... C194
  - campaign expenses ... C118
  - car and truck ... C134
  - commissions and fees ... C134
  - contract labor ... C134
  - employee business
    - deductibility ... C110
  - entertainment ... C195
    - associated test ... C195
    - directly related test ... C195
  - finances and penalties ... C118
  - interest
    - ordering rule ... C145
    - Schedule C filers ... C144
  - investment related
    - nondeductible ... C118
  - job related
    - nondeductible ... C118
  - legal and professional ... C147
  - legal fees ... C171
  - lobbying ... C119
  - looking for employment ... C199
  - meals and entertainment
    - 50% limit ... C196
    - reimbursement plans ... C200
  - moving ... C177, C182
  - nondeductible ... C117
  - reimbursement plans
    - accountable v. nonaccountable ... C199
    - electronic records ... C201
    - tainting accountable plan ... C201
  - reporting
    - Schedule C filers ... C132
  - signs ... C133

standard meal allowance ... C194  
 travel ... C190  
   deductibility criteria ... C189  
   not away from home ... C192  
   outside U.S. ... C191  
   temporary work  
     location ... C192  
     within U.S. ... C190  
 website development  
   costs ... C132

## F

Family limited partnership. *See* FLP  
 Farm  
   property valuation ... B246  
 Farm program payments  
   adverse FSA notice ... A200  
   AGI verification ... A199  
   disclosure consent forms ... A199  
   income limitation rules ... A196–  
     A197  
   problem areas ... A200  
   reporting AGI and AGFI ... A198  
 Farmer  
   IRD ... A179  
 Farming  
   average AGI  
     calculation ... A197  
     definition ... A197  
   direct and counter-cyclical program  
     payments ... A197  
   farm program payments ... A196  
   MF Global bankruptcy  
     estimated tax penalty  
       relief ... A191  
   impact ... A191  
   reporting gains/losses ... A192  
 Farmland leases. *See* Leases  
 Fast track mediation ... A162  
 Fast track settlement  
   program ... A161  
 FATCA. *See* Foreign accounts  
 FBAR. *See* Foreign accounts  
 FICA  
   statutory employee ... C121  
 Field Attorney Advice (FAA)  
   20114701F ... B302  
 Filing status  
   choices ... A121  
   divorce ... B60  
   requirements for joint  
     return ... B66  
   head of household ... A122, B262

married filing jointly ... A122  
 married filing separately ... A123  
 qualifying widow(er) ... A122  
 single ... A122  
 Financial distress ... A100  
   property abandonment ... A101  
 Fishing  
   MF Global bankruptcy  
     estimated tax penalty  
       relief ... A191  
 Flexible spending accounts. *See* Fringe  
   benefits  
 FLP ... B210  
   §2036 problem ... B212  
 Food and beverage industry  
   credit for employer social security  
     and Medicare taxes paid on  
       tips ... C74  
 Foreclosure ... A105  
   cash for keys ... A113  
   Form 1099-A ... A101  
 Foreign Account Tax Compliance  
   Act ... A130  
 Foreign accounts  
   FATCA reporting  
     requirements ... C256  
   FBAR ... C255  
   income reporting ... C216  
   nondisclosure  
     criminal penalties ... A130  
     penalties ... A129  
   offshore voluntary disclosure  
     initiative ... A127  
     eligibility ... A130  
   reporting requirements ... A128,  
     C255  
 Foreign adoption. *See* Credits  
 Foreign income  
   nondisclosure  
     criminal penalties ... A130  
     penalties ... A129  
   offshore voluntary disclosure  
     initiative ... A127  
     eligibility ... A130  
   reporting requirements ... A128  
 Foreign tax credit. *See* Credits  
 Forgone interest ... C249  
 Fraud  
   tax shelters ... B330  
 Fringe benefits  
   de minimis ... C181  
   succession planning  
     considerations ... B208  
   definition of employee ... C178

dependent care  
   nondiscrimination  
     rules ... C183  
 dependent care assistance ... C183  
 employee discounts ... C179  
 employer-provided educational  
   assistance ... A224  
 flexible spending account  
   contributions ... C186  
   dependent care ... C183  
   medical  
     annual limit ... C186  
     annual limit in 2013 ... A234  
   nonprescription  
     medications ... A234,  
     C187  
   substantiation ... C187  
 group-term life insurance ... C184  
   coverage in excess of  
     \$50,000 ... C184  
 moving expense  
   reimbursement ... C182  
 no-additional-cost ... C179  
   nondiscrimination ... C179  
 not de minimis ... C181  
 qualified retirement planning  
   services ... C182  
 qualified transportation ... C182  
 Schedule C filers ... C142  
   medical reimbursement  
     plan ... C142–C143  
 sick pay ... C185  
   W-2 reporting ... C186  
 statutory ... C178  
 succession planning  
   considerations ... B207  
 taxation ... C178  
 working condition ... C180  
   succession planning  
     considerations ... B208  
 FS-2008-25 ... B23  
 FSA. *See* Fringe benefits  
 Future value ... C249

## G

Gain  
   general asset accounts  
     §§1245 and 1250  
       limitation ... B108  
     disposition ... B108  
   IRC §1231 ... B131  
   IRC §1239 ... B131  
   IRC §1245 ... B131

# 2012 Workbook

IRC §1250 ... B131  
IRC §1252 ... B131  
IRC §1254 ... B131  
IRC §1255 ... B131  
General business credits. *See* Credits  
General partnership  
  entity consideration ... B201  
Generation-skipping transfer tax. *See* GSTT  
Gift tax  
  exemption ... A224  
  portability ... A224  
  rate ... A224  
Gifts  
  annual exclusion ... B214  
  debt cancellation ... A100  
  formula clause ... B215  
    definition clause ... B216  
    savings clause ... B216  
  lottery winnings ... B292  
  present interest ... B214  
  trusts ... B215  
GSTT ... B226  
  allocations of exemption ... A224  
  succession planning  
    considerations ... B215

## H

HCERA. *See* Health Care and Education Reconciliation Act  
Head of household  
  filing status ... A122  
Health Care and Education Reconciliation Act ... A227  
Health coverage tax credit. *See* Credits  
Healthcare reform. *See* Patient Protection and Affordable Care Act  
Hedging  
  accounting method ... A194  
  accrual ... A194  
  classifying gains/losses ... A192  
  direct relation test ... A192  
  identification rule ... A194  
    inadvertent errors ... A195  
  insurance test ... A192  
  IRS examinations ... A196  
  timing rule ... A196  
Hiring Incentives to Restore Employment Act (HIRE) ... C75  
Hobby loss ... B321  
  agricultural activities ... A211  
Home improvements  
  medical expense deduction ... C87  
Home mortgage interest. *See* Deductions  
Home office  
  travel expense ... C192  
  *See* Deductions  
Household employees  
  medical expense deduction ... C88  
Housing Assistance Tax Act of 2008 ... B175

## I

Identity theft ... A142  
  credit bureaus ... A144  
  Form 14039, Identity Theft Affidavit ... A144  
  IRS assistance ... A146  
  IRS protection  
    procedures ... A143, C37  
    IP PIN ... A147, C37  
  minimizing risk ... A148  
  national crackdown ... A142  
  practitioner protections ... A148  
  protective actions ... A144  
  TIGTA findings ... A142  
Imputed interest  
  defined ... C245  
  installment sale ... B220  
Income  
  §529 plan distributions ... B299  
  accident and health insurance  
    benefits ... C174  
    proration ... C175  
  alimony ... B78  
  annuity payments  
    taxation ... A34  
  assignment of income  
    doctrine ... B70  
  bond interest ... C240  
  business-owned life insurance  
    proceeds ... B124  
    exemption  
      qualifications ... B124  
  canceled debt ... A100–A101  
    exceptions ... A100  
  cancellation of debt ... B253–B254  
  capital gain  
    reporting ... C237  
  constructive receipt ... A174  
  damage awards ... C173  
  debt cancellation ... B255  
  deferral arrangements ... A174–A175, A177  
  cash-basis farmer ... A178  
  constructive receipt ... A176  
  escrow accounts ... A175–A176  
  farm cooperative ... A177  
  installment reporting ... A178  
    election ... A178  
  letters of credit ... A175  
  livestock ... A177  
  third-party sales ... A176  
  value-added payments ... A176  
dividends  
  joint accounts ... C214  
  reporting ... C213  
  employer-provided health care ... C174  
  excess medical expense  
    reimbursement ... C89  
farming  
  constructive receipt ... A176  
  SE tax ... A185  
foreign earned income  
  exclusion ... B300  
fringe benefits ... C180  
household calculation ... A240  
imputed interest ... C245  
information reporting ... B174  
interest  
  joint accounts ... C214  
  reporting ... C213  
investment  
  defined ... C225  
lump-sum distribution  
  taxation ... A33  
mutual fund activity ... C234  
offshore assets  
  reporting requirements ... C255  
ordinary dividends  
  reporting ... C235  
personal injury settlement  
  1099 MISC ... C90  
  medical expenses ... C89  
punitive damages ... C90  
qualified dividends  
  reporting ... C235  
reporting  
  Schedule C filers ... C129  
  sale of §1202 stock ... C224  
SE tax  
  material participation  
    farming ... A185, A187  
  personal property leased with real estate ... A186  
seller-financed mortgage  
  interest ... C213  
separate maintenance ... B78

# 2012 Workbook

- settlement from lawsuit ... B298
- settlements ... C173
- short sale ... A107
- sick pay ... C185
  - W-2 reporting ... C186
- unrecaptured §1250 gain ... C237
- workers' compensation payments ... C173
- Income in respect of a decedent. *See* IRD
- Income limitations
  - adoption credit ... C69
  - child and dependent care credit ... C52
  - child tax credit ... C50
  - earned income credit ... C42
  - elderly or disabled credit ... C71
  - farm program payments ... A197
  - personal exemption ... A224
  - retirement savings contributions credit ... C60
- Independent contractor. *See* Employee
- Individual mandate. *See* Patient Protection and Affordable Care Act
- Individual retirement arrangement. *See* IRA
- Information reporting
  - 1099 MISC
    - personal injury settlement ... C90
  - 1099 requirements ... B157
  - applicable large employer ... A259
  - penalties ... A259
  - audit
    - CP2000 notice ... B194
  - backup withholding ... B167
  - exemptions ... B168
  - basis
    - first-in, first-out method ... B178
    - noncovered securities ... B178
    - reporting ... B178
  - broker
    - requirements ... B178
    - transfer of covered security ... B179
    - wash sales ... B179
  - capital gain ... C237
  - covered securities ... B178
  - dividends and distributions ... C235
  - due dates ... B160
  - electronic filing
    - authorization ... B163
    - correcting errors ... B167
    - requirements ... B162
    - requirements for corrections ... B167
  - Form 1098
    - exceptions ... B193
    - requirements ... B192
  - Form 1099-B ... B178
    - long term transactions ... B181
    - new information boxes ... B179
    - short term transactions ... B180
  - Form 1099-K ... C129
    - due dates ... B176
    - nonreportable transactions ... B176
    - PSE ... B175
    - reported transactions ... B176
  - Form 1099-MISC ... B189
    - exemptions ... B191
    - independent contractor ... C134
  - Form 1099-R
    - missing ... B175
  - Form W-2
    - missing ... B175
  - health insurance plan ... A258
  - imputed interest ... C255
  - incorrect Form 1099 ... B175
  - interest ... C254
  - IRS notices ... B169, B194
  - mandatory basis reporting ... C232
  - mortgage insurance
    - premiums ... B192
  - mortgage interest ... B192
  - overpayment ... B193
  - points ... B193
  - ordinary dividends ... C235
  - original issue discount ... C254
  - paper filing
    - common errors ... B165
    - corrected forms ... B164
    - format requirements ... B164
    - guidelines ... B163
  - partnership ... B162
  - payer
    - bankruptcy estate ... B162
    - corporation ... B162
    - deceased individual ... B162
    - failure to correct form ... B172
    - filing deadlines ... B163
    - LLC ... B162
    - nominee/middleman ... B157
    - recipient information ... B162
    - responsibilities ... B157
    - sole proprietor ... B162
    - successor/predecessor ... B159
  - payments to corporations ... B174
  - qualified dividends ... C235
  - recipient responsibilities
    - income reporting ... B174
  - state exchanges ... A251
  - tax gap ... B157
  - transfer statement
    - requirements ... B179
  - types of forms ... B160
  - unrecaptured §1250 gain ... C237
- Injured spouse ... B96
  - applying for relief ... B97
  - priority rules ... B96
  - tax overpayment
    - apportionment ... B97
- Innocent spouse relief ... B90, B300
  - allocating deficiency ... B93
  - equitable relief
    - requirements ... B94
  - making election ... B90
  - separate liability relief ... B92
- Insolvent ... A100
  - determination ... A108
  - worksheet ... A112
- Installment agreement
  - fresh start ... A163
  - small business ... A164
- Installment obligation
  - transferred in divorce ... B70
- Installment sale
  - contract
    - cancellation ... B221
    - disposition ... B221
    - pledge ... B222
  - electing out of installment reporting ... B218
  - gross profit ... B219
  - imputed interest ... B220
  - minimum interest rules ... B220
  - related party rules ... B222
  - reporting gain ... B218
  - succession planning
    - consideration ... B218
  - total contract price ... B219
- Insurance
  - accident and health
    - deductibility ... C143
    - income exclusion ... C174
  - business premiums ... C144
  - business-owned life. *See* Life insurance
  - crop
    - electing to defer tax ... A203
  - fringe benefits ... C184

# 2012 Workbook

- coverage in excess of \$50,000 ... C184
- health
  - minimum essential coverage ... A238
  - nonqualifying for PPACA ... A238
  - succession planning considerations ... B207
- long-term care
  - medical expense deduction ... C86
- medical
  - deductibility ... C86
- PPACA grandfathered plans ... A258
- PPACA required ... A238
- Interest
  - federally guaranteed bonds ... C241
  - home mortgage
    - deductibility ... C93
  - imputed ... C245
  - income reporting ... C213
  - investment ... C224
  - nominee reporting ... C214
  - nondeductible ... C98
  - seller-financed mortgage reporting ... C213
  - state and local bonds ... C240
- Interlocutory divorce decree. *See* Divorce
- Internal Revenue Service
  - Restructuring and Reform Act of 1998 ... A69
- Investment income. *See* Income
- Investment interest
  - deductibility ... C96
- Investment interest expense
  - divorce ... B78
- IP PIN. *See* Identity theft
- IR-2011-38 ... A135
- IRA
  - 10% additional tax ... B309
  - asset transfer
    - divorce ... B83
    - requirements ... B84
  - charitable contributions ... A222
  - succession planning considerations ... B209
- IRD
  - farmer
    - installment sales ... A179
- IRM 20.1.1.3.6.1. ... C33

- Irrevocable life insurance trust
  - Crummey powers ... B233
  - planning points ... B233
  - succession planning considerations ... B232
- IRS hotlines
  - campus correspondence examinations ... A168
  - e-filing ... A169
  - e-help desk ... A168
  - employment tax issues ... A168
  - practitioner priority service ... A167
  - tax-exempt and government entity ... A168
- IRS Notice
  - CP2000
    - avoiding ... C24
    - responding to ... C25
  - plain writing ... A154
  - sample ... C8
- Itemized deductions. *See* Deductions

## J

- Jobs and Growth Tax Relief Reconciliation Act of 2003 ... C218, C225

## L

- Leasehold improvements
  - general asset accounts disposition ... B107
- Leases
  - farm machinery ... A188
  - farmland ... A185, A190
  - crop-share
    - arrangements ... A185
  - material participation ... A187
  - tests ... A185
  - with personal property ... A186
  - oil and gas drilling ... A188
  - versus installment sale ... A188
- Legal fees
  - divorce. *See* Divorce
- Legal fees. *See* Deductions
- Legal settlement. *See* Income
- Levy ... B310, B329
  - collection due process ... A160
  - continuous ... A220
- Lien ... B329
- Life estate
  - creation ... B222

- estate and gift tax ... B224
- granted ... B223
- income tax basis ... B223
- planning points ... B224
- property subject to ... B222
- retained ... B223
- tax issues ... B223
- Life insurance
  - business owned ... B124
  - filing requirements ... B125
  - insured status
    - exception ... B125
  - notice and consent requirements ... B124
  - tax-exempt
    - qualifications ... B124
- buy-sell agreement
  - funding ... B238
- irrevocable trust. *See* Irrevocable life insurance trust
- succession planning considerations ... B232
- Like-kind exchange ... B129, B316
- court cases ... B129
- Limited liability company. *See* LLC
- Limited liability partnership. *See* LLP
- LLC
  - single-member ... B203
  - succession planning ... B202
- LLP
  - succession planning ... B204
- Loan origination fees
  - deductibility ... C95
- Loans
  - applicable federal rate ... A166, C247
  - below market ... C245
  - demand ... C246, C251
  - exempt from rules ... C246
  - rules ... C245
  - term ... C246, C248
  - forgone interest ... C249
  - compensation-related ... C253
- de minimis rules ... C252
- demand ... C251
  - deemed payment ... C254
  - information reporting ... C254
  - semiannual testing ... C251
- foreclosure ... A105
- gift ... C253
- imputed interest ... C245
- exceptions ... C252
- reporting ... C253
- interest overpayment rates ... A166

interest underpayment  
  rates ... A166  
shareholder ... C253  
student  
  debt cancellation ... A100  
  interest ... A224  
tax neutral ... C253  
term ... C247  
  deemed payments ... C254  
  forgone interest ... C249  
  information reporting ... C254  
  original issue discount ... C250,  
  C254  
Lodging  
  medical expense deduction ... C87  
Long-term care insurance  
  medical expense deduction ... C86  
Loss  
  at-risk  
    aggregation rules ... B48  
    recapture ... B48  
    rules ... B47  
  carryovers  
    divorce  
      capital ... B71  
      NOLs ... B72  
      passive activity ... B76  
    S corporation ... B77  
  general asset accounts  
    disposition ... B108  
  IRC §1231 ... B131  
  IRC §1245 ... B131  
  IRC §1250 ... B131  
  IRC §1252 ... B131  
  IRC §1254 ... B131  
  IRC §1255 ... B131  
  pass through ... B261  
  passive activity ... B325  
  passive activity rules ... B48  
  theft ... B269–B271  
Lump-sum distribution. *See*  
  Retirement

## M

M&IE. *See* Standard meal allowance  
Mark-to-market rules ... A193  
Marriage penalty ... A223–A224  
Married filing jointly  
  filing status ... A122  
Married filing separately  
  filing status ... A123  
Master limited partnerships ... A124  
  basis ... A127

benefits for investors ... A125  
deductions and credits ... A127  
dividends ... A126  
gains ... A127  
general partners ... A125  
IRA investments ... A125  
limited partners  
  unitholders ... A124  
passive loss ... A126  
Schedule K-1 ... A126  
tax consequences ... A126  
Material participation ... A115  
  defined ... B49  
  farming ... A185  
    crop-share  
      arrangements ... A185  
    tests ... A185  
  passive losses ... A187  
    tests ... A187  
  real estate professional ... A115  
  rules ... C127  
  Schedule C filers ... C126  
  spouse participation ... C127  
Materials and supplies. *See* Treasury  
  Decision 9564  
Meal expenses. *See* Expenses  
Meals  
  medical expense deduction ... C87  
Medical devices  
  excise tax ... A228  
Medical expenses. *See* Deductions  
Medical reimbursement plan  
  Schedule C filers ... C142  
  spousal employees ... C143  
Medicare Part A  
  medical expense deduction ... C87  
Medicare tax. *See* Tax  
Membership dues  
  deductibility ... C194  
MFJ. *See* Married filing jointly  
MFS. *See* Married filing separately  
Middle Class Tax Relief and Job  
  Creation Act of 2012 ... A220,  
  B23  
Mortgage  
  seller-financed ... C213  
Mortgage credit certificate ... C63  
  requirements ... C64  
Mortgage Debt Relief Act of  
  2007 ... A102  
Mortgage insurance premium  
  information reporting ... B192  
Mortgage interest credit. *See* Credits  
Multiple support agreement  
  medical expense deduction ... C85

Multiple-member LLC  
  succession planning ... B205  
Mutual fund  
  dividend reinvestments ... C233  
  income taxation ... C234  
  mandatory basis reporting ... C231  
  reporting  
    capital gain ... C237  
    exempt interest  
      distribution ... C237  
    January dividend ... C238  
    nondividend  
      distribution ... C237  
    ordinary dividend ... C235  
    qualified dividend ... C235  
    unrecaptured §1250  
      gain ... C237

## N

National Taxpayer Advocate  
  mid-year report ... A140  
Net operating loss. *See* NOL  
New hire retention credit. *See* Credits  
NOL  
  carryback period ... B74  
  carryovers  
    divorce ... B72  
  casualty loss ... C109  
  theft loss ... C109  
Nonbusiness energy property credit.  
  *See* Credits  
Nonprofit organization  
  tax-exempt status ... B318  
Nonrecourse debt ... A100

## O

Offer-in-compromise ... A51, A158,  
  A164  
Office in the home. *See* Deductions  
Offshore voluntary disclosure  
  initiative ... A127  
  application requirements ... A131  
  eligibility ... A130  
  penalties  
    amounts ... A130  
    steps in process ... A132  
OIC. *See* Offer-in-compromise  
OID. *See* Original interest discount  
Oil and gas drilling  
  bonus payment ... A189  
  delay rental ... A189  
  DPAD ... A212

leases ... A188  
QPAI ... A212  
royalty income ... A189  
sale of well  
    DPGR ... A212–A213  
    shut-in payment ... A189  
Options  
    farmland  
        inherited ... A179  
Original issue discount ... C250

**P**

Partnership  
    at-risk limitation ... B249  
Passive activities  
    grouping election  
        late election relief ... A120  
        procedures ... A120  
        qualifications ... A120  
    rental real estate ... B323  
Passive activity loss. *See* Loss  
Passive investment income ... B53  
Patient Protection and Affordable Care  
    Act ... A220, B157, C69, C174  
    Cadillac health plans ... A264  
    challenges to law ... A227  
    deductions  
        medical expenses ... A234  
        nonprescription  
            medication ... A234  
    employer mandate ... A256, A266  
    applicable large employer  
        defined ... A256  
        employee count ... A256  
        health insurance  
            reporting ... A258  
    reporting  
        requirements ... A258  
    reporting to  
        employees ... A259  
    effective date ... A256  
    employers not offering  
        coverage ... A261  
    employers offering  
        coverage ... A262  
    grandfathered plans ... A258  
    information reporting  
        penalties ... A259  
    shared-responsibility  
        payments ... A261  
        calculation ... A263  
    excise tax on medical  
        devices ... A228

health FSA  
    changes ... A234, A266  
    maximum annual  
        contribution ... A235  
individual mandate ... A236, A266  
    advance credit  
        payments ... A251  
    applicable individuals ... A236  
    cost subsidization ... A246,  
        A254  
        premium assistance  
            credit ... A246  
    effective date ... A253  
    exemption ... A236  
        healthcare sharing  
            ministry ... A237  
        prisoners ... A237  
        religious ... A237  
    filing thresholds ... A241  
    flat dollar amount  
        penalty ... A239  
    household income ... A240  
    levels of coverage ... A246  
    minimum essential  
        coverage ... A238  
        nonqualifying  
            coverage ... A238  
        penalty ... A239  
            calculation ... A239  
    penalty exceptions ... A243  
    percentage of income  
        penalty ... A239–A240  
        rates ... A241  
    shared-responsibility  
        payment ... A239  
information reporting  
    requirements ... A266  
insurance company public  
    disclosure  
        requirements ... A266  
Medicaid expansion ... A266  
medical expense  
    deductions ... A266  
medical expense itemized  
    deduction ... C84  
Medicare tax  
    excess withholding ... A233  
    increase ... A229  
provisions ... A227  
    already implemented ... A266  
retiree prescription drug  
    plans ... A266  
state exchanges ... A246, A266  
    employer notifying  
        employees ... A262

    information reporting ... A251  
    states opting out ... A228  
Payment settlement entity ... C129  
Payroll tax cut ... A220  
Penalties  
    abatement  
        administrative waiver ... C33  
        reasonable cause ... C30  
        requesting relief ... C33  
        statutory exceptions ... C33  
        types ... C29  
    accuracy related ... B250, B258,  
        B261–B262, B273, B276,  
        B282, B309, B315  
    collection relief ... A163  
    disclosing confidential  
        information ... A74  
    due diligence  
        EIC ... A89  
    early withdrawal 10% additional  
        tax ... B309  
    estimated taxes  
        relief for farmers and  
            fishermen ... A191  
    failure to file ... B306, B308  
        information returns ... C134  
    failure to have minimum essential  
        coverage ... A239  
        calculation ... A239  
    failure to provide K-1  
        S corporation ... B26  
    failure to remit payroll  
        taxes ... B312  
    failure to timely file ... B289, B309  
    flat dollar amount ... A239  
    gross valuation  
        misstatement ... B282  
    information reporting  
        infractions ... B172  
        exceptions ... B173  
        health insurance plan ... A259  
        penalty amounts ... B173  
    late filing  
        S corporation ... B26  
    misclassifying employees ... C138  
    nondisclosure  
        foreign income and  
            accounts ... A129  
    percentage of income ... A239  
    requesting relief ... C33  
    shared-responsibility  
        payment ... A261  
    substantial understatement of  
        tax ... B287, B311

- Pension Protection Act of 2006 ... A32, C151
- Plain Writing Act of 2010 ... A154, C7
- Ponzi scheme losses  
deductions ... C106
- Poverty income guidelines ... A248
- PPACA. *See* Patient Protection and Affordable Care Act
- Practice before IRS. *See* Circular 230
- Practitioner priority service ... A167
- Premium assistance credit. *See* Credits
- Preparer tax identification number. *See* PTIN
- Present value ... C248
- Principal residence  
converted to rental ... C222  
debt cancellation  
exclusion from  
income ... A102, A105  
discharge of indebtedness ... A224  
short sale ... A106
- Prior year minimum tax credit. *See* Credits
- Private activity bonds ... C240
- Privileged information ... A69
- Profit motive  
determining ... A211
- Property  
basis  
built-in loss rule ... B18  
contribution versus sale ... B18  
divorce  
community property ... B68  
division ... B67  
transfer  
debt in excess of  
basis ... B69  
in trust ... B69  
incident to the  
divorce ... B67  
installment  
obligation ... B70  
nonrecognition basis  
rules ... B68  
nonrecognition rules ... B67  
exchanged basis ... B15  
lease versus purchase ... C153  
multiple asset transfer ... B20  
tangible. *See* TD 9564  
transfer  
basis ... B15  
nonrecognition  
treatment ... B15  
solely in exchange for  
stock ... B14  
to S corporation ... B14  
nonrecognition  
treatment ... B14
- PSE. *See* Payment settlement entity
- PTIN  
application requirements ... A63  
compliance check ... A71  
suitability check ... A71
- Punitive damages. *See* Income
- Q**
- QCOAP  
requirements ... B87
- QDRO  
consequences of not using ... B87  
requirements ... B86
- Qualified court order acceptable for processing. *See* QCOAP
- Qualified dividend  
defined ... C236
- Qualified domestic relations order. *See* QDRO
- Qualified foreign corporation  
defined ... C236
- Qualified plug-in electric drive vehicle credit. *See* Credits
- Qualified principal residence  
indebtedness ... A105
- Qualified small business stock  
gain exclusion ... C224
- Qualifying widow(er)  
filing status ... A122
- R**
- Real estate  
agricultural  
avoiding dealer status ... A180–A181  
safe harbor ... A182
- Real estate investment trust (REIT) ... B168
- Real estate professional  
50% test ... A114  
750 hours test ... A114  
closely held corporation ... A114  
material participation ... A115  
qualifications ... A113  
spousal activities ... A114
- Real-time tax system. *See* Tax
- Reasonable salary  
S corporation owners ... B23
- Recourse debt ... A100
- REG-137589-07 ... B334
- Registered tax return preparer. *See* Circular 230
- Reliance opinion  
Circular 230 ... A43
- Rental real estate  
grouping election  
late election relief ... A120  
procedures ... A120  
qualifications ... A120  
passive activity loss rules ... B48
- Repossession  
Form 1099-A ... A101
- Representation  
necessary forms ... C2
- Residential energy credit. *See* Credits
- Residential energy efficient property credit. *See* Credits
- Retirement ... B326  
annuity payments  
partial taxation ... A34  
taxation ... A34
- divorce  
asset transfers ... B83  
federal plans ... B87  
QCOAP ... B87  
nonqualified plans ... B89  
plan distributions ... B85  
QDRO requirements ... B86  
state pension plans ... B88
- lump-sum distribution  
taxation ... A33
- lump-sum distribution vs. annuity  
payments  
considerations ... A36
- plan distributions  
lump sum vs. annuity  
payments ... A31  
planning strategies ... A26  
social security. *See* Social security  
succession plan  
considerations ... B209
- Retirement planning services. *See* Fringe benefits
- Retirement plans  
§401(k) ... C150  
§403(b) ... C151  
§457 ... C151  
comparisons ... C152  
employer based ... C148
- Retirement savings contribution credit. *See* Credits
- RTRP. *See* Circular 230

## S

- S corporation
  - at-risk filing requirements ... B48
  - basis
    - adjustments ... B38
    - at-risk ... B47
    - at-risk recapture ... B48
  - boot ... B14
  - built-in gain ... A222
  - built-in gains tax ... B54
  - built-in losses ... B54
  - change in ownership
    - interests ... B50
  - corporate debt
    - debt safe harbor ... B5
  - corporate level taxation ... B53
  - deferred compensation plan ... B4
  - distributions ... B50
  - excess passive investment
    - income ... B53
  - family ownership rule ... B3
  - filing S election ... B8
  - gifted interest ... B38
  - husband and wife ownership ... B3
  - income
    - allocation to
      - shareholders ... B25
  - ineligible shareholders ... B7
  - inherited interest ... B38
  - late election ... B8
    - automatic relief ... B8
    - relief under Rev. Proc. 2003-43 ... B9
  - loss
    - at-risk rules ... B47
    - carryover rule ... B47
  - loss carryovers
    - divorce ... B77
  - material participation. *See* Material participation
  - multiple asset transfer ... B20
  - open account indebtedness ... B46
  - passive activity loss rules ... B48
  - passive investment income ... B53
  - property contribution versus
    - sale ... B18
  - property transferred to corporation. *See* Property
  - purchased interest ... B38
  - qualified shareholders ... B6
    - bankruptcy estate ... B6
    - charitable organization ... B7
    - decedent's estate ... B6
  - electing small business
    - trust ... B7
  - employee stock ownership
    - plan ... B7
  - grantor trust ... B6
  - individuals ... B6
  - qualified retirement plan ... B7
  - qualified subchapter S
    - trust ... B7
  - testamentary trust ... B7
  - voting trust ... B7
  - reasonable salary
    - requirement ... B23
  - recapture of LIFO benefits ... B55
  - requirements ... B1
    - domestic corporation ... B2
    - one class of stock ... B4
      - call option ... B5
      - corporate debt ... B5
      - deferred compensation
        - plan ... B4
      - restricted stock ... B4
    - shareholder limit ... B2
    - beneficial ownership ... B2
    - related party
      - ownership ... B3
  - restricted stock ... B4
- S election
  - revocation ... B11
    - effective date ... B11
  - termination
    - deliberate ... B12
    - inadvertent ... B12
    - relief ... B13
- sale of loss property
  - related party rules ... B18
- shareholders
  - basis
    - at formation ... B37
  - election under
    - §338(h)(10) ... B50
  - loans
    - debt basis ... B42
  - loss limitations ... B37
  - part year ... B25
  - tax reporting ... B28
  - taxation ... B22
    - nonseparately stated
      - items ... B22
    - separately stated
      - items ... B22
  - straight debt ... B5
  - succession planning ... B204, B206
  - tax reporting ... B26
  - Form 1120S ... B26
    - due date ... B26
  - Schedule K ... B27
  - Schedule K-1 ... B27
  - Schedule L ... B27
  - Schedule M-1 ... B27
  - Schedule M-2 ... B27
  - Schedule M-3 ... B27
  - taxation ... B21
    - boot gain ... B16
  - transfer of liabilities ... B18
    - nonrecognition
      - exceptions ... B19
  - unrealized built-in gain ... B54
  - wages ... B23
- Sale of business ... B131
  - asset acquisition statement ... B141
  - asset classes ... B141
  - depreciation recapture ... B132
  - installment sale ... B145
    - depreciation recapture
      - income ... B146
    - escrow account ... B146
    - multiple assets
      - allocation ... B151
    - related party ... B145
  - ordinary income
    - tax rates ... B133
  - types of gain ... B131
- Saver's credit. *See* Credits
- Schedule C filers
  - §401(k) plan ... C150
  - §403(b) plan ... C151
  - §457 plans ... C151
    - accounting method ... C125
  - activity codes ... C125
  - conditional sales contract ... C153
  - contract labor ... C134
  - depletion deduction ... C142
  - depreciation ... C142
  - employee benefits ... C142
  - expenses
    - advertising and
      - promotional ... C132
    - reporting ... C132
    - signs ... C133
    - solicitations ... C133
    - website development
      - costs ... C132
  - Form 1099 filing
    - requirements ... C128
  - Form 1099-K ... C129
  - gas and oil exception ... C128
  - income reporting ... C129

# 2012 Workbook

- lease versus purchase
  - property ... C153
- leased vehicles ... C154
- material participation ... C126
  - defined ... C126
  - rules ... C127
- other expenses ... C157
- other income reporting ... C132
- rent or lease payments ... C153
- repairs and maintenance ... C155
- retail business
  - cost of goods sold ... C130
  - salaries and wages ... C157
- SEP and SIMPLE IRA
  - comparisons ... C148
- SIMPLE retirement plan ... C148
- sole proprietors ... C121
- statutory employee ... C121
- supply expenses ... C155
- taxes ... C156
- Self-employed
  - social security earnings
    - limits ... A16
- Service Center Advice 1998-021 ... B66
- Short sale ... A106
  - information reporting ... B179
  - taxation ... A106
- Sick pay. *See* Fringe benefits
- Signs. *See* Expenses
- SIMPLE plans
  - succession planning
    - considerations ... B209
- Small business corporation. *See* S corporation
- Small business health care credit. *See* Credits
- Small Business Job Protection Act ... B7–B8
- Small Business Jobs Act of 2010 ... C143, C176, C224
- Social security
  - benefit calculators ... A2
  - continuing to work
    - earnings limits ... A16
    - effect on family ... A16
  - disability benefits ... A8
  - eligibility ... A8
  - family
    - limitation ... A10
    - lump sum ... A10
    - private benefit effects ... A9
  - excess tax payment ... C166–C167
  - full retirement age ... A2
  - recovering overpayment ... C167
- retirement benefits
  - at age 62 ... A3
  - calculating ... A3
  - children ... A5
  - continuing to work ... A15
    - rules for first year ... A15
  - deciding when to
    - receive ... A17
  - effect of gov't pensions ... A20
  - family limitation ... A5
  - family members ... A4
  - former spouses ... A5
  - government pension offset
    - calculating reduced benefits ... A25
  - primary insurance
    - amount ... A3
  - qualifications ... A1
  - spouses ... A4
  - survivor ... A6
    - amount ... A7
    - eligibility ... A7
  - windfall elimination
    - provision ... A20
    - calculating reduced benefits ... A22
- tax rate ... C166
- taxability
  - benefits ... A19
- wage base ... C166
  - earning in excess ... C166
- Sole proprietorship
  - entity consideration ... B201
  - Schedule C filing ... C121
- Special needs adoption. *See* Credits
- Speculation
  - defined ... A193
  - mark-to-market rules ... A193
- Standard deduction. *See* Deductions
- Standard meal allowance ... C194
- 2012 rates ... C194
- prorating business travel ... C195
- transportation workers ... C195
- Standard mileage rate
  - 2012 ... C192
  - use requirements ... C134
- Statutory employee. *See* Employee
- Stock
  - mandatory basis reporting ... C231
  - small business ... A222
- Stock options ... C168
  - incentive ... C170
  - nonqualified ... C168
  - nonstatutory ... C168
  - W-2 reporting ... C170
- statutory ... C170
- Stock redemption ... B234
- Straddles ... A195
- Substantial authority ... B241
  - evaluation of authorities ... B241
  - nature of analysis ... B242
- Succession planning
  - business structure
    - considerations ... B198
- C corporation ... B206
- entity selection ... B198
- C corporation ... B204, B206
- chart ... B198
- considerations ... B201
  - asset distributions ... B207
  - athletic facilities ... B209
  - continuity ... B201
  - de minimis fringe
    - benefit ... B208
  - dependent care
    - assistance ... B208
  - dividends ... B207
  - educational assistance
    - programs ... B208
  - equitable treatment of heirs ... B213
  - FICA tax ... B206
  - flexibility ... B202
  - fringe benefits ... B207
  - health insurance ... B207
  - liability ... B202
  - liquidation ... B204
  - no-additional cost
    - services ... B209
  - qualified employee
    - discounts ... B209
  - retirement plan ... B209
  - SE tax ... B206
  - tax bracket
    - comparisons ... B206
  - transferability ... B201
  - transportation
    - fringes ... B209
  - valuation discounts ... B210
  - working condition fringe
    - benefits ... B208
- family trust ... B210
  - estate freeze ... B210
- FLP ... B210
  - §2036 problem ... B212
- LLC ... B202
- LLP ... B204
- multiple-member LLC ... B205
- S corporation ... B204–B206
- single-member LLC ... B203

sole proprietorship ... B205  
 gifting considerations ... B214  
   present interest ... B215  
 objectives ... B197  
 transfer strategies ... B214  
   corporate buy-sell agreements.  
     *See* Corporation  
   dynasty trust. *See* Dynasty trust  
   gifting ... B215  
     formula clauses ... B215  
   installment sale. *See* Installment  
     sale  
   life estate. *See* Life estate  
   life insurance. *See* Life  
     insurance  
 transfer to heirs ... B234  
 Suspension  
   definition ... A67

## T

### Tax

accumulated earnings rate ... A224  
 capital gain rate ... A223  
 deductibility  
   housing allowances ... C92  
   personal property ... C92  
   real estate ... C91  
     cooperative housing ... C91  
     divorce ... C92  
     escrowed funds ... C92  
     proration ... C92  
     sales and use ... C91  
     state and local ... C91  
     state benefit funds ... C91  
 employment  
   reduced employee  
     withholding ... A222  
 estimated payment  
   corporate ... A221  
   CP10 ... C7  
   CP23 ... C7  
 excise  
   Cadillac health plans ... A264,  
     A266  
     who pays ... A265  
   tanning services ... A266  
 FICA ... B206  
 FUTA  
   repeal of surtax ... A221  
 gift  
   succession planning  
     considerations ... B214  
   heavy highway vehicles ... A221

individual rates ... A223  
 installment agreement  
   fresh start ... A163  
   small business ... A164  
 Medicare ... A229, C166  
   excess withholding ... A233  
 miscalculation  
   CP11 ... C7  
   CP12 ... C7  
   CP13 ... C7  
 payroll ... A220, B288  
   responsible person ... B312  
 real-time reporting ... A135  
   benefits ... A136  
   pitfalls ... A136  
 refund  
   CP16 ... C7  
 self-employment  
   farming ... A185–A186  
 social security ... C166  
   recovering  
     overpayment ... C167  
 tip income ... B290  
 Tax Court  
   practice before the court ... A71  
 Tax disputes  
   fast track settlement  
     program ... A161  
 Tax gap ... B153  
   contributing factors ... B156  
   information reporting ... B157  
 Tax Increase Prevention and  
   Reconciliation Act of  
   2005 ... A215  
 Tax information  
   third-party authorization ... C6  
 Tax Relief, Unemployment Insurance  
   Authorization, and Job Creation  
   Act of 2010 ... A220, B38,  
   B226, C224  
 Tax return preparers  
   exempt from classification ... A65  
 Taxation  
   boot gain ... B16  
 Taxpayer Advocate Service  
   assistance ... A137  
   economic advocacy ... A137  
   local offices ... A137  
   origins ... A136  
   responsibilities ... A137  
   significant hardship ... A139  
   systemic advocacy ... A137  
   Systemic Advocacy Management  
     System ... A140  
   taxpayer assistance order ... A139

Taxpayer assistance order ... A139  
 TD 9564 ... B103  
 basis  
   redetermination ... B110  
 cap requirement  
   property improvements  
     leased property ... B115  
 capitalization requirement ... B112  
   acquisition costs ... B112  
   exceptions ... B113  
   employee compensation and  
     overhead ... B113  
   leased property ... B120  
   new or different use ... B120  
   property betterment ... B117  
   property improvements ... B114  
     cost determination ... B115  
     network assets ... B115  
     routine maintenance safe  
       harbor ... B116  
     rules ... B114  
     special asset units ... B115  
     unit defined ... B114  
   property restoration ... B118  
 de minimis rule ... B111  
 asset disposition ... B112  
 qualified financial  
   statements ... B112  
 general asset accounts ... B105  
   change in use ... B110  
   disposed assets ... B109  
   disposition ... B106, B108  
     identifying asset ... B110  
     qualifying ... B109  
     recapture ... B110  
     rules ... B107  
 excluded assets ... B106  
 leasehold  
   improvements ... B107  
 mass assets ... B106  
 rules ... B105–B106  
 materials and supplies  
   accounting methods  
     optional method ... B105  
     rotable parts ... B105  
     temporary spare  
       parts ... B105  
   capitalize and depreciate  
     election ... B104  
   incidental ... B104  
   property types ... B104  
   rotable parts ... B104  
   sale or disposition ... B105  
   temporary spare parts ... B105  
 rules for capitalization ... B111

- Temporary Payroll Tax Cut
  - Continuation Act of 2011 ... A220
- Temporary work location
  - travel expense ... C192
- Term loans. *See* Loans
- Theft loss. *See* Deductions
- Three Percent Withholding Repeal and Job Creation Act ... A215
- Tips
  - credit for social security and Medicare taxes ... C74
  - See* Tax
- Trader versus investor ... B259
- Transcript delivery system ... A165
  - account transcripts ... A165
  - record of account
    - information ... A165
  - reengineering ... A165
  - requirements to use ... A166
  - return transcript ... A165
  - verification of nonfiling information ... A165
  - wage and income information ... A165
- Transportation workers
  - standard meal allowance ... C195
- Travel ... B333
  - business tax home ... C189
  - charitable contribution ... C100
  - employee reimbursement plans ... C199
  - expenses ... C189–C190
    - calculation methods ... C193
  - claiming ... C193
    - Sch C filers ... C193
  - employees subject to hours of service regs ... C198
  - entirely for business test ... C191
  - home office ... C192
  - military reservist ... C198
  - no substantial control test ... C191
  - not away from home ... C192
  - outside U.S. ... C191
  - outside U.S. week or less test ... C191
  - temporary work location ... C192
  - vacation not a major consideration test ... C191
  - lodging expenses ... B334
  - medical expense deduction ... C87
  - reimbursement
    - accountable plan ... C199
    - nonaccountable plan ... C199
    - substantiation ... C200
    - standard mileage rate ... C192
    - within U.S. ... C190
- Trust
  - dynasty. *See* Dynasty trust
  - family ... B210
  - perpetual. *See* Dynasty trust
  - rule against perpetuities ... B228
  - spendthrift provision ... B226, B229

## U

- Unrelated business taxable income ... B317

## V

- Valuation discount ... B210
- Vehicle
  - leased ... C154
- Veterans
  - work opportunity credit ... A215
- Voluntary classification settlement program ... B103

## W

- Wages
  - defined ... B290
- Wash sale ... C229
  - information reporting ... B179
  - multiple loss sales ... C230
- Website development. *See* Expenses
- Whistleblower ... A49
  - claiming reward ... A50
  - reporting violations ... A50
- Worker status. *See* Employee
- Workers' compensation
  - payments ... C173

# 2012 Workbook