

Examination content outlines

The following is a list of topics for each part of the examination. Not every topic on the list will necessarily appear on the examination and the list should not be viewed as all-inclusive.

Some topics may appear in more than one examination part. This list is also available at www.prometric.com/see.

Part 1 - Individuals

1. Preliminary Work with Taxpayer Data

1.1. Preliminary work to prepare tax returns

- Use of prior years' returns for comparison, accuracy, and carryovers for current year's return
- Taxpayer biographical information (e.g., date of birth, marital status, dependents, identity protection PIN)
- Residency status and/or citizenship (e.g., citizen, visas, green cards, resident alien or non-resident alien)
- Filing requirements and due date
- Taxpayer filing status (e.g., Single, head of household)
- Sources of all worldwide taxable and non-taxable income (e.g., interest, wages, business, sales of property, dividends, rental income, flow-through entities, alimony received)
- Sources of applicable exclusions and adjustments to gross income (e.g., foreign earned income exclusion, retirement plans, HSAs, alimony paid, health insurance, self-employment tax)
- Sources of applicable deductions (e.g., itemized, standard)
- Personal and dependency exemptions
- Sources of applicable credits (e.g., education, foreign tax, retirement, dependent care)
- Sources of tax payments and refundable credits (e.g., withholding, estimated payments, earned income tax credit)
- Previous IRS correspondence with taxpayer
- Additional required returns filed and taxes paid (e.g.,

- employment, gifts, and information returns)
- Special filing requirements (e.g. foreign income, presidentially declared disaster areas, Form 1040-NR)
- Foreign account and asset reporting (e.g., FBAR, Form 8938)
- Minor children's unearned income (Kiddie tax)
- ACA requirements (e.g., health insurance coverage, total household income, advanced premium tax credit, exemptions)
- Taxability of wages, salaries and other earnings (e.g., earned income, statutory employee, tips)

2. Income and Assets

2.1. Income

- Taxability of wages, salaries and other earnings (e.g., earned income, statutory employee, tips)
- Interest Income (e.g., taxable and non-taxable)
- Dividends and other distributions from mutual funds, corporations, and other entities (e.g., qualified dividends)
- Rental income and expenses including: depreciation, vacation homes, not-for-profit rentals, personal property
- Gambling income and allowable deductions (e.g., Form W-2G, documentation)
- Tax treatment of forgiveness of debt (e.g., Form 1099C, foreclosures)
- Tax treatment of a U.S. citizen/resident with foreign income (e.g., individual tax treaties, Form 2555, Form 3520 and Form 5471)
- Other income (e.g., scholarships, barter income, hobby income, alimony, non-taxable combat pay, unearned income, taxable recoveries, NOL, virtual currency)

- Constructive receipt of income
- Constructive dividends (e.g., payments of personal expenses from a business entity)
- Passive income and loss (e.g., loss limitations)
- Pass-through entities (e.g., Schedule K-1, income, deductions, basis)
- Royalties and related expenses
- State/local income tax refund and other itemized deduction recoveries
- 1099 MISC reporting, irregularities, and corrections

2.2. Retirement income

- Basis in a traditional IRA (Form 8606)
- Comparison of and distributions from traditional and Roth IRAs
- Distributions from qualified and non-qualified plans (e.g., pre-tax, after-tax, rollovers, Form 1099R)
- Excess contributions and tax treatment (e.g., penalties)
- Prohibited transactions and tax effects
- IRA conversions and recharacterization (Form 8606)
- Required minimum distributions and excess accumulations
- Loans from IRC section 401(k) plans and other qualified plans
- Taxability of Social Security and Railroad Retirement benefits
- Taxability of net unrealized appreciation (NUA)
- Tax implications for inherited retirement accounts
- Foreign pensions and retirement income

2.3. Property, real and personal

- Sale or disposition of property including depreciation recapture rules and 1099A
- Capital gains and losses (e.g., netting effect, short-

- term, long-term, mark-to-market)
- Basis of assets (e.g., purchased, gifted or inherited)
- Basis of stock after stock splits and/or stock dividends (e.g., research, schedules, brokerage records)
- Publicly traded partnerships (PTP) (e.g., sales, dispositions, losses)
- Sale of a personal residence (e.g., IRC sec 121 exclusions)
- Installment sales (e.g., related parties, original cost, date of acquisition, possible recalculations and recharacterization)
- Options (e.g., stock, commodity, ISO, ESPP)
- Like-kind exchange
- Non-business bad debts
- Investor versus trader

2.4. Self-employment tax

- Self-employment tax
- Retirement contribution limits and deductibility (e.g., earned compensation requirements)
- Health savings accounts
- Other adjustments to income (e.g., student loan interest, alimony, moving expenses, write-in adjustments)
- Self-Employed Health Insurance

3. Deductions and Credits

3.1. Itemized deductions

- Medical and dental expenses
- Various taxes (e.g., state income, personal property, real estate)
- Interest expense (e.g., mortgage interest, investment interest, tracing rules, points, indebtedness limitations)
- Charitable contributions (e.g., cash, non-cash, 50% vs. 30%, documentation required)
- Nonbusiness casualty and theft losses
- Employee travel, transportation and entertainment expenses
- Other employee expenses (e.g., education, reimbursement, eligibility, home office)
- Allowed miscellaneous itemized deductions
- AGI limitations

- Allowed itemized deductions for Form 1040-NR

3.2. Credits

- Child and dependent care credit
- Child tax credits
- Education credits
- Foreign tax credit
- Earned income tax credit (e.g., paid preparer's earned income credit checklist, eligibility and disallowance)
- Retirement contribution credit
- Adoption credits (e.g., carryovers, limitations, special needs)
- ACA net premium tax credit
- Other credits (refundable and non-refundable) (e.g., health coverage tax credit, general business credit)

4. Taxation and Advice

4.1. Taxation

- Alternative minimum tax
- Credit for prior year minimum tax
- Penalties and exceptions on premature distributions from qualified retirement plans and IRAs
- Household employees
- Underpayment penalties and interest
- Conditions for filing a claim for refund (e.g., amended returns)
- Self-employment tax
- Excess Social Security withholding
- Tax provisions for members of the clergy
- Income in respect of decedent (e.g., allocations)
- Healthcare individual responsibility payment and exceptions
- Net investment income tax
- Additional Medicare tax
- Uncollected Social Security and Medicare tax
- Other taxes (e.g., first time homebuyer credit repayment)

4.2. Advising the individual taxpayer

- Reporting obligations for individuals
- Property sales (e.g., homes, stock, businesses)
- Education planning (e.g., lifetime learning credit, IRC section 529 plans)
- Estate planning (e.g., gift versus inheritance, trusts, family partnerships,

- charitable giving, LTC, life insurance)
- Retirement planning (e.g., annuities, IRAs, employer plans, early retirement rules, required minimum distribution, beneficiary ownership)
- Marriage and divorce (e.g., divorce settlement, common-law, community property)
- Items that will affect future/past returns (e.g., carryovers, net operating loss, Schedule D, Form 8801)
- Injured spouse
- Innocent spouse
- Estimated tax and penalty avoidance
- Adjustments, deductions, and credits for tax planning (e.g., timing of income and expenses)
- Character of transaction (e.g., use of capital gain rates versus ordinary income rates)
- Advantages and disadvantages of MFJ/MFS/HOH filing statuses in various scenarios.

5. Specialized Returns for Individuals

5.1. Estate Tax

- Gross estate
- Taxable estate: calculations and payments
- Unified credit
- Jointly-held property
- Life insurance and taxable estate
- Marital deduction and other marital issues (e.g., portability election)
- IRAs and retirement plans
- Filing requirements

5.2. Gift Tax

- Gift-splitting
- Annual per donee exclusion
- Unified credit
- Effect on estate tax (e.g., Generation skipping transfer tax)
- Filing requirements

5.3. FBAR

- Filing requirements and due dates
- Covered accounts
- Potential penalties
- Distinctions between FBAR and Form 8938 requirements

Part 2 - Businesses

1. Business Entities

1.1. Business Entities and considerations

- Sole proprietorships
- Partnerships and qualified joint ventures (QJV)
- Corporations
- S corporations
- Farmers
- LLCs
- Tax-exempt entities and associations
- Entity type default classifications and elections
- Employer identification number
- Accounting periods (tax year)
- Accounting methods
- Reporting requirements (e.g. Forms W-2, W-4, Form 1099)
- Hobby versus business determination and loss limitations

1.2. Partnerships

- Partnership income, expenses, distributions, and flow-through (e.g., self-employment income)
- Family partnerships
- Partner's dealings with partnership (e.g., exchange of property, guaranteed payments)
- Contribution of property to partnership (e.g., partnership's basis, property subject to indebtedness)
- Basis of partner's interest
- Disposition of partner's interest
- Partnership formation (e.g., partnership agreement, general vs. limited partners, capital contributions)
- Dissolution of partnership (e.g., sale, death of partner)
- Filing requirements, due dates, and penalties
- Services rendered in return for partnership interest
- Debt discharge

1.3. Corporations in general

- Filing requirements, due dates, and penalties
- Earnings and profits

- Shareholder dividends, distributions, and recognition requirements
- Special deductions and credits (e.g., dividends received deductions, charitable deduction)
- Liquidations and stock redemptions
- Accumulated earnings tax
- Estimated tax payments
- Alternative minimum tax and Alternative Tax Net Operating Loss (ATNOL)

1.4. Forming a corporation

- Services rendered to a corporation in return for stock
- IRC section 351 exchange
- Transfer and/or receipt of money or property in addition to corporate stock
- Transfer of property subject to indebtedness
- Controlled groups
- Closely held corporations
- Personal service corporations

1.5. S corporations

- Requirements to qualify (e.g., qualifying shareholders)
- Election procedure
- Income, expenses and separately stated items
- Treatment of distributions
- Shareholder's basis (e.g., loan basis, distributions and losses in excess of basis)
- Revocation, termination and reinstatement
- Debt discharge
- Non-cash distributions

2. Business Financial Information

2.1. Business Income

- Gross receipts and other income
- Cost of goods sold (e.g., inventory practices, expenditures included, uniform capitalization rules)
- Net income, net operating losses, and loss limitations including passive activity and at risk limitations
- Gain or loss on disposition of depreciable property
- Cancellation of business debt

2.2. Business expenses, deductions and credits

- Officers and Employees' compensation (e.g., deductibility, fringe benefits, rules of family employment,

- statutory employee, necessary and reasonable)
- Business rental deduction, including self-rentals
- Depreciation, amortization, IRC section 179, and depletion and correcting errors
- Business bad debts
- Business travel, entertainment, and gift expenses
- Interest expense
- Insurance expense
- Taxes (e.g., deductibility of taxes, assessments, and penalties; proper treatment of sales taxes paid)
- Employment taxes
- Federal excise tax
- Casualties, thefts, and condemnations
- IRC section 199 deduction (domestic production activities)
- Eligibility and deductibility of general business credits (e.g., disabled access credit, investment credit, small business healthcare tax credit)
- Net operating loss deduction
- Home office

2.3. Business assets

- Basis of assets
- Disposition of depreciable property
- Like kind exchange
- Converted property
- Capitalization and repair regulations (e.g., elections)

2.4. Analysis of financial records

- Proper business type, and the use of classification codes
- Income statement
- Balance sheet (e.g., proofing beginning and ending balances)
- Method of accounting and changes (e.g., accrual, cash, hybrid, Form 3115)
- Depreciation, depletion, and amortization (e.g., start-up and organizational cost)
- Depreciation recovery (e.g., recapture, IRS sec 280F)
- Pass-through activity (e.g., K-1, separately stated items, non-deductible expenses)
- Reconciliation of tax versus books (e.g., M-1, M-2, M-3)
- Related party activity
- Loans to and from owners

2.5. Advising the business taxpayer

- Filing obligations (e.g., extended returns and potential penalties)
- Deposit obligations (e.g., employment tax, excise tax)
- Reporting obligations for businesses (e.g., Form 1099 series, IRC code 1031 exchanges, Form 8300)
- Record-keeping requirements (e.g., mileage log, accountable plans)
- Related party transactions
- Selection of business entity (e.g., benefits and detriments)
- Comingling (e.g., personal usage of business accounts, separation of business and personal accounts)
- Advice on accounting methods and procedures (e.g., explanation of requirements)
- Transfer elections in or out of the business (e.g., contributed property, distributions)
- Life cycle of the business (e.g., formation, dissolution)
- Type of industry (e.g., personal service corporation)
- Worker classification (i.e. independent contractor versus employee)
- Deductions and credits for tax planning (e.g., timing of income and expenses, NOL, depreciation versus IRC section 179)
- ACA compliance

3. Specialized Returns and Taxpayers

3.1. Trust and estate income tax

- Trust types (e.g., simple/complex, grantor, irrevocable, tax shelters, foreign)
- Distributable net income and accounting income
- Exclusions, exemptions, and deductions
- Fraudulent trusts
- Income in respect of a decedent
- Income (e.g., allocations, corpus versus income)
- Separately stated items
- Filing requirements, tax years, and penalties

3.2. Exempt organizations

- Qualifying for and maintaining tax-exempt status (e.g., IRC 501(c))
- Applying for IRS tax-exempt status (e.g., Form 1023, Form 1024)
- Filing requirements (e.g., Form 990 series)
- Unrelated business taxable income

3.3. Retirement plans

- Employer and employee contributions
- Reporting requirements
- Plans for self-employed persons (e.g., SEP and SIMPLE)
- Prohibited transactions
- Qualified and non-qualified plans
- Non-discrimination rules

3.4. Farmers

- Farm income (e.g., self-raised livestock, crop insurance proceeds, subsidies, patronage dividends, conservation payments)
- Farm inventory
- Depreciation for farmers
- Various disaster-area provisions
- Disposition of farm assets
- Farm rental
- Farm tax computation (e.g., Schedule J, Schedule SE, estimated tax)

Part 3 – Representation, Practices and Procedures

1. Practices and Procedures

1.1. Practice before the IRS

- What constitutes practice before the IRS
- Categories of individuals who may practice and extent of practice privileges

1.2. Requirements for Enrolled Agents

- Information to be furnished to the IRS
- Omission or error on return, document, or affidavit
- Rules for employing or accepting assistance from former IRS employees or disbarred/suspended persons
- Rules for restrictions on advertising, solicitation and fee information
- Fee rules (e.g., contingent, unconscionable)

- Due diligence requirements
- Conflict of interest
- Rules for refund check negotiation
- Standards for written advice, covered opinions, tax return positions and preparing returns
- Continuing education requirements
- Tax shelters
- Enrollment cycle and renewal
- Rules for prompt disposition of matters before the IRS
- Rules for returning a client's records and documents
- PTIN requirements
- Practitioner supervisory responsibilities (Circular 230 section 10.36)

1.3. Sanctionable acts

- Disreputable conduct that may result in a disciplinary proceeding
- Sanctions imposed by the Office of Professional Responsibility
- Frivolous submissions (returns and documents)
- Fraudulent transactions (e.g., badges of fraud)

1.4. Rules and penalties

- Assessment and appeal procedures for preparer penalties
- Types of penalties (e.g., negligence, substantial understatement, overvaluation)
- Furnishing a copy of a return to a taxpayer
- Signing returns and furnishing identifying numbers
- Keeping copies or lists of returns prepared
- Employees engaged or employed during a return period (e.g. IRC section 6060)
- Preparer due diligence and penalty involving the earned income credit

2. Representation before the IRS

2.1. Power of attorney

- Purpose of power of attorney
- Signature authority (e.g., extension of assessment period, closing agreement)
- Authority granted by taxpayer
- Limitations on signing tax returns on behalf of taxpayer

- Proper completion of power of attorney (Form 2848)
- Alternate forms of power of attorney (durable)
- Rules for client privacy and consent to disclose
- Distinctions between power of attorney (Form 2848) and tax information authorization (Form 8821)
- Requirements to be met when changing or dropping representatives or withdrawal of representative
- Purpose of a Centralized Authorization File (CAF) number
- Conference and practice requirements (Publication 216)

2.2. Building the taxpayer’s case- Preliminary work

- Identification of tax issue(s) with supporting details
- Potential for criminal aspects
- Competence, expertise and time to handle issue
- Conflict of interest
- Transcripts from IRS (e.g., access to and use of e-services)

2.3. Taxpayer financial situation

- Taxpayer’s ability to pay the tax (e.g., installment agreements, offer in compromise)
- General financial health (e.g., filed for bankruptcy, lawsuits, garnishments, cash flow, assets, and insolvency)
- Third-party research (e.g., property assessment for municipal taxes, asset values, state and local tax information)
- Discharge of the tax liability in bankruptcy
- IRS Collection Financial Standards

2.4. Supporting documentation

- Financial documents (e.g., cancelled checks or equivalent, bank statements, credit card statements, receipts, brokerage records)
- Legal documents (e.g., birth certificate, divorce decrees, lawsuit settlements)
- Prior and subsequent tax returns
- Other substantive and contemporaneous documentation (e.g., corporate minutes)
- Employment reimbursement policies

- Business entity supporting documents (e.g., partnership agreement, corporate bylaws)
- Expense records (e.g., deductible, allowable, personal, mileage log)

2.5. Legal authority and references

- Internal Revenue Code
- Income tax regulations
- Revenue rulings
- Revenue procedures
- IRS notices
- Case law
- IRS publications
- Private letter ruling
- Form and instructions
- Internal Revenue Manual
- Authoritative versus non-authoritative source material
- Tax treaties and other internal agreements

2.6. Related issues

- Statute of limitations
- Post-filing correspondence (e.g., math error notices, under-reporting notices)
- Deadlines and timeliness requirements
- Third-party correspondence (e.g., witness communications, employment records)
- Freedom of Information Act (FOIA) requests
- Tax avoidance vs. tax evasion
- Tax return disclosure statements
- Taxpayer Advocate Service (e.g., criteria for requesting assistance)
- Identity Theft
- Judicial levels of representation beyond the scope of EA representation

3. Specific Types of Representation

3.1. Representing a taxpayer in the collection process

- Extension of time to pay (e.g., Form 1127)
- Installment agreements
- Types of offer in compromise
- Collection appeals program (e.g., denial of installment agreements, discharge applications)
- Collection appeals and due process (e.g., lien, levy, and Form 12153)
- Adjustments to the taxpayer’s account (e.g.,

- abatements and refund offsets)
- Requesting an audit reconsideration (e.g., documents and forms)
- Decedent Issues
- Collection notice and Notice of Federal Tax Lien
- Levy and seizure of taxpayer’s property
- Case being reported Currently Not Collectable (e.g., reasons and reactivation)
- IRS Collection Summons (e.g., purposes)
- Collections statute of limitations
- Trust fund recovery penalty
- Amended returns and claims for refund (e.g., Form 1040X, Form 843, appropriateness and timeliness)

3.2. Penalties and/or interest abatement

- Penalties subject to abatement
- Basis for having penalties abated or refunded
- Reasonable cause
- Basis for having interest abated or refunded
- Interest recalculation
- Procedures for requesting abatement

3.3. Representing a taxpayer in audits/examinations

- IRS authority to investigate
- Limited practitioner privilege (e.g., IRC section 7525)
- Verification and substantiation of entries on the return
- IRS authority to fix time and place of investigation
- Steps in the process (e.g., initial meeting, submission of IRS requested information)
- Innocent spouse
- Interpretation and analysis of revenue agent report (RAR) (e.g., 30-day letter)
- Interpretation and analysis of CP-2000 notice and Correspondence audits
- Explanations of taxpayer options (e.g. agree or appeal)
- Special procedures for partnership audits (e.g., unified audit procedures for TEFRA)
- Preparer conflict of interest

3.4. Representing a taxpayer before appeals

- Right to appeal revenue agent findings
- Request for appeals consideration (e.g., preparation, elements contained)
- Enrolled Agent appearance at appeals conference
- Settlement function of the appeals process
- Issuance of 90-day letter

4. Completion of the Filing Process

4.1. Accuracy

- Reliance on software (e.g. review of results)
- Inconsistencies within the source data
- Miscalculations
- Recognition of duplicate entries

4.2. Information shared with taxpayer

- Record-keeping requirements
- Significance of signature (e.g., joint and several liability, penalty of perjury)
- Consequences of dishonesty

4.3. Record maintenance

- Length of time to retain returns and records
- List of returns prepared (e.g. name, social security number, and type of return)
- EITC due diligence requirements
- Security of taxpayer data (e.g., electronic and paper)

4.4. Electronic filing

- Application process to be an e-file provider (e.g., e-services, EFIN)
- E-file mandate and exceptions (Form 8948)
- Advertising standards
- Definition and responsibilities of an ERO
- Levels of infractions
- Compliance requirements to continue in program
- EFIN revocation appeal process
- E-file authorization and supporting documentation (e.g. Form 8879 and Form 8453)
- Rejected returns and resolution (e.g. client notification)
- Identity theft procedures and resolution (e.g., IP PIN)

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