



Dear Applicant:

Thank you for your interest in becoming or maintaining your status as an approved continuing education provider with the California Tax Education Council (CTEC). As an approved provider your course(s) may be offered to several thousand CTEC Registered Tax Preparers (CRTPs).

To attain approval, providers must submit one course for evaluation. Once approved, a provider may develop and offer additional courses, each of which must meet the same CTEC education standards and requirements that are required of each course submitted. To maintain CTEC standards, periodic reviews and audits are conducted. Under CP14, periodic reviews of approved providers are conducted once every three years. Providers must submit, for review, their most popular course. Audits are conducted in accordance with CP28, under which a CTEC curriculum reviewer, acting as a student, registers for and takes the course. Courses are selected for audit in accordance with the provisions of CP28. Failure to maintain CTEC education standards and requirements will result in a loss of approval as a CTEC provider.

- Providers can be approved to provide two types of education, qualifying education (QE) and continuing education (CE). **Separate approval is required for each type of education. Note: This application is for QE approval.**
- Providers approved to offer self-study courses are automatically approved to offer face-to-face (instructor-led) courses. However, providers approved to offer face-to-face courses **MUST** obtain additional approval to offer self-study courses.
- As indicated above, providers approved to offer self-study courses are automatically approved to offer group internet and face-to-face courses. However, providers approved to offer group Internet, and/or face-to-face courses **MUST** obtain separate approval to offer self-study courses (see CP02 for the provider approval process).
- All course materials and administrative paperwork **must be submitted electronically**. Where the word count formula was used to determine the continuing education credits, the course material must also be submitted digitally in Microsoft Word so the word count can be readily verified. Access to self-study courses offered online must be supplied by the provider. Instructions must be clear and specific, including all information necessary to access each part of the course. Some courses require the student to complete one section (chapter or part) before proceeding to the next. Since the reviewer does not navigate through the entire course in sequence but only samples the material and exam questions this restrictive feature must be capable of being overridden.

All course materials and administrative paperwork must be submitted electronically. Please submit your application via e-mail to Tabitha Bolkish tbolkish@ctec.org. Provider fee along with Provider Application can be mailed to: CTEC, PO Box 2890, Sacramento, CA 95812, Attn: Tabitha Bolkish.

QUALIFYING EDUCATION CURRICULUM REVIEW COSTS

- **New Qualifying Education Applicants:** Providers wishing to attain CTEC approval to offer qualifying education must submit \$2,000 with their application packet.
- **Periodic Review Qualifying Education Applicants:** Providers who wish to maintain the status as an approved provider for qualifying education must submit \$1,500 with their application packet.
- **Annual Renewal Registration:** Each year during the months of October through December, to retain approved provider status for the subsequent year, each QE and CE (separate application required for each) education provider must renew the registration for the subsequent year.

Subsequent Curriculum Review Costs – If curriculum approval is not received during the initial curriculum review, additional fees will be assessed. If curriculum approval is not attained during the curriculum review, a \$600 resubmittal fee will be assessed. If a provider resubmits the changes within 30 days and the changes are approved by the reviewer, the course is then approved.

Submission of Application: The applicant must assemble and label the required application components and submit them to CTEC with the appropriate non-refundable application fee (Reference: CP15 – Provider Curriculum Review Expense).

Administrative Review: Once received, the application packet will be logged in for date of receipt, and an initial administrative review will be performed to confirm that all required components of the application have been included. If the application is incomplete, CTEC will notify you in writing as to the missing information. You are required to submit the requested information within 30 calendar days of the date of notification. Incomplete applications are subject to a \$250 administrative fee that must be included with each corrective submission. Failure to respond within 30 calendar days will be considered a withdrawal of the application, and any further submission by the provider will be considered a new application subject to provider fees. Course materials will not be reviewed until a complete application has been received. *A technical review of the course materials cannot be completed until all the required documentation has been received.*

Curriculum Review: Once a complete application has been received and initial administrative review completed, the materials will be sent to the curriculum reviewer. The curriculum reviewer will (within 60 days), review the course for compliance with CTEC standards. *A technical review of the course materials cannot be completed until all the required documentation has been received.*

Determination: The curriculum reviewer will provide to the Curriculum Provider Standards Committee a recommendation for approval or denial. If an applicant is denied, the reasons for the recommendation of denial will be submitted, in writing, to the Curriculum Provider Standards Committee. The Curriculum Provider Standards Committee will review the recommendation for appropriate action. You will receive written notification of the determination.

If your application is denied, you may appeal the decision to the CTEC Board (See CP03), or you may re-submit a new application and start the process anew.

We look forward to receiving your application. Please direct any questions you may have to Tabitha Bolkish at (877) 850-2832 or via e-mail tbolkish@ctec.org



QE PROVIDER APPLICATION

Schools seeking to be approved by the California Tax Education Council to meet the requirements of the Business and Professions Code §22250-22259 should use this form.

Please print or type all the information.

Name of Business _____

DBA's (if any) _____

Mailing Address _____

Physical Address _____

Phone (____) _____

Cell (____) _____
(Cell phone# is for CTEC office use only)

Fax (____) _____

Website _____

Applicant is:

Individual Corporation (Corporation number – if applicable) _____

Partnership University/College/School Non Profit Org. Government Agency

Other (describe) _____

Designated CTEC Administrator _____

Phone # (____) _____

Administrator E-mail _____

Approval is requested to offer Qualifying Education

Approval is requested to offer (Check all that apply)

Face-to-face (instructor led) Courses

Group Internet Courses

Self-study Courses

OWNERS/OFFICERS

Please list those responsible for the management of the applicant. If the applicant is an individual, list that individual. Partnerships should list general partners. Corporations and associations should list three officers. Colleges, Universities, and agencies should list their top three managers or administrators.

| NAME | TITLE | PHONE # |
|-------|-------|--------------|
| _____ | _____ | (____) _____ |
| _____ | _____ | (____) _____ |
| _____ | _____ | (____) _____ |

ATTESTATION

Having been duly authorized by the provider, I hereby attest that:

1. The provider has appointed the individual listed as the CTEC administrator to that position.
2. The provider will adhere to the standards, guidelines, and policies of the California Tax Education Council.
3. Should the provider fail to abide by the standards, guidelines, and policies of the California Tax Education Council, CTEC may withdraw the provider's approval.



Signature

Name

Title

Date

(For Office Use Only)

____ Date of receipt

____ Date submitted for review

____ Approved provider number

____ Date for periodic review

PROVIDER APPLICATION CHECKLIST

This checklist is provided to help ensure applications are complete, and the course material meets CTEC educational requirements. The checklist must be completed and included with each application. **Applications submitted without a completed checklist will be returned and will be subject to a \$250 administrative fee that must be included with each corrective submission.**

CAUTION: If curriculum approval is not attained during the curriculum review, a \$600 resubmittal fee will be assessed. If a provider resubmits the changes within 30 days and the changes are approved by the reviewer, the course is then approved. (Reference CTEC Policy CP15).

IMPORTANT

All materials required for the review **must be submitted electronically.** Materials will not be retrieved from the provider's website or other online source. **Access to self-study courses, offered online, must be supplied by the provider.** This access will only be used by reviewers to verify the bona fide nature of the online delivery platform. Reviewers **do not** complete all or any specific aspect of the course. **If required materials and/or online access are not supplied the application will be rejected and returned.** As indicated above some courses require the student to complete one section (chapter or part) before proceeding to the next. Since the reviewer does not navigate through the entire course in sequence but only samples the material and exam questions this restrictive feature must be capable of being overridden.

Where the word count formula is used to determine the course QE hours, the course materials must be submitted as Microsoft Word file so the word count can be verified.

A checklist is included to aid you in assembling your packet of materials for review. Please follow this checklist, to ensure that your application is complete. Incomplete applications will be subject to the provisions outlined above and below as well as in CTEC CP's.

GENERAL APPLICATION CHECKLIST

- A. **The applicant certifies that they have read and understand the CTEC provider policies, and this application complies with those policies.**

- YES
 NO

If NO - STOP, Do not submit this application

- B. **Application is for:**

Commentary: Separate approvals are required for qualifying education (QE) and continuing education (CE).

- QUALIFYING EDUCATION**

- C. **Application is for (Check one):**

Commentary: Providers approved for self-study courses are also approved for face-to-face presentations. However, providers approved for only face-to-face courses are NOT also approved for self-study courses. Therefore, a provider seeking approval for both face-to-face and self-study courses must submit a self-study course for approval.

- SELF-STUDY COURSE**
 FACE TO FACE PRESENTATIONS
 GROUP INTERNET COURSE

- D. **Non-Refundable Application Review Fee Attached (Check one):**

The fee must be paid by check or money order with the application and made payable to the "California Tax Education Council."

- \$2,000 – NEW PROVIDER FOR QUALIFYING EDUCATION COURSE**
 \$1,500 - PERIODIC REVIEW FEE
 \$200 – ANNUAL APPLICATION FEE

CAUTION: If curriculum approval is denied during the initial curriculum review, additional fees will be assessed (reference CTEC Policy CP15). Therefore, it is incumbent upon an applicant to submit a complete and accurate application.

E. **Renewal or First Time Application** (Check as appropriate):

Commentary: Renewal of an application, where a course is a self-study course, the applicant is required to submit the provider's most popular course for the prior year.

- RENEWAL - if checked, indicate whether course is:**
- MOST POPULAR**
- FIRST TIME APPLICATION**

COURSE DEVELOPMENT CHECKLIST

F. **Course Development Requirements**, Reference CTEC policy CP23 - Complete the following series of questions:

1. **The course content is** (Check one):

Commentary: Curriculum content is restricted to federal and California taxation. (Business & Professions Code Section 22255(a)).

- FEDERAL TAXATION**
- CALIFORNIA TAXATION**

2. **Learning Objectives** (Check one)

Commentary: Learning objectives should clearly state what level of knowledge or skill a participant is expected to achieve after completing a particular course. Course descriptions should be informative to potential participants.

- BASIC**
- INTERMEDIATE**
- ADVANCED**
- UPDATE**
- OVERVIEW**

3. **Prerequisites, and advance preparation** (Answer Question)

Commentary: Prerequisites should be written in clear and precise language so that potential participants can readily ascertain whether they qualify for the course and whether the specified course level is appropriate for them.

DOES THIS COURSE CLEARLY STATE THE LEARNING OBJECTIVES?Yes No

**IF NO, THE COURSE DOES NOT QUALIFY FOR THE CTEC CREDIT!
DO NOT SUBMIT APPLICATION.**

4. **Qualified Curriculum Provider is an:** (Check one)

Commentary: Courses must be developed and taught by individuals or teams having expertise in the subject matter. They must be a CRTP, EA, CPA, tax attorney or an individual with expertise demonstrated through practical experience.

- CRTP**
- EA**
- CPA**
- TAX ATTORNEY**
- OTHER**

Attach statement including name(s), contact information and details of qualifications and expertise in the subject matter of the course.

5. **Course Materials are:** (Answer Question)

Commentary - Curriculum providers must ensure that materials are clearly written, technically accurate, current, complete, and sufficient to meet the course's learning objectives. To meet learning objectives the instructional material, including questions, must be clearly written so as to be understood by the student to whose technical level of knowledge and experience the course is directed. This includes not only technical accuracy, but also grammatical and syntactical correctness to the extent that lack of syntactical correctness adversely affects the quality of the course such that educational objectives are compromised to a disqualifying extent. (see CP23(j)(5))

- Yes NO **THE COURSE MATERIALS ARE CLEARLY WRITTEN, TECHNICALLY ACCURATE, CURRENT, COMPLETE, AND SUFFICIENT TO MEET THE COURSE'S LEARNING OBJECTIVES. (See CP23(j)(5))**

**IF NO, THE COURSE DOES NOT QUALIFY FOR CTEC CREDIT!
DO NOT SUBMIT APPLICATION.**

SELF-STUDY COURSE CHECKLIST

G. If the Course is a Self-Study Course Complete the Following:

Use of government publications, published tax articles, reference manuals and general professional literature:

Commentary: Use of IRS/FTB or other government publications including material downloaded from government websites, &/or reference manuals **such as tax guides not allowed to be used as a tax course text.** (Check one):

YES - Course includes prohibited material (In the space provided below, clearly identify prohibited material and State how the identification is accomplished, such as highlighting, italics or other means)

NO - Course does not include prohibited material.

Commentary: CTEC policy CP24 generally prohibits or limits the use of general professional literature, IRS/FTB or other government publications, or reference manuals such as tax guides as course material.

When using the word count formula (worksheet below) the word count shall not include any material from the type of publications listed above.

Submissions where the word count has not been properly adjusted shall be returned as incomplete.

CAUTION: Failure to identify prohibited material will result in a denial of approval of the course.

If you answered Yes to question G1, clearly identify any and all quotations from such publications. Describe how publication material is identified: _____ . (For example, identification methods may include highlighting with distinct colors, italics, or underlining.)

2. Method used to determine QE award hours (Check one):

Commentary: QE award hours must be based upon either pilot testing or word count formula. Reference CTEC policy CP13.

QE AWARD BASED UPON PILOT TESTING AND NO GENERAL PROFESSIONAL LITERATURE WAS USED (See G1 above) – complete Part I next page. Note: When using the pilot testing method, no publication material can be included in the material as there is no way to adjust the pilot testing results for the inclusion of banned materials.

QE HOUR AWARD BASED UPON WORD COUNT FORMULA – Complete Part II next page. Note the word count does not include publication material or excerpts from publications.

Part I – Pilot Test Results

If the course was purchased from a third party provider who provided the pilot course, complete the following:

Name of the third party provider: _____

Is that third party provider an approved CTEC or NASBA provider?... Yes No

Third parties CTEC or NASBA provider number: _____

If the course pilot testing was conducted by the applicant, provide the following information for each pilot test (minimum 3) on a separate document attached to this application.

- Pilot tester's name
- Contact information including address and valid phone number
- Credential and credential number (must be CRTP, EA or CPA)
- Number of minutes taken to complete course
- A statement that the pilot tester is independent of the course developers
- QE Award based on pilot test results: _____

Part II - Word Count Formula Computation

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 1. Total number of words in course..... | _____ |
| 2. (a) Number of words not critical to the course..... | _____ |
| (b) Number of words quoted (taken) from un-allowed publications (See paragraph 2 below and CP13). Identify these quotes in the course material so the reviewer can identify them. Use a highlighter or circle the un-allowed text material. | _____ |
| 3. Line 1 less the sum of Line 2(a) and 2(b)..... | _____ |
| 4. Line 3 divided by 180 | _____ |
| 5. Number of review questions..... | _____ |
| 6. Number of exam questions..... | _____ |
| 7. Sum of Lines 5 and 6..... | _____ |
| 8. Line 7 multiplied by 1.85..... | _____ |
| 9. Enter the duration (in minutes) of any audio/visual content included in the course... | _____ |
| 10. Total of lines 4, 8 and 9..... | _____ |
| 11. Line 10 divided by 50..... | _____ |
| 12. QE Award for class (rounded down to the nearest QE credit)..... | _____ |

Commentary: *Words not included in the word count:*

1. Any and all material not critical to the achievement of the stated learning objectives for the course;
2. The words in the course introduction;
3. Instructions to the learner;
4. Author/course developer biographies;
5. Table of contents;
6. Glossary;
7. Supplementary reference materials;
8. Appendices.

1. Course meets Interactive Requirement (Check as appropriate)

Commentary: CTEC policy CP13 requires all self-study courses be interactive. Therefore, the course must include a minimum of 3 multi-choice review questions for each QE hour awarded. Questions must be placed at the end of each learning activity throughout the course at sufficient intervals to allow the learner to evaluate the material that needs to be re-studied. Multiple choice questions must have a minimum of 4 possible answers.

- Course includes a minimum of 3 multi-choice review questions for each QE award hour awarded.**
- Review questions are placed at the end of each learning activity throughout the course at sufficient intervals to allow the learner to evaluate the material that needs to be re-studied?**

IF BOTH BOXES ARE NOT CHECKED, STOP. THIS COURSE IS NOT SUITABLE FOR CTEC APPROVAL.

2. Course meets Final Examination Requirement - (Check as appropriate)

Commentary: CTEC policy CP13 requires all self-study courses to include a minimum of 5 multi-choice final examination questions per credit hour. The questions must be relevant to the material and to meeting the learning objectives in the course. Successful completion of an interactive self-study course shall be demonstrated by completing 70% or more of the examination questions correctly.

Providers are never permitted to provide students with answers to exam questions prior to the student successfully passing the examination. To students who successfully passed the examination, providers may provide answers to specific missed exam questions; however, a complete answer key containing all of the exam questions for the course shall never be provided to a student. (CTEC policy CP13(n))

- Course includes a minimum of 5 multi-choice exam questions for each QE award hour awarded.**
- The questions are relevant to the material and to meeting the learning objectives in the course!**
- Final answers to the examination questions (including missed questions) are not provided to students prior to successfully passing the examination.**
- Final examination requires a passing grade of 70%.**

**If all boxes are NOT checked, STOP.
This course is not suitable for CTEC approval.**

QUALIFIED EDUCATION CHECKLIST

H. Additional Requirements That Apply to Qualified Education Courses.

1. Qualifying Education Subject Matter Guidelines-

Commentary: CTEC Policy CP13A & CP23A provide curriculum guidelines for Qualifying Education including required subjects and awareness subjects matter.

Does this course comply with the subject matter guidelines Yes No

If no, the course does not qualify for the CTEC credit – Do not submit application.

2. Limitations on Use of Tax Return Preparation as a Part of Testing – Answer Question

Commentary: CTEC Policy CP20 limits the use of tax return preparation as a portion of the final examination.

Does this course comply with CP20..... Yes No

If no, the course does not qualify for the CTEC credit – Do not submit application.

3. Qualified Education Additional Exam Requirements - (Check as appropriate)

Commentary: An additional requirement for QE courses is to include a minimum of one examination questions for every “required” subject and one examination question for each “awareness” subject listed in the Qualifying Education Guidelines (Reference CP23A).

The QE course examination includes a minimum of 1 multi-choice exam question for every “required” subject!

QE course examination includes a minimum of 1 multi-choice exam question for each “awareness” subject!

Commentary: The number of questions must be at least 300 (five questions are required for each hour- 225 questions for the Federal portion and 75 questions for the State portion). The balance of the 300 questions is to be chosen by the provider from the “required” topics. (See CP23A guidelines). The student must be tested separately for federal, ethics and California elements of the course. A minimum of 10 questions is required for the Ethics examination, but the provider is free to have more than 10. A minimum of 75 questions is required for the California examination, but the provider is free to have more than 75. A minimum of 215 questions is required for the Federal examination, but the provider is free to have more than 215.

IF BOTH BOXES ARE NOT CHECKED, STOP. THIS COURSE IS NOT SUITABLE FOR CTEC APPROVAL.

REQUIRED MATERIALS CHECKLIST

I. The following materials must be included with the application (See CP02(f) for order of application contents):

1. Approved Provider Application Form –

- Complete and included in packet;
- If previously approved, changes from current approved provider list are circled;
- Physical address is in fact a physical address;
- If a corporation, state corporate number must be provided;
- CTEC Administrator name and phone number are complete
- Signature title matches those listed on application under Owners/Officers

2. Student Course Materials –

- **Self-study courses – Include Key California Non-Conformity with the Federal TC & JA.**

- Include the entire course syllabus and **all course** materials.
- If the course is a packaged course that includes more than one of the required education elements (Fed Tax Subject, Federal tax Update, Ethics and California Tax Subjects) include and clearly identify the separate elements that make up the package.
- Include workbook, homework or practice problems included in the course.
- Include the final examination and answer key.

- **Face-to-face Courses** – **Include Key California Non-Conformity with the Federal TC & JA.**

- If the course uses a syllabus, include it
- If the course uses Power Point Presentation, include them in a printable format
- Include Instructors Guide or Lesson Plan (if any)

- **Qualifying Education Courses** –(See CP23A headnote)

- The course syllabus annotated to indicate where “required” and “awareness” requirements are satisfied.
- Final Exam annotated to indicate which questions are “required” and which are “awareness”.

3. **Student Evaluation Form** – Include a copy of the “student evaluation” form used for this course.

The form must comply with the requirements of CTEC CP08 and at a minimum include the following rated from 1 to 5 with 5 being the highest.

- Were stated learning objectives met?
- Were course materials accurate and relevant, and did they contribute to the achievement of the learning objectives?
- Was the time allotted to learning adequate?
- Were the facilities/equipment appropriate?
- Were the handout materials satisfactory?
- Were the audio and video materials effective?
- If applicable, were individual instructors knowledgeable and effective?

4. **Completion Certificate** - Include a copy of the actual “completion certificate” used for this course. The form must comply with the requirements of CTEC CP11.

At a minimum the following information shall be included on the certificate.

- Full name of student (participant)
- Course name (If course is in federal studies, name should be the same as that used for federal.)
- CTEC course number
- Course completion date
- Provider name
- Provider address
- Signature of the administrator or instructor (dated)
- Certificate must include the breakdown of the hours (45 hours federal and 15 hours California).

5. **Provider Compliance Form**

- Form is signed and attached.

6. **Course Advertising and Promotion**

- If this is a renewal application include a sample advertisement that includes the course advertising and promotion disclosures as required by CTEC CP21 and CP34.
- If is first time application; include a plan for informing students of the following policies.

7. **Application fee**

- \$2,000 – New Application for Qualifying Education Course
- \$1,500 – Periodic Review for Qualifying Education Course

Commentary: *Providers shall inform prospective students that the California Tax Education Council has approved the provider and/or course. The Provider Name and Number listed in any disclosure must be the same name and number found on the curriculum provider approval received from the California Tax Education Council. The Course Name and Number listed in any disclosure must be the same name and number found in the CTEC Provider database.*

Approved Disclosure Types: The following is a pre-approved disclosure for CTEC approved providers:

(1) Promotional disclosures - a short version for limited-space ads; a promotional disclosure need only list the course name, CTEC course number and hours of federal tax law subjects, federal updates, state subjects, and/or ethics.

(Provider Name) has been approved by the California Tax Education Council to offer continuing education courses that count as credit towards the annual “continuing education” requirement imposed by the State of California for CTEC Registered Tax Preparers. A listing of additional requirements to register as a tax preparer may be obtained by contacting CTEC at P.O. Box 2890, Sacramento, CA, 95812-2890, by phone toll-free at (877) 850-2832, or on the Internet at www.ctec.org.

CTEC has developed a set of policies that also include education standards that a CTEC approved course must adhere to. All providers are required to familiarize themselves with the current policies prior to submitting an application for approval. The current policies are listed and can be downloaded from the CTEC website at www.ctec.org

EXHIBIT CP23A

REVISED 05/22/2024

NOTES to Provider Regarding CP23A CTEC Curriculum Guidelines Approved 60-hour Qualifying Education Courses (Annotated Guidelines)

Background: Section 22255 of the California Business & Professions Code requires CTEC to issue a "Certificate of Completion" to the tax preparer who has completed not less than 60-hours of instruction in basic personal income tax law, theory, and practice by an approved CTEC curriculum provider. **the course must include a minimum of 45 hours of Federal tax subjects, of which 2 hours is ethics, and 15 hours of California State instruction.** Each of the three parts of the course, 1) Federal tax subjects, 2) Ethics, and 3) California State tax must be individually reviewed and evaluated to ensure that it adequately covers the topics in the "Annotated Guidelines" below.

Providers must submit a completed Annotated Guidelines Worksheet (see below) for each QE course (See 23(j)(1) commentary) These curriculum guidelines list topics that are "Required" (labeled "R") to be included in the course material. These guidelines also identify topics that are identified as "Awareness" (labeled "A"). These "A" topics must be covered in the course to make the student aware of the topic and its implication. This requires less depth than required ("R") topics. This Guideline Worksheet must also clearly indicate the location in the course material where these "required" and "awareness" topics are to be found. The Annotated Guidelines Worksheet must also identify **final exam questions** that test the "required" and "awareness" topics as required by CP13A(c). The number of questions must be at least 300 (five questions are required for each hour- 225 questions for the Federal portion and 75 questions for the State portion). The balance of the 300 questions is to be chosen by the provider from the "required" topics. (See CP23A guidelines)

For **face-to-face** courses, the Guidelines Worksheet must provide the time devoted to each topic.

R - Required - Provider must include this subject matter in the course to prepare the student for dealing with this issue, including related situations that will be commonly encountered by CRTPs.

A - Awareness - Providers must include this subject matter in the course in such a manner (overview) that a student will recognize the issue when encountered and know to seek further guidance in dealing with it.

Course content - Courses on personal tax return preparation vary widely as to the topics covered. Texts used for these personal income tax preparation courses will also vary. Courses offered by approved CTEC providers will also vary as to topics, structure, subject matter groupings, and other features based upon the R, and A designations. So, it is not possible to structure CTEC's CP23A exhibit to be a universal fit for each provider. CP23A exhibit topics, chosen by CTEC, have broad acceptance as typical content of a course on personal income tax preparation.

Individual topic descriptions, however, can be confusing. To reduce this confusion CTEC has adopted a reference system that attempts to source all topics to the Internal Revenue Code (IRC) or other reference material.

CTEC, as well as most providers, course developers, and course instructors, understand that the IRC and the RTC offer a universal source on which to establish CTEC standards for CP23A exhibit topics. This approach is premised on the fact that all CP23A exhibit topics, appropriate to a CTEC Qualifying Education (QE) course, have a statutory (IRC & RTC), or regulatory or other administrative pronouncements as its authoritative origin. The IRS/Treasury, FTB, Labor Department, Social Security Administration, Small Business Administration (SBA) or other government agencies issue pronouncements that are more detailed in the description and explanation of the various CP23A exhibit topics.

Therefore, CTEC has chosen to identify, to the extent practical, its authoritative designation of the various CP23A exhibit topics. Reference is, therefore, made to the Internal Revenue Code (IRC) or the government publication that gives more detail as to the topic.

State of California Topics:

CTEC recognizes that identifying the authoritative source of state tax topics is difficult. Therefore, CP23A exhibit provides a cross reference from the Internal Revenue Code (IRC) to the state Revenue and Taxation Code (RTC). The cross-reference system provides links that identify a federal IRC provision and provide information as to conformality, non-conformity. Stand-alone RTC provisions are identified in the topics that appear in the list of state CP23A exhibit topics.

Other issues:

1. CP23A is reviewed and updated once a year by the curriculum review staff in the fall. Once the changes to CP23A have been approved by the Curriculum Provider Committee, the updated CP23A shall be distributed to the QE providers. However, any changes to CP23A will not be effective until January 1, of the subsequent year.
2. Providers need not necessarily use the subject order of the exhibit of CP23A when designing a course.
3. Duplications of topics occur. Some duplications are the intentional result of topics that are relevant to more than one category. For example, Sec 121 sale of personal residence exclusion relates to both EXCLUSIONS FROM INCOME outline VI.A and to sales of property in VIII Gains and Losses – Sale or Other Dispositions of Property, outline VIII.C.1. The purpose of some duplications is less obvious. Therefore, duplications are intended to be cross-referenced.
4. CTEC Curriculum Provider Committee invites input for improvement.

EXHIBIT CP23A

| Topics | | 2023-2024 Guidelines | Page(s) of which “required” and “awareness” topics are covered in the course material | Time devoted to each topic | Identify final exam questions that test the “required” and “awareness” topics |
|-----------------------------------------------------------------------------------------|-------------------------------|-------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------|
| I. General Filing Issues | | | | | |
| A. Ethics & Tax Practice | | | | | |
| 1. General Ethics and Compliance Subjects | (CIR 230 Subparts A & B) | R | | | |
| 2. Due Diligence: EIC, CTC, ACTC, ODC, AOTC, HOH | Form 8867 | R | | | |
| 3. Preparer Penalties | | | | | |
| a. Due Diligence | Sec 6695(g) | R | | | |
| b. Understatement of Liability (Negligence) | Sec 6694(a) | R | | | |
| c. Intentional Disregard of Rules | Sec 6694(b) | R | | | |
| d. Unreasonable Position | Sec 6694(a) | R | | | |
| e. Willful or Reckless Conduct | Sec 6694(b) | A | | | |
| 4. Signing Returns | | | | | |
| a. General (signed in accordance/wet signature) | Sec 6061 (a) | R | | | |
| b. Electronic signatures | Sec 6061 (b) | R | | | |
| B. WHO MUST FILE A RETURN? | Sec 6012, TCJA Sec 11041 | R | | | |
| C. VARIOUS TAXES CONTRASTED WITH INCOME TAX | | | | | |
| 1. Sales & Use Taxes - | Local Assessment | A | | | |
| 2. Property Taxes - Real Estate | County on Assessed Value | A | | | |
| 3. Personal Property | i.e. DMV Ad Valorem tax | A | | | |
| 4. Self-Employment Tax | Sec 1401, Sec 6017 | A | | | |
| 5. Employment Taxes - | | A | | | |
| a. FUTA | Section 3301- 3311 | A | | | |
| b. SDI | State assessed disability tax | A | | | |
| c. FICA | | A | | | |
| i. Employee | Sec 3101, 3102 | A | | | |
| ii. Employer | Sec 3111 & 3112 | A | | | |
| 6. Various Individual Income Tax Forms 1040 & 1040SR Awareness Overview. IRC Sec 1-1563 | | A | | | |

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| D. SPECIAL TAX PROVISIONS AND VARIOUS PENALTY TAXES | | | | | |
| 1. Alternative minimum taxes – TCJA modifications | Sec 55-59 | A | | | |
| 2. Early withdrawal from pension or IRA | Sec 72(t) | R | | | |
| 3. Net Investment Income Tax (NIIT) | Sec 1411 | A | | | |
| E. WHEN ARE INCOME TAX RETURNS DUE? | | | | | |
| | SEC 6072 | R | | | |
| F. WHERE & HOW ARE RETURNS FILED AND PAYMENTS MADE? | | | | | |
| | SEC 6091 | R | | | |
| G. EXTENSIONS OF TIME TO FILE | | | | | |
| | Sec 6081 | R | | | |
| H. MISCELLANEOUS FILING ISSUES | | | | | |
| 1. Accounting Methods – With TCJA Modifications | | | | | |
| a. Cash | Sec 446(c)(1) | A | | | |
| b. Inventory | Sec 471, 475 | A | | | |
| c. Accrual | Sec 446(c)(2), Reg 1.446-1(a)(4)(i) | A | | | |
| 2. Accounting Periods – General | | | | | |
| | Sec 441 | A | | | |
| 3. Electronic filing (e-file) | | | | | |
| | Sec 6011(e), Reg Sec 1.6011-7, 301.6011-7 | R | | | |
| 4. Kiddie Tax Calculation | | | | | |
| | Sec 1(g); Pub 929; Form 8814, 8815 | R | | | |
| I. TAXPAYER PENALTIES – INCOME TAX RELATED | | | | | |
| 1. Failure to File a Return | | | | | |
| | Sec. 6651(a)(1) | R | | | |
| 2. Failure to Pay | | | | | |
| | Sec. 6651(a)(2) | R | | | |
| 3. Negligence or Intentional Disregard | | | | | |
| | Sec. 6662(a)(1) 6662(c) | A | | | |
| 4. Substantial Understatement | | | | | |
| | Sec. 6662(b)(2) 6662(d) | A | | | |
| 5. Underpayment of Estimated Taxes | | | | | |
| | Sec. 6654, 6621 | A | | | |
| 6. Dishonored Check | | | | | |
| | Sec. 6657 | A | | | |
| 7. Fraud | | | | | |
| | Sec. 6663 | A | | | |
| 8. Frivolous Return | | | | | |
| | Sec. 6702 | A | | | |
| 9. Failure to File Information Returns (1099-MISC, NEC) | | | | | |
| | Sec. 6041, 6721 | A | | | |
| 10. RMD (Excess Accumulation) Penalty | | | | | |
| | SECURE 2.0 Act Section 302 | R | | | |
| J. INTEREST ON OVERPAYMENT | | | | | |
| | Sec 6601, Rate in Sec 6621 | A | | | |

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| K. FILING RESPONSIBILITIES | | | | | |
| 1. Preparer Identification Number (PTIN) | Sec 6109(a)(4) | R | | | |
| 2. Retention of Records of Returns Prepared | Sec 6701(b) | R | | | |
| L. AMENDED RETURNS | | | | | |
| 1. What Form and When to file | Tax Topic 308, Form 1040X, Form 843 | A | | | |
| 2. Electronic Filing | IR-2020-107, IR -2020-182 | A | | | |
| M. INNOCENT AND INJURED SPOUSE ISSUES | | | | | |
| | SEC 6015 | | | | |
| II. FILING STATUS & QUALIFICATIONS | | | | | |
| A. FILING STATUS | | | | | |
| | PUB 17, PUB 501 | | | | |
| 1. Single | Sec 1(c) | R | | | |
| 2. Married Joint | Sec 1(a), 7703, 6013 | R | | | |
| 3. Married Filing Separate | Sec 1(d) | R | | | |
| 4. Head of Household | Sec 1(b) | R | | | |
| 5. Married Head of Household | Sec 2(c) | R | | | |
| 6. Qualifying Widow(er) with Dependent Child | Sec 2(a) | R | | | |
| 7. Registered Domestic Partners | FTB Pub 737 | R | | | |
| B. SPECIAL SITUATIONS | | | | | |
| 1. Divorce & Separation | 7703(b)(1) & (b)(2), Pub 504 | R | | | |
| 2. Decedent | Sec 7703(b)(1) & (b)(2), Pub 17, 559 | R | | | |
| a. Refund Deceased Taxpayer | Form 1310 | A | | | |
| 3. Married to a Nonresident Alien | Sec 7701(b), Sec 6013(g), Pub 519 | A | | | |
| III. DEPENDENTS | | | | | |
| A. QUALIFIED CHILD | | | | | |
| | Sec 152(c) | | | | |
| 1. Residency Test (Principal place of abode) | Sec 152(c)(1)(B) | R | | | |
| 2. Relationship Test | Sec 152(c)(1)(A) | R | | | |
| 3. Age Test | Sec 152(c)(1)(C) | R | | | |
| 4. Joint Return Test | Sec 152(b)(1)(E) | R | | | |
| 5. Cannot Be Self-Supporting | Sec 152(c)(1)(D) | R | | | |

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| B. QUALIFIED RELATIVE | | | | | |
| | Sec 152(c) | | | | |
| 1. | Relationship or Member of the Household Test | Sec 152(d)(2)(A)-(G), 152(d)(2)(H) | R | | |
| 2. | Gross Income Test | Sec 152(d)(1)(B) | R | | |
| 3. | Joint Return Test | Sec 152(b)(2) | R | | |
| 4. | Citizenship/Residence Test | Sec 152(b)(3) | R | | |
| 5. | Support Test | Sec 152(d)(1)(C) | R | | |
| C. SPECIAL SITUATIONS | | | | | |
| 1. | Children of Divorced Parents | Sec 152(e) | R | | |
| a. | Dependency Release | Form 8332 | R | | |
| b. | Tie Breaker Rules | Sec 152(e)(1)(B) | R | | |
| 2. | Taxpayer Claimed as a Dependent Another | Sec 151(b) & 151(c) | A | | |
| IV. TAX PAYMENT ISSUES | | | | | |
| A. TAX WITHHOLDING INCOME TAX | | | | | |
| 1. | W-4's Income Tax Withholding Statement | Sec 3401, 3402(b) & (c) | R | | |
| a. | Exemption from Withholding | Sec 3402(n)(1) & (2) Notice 2018-14 | R | | |
| 2. | W-2 Issues - Review of Form W-2 | Form W-2 | R | | |
| 3. | Miscellaneous Withholding Issues | | | | |
| a. | W-9 – Review Form W-9 | See W-2 Instructions | A | | |
| b. | Backup Withholding | Sec 3406 | A | | |
| c. | Forms 1099-NEC; 1099-R; 1099-INT; 1099-DIV, | Sec 6041-6050Y | A | | |
| B. ESTIMATED TAX | | | | | |
| 1. | Requirements to Pay | Sec 6654 | R | | |
| 2. | Penalty for Underpayment | Sec 6651(a)(1) & (2) | A | | |
| a. | Exceptions to Penalty - Form 2210 | Sec 6654(e) | A | | |
| V. INCOME | | | | | |
| A. EMPLOYEE COMPENSATION | | | | | |
| 1. | Wages, Salaries and Bonuses | Sec 61(a)(1), Reg Sec 1.61-2(a) | R | | |
| 2. | Sick Pay | Sec 61(a)(1) | R | | |
| 3. | Medical Insurance | Sec 162, Sec 106 | A | | |
| 4. | Moving Reimbursement | Pub 521 | A | | |

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| 5. Expense Reimbursement | Sec 62(a)(2)(A) | A | | | |
| 6. Tip Income & Reporting to Employer | Sec 61(a)(1), Sec 6653(c)(3) | R | | | |
| 7. Fringe Benefits | | | | | |
| a. Transportation | Sec 132(f) | A | | | |
| b. Transit Passes, Commuter Transport, Parking | Sec 132(f) | A | | | |
| c. Educational Assistance | Sec 127, Pub 970 | A | | | |
| d. COBRA Premium Assistance | ARPA 2021 (H.R/1319) | A | | | |
| 8. Unemployment Compensation | Sec 6050B, Form 1099-G | R | | | |
| B. RETIREMENT INCOME & WORKERS COMPENSATION | | | | | |
| 1. Social Security & Railroad Retirement | Sec 86 Form SSA-1099 Pub 915 | R | | | |
| a. Canadian Social Security | Sec 61(a) | R | | | |
| 2. Pensions & Annuities | Sec 61(a)(10), 72 | R | | | |
| a. Simplified General Rule | Sec 72(d)(1)Tax Topic 411 | R | | | |
| b. Required Minimum Distributions | SECURE 2.0 Act Sec 107 | R | | | |
| 3. Workers Compensation | Sec 85 | R | | | |
| C. COMMUNITY PROPERTY ISSUES (MFS) | Sec 66 Pub 555 | R | | | |
| D. INTEREST INCOME - FORM REVIEW OF 1099-INT | Sec 61(a)(4), Sch B, Pub 550 | | | | |
| 1. Savings Accounts | Reg Sec 1.61-7 | R | | | |
| 2. Credit Union Dividends (Actually Interest) | Pub 17 Pg. 55 | A | | | |
| 3. Government Obligations | Reg sec 1.61-7 | A | | | |
| 4. Series E, EE, H, HH and I Bonds | Pub 550 | A | | | |
| 5. Municipal Bonds | Sec 103 | R | | | |
| 6. Treasury Bills, Notes and Bonds | Pub 550 | R | | | |
| 7. 1040 FBAR & Trust Boxes (Interest over \$1,500) | Sch. B, Q#7, 31 USC 5311 - 5332 | R | | | |
| E. DIVIDENDS – REVIEW FORM 1099-DIV | Sec 61(a)(4), Sch B, Pub 550 | | | | |
| 1. Ordinary and Qualified Dividends | Reg Sec 1.61-9 | R | | | |
| 2. Capital Gain Dividends | Tax Topics 404 | R | | | |
| 3. Nontaxable Dividends | Tax Topic 703 | R | | | |
| 4. Mutual Fund Dividends | Pub 550 | R | | | |

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| F. DEPRECIATION | | | | | |
| 1. Review Form 4562 | Form 4562 | R | | | |
| 2. Depreciation – assets used in trade or business | Sec 167, 168, 179 | | | | |
| a. Bonus Depreciation | Sec 168(k), TCJA13201 (a) | R | | | |
| b. Sec 179 Expensing | Sec 179 | R | | | |
| 3. Cap & Repair Regs: | | | | | |
| a. Must Capitalize "Improvements" | Reg Sec 1.263(a)-3(d) | R | | | |
| b. Partial Disposition Election | Reg Sec 1.168(i)-8(d)(2)(ii) | R | | | |
| G. SEC 199A FLOW THROUGH DEDUCTION | Sec 199A, Reg 1.199A-1 - 1.199A-6 | R | | | |
| H. RENTAL INCOME (SCHEDULE E) | Sch E Pub 527 | | | | |
| 1. Income (Rent or Lease) | Sec 61(a)(5) & Reg Sec 1.61-8 | R | | | |
| a. Advance Rent | Reg Sec 1.61-8(b) | R | | | |
| b. Deposits | CA Civil Code Section 1950.5(m) | R | | | |
| c. Payment of Expenses by Tenant | Pub 527 | R | | | |
| 2. Expenses | Sec 62(a)(4) | | | | |
| a. Interest | Sec 163 | R | | | |
| b. Taxes | Sec 164 | R | | | |
| c. Insurance | Sec 162, Sec 212(1) & (2) | R | | | |
| c. Repairs and Maintenance | Reg Sec 1.162-4 | R | | | |
| d. Travel and Record Keeping | Sec 274(d), Reg Sec 1.274-5T | R | | | |
| 3. Passive Loss limits & Carryover | Sec 469 Pub 925 | A | | | |
| 4. Vacation Rental Rules | Sec 280E Pub 527 | R | | | |
| a. Short-Term Rental | Sec 280E | A | | | |
| b. Room Rental | Sec 280A(c)(5) | A | | | |
| I. Schedule C – Self-employment Trade or Business | | | | | |
| 1. Gross Receipts | Reg Sec 1.61-3 | R | | | |
| a. Third Party Reporting | Form 1099-K | A | | | |
| b. Forms 1099 MISC or NEC, etc. | Sec 6041 et seq | R | | | |
| 2. Cost of Goods Sold – Not in Gross Income | Reg Sec 1.61-3(a) | A | | | |
| 3. Business Expenses | Sec 162, Sch C Instruction, Pub 535 | R | | | |

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| 4. Special Issues: | | - | | | |
| a. Business Use of Home | Sec 162, Pub 587, TT 505, RP 2013-13 | R | | | |
| b. Business Auto | Sec 162, TT 510, Pub 463 | R | | | |
| I. Luxury Auto Limitations | Sec 280F | R | | | |
| II. Allocating Business & Personal Use | Pub 463, IRS tax topic 510 | A | | | |
| III. Record Keeping | Pub 463 Chap 5 | A | | | |
| c. Travel | Sec 274; reg sec 1.162-2 | R | | | |
| d. Entertainment | sec 274 | R | | | |
| e. Health Insurance Premiums | Sec 162 | A | | | |
| J. FARM INCOME | Schedule F Instructions | A | | | |
| K. SELF-EMPLOYMENT TAX | Sec 6017 | R | | | |
| 1. What Is Included in Self-Employment Income? | Sec 1402 Reg Sec 1.1401 (a)-1 | R | | | |
| 2. Include from Passthrough Partnership & Trust K-1s | Sec 702(a)(8) Per Sec 1402(a) | R | | | |
| 3. What is Not Included in Self-Employment Income? | Sec 1402(a)(3) | R | | | |
| 4. How to Compute the Self-Employment Tax? | Reg Sec 1.1402(a)-2 | A | | | |
| L. INDEPENDENT CONTRACTOR VERSUS EMPLOYEE ISSUES | | | | | |
| 1. Tests to Determine IC Status for Federal | RR 87-41, 20 Common Law Factors Reg 31.3121(d)-1(c); 31.3306(i)- 1; and 31.3401(c)- 1 | A | | | |
| 2. Preparer Liability for Providing Advice on IC issue; | CA Labor Code Sec 226.8; & 2753 | R | | | |
| M. OTHER INCOME | | | | | |
| 1. Medicaid Waiver Payments – Exclusion & EITC | Sec 131per N 2014-7, IRB-2020-14 | A | | | |
| 2. Cancellation of Debt | Sec 61(a)(11) & 108 | A | | | |
| 3. Legal Settlements/Judgements | Sec 104 & 104(a)(2), Sec 61, Sec 1.104-1(c) | A | | | |
| 4. Bartering | Tax Topic 420 Form 1099-B | A | | | |
| 5. Not for Profit Activity (Hobby) | Sec 183, Reg 1.183-2(b), 1.183-1(c) | A | | | |
| 6. Repay Previously Taxed Income (Claim of Right) | Sec 1341, Sec 311 | A | | | |
| 7. Recovery of Previous Deducted Items: | Sec 111 | R | | | |
| a. State Tax Refunds | Rev Rul 2019-11 | R | | | |
| b. Medical Reimbursement | Pub 502, Recoveries Pub 525 | R | | | |

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| 8. Entity Income | K-1 Issues | A | | | |
| a. Partnerships | Sec 61(a)(12) & 701et seq | A | | | |
| b. Estates & Trusts | Sec 641-685 Form 1041 instructions | A | | | |
| c. S Corporations | Sec 1366 | A | | | |
| 9. Royalty Income (I.e.,1099 or K-1) | Sec 61(a)(6) | A | | | |
| 10. Rental Income from Personal Property | Sec 61(a)(5) | A | | | |
| VI. EXCLUSIONS FROM INCOME | | | | | |
| A. Personal home Sale - Principal Residence Exclusion | Sec 121-See Also VIII.C.1 | R | | | |
| B. Some Scholarships & Fellowships | Sec 117 | A | | | |
| C. Discharges of Certain Debt | Pub 431 | | | | |
| 1. Bankruptcy | Sec 108(a)(1)(A) | A | | | |
| 2. Insolvency | Sec 108(a)(1)(B) | A | | | |
| 3. Principal Residence Acquisition Debt Relief | Sec 108(a)(1)(E) | A | | | |
| 4. Reduction of Tax Attributes | Sec 108(b) Form 982 | A | | | |
| D. Certain Death Benefits Such as Life Insurance | Sec 101 | R | | | |
| E. Gifts Received | Sec 102 | R | | | |
| F. Inheritances Received | Sec 102 | R | | | |
| G. Compensation for Injuries and Sickness | Sec 104 | A | | | |
| H. Medical Payments by Employer for Employee | Sec 105 | A | | | |
| I. Employer Purchase of Medical Insurance Premiums | Sec 106 | A | | | |
| J. Certain Meals and Lodging Furnished by Employer | Sec 119 | A | | | |
| K. Cafeteria Plan Benefits | Sec 125 | A | | | |
| L. Educational Assistance | Sec 127 | A | | | |
| M. Dependent Care Assistance | Sec 129 | A | | | |
| N. Employee Fringe Benefit | Sec 132 | A | | | |
| O. Qualified Charitable Distributions | Sec 408(d)(8) & SECURE 2.0 Act Sec 307 | R | | | |
| VII. DIVORCE AND PROPERTY SETTLEMENT ISSUES | | | | | |
| A. Alimony | | | | | |
| 1. Pre-TCJA Treatment | Old Sec 219 & Sec 71 | R | | | |

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| 2. Post TCJA Treatment | Sec 71 & Sec 219 Repealed | R | | | |
| B. Property settlement | Sec 1041 | R | | | |
| C. Child Support Payments Same as Pre-TCJA | Sec 71(c) per TCJA Act sec 11051 | R | | | |
| VIII. GAINS AND LOSSES – SALE OR OTHER DISPOSITIONS OF PROPERTY | | | | | |
| A. Basis | | R | | | |
| 1. Original Basis | Sec. 1011-1012 | R | | | |
| 2. Adjustments to Basis | Sec.1016 | R | | | |
| 3. Depreciation | Sec. 1016(a)(2) | R | | | |
| 4. Casualty | Sec. 1016(a)(1) | R | | | |
| 5. Capital Improvements | Sec 1016(a)(1), Sec 263 | R | | | |
| 6. Gift Basis | Sec 1015 | R | | | |
| 7. Inherited Basis | Sec 1014 | R | | | |
| B. Calculating the Sale Price | Sec 1001(a) & (b) | R | | | |
| C. Non-taxable Transactions | | | | | |
| 1. Principal Residence Gain Exclusion | Sec 121-See Also VI.1. Exclusion | R | | | |
| 2. Like-Kind Exchanges TCJA –Real Property Only | Sec 1031(a)(1) | A | | | |
| 3. Disaster Losses and Involuntary Conversions | Sec 165(h)(5), 165(i), 1033(h), & (j) | R | | | |
| D. Capital Gains and Losses | Tax Topic 409 | | | | |
| 1. Holding Period General rule – 12 months | Sec 1222, 1221 | R | | | |
| 2. Sec 1245 Depreciation Recapture | Sec 1245 | A | | | |
| 3. Capital Asset Defined – Include TCJA List | Sec 1221, TCJA sec 3311, 1221 (a)(3) | R | | | |
| E. Virtual Currency Treated Generally as "Property" | Notice 2014-21 & IR 2019-167 | R | | | |
| IX. ADJUSTMENTS TO INCOME | | | | | |
| A. Educator Expenses | Sec 222 & 62(a)(18), Tax Topic 458 | R | | | |
| B. Reservist Expenses | Sec 162(p), IRS Pub 3 | A | | | |
| C. Moving – Military | Sec 217(g), Reg 1.217-2(g), Pub 3 | A | | | |
| D. SE Tax Deduction | Sec 164(f) | A | | | |
| E. SEP, SIMPLE and Qualified Plans | Sec 401, 401(k), 403(b), 62(a)(6) | A | | | |

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| F. Self-Employed Health Deduction | Sec 162(l) | A | | | |
| G. IRA | Sec 219, Sec 62(a)(7) | R | | | |
| 1. Spousal IRA | Sec 219(c) | R | | | |
| H. Student Loan Interest | Sec 221 & 62(a)(17) | A | | | |
| I. Student Loan Debt Cancellation | Sec 9675 ARPA) | A | | | |
| X. DEDUCTIONS | | | | | |
| A. Standard Deduction | Sec 63(b)(1) | R | | | |
| 1. General Rule – TCJA modifications | TCJA Sec 11021 Senate | A | | | |
| 2. Taxpayer Claimed as a Dependent by Another | Sec 63(c)(5) | A | | | |
| 3. Special Rule for Those Married Filing Separately | Sec 63(c)(6) | A | | | |
| B. Itemized Deductions | | | | | |
| 1. Taxes - SALT limit | Sec 164 & 164(b)(6) | R | | | |
| 2. Home Mortgage Interest | Sec 163(h)(3) | | | | |
| a. Acquisition Debt | Sec 163(h) & 163(h)(3)(B) | R | | | |
| i. Pre-TCJA Financing | | R | | | |
| ii. Post=TCJA Financing | | R | | | |
| b. Equity Debt | Sec 163(h)(3)(C) with TCJA mods | R | | | |
| 3. Charitable Contributions | Sec 170 | | | | |
| a. Cash | Reg Sec 1.170A-1(a) | R | | | |
| b. Non-cash | Reg Sec 1.170A-1(c) | R | | | |
| c. Vehicle | Sec 170(f)(13) | R | | | |
| d. Documentation & Substantiation | Reg Sec 1.170A-13 | R | | | |
| 4. Miscellaneous itemized | Sec 67((a) & (b)(1)-(12) | | | | |
| a. Tier 2 – Suspended Through 2025 | | R | | | |
| b. Tier 1 No 2% Limit | | | | | |
| i. Gambling Losses | Sec 165(d) | A | | | |
| ii. Phase-out – Suspended though 2025 | Sec 68 | A | | | |
| XI. CREDITS | | | | | |
| A. Nonrefundable | | | | | |
| 1. Child & Dependent Care Credit | Sec 21 | R | | | |

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| 2. Credit for the Elderly and Disabled | Sec 22 | A | | | |
| 3. Adoption Credit | Sec 23 | A | | | |
| 4. Child and Other Tax Credit | Sec 24, Pub 972 | A | | | |
| 5. Interest on Certain Home Mortgages | Sec 25 | A | | | |
| 6. Education Credits | Sec 25A, Reg Sec 1.25A-5, Pub 970 | R | | | |
| a. American Opportunity (Partially refundable) | Sec 25A | R | | | |
| b. Lifetime Learning Credits | Sec 25A | R | | | |
| 7. Qualified Retirement Savers Credit | Sec 25B | A | | | |
| 8. Nonbusiness Energy Property Credit | Sec 25C Extended & Enhanced by IR Act | R | | | |
| 9. Residential Energy Efficient Property (Solar, etc.) | Sec 25D Extended by IR Act | A | | | |
| B. Payments and Refundable credits | | | | | |
| 1. Tax Withheld | Sec 31 | R | | | |
| 2. Earned Income Credit | Sec 32, Pub 596 | R | | | |
| a. Earned Income | Sec 32, Pub 596 | R | | | |
| b. Credit Disallowance | Sec 32, Pub 596 | R | | | |
| c. 2 or More Qualifying Individuals – Same Child | Sec 32, Pub 596 | R | | | |
| d. Denial Due to Fraud | Sec 32(k) | R | | | |
| e. EIC Credit Recertification | Sec 32(k)(1)(B) | A | | | |
| f. Due Diligence | Form 8867 | R | | | |
| 3. Premium Tax Credit | Sec 36B | R | | | |
| 4. Child Tax Credit | | R | | | |
| 5. Employee Retention Credit IRS Notices 2021-40 and 2021 -23 -ARA | | R | | | |
| 6. General Business Credit | Sec 38 | A | | | |
| C. Other Credits | | | | | |
| 1. Foreign Tax | Sec 27 & 901 | A | | | |
| 2. Plug-in Electric Vehicle (4-wheel) | Sec 30D (Include Post 8/16/22 IR Act Provisions) | R | | | |
| 3. Clean Vehicle Credit (Effective 2023, IR Act) | | R | | | |
| 4. Credit for Previously Owned Clean Vehicle (Effective 2023, IR Act) | | R | | | |
| 5. Credit for Qualified Commercial Clean Vehicles (Effective 2023, IR Act) | | A | | | |
| 6. Pension Start Up Credit | Sec 45E. (SECURE 2.0 Act Sec 102) | A | | | |
| 7. AMT Tax Credit - For AMT Paid in Prior Year | Sec 53 | A | | | |

| Topics | 2023 / 2024 Guidelines | Page(s) of which "required" and "awareness" topics are covered in the course material | Time devoted to each topic | Identify final exam questions that test the "required" and "awareness" topics |
|-------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------|
| G. Dependents | | | | |
| 1. Filing Requirements | R | | | |
| 2. Kiddie Tax – CA Non-Conformity with TCJA (FTB Form 3800) | R | | | |
| H. California Adjustments – Conformity issues | | | | |
| 1. Educator Expenses CA Non-Conformity | R | | | |
| 2. Unemployment benefits and Paid Family Leave Benefits | R | | | |
| 3. California lottery winnings | R | | | |
| 4. Interest on US Govt Securities & California Municipal Bond Earnings | R | | | |
| 5. California state income tax refund | R | | | |
| 6. Social Security Benefits | R | | | |
| 7. Alimony – California Non-Conformity TC&JA | R | | | |
| 8. Long Term Capital Gain – CA does not have LTCG | R | | | |
| I. Itemized Deductions | | | | |
| 1. Itemizing on California but not Federal | R | | | |
| 2. Charitable Contribution AGI Limit CA Non-Conformity & CARES Act | R | | | |
| 3. Investment Interest Adjustments – No Foreign Tax Deduction-California Non-Conformity | R | | | |
| 4. State Tax Deduction – No "\$10,000 SALT Limitation" | R | | | |
| 5. Mortgage Interest – CA Non-Conformity - Retains Pre-TCJA Limits | R | | | |
| 6. Miscellaneous itemized – Tier 2 – 2% limit – CA Follows Pre-TCJA Deductions | R | | | |
| a. Employee Business Expenses | R | | | |
| b. Tax Preparation Fees | R | | | |
| c. Claim of Right – Sec 1341 \$3,000 or Less | A | | | |
| d. Legal Fees – Sec 212(1), (2), & (3) | R | | | |
| e. Investment Expenses | R | | | |
| 7. SALT Cap \$10,000 Limit Workaround – AB 150 – SALT Paid at Business Entity Level (PTE) | R | | | |
| 8. Itemized Deduction Phase-Out – Limit and Itemized Deductions – TCJA Suspension | A | | | |
| J. Other conformity issues-California Non-Conformity–Taxpayer First Act of 2019 | | | | |
| 1. Health Savings Accounts | A | | | |
| 2. AMT | A | | | |
| a. Tax Rates | A | | | |

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|-------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------|
| 3. California Qualified Stock Options | A | | | |
| 4. Expenses | | | | |
| a. Cannabis – 2020 Full Expense Deductions – California Non-conformity | A | | | |
| b. Entertainment Expenses (Club Dues) | A | | | |
| c. Family Support Payments – Pre-TCJA Rules – IRC secs 71 & 215 apply | A | | | |
| 5. American Rescue Act – CA Non-Conformity – 03/2021 – CA Automatic AGI Adjustment | A | | | |
| 6. Losses | A | | | |
| a. Net operating losses - California Non-Conformity | A | | | |
| b. Casualty & theft losses - California Non-Conformity | A | | | |
| K. IRA differences | | | | |
| 1. Differences in basis | A | | | |
| L. Sales and exchanges | | | | |
| 1. Capital gains tax rate - California Non-Conformity | A | | | |
| 2. Withholding on sales of real property | R | | | |
| 3. 1031 Additional California Tax Form 3840 – California Non-Conformity | A | | | |
| M. Credits California Non-Conformity | | | | |
| Form 540 Sch CA – Reporting Federal California Non-Conformity Issues | R | | | |
| 1. Earned Income tax Credit | R | | | |
| 2. Joint custody Head of Household | R | | | |
| 3. Credit for employer child & dependent care expenses | R | | | |
| 4. Young Child Tax Credit | R | | | |
| 5. Child & Dependent Care Expenses Credit | R | | | |
| 6. California Competes Credit | A | | | |
| 7. Excess state disability insurance | A | | | |
| 8. Adoption credit | A | | | |
| 9. Credit for taxes paid to other states | A | | | |
| 10. Renters credit | R | | | |
| 11. Homeless Hiring Tax Credit (AB) 150 (HHTC) | A | | | |
| 12. Main Street Business Tax Credit I & II (AB) 150 & AB 1447 -Small Business Hiring Tax Credit | A | | | |

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|---------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------|
| N. Estimated taxes | | | | |
| 1. Number and percent of payments -CA Non-Conformity | A | | | |
| 2. Underpayment safe harbors | R | | | |
| O. Penalties | | | | |
| 1. IRS First Time Abatement – CA Partial First Time Abatement Conformity AB 194 | A | | | |
| 2. Late Filing – Minimum Penalty – CA Non-Conformity | A | | | |
| 3. Late Payment of Tax – CA Non-Conformity | A | | | |
| 4. Cost Recovery Fees | A | | | |
| 5. 25% Demand to File Tax Return | A | | | |
| 6. Due Diligence Preparer Penalty for California Earned Income Tax Credit | R | | | |
| 7. California Mandatory E-Pay Penalty | A | | | |
| 8. California 2020 Mandatory Health Insurance Penalty | A | | | |
| P. Statute of Limitations | | | | |
| 1. General 4 Year California SOL and 3 Year Federal SOL | A | | | |
| 2. Statute on Refunds | A | | | |
| 3. Statute on Final Federal Determinations | A | | | |
| Q. Non-resident issues | | | | |
| 1. Sourcing payments for: | | | | |
| a. Pensions (moving into and out of state) | A | | | |
| b. Installment sales | A | | | |
| c. Like kind exchanges | A | | | |
| d. Income from a trade or business | A | | | |
| 2. Sourcing deductions for nonresidents | | | | |
| a. Alimony deduction | A | | | |
| b. Net operating losses | A | | | |
| c. Passive activity losses | A | | | |
| d. Part year resident | A | | | |
| 3. Servicemembers | | | | |
| a. Non-California domicile stationed in California | A | | | |
| b. California domiciled stationed outside state | A | | | |

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|-----------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------|
| R. Signature Requirements and E-Filing Requirements | | | | |
| 1. New FTB 3912 Power of Attorney – Active Representatives on File letter | A | | | |
| 2. E-signatures – FTB 8879 and FTB 8453 E-File Authorization Forms | A | | | |
| 3. California Mandatory E-Filing Requirement- 1 or more returns using tax prep software | A | | | |
| 4. Power of attorney procedures FTB Form 3520 (old form) 3912 New Form – Submit Electronically MyFTB or by Mail | A | | | |

XIII. STATE OF CALIFORNIA CONCERNS (CAN BE INTEGRATED INTO THE MATERIAL COVERING EACH TOPIC)

| | | | | |
|-----------------------------------------------------------------------------------------------------|---|--|--|--|
| A. Sales and Use Tax Collection | | | | |
| 1. Out of State Purchases, in Person, by Phone, Internet Taxable to CA Subject to USE tax | A | | | |
| 2. CA EDD Payroll Tax | A | | | |
| 3. California Department of Tax and Fee Administration (CDTFA – Sales Tax) | A | | | |
| B. Independent Contractor – LP’s ,LLP’s ,LLC’s exempt from 1st Year Franchise Tax | | | | |
| 1. CA Penalties -Taxpayer & Adviser -Willful Misclassification SB 459 | R | | | |
| 2. EDD Common Law Test – CA New A,B,C Employee Test – Dynamex Case | R | | | |
| 3. Unique Statutory Employees and Non-Employees | R | | | |
| 4. Independent Contractor Reporting Requirements -AB5-Revisions | A | | | |
| C. Voluntary Contributions to Various Funds | A | | | |
| D. SDI & VPDI Issues – What They Are, Excess Treatment and Deductibility | R | | | |
| E. California Depreciation | | | | |
| 1. Sec 199A Deduction – CA Non-Conformity | A | | | |
| 2. When a Form 3885A is and is Not Required – CA Auto Depreciation Non-Conformity | A | | | |
| 3. Changing Depreciation Methods - Bonus Depreciation – California Non-Conformity | A | | | |
| 4. MACRS Differences IRC Section 179 Expense \$25,000 California Non-Conformity | A | | | |
| F. ACA – CA application | | | | |
| 1. Uninsured Penalty | R | | | |

Provider Compliance Form

In an effort to assist individuals in finding and identifying approved courses presented by approved providers, providers must agree to the following standards.

Provider agrees to the following:

1. We will use only pre-approved CTEC disclosures as directed.
2. We will meet Course Presentation standard # 2 by distributing stated information to all students prior to registration.
3. We will submit education electronically to CTEC within 30 calendar days between January 16 and June 30 and within 10 business days for any other period within the calendar year in which the student completes the course as outlined in CP06 - Provider Reporting Requirement.
4. We will evaluate courses as outlined in CP08 -Student Course Evaluations with an evaluation form or some other means, of which will be disclosed to CTEC.
5. We will distribute a certificate of completion to all successful graduates. This certificate will include the required information identified in policy CP11 -Completion Certificate and noted in Provider Reporting #1. (Providers should set up an online reporting timetable with students. For example: Students will be reported online within 10 business days.)
6. We will designate a CTEC Administrator who will represent our institution with CTEC and will inform CTEC of any changes as outlined in CP12 -Provider CTEC Administrator/On-Site Coordinator.
7. While offering courses for CTEC credit, all offerings will adhere to CTEC policies.
8. The provider acknowledges agreeing and abiding by CP32 – Course Update Guidelines and CP23A – Exhibit Qualifying Education Guidelines.
9. We understand that it is our responsibility to maintain an understanding of all CTEC policies that pertain to providers.

Provider acknowledges following:

10. We have read and will abide by the entire provider policies included on the CTEC website.
11. More specifically, for self-study courses, we are aware of the requirements:
 - Pertaining to use of government and general publications (Policy CP24)
 - That CE credits are determined by either using the word formula or pilot testing methods (Policy CP13).
 - For interactive review questions (Policy CP13(n))
 - That the course material, exam and review questions cannot be over-simplistic, confusing or simplistic and must be technically correct and current. In addition, the review and exam questions cannot be look-up type questions. (Policy CP23)
12. The California Business & Professions Code Chapter 14 Sections 22251-22259 requires that all California Registered Tax Preparers complete a 60-hour qualifying course and 20 hours of annual continuing education.

Signature

Name (Print)

Title

Date

SAMPLE STUDENT COURSE EVALUATION FORM

[QE Provider Name]
[CTEC-issued Course Number]]
[Course Name]

Instructions: Please comment on all of the following evaluation points for this course and circle a number grade, using a 1-5 scale, with 5 being the highest.

| | | | | | |
|------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| Were the stated learning objectives met?..... | 5 | 4 | 3 | 2 | 1 |
| Were the course materials accurate and relevant, and did they contribute to the achievement of the learning objectives?..... | 5 | 4 | 3 | 2 | 1 |
| Was the time allocated to learning adequate?..... | 5 | 4 | 3 | 2 | 1 |
| Were the facilities/equipment appropriate (if applicable)?..... | 5 | 4 | 3 | 2 | 1 |
| Was the course syllabus or handout materials satisfactory?..... | 5 | 4 | 3 | 2 | 1 |
| Were the audio and visual materials effective?..... | 5 | 4 | 3 | 2 | 1 |
| If applicable, were individual instructors knowledgeable and effective? | | | | | |
| Instructor (enter name) | 5 | 4 | 3 | 2 | 1 |
| Instructor (enter name) | 5 | 4 | 3 | 2 | 1 |

Number of hours to complete the course (*Self-study only*).....

Part of the course you found **most** beneficial: _____

Part of the course you found **least** beneficial: _____

Additional comments: _____

At the conclusion of the course would you like us to contact you about your comments?
 YES NO

Name: _____ Phone: _____

Please turn in at the conclusion of the course.

(Sample Certificate)

DO NOT SUBMIT THIS
Use this as a template to create your own certificate.

California Tax Education Council
(Replace with your school name)

Provider address

Location of presentation (If course was not presented at a physical location, use “self-study” or “webinar” as appropriate.)

Presents to:

(Insert student name)

For Completion of Basic Income Tax Course
(43-hours Federal, 2-hours Ethics & 15-hours State)

CTEC Course Number: 0000-QE-0001

Completion Date

Instructor Signature

Sample notification to your students:

PROVIDER NOTIFICATION TO NEW PREPARERS

Background: All QE CTEC approved providers are required to provide students with a copy of CP36-01 – Provider Notification to New Preparers, upon completion of your 60-hour qualifying education course.

IMPORTANT: Just because you successfully completed the 60-Hour qualifying education course does not permit you to prepare tax returns in the state of California. You must also complete the registration process with the California Tax Education Council (CTEC). Carefully read the instructions below to complete that process.

Now that you have successfully completed the 60-hour qualification education course, you have 18 months from the completion date listed on your completion certificate provided by your education provider to register with CTEC. If you do not register with CTEC within 18 months, you will be required to complete another 60-hour qualifying education course before being able to register. Any continuing education completed before an individual's CTEC registration cannot be used towards the renewal registration requirements.

CTEC registrations MUST be completed online at <https://www.ctec.org/>. You will need the following to complete your registration: An online application for new preparers; a background check and fingerprinting procedure (Live Scan); a \$5,000 tax preparer bond; a valid IRS PTIN; and payment of registration fee of \$33 with a Visa, Master Card or Debit card.

CAUTION - YOU HAVE TWO REGISTRATION OPTIONS

- 1. If you register as a new preparer before November 1** – you are registering for the cycle year ending on October 31 of that year. **Example:** If you register as a new preparer on October 15, 2023, that registration is only valid through October 31, 2023. You would be required to take 20 hours of continuing education sometime between October 15, 2023, and October 31, 2023 to renew your registration for the next registration cycle.
- 2. If you register as a new preparer after October 31** – you are registering for the next cycle year beginning November 1 of the current year and ending on October 31 of next year. **Example:** If you register as a new preparer on November 2, 2023, your registration is valid through October 31, 2024. From November 2, 2023 through October 31, 2024, you will be required to take 20 hours of continuing education from a CTEC approved provider in order to meet the renewal requirements for the next registration cycle, which will begin on November 1, 2024.

Here are some important registration reminders:

- CTEC's registration year runs from November 1st to October 31st of the following year.
- After your initial registration, you must complete 20 hours of continuing education annually from a CTEC approved provider and renew your registration with CTEC by October 31st each year.
- There is a late renewal period that runs from November 1st through January 15th of the following year. If you renew during that time period, a late registration fee will apply. Remember, you are not permitted to prepare taxes during this late renewal registration period.
- If you fail to renew by January 15th of any given year, you will be required to retake the 60-hour qualifying education course from a CTEC approved provider; complete an online application for new preparers; complete a background check and fingerprinting procedure (Live Scan); have a \$5,000 tax preparer bond; have a valid IRS PTIN; and, register as a new preparer.