



Dear Applicant:

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

Once approved, a provider may develop and offer additional courses, each of which must meet the same CTEC education standards and requirements that was required of the initial 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. 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.

In the event a purchased course fails to pass any curriculum provider's periodic review or audit, the approved status of that provider will be terminated. Such termination will not, however, apply to other approved providers all approved curriculum providers offering that course or using the course material. CTEC will notify such purchasing providers of the CTEC educational failures instructing them to discontinue the sale of the course. The provider who developed the course will be notified as to the CTEC educational standard failures and will be instructed not to sell this course until the failures have been appropriately addressed. The developing provider will submit the revised course addressing the CTEC educational failures to CTEC for review. All affected curriculum providers will be notified that if they fail to comply with these instructions they will have their approved status of the terminated under ion of their approved curriculum provider status under the procedures outlined in CTEC Policy CP14(c)(6)(B)(iii).

- Providers can be approved to provide two types of education, qualifying education (QE) and continuing education (CE). **A separate application and approval is required for each type of education. This application is for QE approval of a purchased course.**
- All course materials and administrative paperwork **must be submitted electronically**. Provider fee along with CE Provider Application can be mailed to: CTEC, PO Box 2890, Sacramento, CA 95812, Attn: Tabitha Bolkish.

Please submit your application via e-mail to Tabitha Bolkish tbolkish@ctec.org

QUALIFYING EDUCATION CURRICULUM REVIEW COSTS

- **New Qualifying Education Applicants:** Providers wishing to attain CTEC approval to offer qualifying education must submit \$1,500 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 \$1,000 with their application packet.

Subsequent Curriculum Review Costs – If curriculum approval is not received during the initial curriculum review, additional fees will be assessed. (See CP14).

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 ensure that all required components of the application have been included. If required components have been omitted, 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 administration 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.

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

QUALIFYING EDUCATION REQUIRED MATERIALS CHECKLIST FOR PURCHASED COURSE MATERIALS FROM A CTEC APPROVED PROVIDER

CTEC approved curriculum providers are allowed to purchase course material from other approved CTEC curriculum providers and offer them under their provider status. An approved curriculum provider is not permitted to assign or otherwise transfer any part of the approved status to another provider. Each curriculum provider must submit his/her own application for approval. The purchasing curriculum provider takes full responsibility for the purchased course material in meeting and maintaining compliance with CTEC education standards and policies.

The following materials must be included with the application:

1. CTEC Curriculum Provider Application Form

2. Application Fee

- ☐ QE New Provider fee \$1,500
- ☐ QE Periodic Review fee \$1,000

Check made payable to CTEC - Mail to:
CTEC, P.O. BOX 2890
Sacramento, CA 95812
Attn: Tabitha Bolkish

3. Copy of Provider Purchased Agreement letter

4. Copy of CTEC Approval letter from the approved provider that you have purchased the course from

5. Complete Application checklist

6. Access to self-study courses, offered online, must be supplied by the provider.

7. Signed Provider Compliance Form

8. Copy of the course evaluation form - Include a copy of the “student evaluation” form used for this course. The form must comply with the requirements of CP08 and at a minimum include the following rated from 1 to 5 with 5 being the highest.

9. Copy of the curriculum provider’s refund policy

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

All providers are required to familiarize themselves with the current policies prior to submitting an application for approval. All CTEC policies can be found on the CTEC website at <https://www.ctec.org/education-providers/provider-policies>

P.O. Box 2890 ▪ Sacramento, CA 95812-2890 ▪ www.ctec.org ▪ info@ctec.org
Toll Free 1-877-850-CTEC (2832) ▪ Toll Free Fax 1-877-851-CTEC (2832)

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 information

Name of Business _____

DBA's (if any) _____

Physical Address _____

Mailing Address _____

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

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
☐ Self-study Courses

Name of the CTEC Approved Provider that you have purchased the course from _____

OWNERS/OFFICERS

Please list those responsible for the management of the applicant. If 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:

- The provider has appointed the individual listed as the CTEC administrator to that position.
- The provider will adhere to the standards, guidelines and policies of the California Tax Education Council.
- Should the provider fail to abide by the standards, guidelines and policies of the California Tax Education Council (or the IRS when applicable), CTEC may withdraw the provider's approval.



Signature

Name

Title

Date

(For Office Use Only)

_____ Date of receipt	_____ Date submitted for review	_____ Date of resubmission
_____ Complete _____ Incomplete	_____ Letter for complete/incomplete	_____ QE
_____ Check # _____ Amount	_____ Date Approved _____ Denied	_____ Face-to-face -instructor led / Self-study Courses
_____ Approved provider number	_____ IRS Approved provider number	_____ Date for periodic review

PROVIDER APPLICATION CHECKLIST

This checklist is provided to insure that applications are complete. 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.**

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 below.

GENERAL APPLICATION CHECKLIST

B. 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

C. Application is for:

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

- ☐ QUALIFYING EDUCATION

D. 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. Thus 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

E. 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."

- ☐ \$1,500 – NEW APPLICATION FOR QUALIFYING EDUCATION COURSE
☐ \$1,000 – PERIODIC REVIEW FOR QUALIFYING EDUCATION COURSE

CAUTION: If curriculum approval is not attained during the initial curriculum review, additional fees will be assessed (reference CP15). Therefore it is incumbent upon an applicant to submit a complete and accurate application.

F. 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

☐ **Course material is purchased from a CTEC Approved provider**

G. 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(b)).

- ☐ 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 Course Developer(s) & Instructors is(are):** (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.

☐ 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

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

1. Use of general professional literature, IRS/FTB or other government publications, or reference manuals **such as tax guides are not suited to use as a tax course text.** (Check one):

- ☐ YES - **course includes prohibited material**
☐ 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.

CAUTION: Where an attempt to disguise un-allowed text is discovered, the course shall be rejected without further review.

If you answered Yes to question H1, 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 H1 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. True-false questions may be included as review questions but do not count towards the question minimum.

- ☐ 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.

Commentary: Providers are not permitted to provide students with answers to exam questions prior to the student successfully passing the examination. Providers may provide answers to specific missed exam questions to students that successfully passed the examination. However, a complete answer key containing all of the exam questions for the course shall never be provided to a student. (CTEC policy CP13)

- ☐ 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

I. Additional Requirements That Apply to Qualified Education Courses.

1. Qualifying Education Subject Matter Guidelines-

Commentary: CTEC Policy CP23 provides curriculum guidelines for Qualifying Education including required subjects, awareness subjects and optional subject 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.

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

Commentary: An additional requirement for interactive self-study 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 balance of the required 300 question final exam must be for "required" topics.

- ☐ The QE course examination includes a minimum of 1 multi-choice exam questions for every "required" subject!
- ☐ QE course examination includes a minimum of 1 multi-choice exam question for each "awareness" subject!

If both boxes are not checked, STOP. This course is not suitable for CTEC approval.

REQUIRED MATERIALS CHECKLIST

J. The following materials must be included with the application:

1. CTEC Provider Application Form –

- ☐ Completed 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 completed
- ☐ Signature title matches those listed on application under Owners/Officers

2. Copy of Provider Purchase Agreement Letter

3. Copy of CTEC Approval letter from the provider you purchased the course from

4. Complete Application checklist

5. Student Course Materials –

• **Self-study courses** –

- ☐ Course Material Is Purchased from A CTEC Approved Provider
- ☐ Include the entire course syllabus and materials.
- ☐ If the course is a packaged (bundled CP13(k)) 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** –

- ☐ Course Material Is Purchased from A CTEC Approved Provider
- ☐ If the course uses a syllabus, include it
- ☐ If used, include Power Point Presentation (printed)
- ☐ Include Instructors Guide or Lesson Plan

• **Qualifying Education Courses** –

- ☐ Course Material Is Purchased from A CTEC Approved Provider
- ☐ 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”

6. 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?

7. 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).

8. Provider Compliance Form

- ☐ Form is signed and attached.

9. 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 it is a first time application; include a plan for informing students of the following policies.

10. Application fee

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

Check made payable to CTEC - Mail to:
CTEC, P.O. BOX 2890
Sacramento, CA 95812
Attn: Tabitha Bolkish

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 and state credit offered.

(2) (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, toll-free by phone 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 <https://www.ctec.org/education-providers/provider-policies>

POLICY CP23A

REVISED 11/18/2021

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. The optional, labeled "O", topics are suggested elective issues that a provider can include in the course material but are not mandatory. 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). One final exam question is required for each required ("R") topic and one final exam question is required for each awareness ("A") topic. 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.

O - Optional - These are suggested optional issues that a provider can include in the course material but are not mandatory.

NOTE: In some cases, the R-A-O designation applies to an entire category and thus for the subcategories there will simply be a dash.

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, A and O designations. So, it is not possible, to structure CTEC's CP23A to be a universal fit for each provider. CP23A 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. In an effort 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 topics. This approach is premised on the fact that all CP23A 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 topics.

Therefore, CTEC has chosen to identify, to the extent practical, its authoritative designation of the various CP23A 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 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 conformity, non-conformity. Stand-alone RTC provisions are identified in the topics that appear in the list of state CP23A topics.

Other issues:

1. Updating C23A is an ongoing process and much more so now than in recent history.
2. Providers need not necessarily use the subject order 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.

Topics		2021 / 2022 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			

Topics		2021 / 2022 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
e. Willful or Reckless Conduct	Sec 6694(b)	A			
4. Signing Returns	Sec 6061	R			
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	Differentiate from Income Tax	A			
1. Gift and Estate – Transfer Taxes	Sec 2503(b), 2001, Form 706, & 709	-			
2. Sales & Use Taxes –	Local Assessment	-			
3. Property Taxes - Real Estate	County on Assessed Value	-			
4. Personal Property	i.e. DMV Ad Valorem tax	-			
5. Luxury (excise) Tax	Section 4001-5000C	-			
6. Self-Employment Tax	Sec 1401, Sec 6017	-			
7. Employment Taxes -		-			
a. FUTA	Section 3301- 3311	-			
b. SDI	State assessed disability tax	-			
c. FICA		-			
i. Employee	Sec 3101, 3102	-			
ii. Employer	Sec 3111 & 3112	-			
8. Various Individual Income Tax Forms 1040 & 1040SR Awareness Overview. IRC Sec 1-1563		-			
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. Tax on Prohibited Transactions	Sec 4975	O			
4. Excess Accumulation Penalty	Sec 4973	O			
5. Net Investment Income Tax (NIIT)	Sec 1411	A			
6. Repayment of Coronavirus-related Distributions	CARES ACT Sec 2202	R			
7. PPP loans Forgiveness & Expenses	CARES ACT Sec 1106(b)/Loan	R			

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8. Economic Injury Disaster Loan Grants (EIDL)	CARES ACT Sec 1110	R			
9. Economic Impact Payments (H.R/1319)	American Rescue Plan Act of 2021	A			
10. Restaurant Revitalization Grants		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			
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			
d. Small Business Exception	Sec 471(c)(1)(B)	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. Excessive Claim for Refund	Sec. 6676(b)	A			
9. Frivolous Return	Sec. 6702	A			
10. Failure to File Information Returns (1099-MISC, NEC)	Sec. 6041, 6721	A			
11. Above the Line Charitable Penalty	Sec 6662(i)	A			
J. INTEREST ON OVERPAYMENT	Sec 6601, Rate in Sec 6621	A			

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K. FILING RESPONSIBILITIES		R			
1. Preparer Identification Number (PTIN)	Sec 6109(a)(4)	-			
2. Retention of Records of Returns Prepared	Sec 6701(b)	-			
L. AMENDED RETURNS		R			
1. What Form and When to file	Tax Topic 308, Form 1040X, Form 843	-			
2. Electronic Filing	IR-2020-107, IR -2020-182	-			
3. Superseded Tax Return	IRM 21.6.7.4.10 (10-01-2021)	A			
M. INNOCENT AND INJURED SPOUSE ISSUES		A			
1. Innocent Spouse Relief	Sec 6015(a) & (b)	-			
2. Separation of Liability Relief	Sec 6015(d)	-			
3. Equitable Relief	Sec 6015(e)	-			
II. FILING STATUS & QUALIFICATIONS					
A. FILING STATUS		R			
1. Single	PUB 17, PUB 501 Sec 1(c)	-			
2. Married Joint	Sec 1(a), 7703, 6013	-			
3. Married Filing Separate	Sec 1(d)	-			
4. Head of Household	Sec 1(b)	-			
5. Married Head of Household	Sec 2(c)	-			
6. Qualifying Widow(er) with Dependent Child	Sec 2(a)	-			
7. Registered Domestic Partners	FTB Pub 737	-			
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		R			
1. Residency Test (Principal place of abode)	Sec 152(c) Sec 152(c)(1)(B)	-			

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2. Relationship Test	Sec 152(c)(1)(A)	-			
3. Age Test	Sec 152(c)(1)(C)	-			
4. Joint Return Test	Sec 152(b)(1)(E)	-			
5. Cannot Be Self-Supporting	Sec 152(c)(1)(D)	-			
B. QUALIFIED RELATIVE	Sec 152(c)	R			
1. Relationship or Member of the Household Test	Sec 152(d)(2)(A)-(G), 152(d)(2)(H)	-			
2. Gross Income Test	Sec 152(d)(1)(B)	-			
3. Joint Return Test	Sec 152(b)(2)	-			
4. Citizenship/Residence Test	Sec 152(b)(3)	-			
a. TIN Requirement	Sec 151(e)	-			
5. Support Test	Sec 152(d)(1)(C)	-			
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			
3. Multiple Support Agreements	Sec 152(e)(5), Form 2120	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. Pension and Annuity Withholding	Sec 3402(o), W-4P	A			
c. Gambling Withholding	Sec 3402(q) review of W-2G	O			
d. Backup Withholding	Sec 3406	A			
e. Forms 1099-NEC; 1099-R; 1099-INT; 1099-DIV,	Sec 6041-6050Y	A			
B. ESTIMATED TAX		-			

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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			
3. Payment by Overpayment Credit	Sec 6402(b)	O			
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			
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. Group Term Life – Employer Provided	Sec 79	O			
b. Transportation	Sec 132(f)	A			
c. Transit Passes, Commuter Transport, Parking	Sec 132(f)	A			
d. Purchase Discounts	Sec 132(a)(2)	O			
e. Educational Assistance	Sec 127, Pub 970	A			
f. COBRA Premium Assistance	ARPA 2021 (H.R/1319)	A			
g. De minimis	Sec 132(e)(1)	A			
8. Stock Options	Sec 421, & 442	O			
a. Non-Qualified	Sec 421	O			
b. Qualified (ISOs)	Sec 422	O			
9. Unemployment Compensation	Sec 6050B, Form 1099-G	R			
B. RETIREMENT INCOME & WORKERS COMPENSATION		R			
1. Social Security & Railroad Retirement	Sec 86 Form SSA-1099 Pub 915	-			
a. Canadian Social Security	Sec 61(a)	-			
2. Pensions & Annuities	Sec 61(a)(10), 72	-			
a. Simplified General Rule	Sec 72(d)(1)Tax Topic 411	-			

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b. Decedent's Unrecovered Basis	Sec 72(b)(3)	-			
c. Qualified Domestic Relations Order (QDRO)	Sec 414(p)(1)(A)	-			
3. Workers Compensation	Sec 85	-			
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. Mortgage Revenue Bonds & MBS's	Pub 550 pg. 12	O			
8. Private Activity Bonds	Pub 550	O			
9. Personal Loans	Pub 550	A			
10. Bonds Premium Amortization	Pub 550	O			
11. 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	R			
1. Ordinary and Qualified Dividends	Reg Sec 1.61-9	-			
2. Capital Gain Dividends	Tax Topics 404	-			
3. Nontaxable Dividends	Tax Topic 703	-			
4. Mutual Fund Dividends	Pub 550	-			
F. DEPRECIATION		-			
1. Review Form 4562	Form 4562	R			
2. Depreciation – assets used in trade or business	Sec 167, 168, 179	R			
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			

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c. De minimis Safe Harbor Election	Reg Sec 1.263(a)-1(f)(1)(iii)(D)	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)	R			
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			
e. Resident Manager Compensation	Sec 162 &/or Sec 212(1) &/or (2)	O			
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			
5. Farm Rental - Crop Sharing, Ground Rent etc.	Form 4835	O			
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	A			
2. Cost of Goods Sold – Not in Gross Income	Reg Sec 1.61-3(a)	A			
3. Inventory Considerations Method of Accounting	Sec 471	A			
4. Business Expenses	Sec 162, Sch C Instruction, Pub 535	R			
5. 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			

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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			
f. Information Return Requirements	Sec 6041 et seq	R			
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			
5. Farm & Non-Farm Optional Methods	Reg Sec 1.1402(a)-13	O			
6. SE Tax Deduction	Sec 164(f); Tax Topic 554	A			
L. INDEPENDENT CONTRACTOR VERSUS EMPLOYEE ISSUES		A			
1. Tests to Determine IC Status for Federal Reg 31.3121(d)-1(c); 31.3306(i)-1;	RR 87-41, 20 Common Law Factors 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 131 per N 2014-7, IRB-2020-14	A			
2. Clergy	Sec 107	A			
3. Cancellation of Debt	Sec 61(a)(11) & 108	A			
4. Legal Settlements/Judgements	Sec 104 & 104(a)(2), Sec 61, Sec 1.104-1(c)	A			
5. Bartering	Tax Topic 420 Form 1099-B	A			
6. Not for Profit Activity (Hobby)	Sec 183, Reg 1.183-2(b), 1.183-1(c)	A			
7. Repay Previously Taxed Income (Claim of Right)	Sec 1341, Sec 311	A			
8. Recovery of Previous Deducted Items:	Sec 111	R			
a. State Tax Refunds	Rev Rul 2019-11	R			

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b. Medical Reimbursement	Pub 502, Recoveries Pub 525	R			
9. Entity Income	K-1 Issues	A			
a. Partnerships	Sec 61(a)(12) & 701 et seq	A			
b. Estates & Trusts	Sec 641-685 Form 1041 instructions	A			
c. S Corporations	Sec 1366	A			
10. Royalty Income (I.e., 1099 or K-1)	Sec 61(a)(6)	A			
11. 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. Qualified Farm Debt	Sec 108(a)(1)(C)	O			
4. Principal Residence Acquisition Debt Relief	Sec 108(a)(1)(E)	A			
5. 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. Armed Forces Combat Zone Compensation	Sec 112	O			
K. Certain Meals and Lodging Furnished by Employer	Sec 119	A			
L. Insurance Payments for Certain Living Expenses	Sec 123	A			
M. Cafeteria Plan Benefits	Sec 125	A			
N. Educational Assistance	Sec 127	A			

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O. Dependent Care Assistance	Sec 129	A			
P. Employee Fringe Benefit	Sec 132	A			
Q. Certain Military Benefits	Sec 134	O			
R. U.S. Savings Bond Interest to Pay Tuition & Fees	Sec 135	O			
S. Adoption Assistance	Sec 137	A			
T. Medicare Advantage MSA	Sec 138	O			
U. Disaster Relief Benefits	Sec 139	O			
VII. DIVORCE AND PROPERTY SETTLEMENT ISSUES					
A. Alimony		R			
1. Pre-TCJA Treatment	Old Sec 219 & Sec 71	-			
2. Post TCJA Treatment	Sec 71 & Sec 219 Repealed	-			
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			
8. Carryover Basis – Various Provisions	Sec 1031(d) & 1033(b)	A			
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)	O			

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3. Qualified Opportunity Zone (Funds)	Sec 1400Z-1 & 1400Z-2, Form 8997	O			
4. Disaster Losses and Involuntary Conversions	Sec 165(h)(5), 165(i), 1033(h), & (j)	R			
5. Installment Sales Rules	Sec 453, TT 705, Pub 537, Form 6252	O			
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. Sale of Collectibles Taxed at 28%	Sec 1(h)(2) & (5) & sec 408(m)	O			
F. Schedule D – Computation Rules Reviewed	Schedule D and IRS Form 8949	A			
G. 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 Business Expenses	Sec 162(p), IRS Pub 3	A			
C. Performing Artist Business Expenses	Sec 162 & 62(a)(2)(B)	O			
D. Moving – Military	Sec 217(g), Reg 1.217-2(g), Pub 3	A			
E. SE Tax Deduction	Sec 164(f)	A			
F. SEP, SIMPLE and Qualified Plans	Sec 401, 401(k), 403(b), 62(a)(6)	A			
G. Self-Employed Health Deduction	Sec 162(l)	A			
H. Penalty for Early Withdrawal for Savings	Sec 165 & 62(a)(9)	A			
I. IRA	Sec 219, Sec 62(a)(7)	R			
1. Spousal IRA	Sec 219(c)	R			
J. Student Loan Interest	Sec 221 & 62(a)(17)	A			
K. Qualified Tuition and Fees (expires after 2020)	Sec 222 & 62(a)(18)	A			
L. Jury Pay Turned Over to The Employer	Sec 165 & 62(a)(13), IRS Form 2439	O			
M. Adjustment to 2020 Unemployment \$10,200	American Rescue Act	A			
N. Above the Line Charitable Deduction	Sec 62(a)(22)	R			

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X. DEDUCTIONS					
A. Standard Deduction	Sec 63(b)(1)	R			
1. General Rule – TCJA modifications	TCJA Sec 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. Net Investment Interest Expense	Sec 163(d)	A			
3. Home Mortgage Interest	Sec 163(h)(3)	R			
a. Acquisition Debt	Sec 163(h) & 163(h)(3)(B)	R			
i. Pre-TCJA Financing		-			
ii. Post=TCJA Financing		-			
b. Equity Debt	Sec 163(h)(3)(C) with TCJA mods	R			
c. Unsecured Election	Reg Sec 1.163-10T(o)(5)	A			
d. Interest Tracing	Reg Sec 1.163-8T	A			
4. Charitable Contributions	Sec 170	R			
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. Use of an Asset as a Contribution	Sec 170(c)	A			
e. Documentation & Substantiation	Reg Sec 1.170A-13	R			
5. Miscellaneous itemized	Sec 67((a) & (b)(1)-(12)	R			
a. Tier 2 – Suspended Through 2025		-			
b. Tier 1 No 2% Limit		-			
i. Deduction for Estate Tax (Re IRD)	Sec 691(c)	A			
ii. Deductions on Trust or Estate Termination	Sec 691(b)	O			
iii. Amortization of Bond Premium	Sec 171(b)	O			
iv. Gambling Losses	Sec 165(d)	A			
v. Claim of Right	Sec 1341	A			

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vi. Unrecovered Investment - Annuity/Pension	Sec 72(b)(2),(3) & (4)	A			
vii. Phase-out – Suspended through 2025	Sec 68	A			
XI. CREDITS					
A. Nonrefundable		-			
1. Child & Dependent Care Credit	Sec 21	R			
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 Sunsets after 2020	A			
9. Residential Energy Efficient Property (Solar, etc.)	Sec 25D	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. Certain uses of Gas & Fuel Taxes for a Farm	Sec 34	A			
4. Premium Tax Credit	Sec 36B	R			
a. Repayment of excess Advance Premium Tax Credit suspended-American Rescue Act		A			
5. First time Home Buyer Credit (Repayment)	Sec 36	A			
6. Overpayments of Tax	Sec 37 & 6401	A			

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7. Child Tax Credit – 2021 American Rescue Act – Increased, Advanced & Refundable	R			
8. Recovery Rebate Credit 2021 – Rebate #3 – American Rescue Act	R			
9. Employee Retention Credit – Refundable IRS Notices 2021-40 and 2021 -23 -ARA	R			
10. General Business Credit Sec 38	A			
C. Other Credits	-			
1. Foreign Tax Sec 27 & 901	A			
2. <u>Alternative Fuel Vehicle Credit</u> Sec 30B	O			
3. <u>Alternative fuel vehicle refueling property credit</u> Sec 30C	O			
4. Plug-in Electric Vehicle (4-wheel) Sec 30D	A			
5. Pension Start Up Credit Sec 45E	O			
6. AMT Tax Credit - For AMT Paid in Prior Year Sec 53	A			
7. Work Opportunity Credit Sec 51 & 52	A			
8. Research Credit Sec 41	A			
9. Recovery Rebate Credit I & 2 2020 Sec 6428	A			
XII.STATE OF CALIFORNIA CONCERNS (CAN BE INTEGRATED INTO THE MATERIAL COVERING EACH TOPIC)				
A. Residency Requirements				
1. 9-month & 6-month Presumption	R			
2. Out of State Safe Harbor Under Employment Contract 546-Day Rule	R			
3. Numerous Factors for Determining Residency	R			
B. Filing Requirements – Resident, Part-Year Resident and Non-Resident	-			
1. Gross Income & CA AGI	R			
a. Gross Profit & Gross Receipts (Business, Rental & Stock Sales)	R			
2. Business Licenses	R			
3. Moves Into and Out of CA	A			
a. Moving Expenses - CA Non-Conformity TCJA	R			
C. Community Property	A			

Topics	2021 / 2022 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
1. When the law of community property begins & ends	R			
2. Income subject to the law of community property	R			
3. Where one spouse lives in California & one spouse lives in a Separate Property State	A			
4. Commingled property	R			
5. Effectiveness of pre-nuptial agreement	A			
6. Application to Registered Domestic Partners	R			
D. Filing Status Differences Between State and Federal	-			
1. Registered Domestic Partners	R			
a. CA Non-Conformity MFJ & Federal Single	A			
2. Military Spouse Issues	A			
3. Nonresident spouse with no CA source income	A			
4. Common law marriages – CA Non-Conformity	A			
E. Standard Deduction	R			
F. Personal Exemption Credit	R			
G. Dependents	-			
1. Filing Requirements	R			
2. Kiddie Tax – CA Non-Conformity with TCJA (FTB Form 3800)	R			
H. California Adjustments – Conformity issues	R			
1. Educator Expenses CA Non-Conformity	-			
2. Unemployment benefits and Paid Family Leave Benefits	-			
3. California lottery winnings	-			
4. Interest on US Govt Securities & California Municipal Bond Earnings	-			
5. Above the Line Charitable Contribution (2020) California Non-Conformity	-			
6. California state income tax refund	-			
7. Social Security Benefits	-			
8. Railroad Retirement Tiers I & II	-			
9. Alimony – California Non-Conformity TC&JA	-			
10. Long Term Capital Gain – CA does not have LTCG	-			
I. Itemized Deductions	R			

Topics	2021 / 2022 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
1. Itemizing on California but not Federal	-			
2. Charitable Contribution AGI Limit CA Non-Conformity & CARES Act	-			
3. Investment Interest Adjustments – No Foreign Tax Deduction-California Non-Conformity	-			
4. State Tax Deduction – No “\$10,000 SALT Limitation”	-			
5. Mortgage Interest – CA Non-Conformity - Retains Pre-TCJA Limits	-			
6. Miscellaneous itemized – Tier 2 – 2% limit – CA Follows Pre-TCJA Deductions	-			
a. Employee Business Expenses	-			
b. Tax Preparation Fees	-			
c. Claim of Right – Sec 1341 \$3,000 or Less	-			
d. Legal Fees – Sec 212(1), (2), & (3)	-			
e. Investment Expenses	-			
7. SALT Cap \$10,000 Limit Workaround – AB 150 – SALT Paid at Business Entity Level	R			
8. Itemized Deduction Phase-Out – Limit and Itemized Deductions – TCJA Suspension	-			
J. Other conformity issues-California Non-Conformity–Taxpayer First Act of 2019	-			
1. Health Savings Accounts	A			
2. AMT	A			
a. Tax Rates	A			
b. Exemption for Small Business	-			
3. California Qualified Stock Options	A			
4. Employer Provided Transportation Benefits – CA differences	A			
5. Expenses	-			
a. Cannabis – 2020 Full Expense Deductions – California Non-conformity	A			
b. Entertainment Expenses (Club Dues)	A			
c. Expense Disallowance for Substandard Housing	A			
d. Family Support Payments – Pre-TCJA R rules – IRC secs 71 & 215 apply	A			
6. American Rescue Act – CA Non-Conformity – 03/2021 – CA Automatic AGI Adjustment	A			
7. California Golden State Stimulus I & II (GSS) SB 139	A			
8. Losses	-			
a. Net operating losses - California Non-Conformity	A			

Topics	2021 / 2022 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
b. Casualty & theft losses - California Non-Conformity	A			
K. IRA differences	-			
1. Differences in basis	A			
2. Difference in phase out (starting in 2007)	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	-			
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. Qualified senior head of household	A			
7. California Competes Credit	A			
8. Excess state disability insurance	A			
9. Adoption credit	A			
10.Credit for taxes paid to other states	A			
11.Renters credit	A			
12.Homeless Hiring Tax Credit (AB) 150 (HHTC)	A			
13.Main Street Business Tax Credit I & II (AB) 150 & AB 1447 -Small Business Hiring Tax Credit	A			
14.Hiring Credit for Small Businesses	A			
15.R & D Credit CA - Non-Conformity to R & D Credit	A			
N. Estimated taxes	-			
1. Number and percent of payments -CA Non-Conformity	A			
2. Underpayment safe harbors	A			
O. Penalties	-			
1. IRS First Time Abatement – CA Non-Conformity	A			

Topics	2021 / 2022 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
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. Non-economic Substance Transaction Understatement Penalty (NEST)	A			
7. Frivolous Submission and Frivolous Return	O			
8. Due Diligence Preparer Penalty for California Earned Income Tax Credit	R			
9. California Mandatory E-Pay Penalty	A			
10. New FTB Premium Assistance Subsidy - CA Mandatory Health Insurance	A			
11. 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 Assessment of Refunds	A			
3. Statute on Final Federal Determinations	A			
Q. Non-resident issues	-			
1. Sourcing payments for:	A			
a. Covenant not to compete	A			
b. Stock options	O			
c. Pensions (moving into and out of state)	A			
d. Installment sales	A			
e. Like kind exchanges	A			
f. 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			

Topics	2021 / 2022 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
b. California domiciled stationed outside state	A			
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	O			
3. California Mandatory E-Filing Requirement- 1 or more returns using tax prep software	A			
4. Power of attorney procedures FTB Form 3520 – 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	A			
2. Use Tax Reporting and Look-up Table	A			
3. California Department of Tax and Fee Administration (CDTFA)	A			
4. California Office of Tax Appeals	A			
B. Independent Contractor				
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. Paycheck Protections Program- PPP Loan Forgiveness (AB) 1577 (CARES Act Conformity)	A			
4. Paycheck Protection Program - CA Business Expense Deductions– AB 80 – 04/29/21	A			
5. IRS Form 1099-NEC – FTB Filing requirement for California	A			
6. Unique Statutory Employees and Non-Employees	R			
7. Independent Contractor Reporting Requirements -AB5-Revisions	-			
C. Voluntary Contributions to Various Funds	-			
https://www.ftb.ca.gov/file/personal/voluntary-contribution-funds/current-vcf.htm	O			
D. SDI & VPD Issues – What They Are, Excess Treatment and Deductibility	A			
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			
5. ACRS Sometimes Shows Up on Federal but Not on State	A			

Topics	2021 / 2022 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
F. ACA – CA application	A			
1. Uninsured Penalty	-			
2. CA Additional PTC	-			
G. Capitalization & Repair Regs – CA Conforms	A			

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 the Course Presentation standard #2 by distributing stated information to all students prior to registration.
3. We will submit education electronically to CTEC within 30 calendars 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 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. We will only offer courses for which we are approved. We will obtain necessary approval for any new course offering such as distance learning or interactive.
8. Provider acknowledges to agree and abide by CP32 – Course Update 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 (See CP24)
 - That CE credits are determined by either using the word formula or pilot testing methods (See CP13).
 - For interactive review questions (See CP13)
 - Curriculum providers must ensure that materials are clearly written, technically accurate, current, complete, and sufficient to meet the course learning objectives. In addition, the review and exam questions cannot be look-up type questions. (See CP23(j)(5))
12. The California Business & Professions Code requires that all California Registered Tax Preparers complete a 60 hour qualifying course and 20 hours of annual continuing education. We understand that courses developed in an attempt to circumvent those requirements and award inflated CE credits can lead to a loss of provider status.

Signature

Name (Print)

Title

Date

SAMPLE OF 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 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)

Presents to:

(Insert student name)

For Completion of Basic Income Tax Course
(45-hours Federal & 15-hours State)

CTEC Course Number: 0000-QE-0001

Completion Date

Instructor Signature



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 the 18 months, you will be required to complete another 60-hour qualifying education course before being able to register.

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, 2019, that registration is only valid thru October 31, 2019. You would be required to take 20 hours of continuing education sometime between October 15, 2019 and October 31, 2019 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, 2019, your registration is valid thru October 31, 2020. From November 2, 2019 thru October 31, 2020, 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, 2020.

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.