
TABLE OF CONTENTS

Introduction	iii
Chapter 1: Federal Income Tax Credits	1
Introduction	1
Tax Credits vs. Tax Deductions	1
All Tax Credits Are Equal But Some Are More Equal	2
Nonrefundable Federal Income Tax Credits	2
Partially Refundable Federal Income Tax Credits	2
Fully-Refundable Federal Income Tax Credits	3
Tax Credit Carry Forward	3
Summary	4
Chapter 1: Test Your Knowledge	5
Chapter 1: Solutions and Suggested Responses	7
Chapter 2: NonRefundable Income Tax Credits	9
Introduction	9
Child Tax Credit (CTC)	9
Credit for Other Dependents	11
Adoption Credit	12
Lifetime Learning Credit	17
Child and Dependent Care Credit	25
Retirement Savings Contribution Credit	26
Mortgage Interest Credit	28
Foreign Income Tax Credit	29
Summary	30
Chapter 2: Test Your Knowledge	33
Chapter 2: Solutions and Suggested Responses	35
Chapter 3: Energy-Related Nonrefundable Income Tax Credits	37
Introduction	37
Energy Efficient Home Improvement Credit	37
Tax Credits for Purchase of Electric Vehicles	43
Summary	53
Chapter 3: Test Your Knowledge	57
Chapter 3: Solutions and Suggested Responses	59
Chapter 4: Partially and Fully Refundable Income Tax Credits	63
Introduction	63
Partially Refundable Tax Credits	63
Fully Refundable Tax Credits	66
Summary	72
Chapter 4: Test Your Knowledge	75
Chapter 4: Solutions and Suggested Responses	77

Chapter 5: Due Diligence Requirements	79
Introduction	79
Due Diligence in Tax Preparation	79
Due Diligence a Legal Mandate	82
Credits Involving a Significant Level of Errors	84
Paid Preparer's Due Diligence Checklist – IRS Form 8867	85
Earned Income Tax Credit	87
Education Tax Credits	92
Child Tax Credit	93
Consequences of Claim Denial	94
Summary	96
Chapter 5: Test Your Knowledge	99
Chapter 5: Solutions and Suggested Responses	101
Glossary	103
Index	110
Final Exam Copy	111