

**CFP® Certification Examination Topics List Correlation Table**

<b>INCOME TAX PLANNING (17%)</b>	<b><i>Tools &amp; Techniques of Income Tax Planning (2<sup>nd</sup> Ed.)</i></b>	<b>Supplemental Reading: <i>Tax Facts (2009)</i></b>
<b>44. Income tax law fundamentals</b>		
A. Types of authority		
1. Primary	Chapter 1, "Income Tax Law Fundamentals"	Tax Facts on Investments (2009): "About the Citations," p. vii
2. Secondary	Chapter 1, "Income Tax Law Fundamentals"	Tax Facts on Investments (2009): "About the Citations," p. vii
B. Research sources	Chapter 1, "Income Tax Law Fundamentals"	
<b>45. Tax compliance</b>		
A. Filing requirements	Chapter 2, "Compliance"	Tax Facts on Investments (2009): Q 1400
B. Audits	Chapter 2, "Compliance"	
C. Penalties	Chapter 2, "Compliance"	
<b>46. Income tax fundamentals and calculations</b>		
A. Filing status	Chapter 2, "Compliance"	Tax Facts on Investments (2009): Q 1434, 1435
B. Gross income	Chapter 3, "Income"	Tax Facts on Investments (2009): Q 1404, 1405-1422
1. Inclusions	Chapter 3, "Income"	Tax Facts on Investments (2009): Q 1404, 1405-1422
2. Exclusions	Chapter 3, "Income"	Tax Facts on Investments (2009): Q 1404, 1405-1422
3. Imputed income	Chapter 3, "Income"	Tax Facts on Investments (2009): Q 1407, 1408
C. Adjustments	Chapter 4, "Deductions"	Tax Facts on Investments (2009): Q 1423-1424
D. Standard/Itemized deductions		
1. Types	Chapter 4, "Deductions"	Tax Facts on Investments (2009): Q 1427-1430
2. Limitations	Chapter 4, "Deductions"	Tax Facts on Investments (2009): Q 1427-1430
E. Personal and dependency exemptions	Chapter 4, "Deductions"	Tax Facts on Investments (2009): Q 1425-1426
F. Taxable income	Chapter 4, "Deductions"	Tax Facts on Investments (2009): Q 1403, 1431-1432
G. Tax liability	Chapter 6, "Calculation of Tax"	
1. Rate schedule	Appendix E	
2. Kiddie tax	Chapter 3, "Income"	Tax Facts on Investments (2009): Q 1411
3. Self-employment tax	Chapter 3, "Income"	

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H. Tax credits	Chapter 5, "Credits"	Tax Facts on Investments (2009): Q 1436-1438
I. Payment of tax	Chapter 6, "Calculation of Tax"	
1. Withholding	Chapter 6, "Calculation of Tax"	Tax Facts on Investments (2009): Q 1401
2. Estimated payments	Chapter 6, "Calculation of Tax"	Tax Facts on Investments (2009): Q 1401
<b>47. Tax accounting</b>		
A. Accounting periods		Tax Facts on Investments (2009): Q 1402
B. Accounting methods		
1. Cash method	Chapter 10, "Accounting Methods"	Tax Facts on Investments (2009): Q 1405
2. Accrual method	Chapter 10, "Accounting Methods"	
3. Hybrid method	Chapter 10, "Accounting Methods"	
4. Change in accounting method	Chapter 29, "Changing Accounting Methods"	Tax Facts on Investments (2009): Q 1402
C. Long-term contracts	Chapter 10, "Accounting Methods"	
D. Installment sales	Chapter 3, "Income"	Tax Facts on Investments (2009): Q 1408
E. Inventory valuation and flow methods	Chapter 10, "Accounting Methods"	
F. Net operating losses	Chapter 10, "Accounting Methods"	
<b>48. Characteristics and income taxation of entities</b>		
A. Entity types		
1. Sole proprietorship	Chapter 11, "Sole Proprietorships"	
2. Partnerships	Chapter 12, "Partnerships"	
3. Limited liability company (LLC)	Chapter 15, "Limited Liability Companies & Limited Liability Partnerships"	
4. Corporations	Chapter 13, "C Corporations"; Chapter 14, "S Corporations"	
5. Trust	Chapter 7, "Grantor Trusts"	
6. Association	Chapter 15, "Limited Liability Companies & Limited Liability Partnerships"	
B. Taxation at entity level	Chapter 13, "C Corporations"	Tax Facts on Insurance & Employee Benefits (2009): Q 838, 840
1. Formation	Chapter 13, "C Corporations"	

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2. Flow-through of income and losses	Chapter 12, "Partnerships," Chapter 14, "S Corporations" Chapter 15, "Limited Liability Companies & Limited Liability Partnerships"	Tax Facts on Insurance & Employee Benefits (2009): Q 839, 841, 842
3. Special taxes	Chapter 12, "Partnerships," Chapter 14, "S Corporations" Chapter 15, "Limited Liability Companies & Limited Liability Partnerships"	
4. Distributions	Chapter 12, "Partnerships," Chapter 14, "S Corporations" Chapter 15, "Limited Liability Companies & Limited Liability Partnerships"	
5. Dissolution	Chapter 13, "C Corporations"	
6. Disposition	Chapter 13, "C Corporations"	
<b>49. Income taxation of trusts and estates</b>		Tax Facts on Insurance & Employee Benefits (2009): Q 843-844
A. General issues		
1. Filing requirements	Chapter 8, "Simple vs. Complex Trusts"	
2. Deadlines	Chapter 8, "Simple vs. Complex Trusts"	
3. Choice of taxable year	Chapter 8, "Simple vs. Complex Trusts"	Tax Facts on Investments (2009): Q 1402
4. Tax treatment of distributions to beneficiaries	Chapter 8, "Simple vs. Complex Trusts"	
5. Rate structure	Chapter 8, "Simple vs. Complex Trusts"	
B. Grantor/Nongrantor trusts	Chapter 7, "Grantor Trusts"	Tax Facts on Insurance & Employee Benefits (2009): Q 844
C. Simple/Complex trusts	Chapter 8, "Simple vs. Complex Trusts"	
D. Revocable/Irrevocable trusts	Chapter 8, "Simple vs. Complex Trusts"	
E. Trust income		
1. Trust accounting income	Chapter 8, "Simple vs. Complex Trusts"	
2. Trust taxable income	Chapter 8, "Simple vs. Complex Trusts"	
3. Distributable net income (DNI)	Chapter 8, "Simple vs. Complex Trusts"	
F. Estate income tax	Chapter 9, "Income Taxation of Estates"	

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<b>50. Basis</b>		
A. Original basis	Chapter 20, "Basis"	Tax Facts on Investments (2009): Q 1415
B. Adjusted basis	Chapter 20, "Basis"	Tax Facts on Investments (2009): Q 1415
C. Amortization and accretion	Chapter 20, "Basis"	
D. Basis of property received by gift and in nontaxable transactions	Chapter 20, "Basis"	
E. Basis of inherited property (community and non-community)	Chapter 20, "Basis"	Tax Facts on Investments (2009): Q 1415
<b>51. Depreciation/Cost-recovery concepts</b>		
A. Modified Accelerated Cost Recovery System (MACRS)	Chapter 16, "Cost Recovery Concepts"	
B. Expensing policy	Chapter 16, "Cost Recovery Concepts"	
C. §179 deduction	Chapter 16, "Cost Recovery Concepts"	Tax Facts on Investments (2009): Q 1424
D. Amortization	Chapter 16, "Cost Recovery Concepts"	Tax Facts on Investments (2009): Q 1424
E. Depletion	Chapter 16, "Cost Recovery Concepts"	
<b>52. Tax consequences of like-kind exchanges</b>		
A. Reporting requirements	Chapter 30, "Like-Kind Exchanges"	
B. Qualifying transactions	Chapter 30, "Like-Kind Exchanges"	Tax Facts on Investments (2009): Q 1237, 1238, 1422
C. Liabilities	Chapter 30, "Like-Kind Exchanges"	Tax Facts on Investments (2009): Q 1237, 1238, 1422
D. Boot	Chapter 30, "Like-Kind Exchanges"	Tax Facts on Investments (2009): Q 1237, 1238, 1422
E. Related party transactions	Chapter 30, "Like-Kind Exchanges"	Tax Facts on Investments (2009): Q 1422
<b>53. Tax consequences on the disposition of property</b>		
A. Capital assets (§1221)	Chapter 31, "Planning for Sale or Exchange of Assets"	Tax Facts on Investments (2009): Q 1416
B. Holding period	Chapter 21, "Capital Gains and Losses"	Tax Facts on Investments (2009): Q 1417
C. Sale of residence	Chapter 3, "Income"	
D. Depreciation recapture	Chapter 31, "Planning for Sale or Exchange of Assets"	
E. Related parties	Chapter 31, "Planning for Sale or Exchange of Assets"	Tax Facts on Investments (2009): Q 1234
F. Wash sales	Chapter 31, "Planning for Sale	Tax Facts on Investments

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	or Exchange of Assets”	(2009): Q 1029-1031
G. Bargain sales		Tax Facts on Investments (2009): Q 1324
H. Section 1244 stock (small business stock election)	Chapter 31, “Planning for Sale or Exchange of Assets”	
I. Installment sales	Chapter 3, “Income”	Tax Facts on Investments (2009): Q 1408
J. Involuntary conversions	Chapter 31, “Planning for Sale or Exchange of Assets”	
<b>54. Alternative Minimum Tax (AMT)</b>		
A. Mechanics	Chapter 18, “Alternative Minimum Tax”	Tax Facts on Investments (2009): Q 1440
B. Preferences and adjustments	Chapter 18, “Alternative Minimum Tax”	Tax Facts on Investments (2009): Q 1440
C. Exclusion items vs. deferral items	Chapter 18, “Alternative Minimum Tax”	Tax Facts on Investments (2009): Q 1440
D. Credit: creation, usage and limitations	Chapter 18, “Alternative Minimum Tax”	Tax Facts on Investments (2009): Q 1440
E. Application to businesses and trusts	Chapter 18, “Alternative Minimum Tax”	
F. Planning strategies	Chapter 18, “Alternative Minimum Tax”	Tax Facts on Investments (2009): Q 1440
<b>55. Tax reduction/management techniques</b>		
A. Tax credits	Chapter 26, “Alternative Minimum Tax Planning”	
B. Accelerated deductions	Chapter 24, “Timing of Income and Deductions”	
C. Deferral of income	Chapter 24, “Timing of Income and Deductions”	
D. Intra-family transfers	Chapter 22, “Marriage and Divorce,” Chapter 24, “Timing of Income and Deductions”	
<b>56. Passive activity and at-risk rules</b>		
A. Definitions	Chapter 17, “Passive Activities and At-Risk Rules”	
B. Computations	Chapter 17, “Passive Activities and At-Risk Rules”	
C. Treatment of disallowed losses	Chapter 17, “Passive Activities and At-Risk Rules”	
D. Disposition of passive activities	Chapter 17, “Passive Activities and At-Risk Rules”	
E. Real estate exceptions	Chapter 17, “Passive Activities and At-Risk Rules”	
<b>57. Tax implications of special circumstances</b>		
A. Married/Widowed		
1. Filing status	Chapter 22, “Marriage and	

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	Divorce”	
2. Children	Chapter 22, “Marriage and Divorce”	
3. community and non-community property		
<b>B. Divorce</b>		
1. Alimony	Chapter 22, “Marriage and Divorce”	
2. Child support	Chapter 22, “Marriage and Divorce”	
3. Property division	Chapter 22, “Marriage and Divorce”	
<b>58. Charitable contributions and deductions</b>		
<b>A. Qualified entities</b>		
1. Public charities	Chapter 19, “Charitable Contributions and Deductions”	
2. Private charities	Chapter 19, “Charitable Contributions and Deductions”	
<b>B. Deduction limitations</b>	Chapter 19, “Charitable Contributions and Deductions”	
<b>C. Carryover periods</b>	Chapter 19, “Charitable Contributions and Deductions”	
<b>D. Appreciated property</b>	Chapter 26, “Alternative Minimum Tax Planning”	
<b>E. Non-deductible contributions</b>	Chapter 19, “Charitable Contributions and Deductions”	
<b>F. Appraisals</b>	Chapter 19, “Charitable Contributions and Deductions”	
<b>G. Substantiation requirements</b>	Chapter 19, “Charitable Contributions and Deductions”	
<b>H. Charitable contributions by business entities</b>	Chapter 19, “Charitable Contributions and Deductions”	

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