Business Math Study Guide for Tax Test

* General
  + Know what the following forms are for and who completes them:
  + W-4
  + W-2
  + 1040 EZ
  + 1040 A
* Module 1: Payroll Taxes and Federal Income Tax Withholding
  + Be familiar with a W-4 form. (What is it for, who fills it out and who uses it?)
  + Know the difference between Gross Pay and Net Pay.
  + Know what part of your taxes are for Social Security, and what part are for Medicare.
* Module 2: Wages and Tip Income
  + Know what type of income you have to pay taxes on. (Ex. Tips)
  + Be familiar with a W-2 form. (What is it for, who fills it out and who uses it, how to read one.)
* Module 3: Interest Income
  + Know what type of interest income is tax exempt.
  + Understand the difference between taxed and tax exempt income.
  + Know that interest income is considered unearned income.
* Module 4: Dependents
  + Be familiar with the Relationship Test. Be able to determine if a dependent passes the test.
  + Know the difference between a qualifying child, qualifying relative and member of household.
  + Understand that each dependency exemption reduce the income subject to tax by $3900.
  + Know when you must use a 1040 A form instead of a 1040EZ form to file your return.
* Module 5: Filing Status
  + Be able to determine what filing status a person should use based on their personal information.
  + Know what the five filing status are how they are different.
  + Know which filing status has the highest/ lowest taxes.
* Module 6: Exemptions
  + Know the two types of exemptions.
  + Know who can claim which exemption.
  + Know if a taxpayer can claim a personal exemption on his or her tax return when they can be claimed as a dependent on another person’s tax return.
  + Be able to determine how many exemptions a person can claim based on their personal information.
* Module 7: Standard Deduction
  + Know what the standard deduction is for a person claimed on someone else’s return.
  + Know how to find the standard deductions for each filing status.
* Module 13: Electronic Tax Return Preparation and Transmission
  + Know the difference between tax preparation and tax transmission.
  + Know what PIN stands for and what it is use for.
  + Know what ERO stands for and who qualifies as an ERO.
  + Know the advantages of filing a return electronically.

**You fill be asked to fill out a tax return based on information provided.**