

## Sample Questions for the Registered Tax Return Preparer Test

Select the single best answer for each question.

1. For purposes of the Earned Income Credit, a qualifying child is a child who...

- A. is over age 24 at the end of 2010 and not permanently and totally disabled
- B. has lived with you in the United States for at least 12 months
- C. is filing a joint return
- D. meets the relationship test

2. A taxpayer should itemize deductions if the taxpayer's total itemized deductions are...

- A. less than the taxpayer's interest income
- B. more than the taxpayer's standard deduction
- C. equal to the taxpayer's self employment tax
- D. double the taxpayer's unemployment compensation

3. A Registered Tax Return Preparer (RTRP) is preparing a new client's tax return. The RTRP notices that the new client inadvertently failed to include \$150 of interest income on last year's return. Although the RTRP advises the new client of the omission and the consequences of the omission, neither the new client nor the RTRP report the omission to the IRS. The RTRP can be disciplined under Circular 230 for not reporting the omission to the IRS.

- A. True
- B. False

4. Which of the following payments are generally taxable?

- A. Qualified disaster relief payments
- B. VA benefits
- C. Unemployment compensation
- D. Payments from a government welfare fund based on need

5. The distributions made to a taxpayer from a traditional IRA are less than the required minimum distribution for the year. The amount of excise tax that the taxpayer may have to pay on the amount not distributed is

- A. 75%
- B. 50%
- C. 25%
- D. 10%

**Answers:**

1. D
2. B
3. B
4. C
5. B