

Gleim®



ENROLLED AGENT EXAM GUIDE

A System for Success

Special Edition for **NATP™**

2024 Edition

Gleim[®] EA Review

ENROLLED AGENT EXAM GUIDE

A System for Success

More EAs have used Gleim to pass the EA exam than any other review course or provider. Gleim is the preferred EA review provider of the National Association of Tax Professionals (NATP).

Gleim[®]
EA Review

*Preferred
Provider*

NATP[™]
National Association of
Tax Professionals

Welcome to our EA Exam Guide

A System for Success

Dr. Gleim believed that a system for exam success starts with knowledge. This guide provides everything you need to be prepared and confident on exam day, including exam requirements, testable topics, question types, study tips, testing strategies, and more—all in one easy-to-access place.

For nearly 50 years, our system has remained simple: master the testable topics and teach candidates what to expect on exam day, so when candidates sit for the EA exam, they feel confident and in control. While a lot has changed over the years, we have remained true to our customer-first mission, which is to provide innovative and high-quality products to help candidates pass the EA exam the first time. As the exam and industry have evolved, like you, we've evolved along with it, ensuring you have the most up-to-date materials and proven path to success.

We wish you all the best throughout your EA journey, from passing the exam to having a successful and rewarding career.

As Dr. Gleim would say, onward and upward!

Who Is This Guide for?

- ✓ Tax preparers, accountants, and everyone interested in learning more about tax or earning more for their expertise.

Who Should Become an EA?

- ✓ If you are an uncredentialed tax preparer looking to garner more clients and advance your career, you should consider becoming an EA.
- ✓ If you are an accountant who is not a CPA or an attorney, you should consider becoming an EA.
- ✓ If you are a CPA or an attorney and wish to specifically advertise your tax expertise, you should consider becoming an EA.



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Why Become an EA?

Backed by the Internal Revenue Service (IRS) and highly valued in the industry, earning an Enrolled Agent designation provides many professional benefits.

✓ Increased Salary

An Enrolled Agent credential allows you to garner more clients, charge more for services, or seek out a promotion due to your proven tax expertise. On average, an EA's salary is up to 50% higher than an uncredentialed tax preparer's.*

✓ Representation

Representation is one of the main benefits Enrolled Agents have over CPA's. EAs can provide representation to taxpayers in all 50 states, regardless of where they are operating out of, increasing their reach and multiplying their pool of potential clients.

✓ Visibility

Enrolled Agents have the added benefit of being listed on the [IRS' RPO database](#) as credentialed tax preparers. The database is used across the nation by potential clients seeking tax services.

Earning the EA designation will



Give you career opportunities



Increase your earning potential by 50% on average compared to an uncredentialed tax preparer*



Expand your customer base



Allow you to represent more clients



Earn the respect of your peers



Have the IRS recognize you on their RPO database as a credentialed tax preparer



Establish your expertise and improve your accounting knowledge and skill



Help you build confidence in your abilities

**Enrolled Agent Salary gathered from multiple sources. For more info, please visit [Gleim.com/EA-Salary-Guide](https://www.gleim.com/EA-Salary-Guide)*

Because EAs have unlimited representation rights, becoming an EA is a great way to signal to your clients that you're committed to meeting their needs. Without an EA credential, a tax preparer is only able to represent clients whose tax returns they have prepared and signed. In contrast, EAs can represent their clients before the IRS on any matter, including audits and appeals.

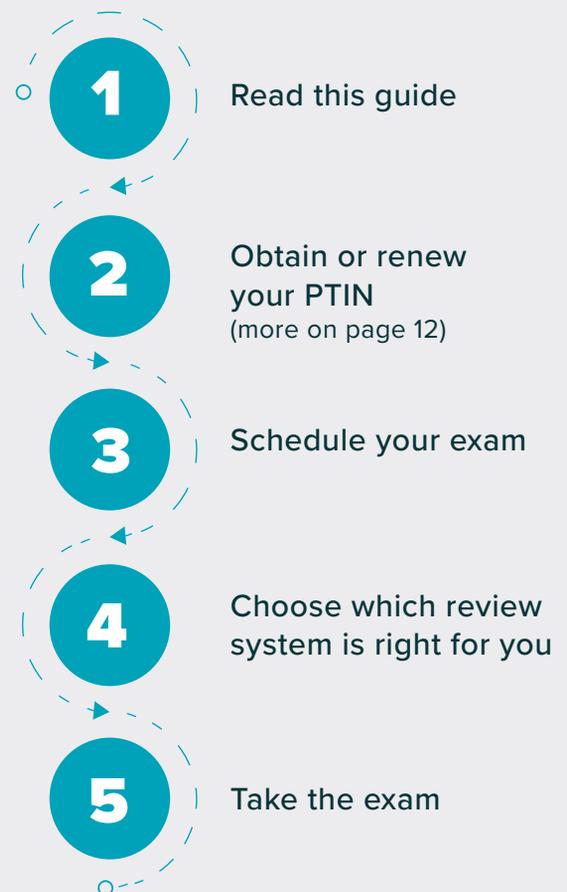
This excerpt from a chart produced by the National Association of Tax Professionals (NATP) breaks down the rights you'll have when you become an EA:

| | No Designation | EA |
|---|----------------|----|
| Provide missing information | ✓ | ✓ |
| Call about processing | ✓ | ✓ |
| Receive notices/copies | ✓ | ✓ |
| Respond about math errors and preparation | ✓ | ✓ |
| Can represent clients in all 50 states, regardless of where they operate out of | | ✓ |
| Disagree with the IRS on behalf of a taxpayer on a tax return anyone prepared | | ✓ |
| Speak with the IRS in an audit of a tax return anyone prepared | | ✓ |
| Communicate with an IRS Collections Officer on behalf of a taxpayer | | ✓ |
| Handle appeals on behalf of a taxpayer | | ✓ |

In short, EAs act as agents of taxpayers faced with matters involving income taxes, estate and gift taxes, employment taxes, and excise taxes. Enrolled agents report high job satisfaction and higher-than-average income than tax preparers without a designation.

Everyone who works with federal tax returns should aspire to become an enrolled agent, and the Gleim Premium EA Review System makes it possible for most tax professionals and paraprofessionals to pass all three parts of the EA exam in one year.

The Steps to Becoming an EA



Basics of the EA Exam



**THE EA
DESIGNATION IS
A MARK OF
DISTINCTION**



**AMONG TAX
PROFESSIONALS**

The enrolled agent (EA) exam is the most common name for the Special Enrollment Exam (SEE), which has been administered by the IRS since 1959. The IRS contracts with Prometric to develop and administer the EA exam, the passing of which is required in order to practice before the IRS for persons other than attorneys and certified public accountants (CPAs). The EA designation is a mark of distinction among tax professionals.

Backed by the Internal Revenue Service (IRS), Enrolled Agents may handle a variety of tax matters and represent clients in any state without having to be an attorney or a CPA.

Unlike an attorney or a CPA, there is no education requirement, and pass rates for the EA exam are much higher than that of the CPA exam. However, studying for the EA exam will still require thorough knowledge of the exam's format and a reliable, no-nonsense review course.

National Association of Tax Professionals (NATP)

The NATP is the largest association dedicated to equipping tax professionals with the resources, connections, and education they need to provide the highest level of service to their clients. The NATP is comprised of more than 23,000 leading tax professionals who believe in a superior standard of ethics and exemplify professional excellence. Members rely on the NATP to deliver professional connections, content expertise, and advocacy that provides them with the support they need to best serve their clients. The organization welcomes all tax professionals in their quest to continually meet the needs of the public, no matter where they are in their careers.

Gleim is a Preferred EA Review Provider of the NATP

We encourage you to experience the benefits and support that come with an NATP membership when you join at natptax.com/eagoals.



Education and Experience

NATP and Gleim are committed to helping everyone in the tax preparation industry earn new credentials, better serve their clients, and reach the highest level of achievement in their careers. NATP has partnered with Gleim because of their high-quality materials, and we're excited to offer them as a member benefit. The Gleim EA Test Bank and Digital Book Part 1 is available free to all NATP members. Members also receive substantial savings on Gleim, the #1 EA review course on the market.

IRS Requirements to Become Certified

Examination

Pass all 3 parts of the EA exam within 2 years. All paid tax return preparers must have a Preparer Tax Identification Number (PTIN) renewed within the last year to register for the exam. Information on acquiring and renewing a PTIN can be found on page 12.

Ethics

Pass a suitability check. This includes both a tax compliance check (to ensure that no outstanding tax liabilities are owed and necessary tax returns have been filed) and a criminal background check. To maintain your designation, you will be required to complete 2 hours of ethics continuing professional education each year after you pass. More information on maintaining your EA designation can be found on page 30.



The EA Exam

The IRS selected Prometric to develop and administer the EA exam. To do so, Prometric conducted a survey of active enrolled agents to determine the common tasks they perform and the knowledge required to perform those tasks. The Exam Content Outlines (ECOs) and test questions were developed based on the survey's findings. Each year, some changes should be expected from prior examinations as emphases shift based on subsequent findings and as tax laws are passed or repealed.

Important Dates

Each testing period starts on May 1st, and ends on the last day of the following February. Each testing year's EA exam covers the tax law in effect up until the previous December 31st. Our accounting and tax experts work to ensure each new edition thoroughly covers all applicable tax laws tested beginning May 1st.



When is the testing window?

Beginning of May - End of February



Which tax laws are tested?

Tax law in effect up until December 31st of the prior year

Exam Format

The EA exam consists of three distinct parts, with 3.5 hours of testing time for each part (4.25 hours total seat time including the tutorial and survey). Each exam part contains 100 multiple-choice questions (MCQs) and covers a wide range of taxation topics. There is an optional 15-minute break after the first 50 questions. Page 23 has more information about progressing through each section of the exam.

Part 1

Individuals

🕒 3.5 hours

☰ 100 MCQs

Part 2

Businesses

🕒 3.5 hours

☰ 100 MCQs

Part 3

Representation, Practices and Procedures

🕒 3.5 hours

☰ 100 MCQs



Gleim Keeps You Up-To-Date

Gleim monitors all changes the IRS makes to the exam and continually updates materials at the appropriate time for candidates to prepare.

Check [gleim.com/EABlog](https://www.gleim.com/EABlog) for updates!

Subject Matter Tested

The questions on the exam test candidates' ability to complete and file forms and tax returns, as well as represent taxpayers before the IRS. The exam covers federal taxation; tax accounting; and the use of tax return forms for individuals, partnerships, corporations, trusts, estates, and gifts. It also covers ethical considerations and procedural requirements.

Below are the main sections of each part of the exam and the approximate number of questions within each section. Questions in each exam part are randomized.

PART 1

(100 QUESTIONS, INCLUDING 15 EXPERIMENTAL QUESTIONS)

Individuals

| | |
|--|--------------|
| Section 1: Preliminary Work with Taxpayer Data | 14 Questions |
| Section 2: Income and Assets | 17 Questions |
| Section 3: Deductions and Credits | 17 Questions |
| Section 4: Taxation | 15 Questions |
| Section 5: Advising the Individual Taxpayer | 11 Questions |
| Section 6: Specialized Returns for Individuals | 11 Questions |

PART 2

(100 QUESTIONS, INCLUDING 15 EXPERIMENTAL QUESTIONS)

Businesses

| | |
|---|--------------|
| Section 1: Business Entities and Considerations | 30 Questions |
| Section 2: Business Tax Preparation | 37 Questions |
| Section 3: Specialized Returns and Taxpayers | 18 Questions |

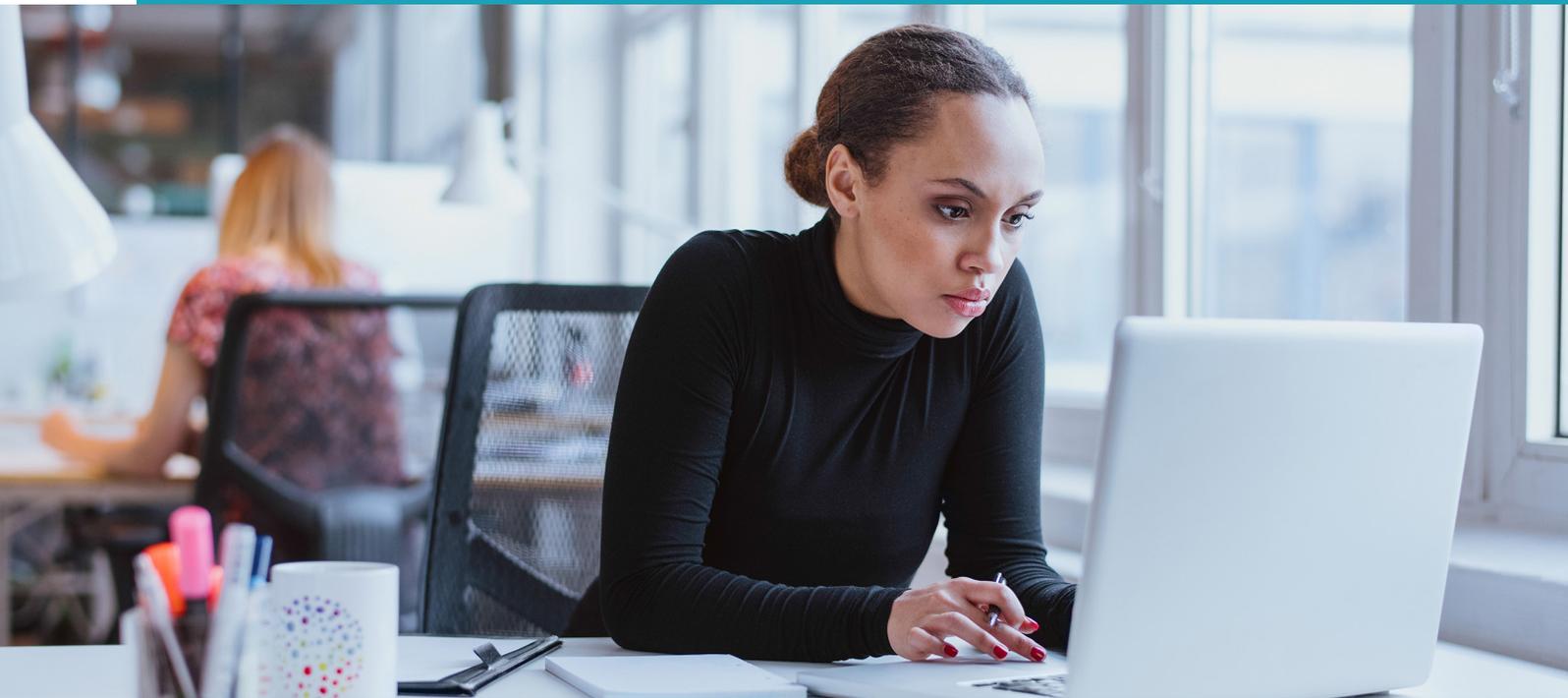
PART 3

(100 QUESTIONS, INCLUDING 15 EXPERIMENTAL QUESTIONS)

Representation, Practices and Procedures

| | |
|---|--------------|
| Section 1: Practices and Procedures | 26 Questions |
| Section 2: Representation before the IRS | 25 Questions |
| Section 3: Specific Areas of Representation | 20 Questions |
| Section 4: Filing Process | 14 Questions |

The exam breakdowns above reflect the Exam Content Outlines released by the IRS every year in March, but are subject to change. Gleim will update this material if any changes occur. For the most up to date information, please visit [Gleim.com/PassEA](https://www.gleim.com/PassEA)



How the EA Exam Is Scored

Because exams may contain experimental questions, scaled scores are determined by dividing the number of correctly-answered questions from the total number of questions in the exam and then converting the result to a scale that ranges from 40 to 130.

A Passing Score

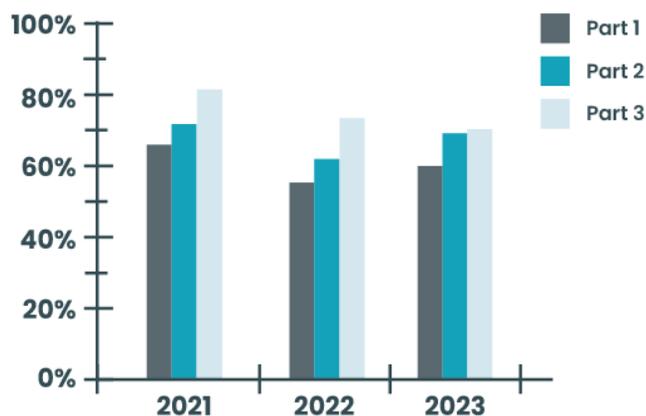
The IRS sets the scaled passing score at 105, which corresponds to the minimum level of knowledge deemed acceptable by professionals practicing before the IRS.

Exam scores are confidential and revealed only to the candidate and the IRS. You will receive your result on screen at the end of the exam and be given a printed report before leaving your test site.



EA Exam Pass Rates

| Part | 2020-2021 | 2021-2022 | 2022-2023 |
|--|-----------|-----------|-----------|
| Part 1: Individuals | 66% | 55% | 60% |
| Part 2: Businesses | 72% | 62% | 69% |
| Part 3: Representation, Practices and Procedures | 82% | 73% | 70% |



EA Exam Costs

There are three fees you must pay to take the EA exam:

| Fees | Amount |
|---|-------------|
| Scheduling Fee (each part) | US \$259.00 |
| Enrollment to Practice before the IRS Application Fee | US \$140.00 |
| Preparer Tax Identification Number (PTIN) Fee* | US \$19.75 |

*Note that this is not a one-time fee. This amount is the annual PTIN renewal fee. For the most up to date info, please visit gleim.com/EA-Cost

That adds up to about \$940 before factoring in review materials. It isn't cheap, but it is more accessible than a certification like the CPA, which costs about \$3,325 in fees and has much more stringent requirements before you're allowed to test.

But think of exam costs as an investment. Investing in yourself is one of the greatest things you can do with your time and money. Think about what you want out of your career and what kind of investment your current circumstances will allow you to make.

Although CPAs tend to make more in lifetime earnings, becoming an EA will allow you to experience the benefits of a certification sooner due to reduced requirements to take the exam. Becoming an EA can help you advertise tax expertise as you work toward other certifications, like the CPA.

Certification costs can add up, but know that all certified professionals report higher average earnings and better career growth.

Signing Up for the EA Exam

There are three steps you must follow, in order, before you can take the EA exam:

1 Obtain a PTIN

To obtain a Preparer Tax Identification Number, you must complete Form W-12 online or by mail. Gleim recommends online because it provides you with a PTIN instantly.

1. Go to irs.gov/ptin
2. Create your account
3. Complete the application for a new PTIN

The IRS requires a \$19.75 (per IRS) fee to obtain or renew a PTIN.

2 Complete and file Form 2587

You must have your PTIN to complete this step.

In lieu of filing a physical Form 2587, Gleim recommends you create your Prometric user profile at prometric.com/irs and follow the instructions there for filling out the required information.

3 Schedule an exam part with Prometric

You must have filed Form 2587 or filled out the required information on Prometric's website to complete this step.

Go to prometric.com/irs and click the "Schedule" link, then follow the prompts.

- The \$259 (per IRS) testing fee for each part of the examination is due at the time the examination is scheduled.
- You will be provided a number confirming your appointment. You will need this number to reschedule, cancel, or otherwise change your appointment.

Prometric User Profile

A Prometric user profile is required to schedule and sit for the exam, so completing this step online saves time.

Rescheduling or Canceling Your Appointment

If you need to change the date, time, or location of your exam, you must contact Prometric. There is no fee if you reschedule at least 30 days before your appointment date. If you reschedule or cancel 5 to 29 days prior to your appointment, there is a \$35 fee. You must pay another full \$259 fee if you reschedule within 4 days of your appointment.



When and Where to Take the Exam

For US-based* candidates, Prometric offers the EA exam continuously during each annual testing window from May 1 to the end of February the following year. The EA exam is not offered during the blackout months of March and April to give the IRS and Prometric time to update the exam for a new year of tax laws.

Register for an exam part early to give yourself more flexibility when scheduling with Prometric. Prometric testing centers administer many different exams, and testing centers can become booked up. The sooner you register and schedule your appointment, the more likely you are to get a convenient appointment time at the nearest testing center.

All three exam parts do not have to be taken or scheduled during the same test window, and candidates can sit for examination parts up to four times each during a test window. That said, we recommend candidates try to pass all three exam parts within one year and pass each part the first time. This is an attainable goal for most tax professionals. The next section will show you how.

**International testing dates and locations are available at [prometric.com/irs](https://www.prometric.com/irs). These dates and locations are subject to change, so check the website for up-to-date information.*

Preparing for the EA Exam

Success on the EA exam requires a systematic approach to your preparation and exam-day strategy.

Develop Your Study Plan

Your goal is to pass each part of the EA exam the first time you sit. To do so, you should develop an approach that best suits your needs and individual preferences.

Different people are able to study for different amounts of time per week. How quickly you will be able to prepare depends on your personal circumstances.

Be realistic about what you can expect from yourself and make a plan you will be able to keep. If you identify a weakness, tailor your study plan accordingly. You won't have to spend the same amount of time on every topic. All candidates should be able to pass all three parts within one year if they are able to prioritize studying.

Ask yourself these questions:



How familiar am I with the material?



When were my last accounting classes?



How much experience do I have with individual and/or business taxes?



How much time do I have available to study?



How long can I concentrate in one sitting?



Take Advantage of the Gleim Study Planner

We know one size does not fit all and that many factors affect your study schedule.

The Gleim Study Planner and your Gleim Personal Counselor will help you make, and stick to, a plan that leads to EA Exam success.

Your goal is to pass each section of the EA Exam the first time you sit. To do so, you should develop an approach tailored to your needs and preferences that can accommodate your unique style of learning in the most effective way.

Have an idea of how much you want to accomplish each week during your study sessions and hold yourself to that goal? Speak to a Gleim Personal Counselor for assistance in staying on track. Call (800) 874-5346, ext. 498, or email PersonalCounselor@gleim.com.



When and Where to Study

You should study when and where you study best. The exam center is very quiet, so candidates should complete practice exams in a similar environment. Find study areas that are calm, well-lit, and distraction-free, and schedule your study time for when you are most productive and able to focus. If you're a morning person, don't expect to get your best studying done into the late hours of the night. Make EA review your top priority until you've passed the exam.

Gleim EA Review makes it easy to study anywhere. Access your course on your phone, tablet, or laptop. Look for nearby libraries, hotels, coffee shops, and restaurants that have free wifi, a good ambiance, and comfortable chairs. If your commute is long or you use public transportation, consider spending that time listening to audio lectures.

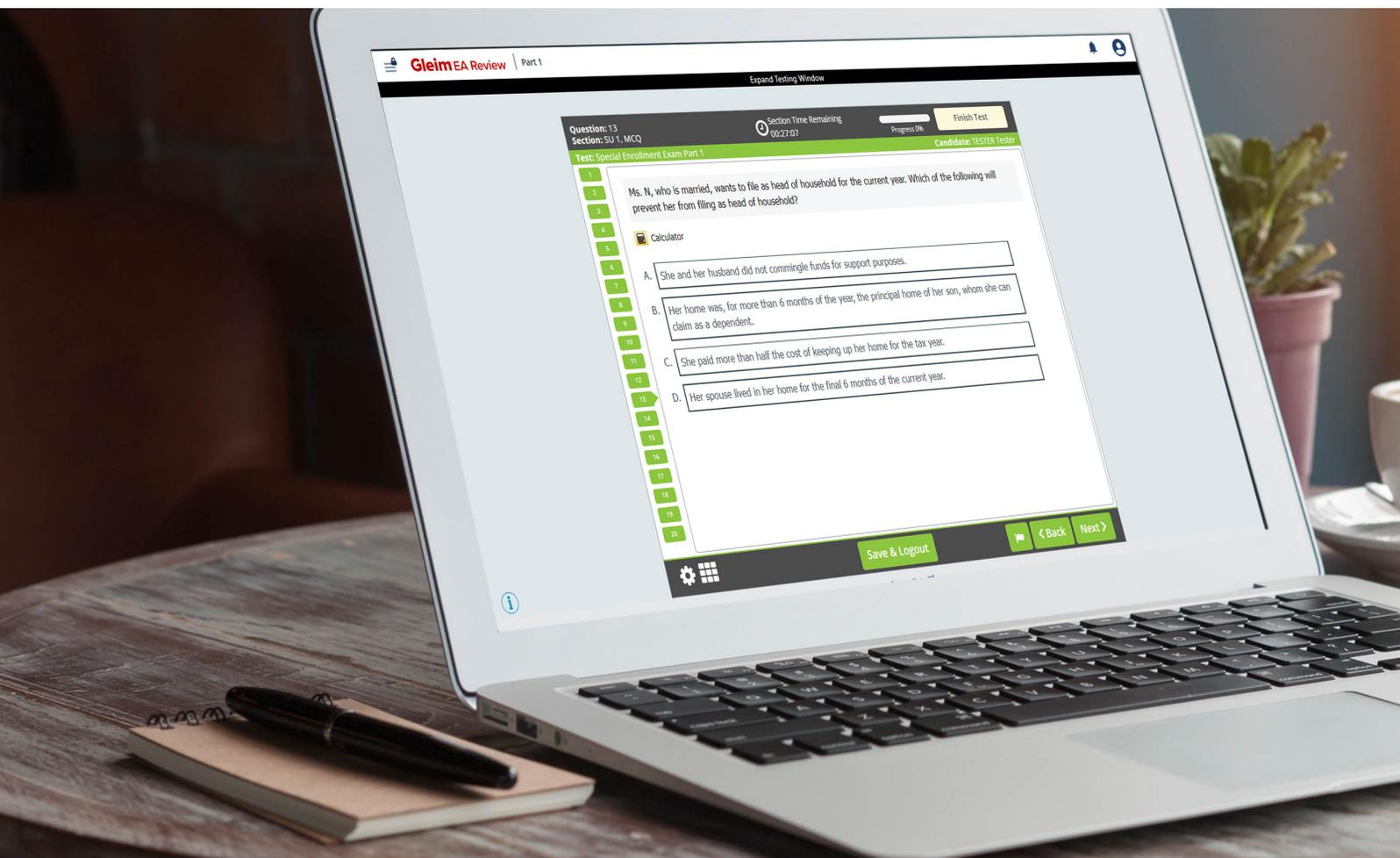
You Need an EA Prep Course

Because the scope of knowledge required for the EA exam is so comprehensive, you need a review course to pass, and Gleim EA Review is the best. Preparing for the exam on your own would require you to spend nearly as much time figuring out what to study and searching for materials as it would for you to study for the exam.

We've already done that work for you. More specifically, our team of Accounting Experts, comprised largely of professors at top-ranking accounting schools with actual industry experience, make sure every topic is taught in a way you can easily understand.

Our system is all about breaking down your studies into simple, straightforward steps that pair with our easy-to-use platform. This gives you responsive feedback so you always know where you are in your studies, what's next, and how far you have left to go until exam day.





Multiple-Choice Questions

There are three different types of EA exam Multiple-Choice Questions (MCQs). At the most basic level, each question consists of three parts:

THE QUESTION STEM:

The question stem includes the question, details necessary for answering the question, and extraneous information.

THE BEST ANSWER CHOICE:

The correct answer is the best possible answer choice of the four answer choices provided.

THE DISTRACTORS:

The remaining three answer choices are designed to distract you by seeming plausible.

You will have 3.5 hours to complete 100 MCQs on each exam part, and you could see any combination of the three different MCQ types we describe on page 17.



Direct Questions

This is the type of MCQ most candidates will be familiar with, and it's the most common type of question on the EA exam. Direct questions are straightforward and present four single-statement answer choices. Choose the response that best answers the question.

Negative Questions

Sometimes MCQs include negative phrasing with the words EXCEPT or NOT in all caps. Pay special attention when you see negative words. If you're moving through the questions quickly, it can be easy to gloss over what the question is actually asking. Remember, select the answer that is NOT like the others.

Question: 23
Section: Study Unit 2, Subunit 1

Section Time Remaining: 00:23:01

Progress: 0%

Finish

Which of the following does NOT have to be included in gross income?

- A Unemployment compensation
- C Prize from church raffle
- B Damages from personal injury suit involving back injuries
- D Free tour from travel agency for organizing a group of tourists

Back Next

Incomplete Sentences

This MCQ requires you to select the answer that best completes the statement.

Question: 19
Section: Study Unit 2, Subunit 1

Section Time Remaining: 00:43:09

Progress: 0%

Finish

Generally, which of the following should be included in gross income?

- A Life insurance proceeds
- C Cash rebate from a dealer when a car is purchased
- B Child support payments
- D Reimbursements from the U.S. military of a moving expense the military member/taxpayer properly deducted on last year's tax return

Back Next

Question: 52
Section: Study Unit 14, Subunit 4

Section Time Remaining: 00:39:08

Progress: 0%

Finish

The generation-skipping transfer tax is imposed

- A Instead of the gift tax
- C As a separate tax in addition to the gift and estate taxes
- B Instead of the estate tax
- D On transfers of future interest to beneficiaries who are more than one generation above the donor's generation

Back Next

Multiple-Choice Question Answering Techniques

A solid multiple-choice answering technique will help you maximize your score on each part of the EA exam. Remember, knowing how to take the exam and answer individual questions is just as important as studying the subject matter tested on the exam. This will reduce stress and the number of surprises you experience on exam day.

► Work through the Question Systematically

Start by reading the sentence that is actually asking the question.

This is usually the last sentence of the question stem. Use the question to decide what information in the stem is essential and what is extraneous.

Read the answer choices carefully.

- Even if the first answer appears to be the correct choice, do not skip the remaining answer choices. Questions often ask for the “best” of the choices provided.
- Treat each answer choice as a true/false question as you analyze it.
- In computational items, distractors are carefully calculated such that they are the result of making common mistakes. Be careful, and double-check your computations if time permits.

Determine the best available answer.

You should have an idea of what the best answer will be before you see it.



The Gleim Answer Explanations

Using the Gleim EA Review Course, you will get plenty of practice perfecting educated guessing. This is one of the reasons we ask you to complete a quiz before you review the material. During your study sessions, read the answer explanations for all of the questions so you can see the results of your guess and get the information you need to avoid guessing next time.

► Make an Educated Guess

Do not agonize over any one item. If you encounter an EA exam question that is ambiguous or unfamiliar, make an educated guess. Educated guessing involves three steps:

- 1 Rule out easily identifiable distractors.**
- 2 Speculate on the rationale behind the question. Ask yourself, “What does the IRS want me to know?” or “Why does the IRS want to test this?”**
- 3 Select the best answer or your best guess between two equally appealing options.**

You have a 25% chance of answering the question correctly by blindly guessing. For many multiple-choice questions, one or two answer choices can be eliminated with minimal effort, which increases your odds of getting the answer right considerably.

Then, once you’ve made your guess, flag that question and move on. You can return to the question during your review, but you should not waste time agonizing over your best guess before you’ve answered all of the exam questions.

When you review, unless you made an obvious mistake or computational error, try to avoid changing the answer at the last minute. Your first guess is usually the most intuitive.

▶ Never Leave a Question Unanswered

Your score is based on the number of questions you answer correctly. You are not penalized for answering a question wrong, which is why you don't want to leave a question unanswered and why we recommend educated guessing. Remember to click the "Flag" button at the bottom of your screen for every question you guess on and plan on returning to later if time allows.

If you cannot rule out options to make an educated guess, pick the most intuitive answer. Your gut is usually correct, and you have just increased your chances of earning points from 0% (leaving it unanswered) to 25% by making an intuitive guess.

▶ Follow a Time Management System

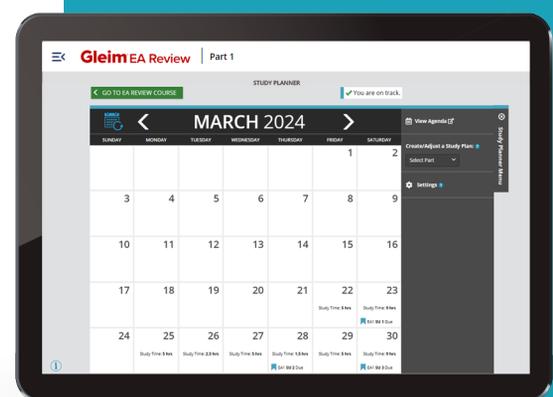
Each part of the EA exam consists of 100 multiple-choice questions to be answered in 3 hours and 30 minutes. The exam is broken into 2 sections of 50 questions each. There is an optional 15-minute break once you complete the first 50 questions. These 15 minutes are not counted toward your 3 hours and 30 minutes of testing time.

If you complete your 100 multiple-choice questions by allocating 1.5 - 2 minutes per question, you will have 5-30 minutes per section (10-60 minutes total) for review. By perfecting your question-answering technique and systematically preparing for EA topics, you will have all the confidence you need on exam day to maximize points on every question. We cover time management in more detail on page 24.

Mock Exam

The Gleim Mock Exam is designed to emulate the EA test-taking experience at Prometric. This timed and scored exam assesses you not only on the content you have studied, but also on the question-answering and time management techniques you have learned throughout the Gleim study process.

When you have completed your Mock Exam, our SmartAdapt technology will evaluate your results and walk you through a Final Review mode just before you sit for your exam.





► Learn from Your Mistakes

Learning from questions you answer incorrectly is very important. Each question you answer incorrectly during your practice quizzes is an opportunity to avoid missing actual test questions on your EA exam. Carefully study the answer explanations provided until you understand why the original answer you chose is wrong, as well as why the correct answer is right. You should even do this for questions where you made an educated guess. This will help inform your intuition for future questions and sharpen that skill before exam day.

There are seven errors that test-takers commonly make. The first six errors can be fixed by practicing working through the questions systematically and keeping calm on test day. The seventh is just a matter of giving yourself enough time to learn the material. But all of these potential pitfalls can be fixed before you sit for the exam. Making a conscious effort to learn from your mistakes while studying is the difference between passing and failing for many EA candidates.

Seven Common Errors

- 1 Misreading the question stem
- 2 Not understanding what is required
- 3 Making a math error
- 4 Applying the wrong rule or concept
- 5 Being distracted by one or more of the answers
- 6 Eliminating answers from consideration too hastily
- 7 Not knowing the topic tested

Toolbar Icons and Navigation

Below is an emulation of what you can expect to see when you take the EA exam (based on Prometric's SEE Tutorial). Gleim strongly suggests that you access and work your way through the entirety of the tutorial. Become familiar with the calculator, methods of navigation, review screen, etc.

Doing so, along with using the Prometric-emulating screens in the online components of the Gleim Premium EA Review System, will put you completely at ease with the exam environment on test day—so much so you may feel like you are still comfortably practicing at home.

The screenshot shows an exam interface with the following elements and callouts:

- 1**: Question: 2, Section: Section
- 2**: Section Time Remaining 00:12:09
- 3**: Progress 10%
- 8**: Test: Candidate: John Smith
- 9**: Calculator icon
- 4**: Question text: Tom Brown, who is single, owns a rental apartment building property. This is the only rental property that Tom owns. He actively participates in this rental activity as he collects the rents and performs ordinary and necessary repairs. In the current year, Tom had a loss of \$30,000 on this rental activity and had no reportable passive income. His adjusted gross income, without regard to this rental loss, is \$60,000. How much of the rental loss may Tom deduct on his return?
- 10**: Settings, Grid, and Help icons
- 5**: Flag icon
- 6**: Back button
- 7**: Next button

Options for the question:

- A \$0
- B \$6,000
- C \$30,000
- D \$25,000

1 Question Number and Section

Indicates which question you are answering and the section of the exam you currently have on-screen.

The sections of the exam are listed in the table below:

| Section | Number of Screens | Allotted Time |
|----------------------------|-------------------|-----------------|
| Exam overview and tutorial | 13 | 9 min. |
| Break policy | 1 | 2 min. |
| Exam section 1 | 50 | 1 hr., 45 min.* |
| Optional break | 1 | 15 min. |
| Exam section 2 | 50 | 1 hr., 45 min.* |
| Survey | 10 | 7 min. |
| Conclusion | 1 | 2 min. |

**The EA exam will not limit the time spent in either section, but you should divide your time between sections equally.*

2 Time Remaining

Displays the time you have remaining in the current section. Clicking it will display the total exam time remaining.

3 Progress

Tracks how far along you are in the exam and shows the percentage of questions answered.

4 Answer Choices

To select an answer, click the box that contains it. Once clicked, the box will be highlighted. To change your answer, simply click a different box.

5 Flag

Click this button to flag any question you wish to return to later. Keep these to a minimum while doing practice exams and on the real EA exam to maintain your time budget.

6 Back

Move to the previous question.

7 Next

Move to the following question.

8 Question Numbers

A numbered list where you can track your position in the exam questions at a glance. You can use these numbers to navigate the questions. The numbered buttons change appearance according to their status:

 **Complete:** dark gray rectangle

 **Current:** green and arrow shaped; becomes gray once you select an answer choice

 **Incomplete:** green rectangle

 **Flagged:** a flag icon appears on the right side of the number

9 Calculator

An on-screen calculator will be accessible through the Prometric interface. It performs basic arithmetic such as addition, subtraction, multiplication, and division, and will be sufficient for the questions you will encounter on the exam.

10 Section Review

Use this grid to travel directly to a question or filter questions by unattempted, attempted, or flagged.

Get Familiar with the Format

If you would like even more detail about the test-taking experience, access Prometric's Free SEE Tutorial at prometric.com/irs and click the "SEE Tutorial" link under the "Prepare for your Exam" section.

Gleim EA Review emulates the exam environment to reduce candidates' test anxiety. When you get to the exam center, you will be so familiar with the format that you will feel right at home!



The Gleim Time Management System

Managing your time well is critical to passing the EA exam. The only information you get during your exam is a clock providing the hours, minutes, and seconds remaining. There will be no guidance for breaks or time allocation within each section.

You must budget your time so you can complete 100 multiple-choice questions in 3.5 hours.

The key to successfully executing a good time management strategy is

- Answering multiple-choice questions at a rate of 1.5-2 minutes per question
- Spend 2+ minutes only on the most difficult questions
- Don't spend a full 90 seconds on questions you feel sure of the answer to

The 1.5 minutes per question pace should be your target average over the course of your practice quizzes and exams.

The more questions you answer at a 1.5-minute pace, the more time you will have to review.

Optional Break

The exam is broken into two halves of 50 questions separated by an optional break. Once you submit your first 50 questions, you will choose to either take an optional 15-minute break or begin the next 50 questions. Be sure to check your work before submitting your answers. Once you submit your responses, you will not be able to return to them.

If you need to use the restroom, stretch, etc., the 15-minute break is the time to do so. Make sure you don't exceed your 15 minutes. The exam clock will resume after 15 minutes no matter what! If you don't feel you need a break, you can choose to resume the test and keep your momentum.

Time Management Advice

Any extra time you build into your overall budget should be used wisely. Ultimately, you want to make full use of all time available. No matter how much extra time you have left, use it wisely and use it all; don't leave the testing center early.

Practice Makes Perfect!

We use short Practice Exams because they are of sufficient length to test you but are not too long. We have been helping candidates pass since 1974, and we can say with confidence through our years of experience that our strategy works.

You will have no trouble budgeting your time on the EA exam after extensive practice with our short exams. Each Practice Exam should be completed budgeting 1.5 minutes per question (plus 10 minutes for review) under exam conditions. Practice flagging questions you wish to return to and selecting the best answer for each question on your first pass.

Act as if each Practice Exam is being performed on exam day!

Time Budget for the Exam

To accomplish answering 100 multiple-choice questions in 3.5 hours, you should aim to spend about 1.5 minutes per question and complete 20 questions every 30 minutes.

Use a page of scratch paper (provided at Prometric) to budget your time and note how many questions you are completing in 30-minute intervals. This will help you stay on track.

Create two columns and write out 1, 21, 41, etc., on the left and 3:30, 3:00, 2:30, etc., on the right.

It should look like this:

| | | | | | |
|--------------------|--|---|---|------------------------------|--|
| QUESTION 1 |  3:30 | 1ST REVIEW <i>(complete after question 50)</i> |  2:15 | QUESTION 71 |  1:15 |
| QUESTION 21 |  3:00 | BREAK <i>(clock stops)</i> |  1:45* | QUESTION 91 |  0:45 |
| QUESTION 41 |  2:30 | QUESTION 51 |  1:45 | 2ND REVIEW |  0:30 |

You should aim to start your break at the midway point (1 hour 45 minutes), meaning you need to finish the first 50 questions and review your answer choices to those questions by the time the clock hits 1:45. Once your break starts, the exam clock will pause. It will automatically resume after 15 minutes or when you choose to continue the exam, whichever is earlier.

Keeping track of your progress will help you gauge your pace and ensure you finish with enough time left to review the questions you flagged.

Study Your Exam Site Location

A few weeks before you sit for your exam, take some time to become familiar with your exam site. Prometric testing centers vary in how they are operated. You will be more confident on exam day if you know what to expect at the testing center.

One way to become familiar with your chosen test site is to do a Prometric Test Drive (register for free via prometric.com/irs) sometime before your first section. A Test Drive is a 30-minute, real-world, end-to-end practice run at Prometric. You will not receive real EA exam questions, but you will be able to experience locating your test site, checking in, and running through a generic sample test.

NOTE: The Test Drive should not be used as a replacement for Prometric's Free SEE Tutorial or the Gleim Mock Exam, which is part of the Gleim Premium EA Review System.

Sitting for the EA Exam & Beyond



The Day Before

It is always a good idea to get the wheels turning prior to sitting for an exam. Remember, you should not be studying or cramming on the day of your exam. Instead, create one or two flashcards with formulas or anything else you tend to have trouble recalling. This is an opportunity for you to visualize those items and begin to focus on the tested materials. Doing so will prevent a slow start at the beginning of your exam.

Beginning the Exam

You will be required to sign the Prometric log book when you enter the center, and you must place any personal belongings, including any outerwear that you remove before the exam, in the storage lockers provided by the test center.

Once you are escorted to a workstation by test center staff, you must remain in your seat during the examination, except when authorized to get up and leave the testing room by test center staff. There will be candidates taking many different exams in the room with you (financial exams, medical exams, etc.).

When you finish the examination, quietly leave the testing room, turn in your scratch paper, and sign the test center log book. The test center staff will dismiss you after completing all necessary procedures.

For more information on Prometric regulations, accommodations, testing experience, etc., go to Prometric's website (prometric.com).

Test Center — Do's

- ✓ Arrive at the testing site about 30-60 minutes ahead of your appointment time.
- ✓ Bring snacks, drinks, etc., to the testing site. You will have to leave these items in a locker or a designated area.
- ✓ Wear comfortable clothing.

Test Center — Don'ts

- ✗ Bring study materials to the testing site.
- ✗ Bring coats or umbrellas to the testing site.
- ✗ Wear excessive clothing. You will not be allowed to remove any outerwear once you are in the testing room.

ID Requirements

You must present a valid, nonexpired form of identification before you can test. The ID must

- › Be government-issued (e.g., driver's license, passport, state-issued identification card, or military identification card),
- › Contain both a current photo and your signature (if it does not, you must present two identification cards: one with your photo and one with your signature),
- › Closely resemble your appearance on the date of testing, and
- › Have a first and last name that exactly matches the first and last name used to register for the examination (including designations such as Jr. and III).

If the names do not match, you will not be permitted to test unless you are able to provide an original, certified marriage certificate or an original, certified legal name change document. Photocopies will not be accepted.

Failure to provide valid ID at the time of the examination is considered a missed appointment. As a result, you forfeit your fees. For more information, contact Prometric (prometric.com).

All Amish/Mennonite examinees without proper identification must present a certified or notarized birth certificate. In addition to the birth certificate, the examinee must present any one of these identifications:

- › IRS Form 4029 (must be signed by both IRS and SSA)
- › A non-photo bearing, state-issued ID (as permitted by law)
- › A Social Security card

Test Center Computer Problems

There is about a 1% chance of experiencing a computer problem at a Test Center. The most common problem requires staff to reboot your computer. According to Prometric, you will lose a minute of testing time at most. If you have a computer problem, do not erase any messages on the screen or try to fix the system yourself. Stop and tell the exam proctor. Note the time it occurred and when it is rectified.

According to the Candidate Information Bulletin, you should report questions or concerns to Prometric. Please also let Gleim know about any issues by emailing EA@gleim.com.

EA Candidate Misconduct and Cheating

The IRS's Candidate Information Bulletin states its policy on cheating:

The IRS takes candidate misconduct, including cheating, very seriously. If the IRS determines that a candidate is culpable of misconduct or has cheated, the candidate will be subject to a variety of penalties including, but not limited to, invalidation of test scores, disqualification from subsequent test administrations, and civil and criminal penalties. In cases where candidate misconduct or cheating is discovered after a candidate has obtained an Enrolled Agent card, the IRS may rescind the card.

Be sure to read your Candidate Information Bulletin so you know the guidelines regarding misconduct and items that are prohibited from the exam site.

The EA exam's nondisclosure statement is reproduced here to remind all EA candidates about the IRS's strict policy, which Gleim supports and upholds.

This exam is confidential and proprietary. It is made available to you, the examinee, solely for the purpose of assessing your proficiency level in the skill area referenced in the title of this exam. You are expressly prohibited from disclosing, publishing, reproducing, or transmitting this exam, in whole or in part, in any form or by any means, verbal or written, electronic or mechanical, for any purpose, without the prior express written permission of the IRS.

Share Your Feedback!

We value and depend on feedback from EAs and EA candidates to know how to improve our materials, with emphasis on topics to be strengthened and/or added specifically within our course.

When you have completed the exam, please contact Gleim at gleim.com/feedbackEA with your suggestions, comments, and corrections. You can help the next batch of EA candidates prepare, and we want to know how well we prepared you for your testing experience.



Score Reporting

Upon completion of your exam, a pass/fail message will appear on your computer screen. You will later receive an email from Prometric containing your score report.

To print your score report from Prometric’s website:

- Go to scorereports.prometric.com.
- Enter your full exam confirmation number. It must be 16 digits in length and include leading zeros, when applicable.
- Enter your last name.
- Click the “Validate Score Report” button.
- Click the green “Print Score Report” button.

For a passing exam, the score report will only show a passing designation. It will not show a score.

For a failing exam, the score report will show a scaled score between 40 and 104. In addition, diagnostic information detailing the section(s) in which the candidate needs improvement is provided.

Many EA candidates do not pass all parts on their first attempt and have to take at least one part twice. Candidates who pass a part (or parts) of the examination can carry over passing scores for up to 2 years from the exam date of the first exam part passed.

If you receive a failing score

- First, you should analyze your score by using the diagnostic information in your score report.
- Then, contact your Personal Counselor so we can help you get back on track with your studies and help you create a personalized revision plan.

Level of Proficiency Definitions

Level 1: **Weak**

Additional study is necessary. It is important for you to focus on this area as you prepare to take the test again. You may want to consider taking a course or participating actively in a study group on this topic.

Level 2: **Marginal**

You need some additional study in this area. To maximize your score, prioritize weak areas, but don’t neglect any topics where you received a marginal score. There are still points there.

Level 3: **Strong**

You clearly demonstrated an understanding of this subject area.





After You Pass

Congratulations! After you enroll, you'll be an official enrolled agent.

Enroll to Practice Before the IRS

Within 1 year from the date of passing all parts of the exam, eligible persons who wish to be enrolled to practice before the IRS must complete and submit an application, Form 23, with a \$140 application fee, in accordance with instructions on the form.

Form 23 is available online at irs.gov/pub/irs-pdf/f23.pdf. The IRS states, "our goal is to have this process completed within 90 days of receipt of your application."

Maintain Your EA Credential

▶ Staying Enrolled

The IRS requires EAs to renew enrollment status every 3 years. The application for renewal, Form 8554, is available on the IRS website at irs.gov/pub/irs-pdf/f8554.pdf. You can also go to pay.gov and type "8554" in the search box.

There is a \$140 renewal fee.

▶ Renewing Your PTIN

Once you become an EA, you will have to renew your PTIN annually between mid-October and December 31. Simply go to irs.gov/ptin and follow the renewal steps displayed on screen.

The IRS requires a \$19.75 fee to obtain or renew a PTIN.

▶ Continuing Education (CE)

Enrolled agents must complete 72 hours of CE over the 3-year enrollment period (with a minimum of 16 hours per year) to remain active. This includes 2 hours of ethics or professional conduct per year. Gleim provides Premium users with free CE hours and a choice of any course from our tax catalog. After you pass your exam, you can access this feature in your Personal Classroom.

Enjoy Your EA Benefits

A higher earning potential and better career opportunities are yours once you attain your credential. Tell your Personal Counselor how you did, and let us know if there is a part of our system we can improve so we can help more candidates pass the EA exam on their first attempt.

Test Your Knowledge



Ready for a pop quiz? See if you can answer the EA question below, which demonstrates how topics are tested on the EA exam.

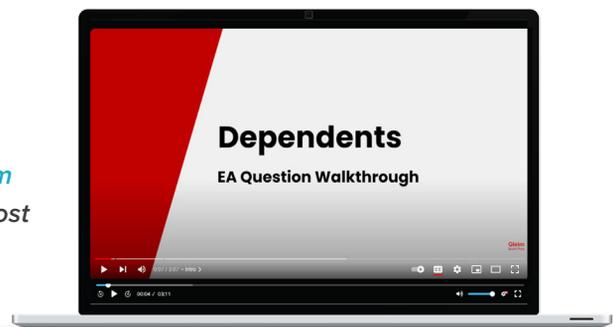
When a practitioner, i.e., an attorney, a CPA, or an enrolled agent, knows that a client has backdated a document that the client wants the representative to submit to the IRS, the representative has a duty to do which of the following?

- A** Submit the document (providing the client has provided the representative a document declaring him or her free from malpractice liability).
- B** Notify the local district attorney of a possible crime.
- C** Submit another document that will offset the gain anticipated by the submission of the false document.
- D** Advise the client promptly of such noncompliance, error, or omission, as well as the consequences under the revenue laws.

Check your answer and watch a walkthrough of this question by Gleim Instruct Professor, J.T. Eagan, at the link below.

➔ [Gleim.com/EAMCQ](https://www.gleim.com/EAMCQ)

Our EA review course is packed with more *expert-led Gleim Instruct videos* just like this one, which are designed to boost your comprehension and exam confidence!



Free Exam Resources



EA Exam Questions

Go to [gleim.com/freeEAQs](https://www.gleim.com/freeEAQs) to try out a selection of MCQs from our exam-emulating test bank of EA questions. When you have completed the quiz, you will receive a score broken down by topic and have the option to review your answers.

Gleim EA Review Course Demo

To see why Gleim is the preferred choice of EA exam candidates, try the Gleim EA Review Course for free at [gleim.com/FreeEA](https://www.gleim.com/FreeEA). Enjoy access to our innovative SmartAdapt™ technology, watch our Gleim Instruct videos, and access the largest test bank of realistic, exam-quality questions.

IRS Study Material

The Gleim Review System contains everything you need to pass, but some candidates may wish to refer to the Internal Revenue Code, Circular 230, IRS publications, and IRS tax forms and accompanying instructions, which can be found at [irs.gov/forms-instructions](https://www.irs.gov/forms-instructions).

Some candidates also find [irs.gov/taxtopics](https://www.irs.gov/taxtopics) to have additional helpful information.

Gleim EA Blog

Go to [gleim.com/EABlog](https://www.gleim.com/EABlog) for study tips, exam information, and professional advice. Follow us on social media and we'll let you know when the latest information goes live.

Gleim EA Resource Page

Visit the Gleim Resource Center at [gleim.com/Become-An-EA](https://www.gleim.com/Become-An-EA)

Stay Up-to-Date on EA Exam News and Tips!

Read about exam-day strategies and get professional development advice by following along on the Gleim Facebook, LinkedIn, and Instagram.

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