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# Addendum: 2014 EA Exam Review Course Part I

## Revision 1:

### Page 140 IRA Deduction Phase-out Worksheet

Line 4 of the worksheet requires multiplying Line 3 by a percentage. The percentages are increased:

MFJ or QW: 27.5% (32.5% if age 50 or over).

All others: 55% (65% if age 50 or over).

### Page 140 examples

First example, Barb and Gary are allowed the full deduction of \$5,500 each. Their Modified AGI is below the phase out limit.

In the second example, Sharon is allowed a deduction of \$4,950 ( $\$9,000 \times 55\%$ ). Her nondeductible portion is \$550.

In the third example, the \$94,000 modified AGI is below the lower limit (\$95,000) for a phase out of the IRA deduction, so Joyce is allowed to deduct the entire contribution of \$6,500.

### Page 175, Question #9.

Age is not stated. Assume both taxpayers under age 50.

### Page 228

Recount of days ends up being 669 and 2078, which would make Line 10 of the worksheet .322. Go with the information in the text, the theory is still correct.

### Page 352

Question 10 refers to the credit for prior year minimum tax. The credit is introduced in general terms on page 343. The in-depth discussion of the minimum tax credit is in the Taxation and Advice section that follows starting on page 358.

### Page 411, Question #1

Installment interest not accounted for in the problem. Problem is correct when considering principal payments only.