

Addendum: 2017 EA Exam Review Course Part I: Individual Taxation

Revision 1:

The text on Page 195 was corrected.

Page 195

Before the corrections, the text did not mention the taxpayer can choose to allocate the basis in the old stock between the old stock and the stock rights when the fair market value (FMV) is less than 15%. The example was also incorrect when it stated the FMV of the stock rights was more than 15%, it was less than 15%. Therefore, without making the choice to allocate, the basis in the stock rights would have been \$0. The example was updated to correctly say the FMV of the stock rights was less than 15% and that the taxpayer was making the choice to allocate.

Date of revision: [06.02.2017]

Revision 1.2:

The text in the example on page 146 was corrected and the worksheet on page 147 has been updated with the correct amounts.

Page 146

In the example, it incorrectly stated that Sue's deductible contribution was \$4,100 and the nondeductible contribution was \$1,400. Sue can leave the \$850 in the account or withdraw the amount by April 15. The text has been corrected and now states that Sue's deductible contribution is \$4,650, and the nondeductible contribution is \$850. Sue can leave the \$850 in the account or withdraw the amount by April 15.

Page 147

Sue's worksheet incorrectly had \$4,700 on lines 4 and 7 and \$800 on Line 8. The worksheet has been corrected and now has \$4,650 on lines 4 and 7 and \$850 on Line 8.

Date of revision: [06.19.2017]