

**Accreditation Council for Accountancy and Taxation (ACAT)**  
**Accredited Tax Advisor (ATA) Classification**

	Classification	Test Specifications
<b>Domain 1: Financial Statements Accounting</b>	<b>010000</b>	<b>0.2301</b>
<b>Task 1: <i>Record Setup</i> – Design a system for record setup to organize the financial data.</b>	<b>010100</b>	<b>0.0341</b>
<b>Knowledge of:</b>		
a. Accounting cycle	010101	
b. Accounting methods	010102	
c. Debits and credits	010103	
d. Journals and ledgers	010104	
<b>Skill in:</b>		
a. Creating a chart of accounts	010105	
<b>Task 2: <i>Establish a system to measure revenue and expense.</i></b>	<b>010200</b>	<b>0.0387</b>
<b>Knowledge of:</b>		
a. Cash vs. accrual	010201	
<b>Task 3: <i>Documentation</i> – Detail the process and procedures used in engaging and preparing financial statements.</b>	<b>010300</b>	<b>0.0345</b>
<b>Knowledge of:</b>		
a. Engagement letters	010301	
b. Financial reporting framework (e.g., generally accepted accounting principles [GAAP]) or financial accounting framework (e.g., other comprehensive basis of accounting [OCBOA])	010302	
c. Work papers	010303	
<b>Skill in:</b>		
a. Preparing financial statements	010304	
b. Making adjusting and reversing journal entries	010305	
<b>Task 4: <i>Balance Sheet</i> – Prepare financial statements to report financial condition.</b>	<b>010400</b>	<b>0.0343</b>
<b>Knowledge of:</b>		
a. Accounting principles (e.g., cash and equivalents, accounts receivable, discounted notes, investments, inventory, property and equipment, intangible assets, liabilities, current liabilities, long-term liabilities, leases, pensions, stockholder's equity)	010401	

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<b>Task 5: <i>Income Statement</i> – Prepare financial statements to report revenue and expenses.</b>	<b>010500</b>	<b>0.0393</b>
<b>Knowledge of:</b>		
a. Accounting principles (e.g., revenue recognition, matching principle, owner's equity)	010501	
<b>Task 6: <i>Statement of Cash Flows</i> – Prepare financial statements to report use and availability of cash.</b>	<b>010600</b>	<b>0.0235</b>
<b>Knowledge of:</b>		
a. Direct or indirect method	010601	
b. Operating activities	010602	
c. Investing activities	010603	
d. Financing activities	010604	
<b>Task 7: <i>Reports</i> – Provide documents for owners and interested parties using client representations to provide additional information regarding financial statements.</b>	<b>010700</b>	<b>0.0256</b>
<b>Knowledge of:</b>		
a. Disclosures	010701	
b. Report/Transmittals	010702	
c. Statement analysis	010703	
d. Accounting pronouncements	010704	
e. Depreciation	010705	
f. Cost basis	010706	
g. Going concern	010707	
<b>Domain 2: Taxation</b>	<b>020000</b>	<b>0.6848</b>
<b>Task 1: <i>Overview of Tax Structure</i> – Identify the five basic taxable reporting entities (e.g., individuals, corporations, partnerships, estates, trusts).</b>	<b>020100</b>	<b>0.0448</b>
<b>Knowledge of:</b>		
a. Tax entity determination reporting	020101	
<b>Task 2: <i>Individual Tax Returns (1040)</i> – Collect information from the taxpayer to prepare a complete and accurate return.</b>	<b>020200</b>	<b>0.0522</b>
<b>Knowledge of:</b>		
a. Self-employment (e.g., sole proprietor, farms)	020201	
b. Rentals	020202	
c. Inventory (e.g., FIFO, LIFO, lower cost of market)	020203	

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d. Depreciation (e.g., straight line, modified accelerated cost recovery system [MACRS], Section 179)	020204	
e. Business use of home	020205	
f. Farming activities	020206	
g. Rental activities	020207	
h. Basis of assets	020208	
i. Independent contractor	020209	
j. Taxability of gifts	020210	
k. Taxability of insurance proceeds	020211	
<b>Skill in:</b>		
a. Selecting an inventory method	020212	
b. Utilizing an appropriate depreciation method	020213	
c. Calculating actual and simplified method	020214	
d. Applying passive activity loss rules	020215	
<b>Task 3: <i>Filing Consideration</i> – Determine the correct filing status and eligible dependents for an individual tax return.</b>	<b>020300</b>	<b>0.0496</b>
<b>Knowledge of:</b>		
a. Filing status choices	020301	
b. Rules of dependency	020302	
<b>Task 4: <i>Inclusions in Income</i> – Determine the sources of income to be included on a tax return.</b>	<b>020400</b>	<b>0.0508</b>
<b>Knowledge of:</b>		
a. U.S. tax law (e.g., compensation income, including fringe benefits, scholarships, fellowships, teaching stipends, interest, dividends, capital gains, state and local refunds, alimony received, business and farm income, rental activities and pass-through entities, debt relief, gambling income, hobby income, prizes, jury duty, Social Security benefits, unemployment compensation, retirement distributions, life insurance, disability, VA benefits)	020401	
<b>Task 5: <i>Deductions for AGI</i> – Determine the eligible adjustments from total income to produce adjusted gross income.</b>	<b>020500</b>	<b>0.0492</b>
<b>Knowledge of:</b>		

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a. U.S. tax law (e.g., alimony, self-employment health insurance deduction, health savings account [HSA] deductions, Keogh/Self-employment plan [SEP], IRA contributions, self-employment tax deduction, moving expense, penalty on early savings withdrawal, student loan interest, tuition and fees deduction, educator expenses, domestic production deduction)	020501	
<b>Task 6: <i>Itemized Deductions</i> – Determine the use of standard or itemized deductions to calculate the lowest taxable income.</b>	<b>020600</b>	<b>0.0485</b>
<b>Knowledge of:</b>		
a. Schedule A (e.g., medical expense, tax expense, interest expense, charitable contributions, miscellaneous, unreimbursed employee expenses, gambling losses, casualty/theft)	020601	
<b>Skill in:</b>		
a. Applying reduction to appropriate deductions	020602	
b. Applying limitation on Schedule A	020603	
<b>Task 7: <i>Income Tax Credits</i> – Determine eligible reduction in income tax from various tax credits.</b>	<b>020700</b>	<b>0.0481</b>
<b>Knowledge of:</b>		
a. U.S. tax law (e.g., earned income tax credit, due diligence requirements, foreign tax credit, retirement credit, child and dependent care credit, education, credits, child tax credits, energy credits)	020701	
<b>Task 8: <i>Limited Liability Companies/Disregarded Entities</i> – Determine the best method of reporting client income and expenses for LLCs and disregarded entities.</b>	<b>020800</b>	<b>0.0431</b>
<b>Knowledge of:</b>		
a. Single-member/multimember LLC tax law	020801	
<b>Skill in:</b>		
a. Selecting the appropriate filing entity	020802	
<b>Task 9: <i>S Corporations (1120S)</i> – Compile client data to prepare a complete and accurate S corporation tax return.</b>	<b>020900</b>	<b>0.0452</b>
<b>Knowledge of:</b>		

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a. S corporation tax law (e.g., basis, built-in gains tax, shareholder compensation, S corporation election and revocation, shareholder benefits, shareholder loans and distributions, eligible owners, at-risk rules, capital accounts)	020901	
<b>Task 10: <i>Partnerships (1065)</i> – Compile client data to prepare a complete and accurate partnership tax return.</b>	<b>021000</b>	<b>0.0446</b>
<b>Knowledge of:</b>		
a. Partnership tax law (e.g., basis – inside and outside, capital accounts, elections, at-risk rules)	021001	
<b>Task 11: <i>Corporations (1120)</i> – Compile client data to prepare a complete and accurate corporate tax return.</b>	<b>021100</b>	<b>0.0441</b>
<b>Knowledge of:</b>		
a. Corporate tax law	021101	
<b>Task 12: <i>Trust and Estates Income Tax (1041)</i> – Compile client data to prepare a complete and accurate fiduciary tax return.</b>	<b>021200</b>	<b>0.0407</b>
<b>Knowledge of:</b>		
a. Trust document	021201	
b. The will	021202	
c. Titling of assets (probate)	021203	
d. Roles of trustees, executor, beneficiary, surviving spouse	021204	
e. Fiduciary tax law	021205	
<b>Task 13: <i>Federal Estate Tax Return (706)</i> – Compile client data to prepare a complete and accurate estate tax return.</b>	<b>021300</b>	<b>0.0292</b>
<b>Knowledge of:</b>		
a. The will	021301	
b. Trust document	021302	
c. Probate	021303	
d. Gift tax returns filed by decedent prior to death	021304	
e. Estate tax law	021305	
f. Roles of trustees, executor (personal representative), beneficiaries, and surviving spouse	021306	
<b>Task 14: <i>Nonprofit Issues (990)</i> – Compile client data to prepare a complete and accurate nonprofit information return.</b>	<b>021400</b>	<b>0.0297</b>
<b>Knowledge of:</b>		

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a. Type of nonprofit (e.g., churches, veteran's organizations, hospitals, member organizations, schools) and related tax code section	021401	
b. Nonprofit tax law	021402	
<b>Task 15: <i>United States Gift (and Generation Skipping Transfer) Tax Return (709)</i> – Compile and prepare gift tax returns to report the transfer of money or property.</b>	<b>021500</b>	<b>0.0296</b>
<b>Knowledge of:</b>		
a. Limits on annual gift exclusion	021501	
b. Transfer of assets to reduce estate tax	021502	
<b>Task 16: <i>Specialty Topics</i> – Review additional topics that might affect the client.</b>	<b>021600</b>	<b>0.0354</b>
<b>Knowledge of:</b>		
a. Investment taxation	021601	
b. Divorce issues	021602	
c. Community property	021603	
d. Social Security and Medicare issues	021604	
e. Retirement issues	021605	
f. Net operating loss (NOL)	021606	
g. Payroll	021607	
h. Tax estimates for all types of entities (e.g., individuals, corporations)	021608	
i. Affordable Care Act	021609	
<b>Skill in:</b>		
a. Assessing tax liability of divorce settlements	021610	
b. Assisting clients in financial decisions during and after divorce	021611	
c. Recognizing issues related to community assets and income	021612	
d. Counseling appropriate age to take benefits	021613	
e. Discussing correct time to apply for Medicare benefits	021614	
f. Determining the appropriate retirement plan	021615	
g. Determining whether a client has enough income to retire	021616	
h. Understanding carryback vs carryforward	021617	
i. Clarifying for client health insurance options vs. penalty for no health insurance	021618	
<b>Domain 3: Business Law</b>	<b>030000</b>	<b>0.0425</b>
<b>Task 1: Recognize different business entities and transactions to advise clients.</b>	<b>030100</b>	<b>0.0425</b>

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<b>Knowledge of:</b>		
a. Business law principles (e.g., property law, contracts, Uniform Commercial Code, agency, partnerships, corporations, trusts, limited liability companies)	030101	
<b>Domain 4: Ethics</b>	<b>040000</b>	<b>0.0426</b>
<b>Task 1: Determine best practices and procedures for tax professionals.</b>	<b>040100</b>	<b>0.0426</b>
<b>Knowledge of:</b>		
a. Circular 230	040101	
b. Practice procedures	040102	
c. Due diligence	040103	
<b>Skill in:</b>		
a. Determining when an attorney referral is necessary	040104	
b. Knowing when to hire, refer, or gain skill in a specific area	040105	