

1. Rules of tax law do *not* include Revenue Rulings and Revenue Procedures.

- a. True
- \*b. False

2. A tax professional need not worry about the relative weight of authority within the various tax law sources.

- a. True
- \*b. False

3. In recent years, Congress has been relatively successful in simplifying the Internal Revenue Code.

- a. True
- \*b. False

4. A taxpayer should always minimize his or her tax liability.

- a. True
- \*b. False

5. The first codification of the tax law occurred in 1954.

- a. True
- \*b. False

6. This Internal Revenue Code section citation is incorrect: § 212(1).

- a. True
- \*b. False

7. Subchapter D refers to the "Corporate Distributions and Adjustments" section of the Internal Revenue Code.

- a. True
- \*b. False

8. In general, Regulations are issued immediately after a statute is enacted.

- a. True
- \*b. False

9. Temporary Regulations are only published in the *Internal Revenue Bulletin*.

- a. True
- \*b. False

10. Revenue Rulings issued by the National Office of the IRS carry the same legal force and effect as Regulations.

- a. True
- \*b. False

11. A Revenue Ruling is a judicial source of Federal tax law.

- a. True
- \*b. False

12. The following citation could be a correct citation: Rev. Rul. 95-271, 1995-64 I.R.B. 18.

- a. True
- \*b. False

13. Revenue Procedures deal with the internal management practices and procedures of the IRS.

- \*a. True
- b. False

14. Post-1984 letter rulings may be substantial authority for purposes of the accuracy-related penalty in § 6662.

- \*a. True
- b. False

15. A letter ruling applies only to the taxpayer who asks for and obtains a letter ruling.

- \*a. True
- b. False

16. The IRS is *not* required to make a letter ruling public.

- a. True

\*b. False

17. Determination letters usually involve completed transactions.

\*a. True

b. False

18. Technical Advice Memoranda deal with completed transactions.

\*a. True

b. False

19. Technical Advice Memoranda may *not* be cited as precedents by taxpayers.

\*a. True

b. False

20. A taxpayer must pay any tax deficiency assessed by the IRS and sue for a refund to bring suit in the U.S. Court of Federal Claims. Only in the Tax Court can jurisdiction be obtained without first paying the assessed tax deficiency.

\*a. True

b. False

21. In a U.S. District Court, a jury can decide both questions of fact and questions of law.

a. True

\*b. False

22. Three judges will normally hear each U.S. Tax Court case.

a. True

\*b. False

23. A taxpayer can obtain a jury trial in the U.S. Tax Court.

a. True

\*b. False

24. A taxpayer must pay any tax deficiency assessed by the IRS and sue for a refund to bring suit in the U.S. District Court.

- \*a. True
- b. False

25. Arizona is in the jurisdiction of the Eighth Circuit Court of Appeals.

- a. True
- \*b. False

26. Texas is in the jurisdiction of the Second Circuit Court of Appeals.

- a. True
- \*b. False

27. The *Golsen* rule has been overturned by the U.S. Supreme Court.

- a. True
- \*b. False

28. The granting of a Writ of Certiorari indicates that at least four members of the Supreme Court believe that an issue is of sufficient importance to be heard by the full court.

- \*a. True
- b. False

29. The *petitioner* refers to the party against whom a suit is brought.

- a. True
- \*b. False

30. The term *petitioner* is a synonym for *defendant*.

- a. True
- \*b. False

31. The U.S. Tax Court meets most often in Washington, D.C.

- a. True
- \*b. False

32. There are 11 geographic U.S. Circuit Court of Appeals.

- \*a. True
- b. False

33. The following citation is correct: *Larry G. Mitchell*, 131 T.C. 215 (2008).

- \*a. True
- b. False

34. The IRS issues an acquiescence or nonacquiescence only for regular Tax Court decisions.

- a. True
- \*b. False

35. There is a direct conflict between an Internal Revenue Code section adopted in 2010 and a treaty with France (signed in 2016). The Internal Revenue Code section controls.

- a. True
- \*b. False

36. The *Index to Federal Tax Articles* (published by Thomson Reuters) is available electronically.

- a. True
- \*b. False

37. A U.S. District Court is considered the lowest trial court.

- \*a. True
- b. False

38. The research process should *always* begin with a tax service.

- a. True
- \*b. False

39. Electronic (online) databases are most frequently searched by the keyword approach.

- \*a. True
- b. False

40. A treasure trove is taxable when sold or exchanged.

- a. True
- \*b. False

41. A Bluebook is substantial authority for purposes of the accuracy related penalty.

- \*a. True
- b. False

42. The primary purpose of effective tax planning is to reduce or defer the tax in the current tax year.

- a. True
- \*b. False

43. Deferring income to a subsequent year is considered to be tax avoidance.

- \*a. True
- b. False

44. Tax planning usually involves a completed transaction.

- a. True
- \*b. False

45. The Regulation section of the CPA exam is approximately 80% Taxation and 20% Law & Professional Responsibilities.

- \*a. True
- b. False

46. The Tax Cuts and Jobs Act of 2017 became part of the Internal Revenue Code of 1986.

- \*a. True
- b. False

47. Revenue tax measures typically originate in the Senate Finance Committee of the U.S. Congress.

- a. True

\*b. False

48. Currently, the Internal Revenue Code of 1986 does not contain §§ 308, 309, and 310. This absence means these sections were repealed by Congress.

a. True  
\*b. False

49. Before a tax bill can become law, it must be approved (signed) by the President of the United States.

a. True  
\*b. False

50. Normally, when the Senate version of a tax bill differs from that passed by the House, a Joint Conference Committee drafts a compromise tax bill.

\*a. True  
b. False

51. Subchapter C refers to the subchapter in the Internal Revenue Code that deals with partnerships and partners.

a. True  
\*b. False

52. Revenue Rulings issued by the National Office of the IRS carry the same legal force and effect as Regulations.

a. True  
\*b. False

53. Revenue Rulings are first published in the Internal Revenue Bulletin.

\*a. True  
b. False

54. A Temporary Regulation under § 303 of the Code would be cited as follows: Temp. Reg. § 303.

a. True  
\*b. False

55. The Internal Revenue Code was first codified in what year?
- a. 1913
  - b. 1923
  - \*c. 1939
  - d. 1954
  - e. 1986
56. Tax bills are handled by which committee in the U.S. House of Representatives?
- a. Taxation Committee
  - \*b. Ways and Means Committee
  - c. Finance Committee
  - d. Budget Committee
  - e. None of these
57. Federal tax legislation generally originates in which of the following?
- a. Internal Revenue Service
  - b. Senate Finance Committee
  - \*c. House Ways and Means Committee
  - d. Senate Floor
  - e. None of these
58. Subtitle A of the Internal Revenue Code covers which of the following taxes?
- \*a. Income taxes
  - b. Estate and gift taxes
  - c. Excise taxes
  - d. Employment taxes
  - e. All of these
59. In § 212(1), the number (1) stands for the:
- a. Section number.
  - b. Subsection number.
  - \*c. Paragraph designation.
  - d. Subparagraph designation.
  - e. None of these.

60. Which of these is *not* a correct citation to the Internal Revenue Code?
- a. Section 211
  - b. Section 1222(1)
  - c. Section 2(a)(1)(A)
  - d. Section 280B
  - \*e. All of these are correct cites.
61. Which of the following is *not* an administrative source of tax law?
- a. Field Service Advice
  - b. Revenue Procedure
  - c. Technical Advice Memoranda
  - d. General Counsel Memorandum
  - \*e. All of these are administrative sources.
62. Which of the following sources has the *highest* tax validity?
- a. Revenue Ruling
  - b. Revenue Procedure
  - c. Regulations
  - \*d. Internal Revenue Code section
  - e. None of these
63. Which of the following types of Regulations has the *highest* tax validity?
- a. Temporary
  - \*b. Legislative
  - c. Interpretive
  - d. Procedural
  - e. None of these
64. Which statement is *not* true with respect to a Regulation that interprets the tax law?
- \*a. Issued by the U.S. Congress.
  - b. Issued by the U.S. Treasury Department.
  - c. Designed to provide an interpretation of the tax law.
  - d. Carries more legal force than a Revenue Ruling.
  - e. All of these statements are true.

65. In addressing the importance of a Regulation, an IRS agent must:
- \*a. Give equal weight to the Internal Revenue Code and the Regulations.
  - b. Give more weight to the Internal Revenue Code rather than to a Regulation.
  - c. Give more weight to the Regulation rather than to the Internal Revenue Code.
  - d. Give less weight to the Internal Revenue Code rather than to a Regulation.
  - e. None of these.
66. Which item may *not* be cited as a precedent?
- a. Regulations
  - b. Temporary Regulations
  - \*c. Technical Advice Memoranda
  - d. U.S. District Court decision
  - e. None of these
67. What statement is *not* true with respect to Temporary Regulations?
- \*a. May not be cited as precedent.
  - b. Issued with Proposed Regulations.
  - c. Automatically expire within three years after the date of issuance.
  - d. Found in the *Federal Register*.
  - e. All of these statements are true.
68. What administrative release deals with a proposed transaction rather than a completed transaction?
- \*a. Letter Ruling
  - b. Technical Advice Memorandum
  - c. Determination Letter
  - d. Field Service Advice
  - e. None of these
69. Which of the following indicates that a decision has precedential value for future cases?
- \*a. *Stare decisis*
  - b. *Golsen* doctrine
  - c. *En banc*
  - d. Reenactment doctrine
  - e. None of these
70. A taxpayer who loses in a U.S. District Court may appeal directly to the:

- a. U.S. Supreme Court.
- b. U.S. Tax Court.
- c. U.S. Court of Federal Claims.
- \*d. U.S. Circuit Court of Appeals.
- e. All of these.

71. If a taxpayer decides not to pay a tax deficiency, he or she must go to which court?

- a. Appropriate U.S. Circuit Court of Appeals
- b. U.S. District Court
- \*c. U.S. Tax Court
- d. U.S. Court of Federal Claims
- e. None of these

72. A jury trial is available in the following trial court:

- a. U.S. Tax Court.
- b. U.S. Court of Federal Claims.
- \*c. U.S. District Court.
- d. U.S. Circuit Court of Appeals.
- e. None of these.

73. A taxpayer may *not* appeal a case from which court:

- a. U.S. District Court.
- b. U.S. Circuit Court of Appeals.
- c. U.S. Court of Federal Claims.
- \*d. Small Case Division of the U.S. Tax Court.
- e. None of these.

74. The IRS will *not* acquiesce to the following tax decisions:

- a. U.S. District Court.
- b. U.S. Tax Court.
- c. U.S. Court of Federal Claims.
- \*d. Small Case Division of the U.S. Tax Court.
- e. All of these.

75. Which publisher offers the *Standard Federal Tax Reporter*?

- a. Research Institute of America
- \*b. Commerce Clearing House
- c. Thomson Reuters
- d. LexisNexis
- e. None of these

76. Which is presently *not* a major tax service?

- a. *Standard Federal Tax Reporter*
- \*b. *Federal Taxes*
- c. *United States Tax Reporter*
- d. *Tax Management Portfolios*
- e. All of these are major tax services

77. Which publisher offers the *United States Tax Reporter*?

- \*a. Research Institute of America (Thomson Reuters)
- b. Commerce Clearing House
- c. LexisNexis
- d. Tax Analysts
- e. None of these

78. When searching on an electronic (online) tax service, which approach is more frequently used?

- a. Internal Revenue Code section approach
- \*b. Keyword approach
- c. Table of contents approach
- d. Index
- e. All are about the same

79. A researcher can find tax information on home page sites of:

- a. Governmental bodies.
- b. Tax academics.
- c. Publishers.
- d. CPA firms.
- \*e. All of these.

80. Tax research involves which of the following procedures:

- a. Identifying and refining the problem.

- b. Locating the appropriate tax law sources.
- c. Assessing the validity of the tax law sources.
- d. Follow-up.
- \*e. All of these.

81. Which tax-related website probably gives the best policy-orientation results?

- a. taxalmanac.org.
- b. irs.gov.
- c. taxsites.com.
- \*d. taxanalysts.com.
- e. ustaxcourt.gov.

82. Which court decision would probably carry more weight?

- a. Regular U.S. Tax Court decision
- \*b. Reviewed U.S. Tax Court decision
- c. U.S. District Court decision
- d. Tax Court Memorandum decision
- e. U.S. Court of Federal Claims

83. Which Regulations have the force and effect of law?

- a. Procedural Regulations
- b. Finalized Regulations
- \*c. Legislative Regulations
- d. Interpretive Regulations
- e. All of these

84. Which items tell taxpayers the IRS's reaction to certain court decisions?

- a. Notices
- b. Revenue Procedures
- c. Revenue Rulings
- \*d. Actions on Decisions
- e. Legislative Regulations

85. Which company does *not* publish citators for tax purposes?

- \*a. John Wiley & Sons
- b. Commerce Clearing House

- c. Thomson Reuters (RIA)
- d. Westlaw
- e. Shepard's

86. Which is *not* a primary source of tax law?

- a. Notice 89-99, 1989-2 C.B. 422.
- b. *Estate of Harry Holmes v. Comm.*, 326 U.S. 480 (1946).
- c. Rev. Rul. 79-353, 1979-2 C.B. 325.
- \*d. Prop. Reg. § 1.752-4T(f).
- e. All of these are primary sources.

87. Which statement is *incorrect* with respect to taxation on the CPA exam?

- a. The CPA exam now has only four parts.
- \*b. There are no longer task-based simulations on the exam.
- c. A candidate may not go back after exiting a testlet.
- d. Simulations include a four-function pop-up calculator.
- e. None of these are incorrect.

88. Which of the following court decisions carries more weight?

- a. Federal District Court
- \*b. Second Circuit Court of Appeals
- c. U.S. Tax Court decision
- d. Small Cases Division of U.S. Tax Court
- e. U.S. Court of Federal Claims

89. Interpret the following citation: 64-1 USTC ¶9618, aff'd in 344 F.2d 966.

- a. A U.S. Tax Court Small Cases Division decision that was affirmed on appeal.
- b. A U.S. Tax Court decision that was affirmed on appeal.
- \*c. A U.S. District Court decision that was affirmed on appeal.
- d. A U.S. Circuit Court of Appeals decision that was affirmed on appeal.
- e. None of these.

90. Which citation refers to a Second Circuit Court of Appeals decision?

- a. 40 T.C. 1018.
- \*b. 159 F.2d 848 (CA-2, 1947).
- c. 354 F. Supp. 1003 (D.Ct. GA. 1972).

- d. 914 F.2d 396 (CA-3, 1990).
- e. None of these.

91. Which citation refers to a U.S. Tax Court decision?

- a. Apollo Computer, Inc. v. U.S., 95-1 (USTC ¶50,015 (Fed.Cl., 1994)
- \*b. Westreco, Inc., T.C. Memo. 1992-561 (1992).
- c. Bausch & Lomb, Inc. v. Comm., 933 F.2d 1084 (CA-2, 1991).
- d. Portland Manufacturing Co. v. Comm., 35 AFTR2d 1439 (CA-9, 1975).
- e. None of these.

92. If these citations appeared after a trial court decision, which one means that the decision was overruled?

- a. Aff'd 633 F.2d 512 (CA-7, 1980).
- b. Rem'd 399 F.2d 800 (CA-5, 1968).
- c. Aff'd 914 F.2d 396 (CA-3, 1990).
- \*d. Rev'd 935 F.2d 203 (CA-5, 1991).
- e. None of these.

93. Memorandum decision of the U.S. Tax Court could be cited as:

- \*a. T.C. Memo. 1990-650.
- b. 68-1 USTC ¶9200.
- c. 37 AFTR.2d 456.
- d. All of the above.
- e. None of these.

94. Which is a primary source of tax law?

- \*a. Serverino R. Nico, Jr., 67 T.C. 647 (1977).
- b. Article by a Federal judge in Tax Notes.
- c. An IRS publication.
- d. Written determination letter.
- e. All of these are primary sources.

95. Which of the following statements about a nonacquiescence is correct?

- a. A nonacquiescence is issued in the Federal Registrar.
- b. Nonacquiescences are published only for certain regular decisions of the U.S. Tax Court.
- \*c. A nonacquiescence is published in the Internal Revenue Bulletin.

- d. The IRS does not issue nonacquiescences to adverse decisions that are not appealed.
- e. All of these are correct.

96. What are Treasury Department Regulations?

97. Compare Revenue Rulings with Revenue Procedures.

98. How can Congressional Committee Reports be used by a tax researcher?

99. What is a Technical Advice Memorandum?

100. Discuss the advantages and disadvantages of the Small Cases Division of the U.S. Tax Court.

101. Distinguish between the jurisdiction of the U.S. Tax Court and a U.S. District Court.

102. How do treaties fit within tax sources?