



Chapter 02: The Deduction for Qualified Business Income for Pas

True / False

1. Tomas owns a sole proprietorship, and Lucy is the sole shareholder of a businesses make a net profit of \$60,000. Neither business distributes any current year, Tomas must report \$60,000 of income on his individual tax income from the corporation on her individual tax return.

a. True

b. False

ANSWER: True

RATIONALE: Proprietorship profits flow through to the o individual income tax return. It does not ma the proprietorship. Thus, Tomas must report (Schedule C). Shareholders are required to the extent of dividends received. Consequer corporation for the current year. Tomas is li deduction.

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

NATIONAL STANDARDS: United States - BUSPORG: Comprehension

STATE STANDARDS: United States - AK - AICPA: FN-Reporting

KEYWORDS: Bloom's: Application

OTHER: Time: 2 min.

DATE CREATED: 9/19/2017 8:23 AM

DATE MODIFIED: 7/12/2018 6:02 AM