

DETAILED TABLE OF CONTENTS

	Paragraph
Overview	
Foreword by Bruce Nelson	1
State Tax Responses to Tax Cuts and Jobs Act	2
What's New on 2018 Returns	3
AGI Phaseout Thresholds	4
Where to File Paper Returns	5
2019 Tax Calendar	6
Tax Rates	
Tax Rate Schedules for 2018 and 2019	11
2018 Tax Table—Individuals	25
Corporation Income Tax Rates	33
Estate and Gift Taxes	40
Other Taxes	47
Checklists	
Checklist for Forms	63
Guide to Information Returns	64
Checklist for Types of Payments	65
Special Tax Tables	
Applicable Federal Rates	83
Adjusted Applicable Federal Rates	84
Federal Long-Term Tax-Exempt Rates	85
Applicable Credit Percentages for Low-Income Housing	86
Earned Income Credit	87
Average Itemized Deductions	88
Chapter 1: Individuals	
Income Tax Return	101
Computation of Tax Liability	111
Standard Deduction and Exemptions	131
Filing Status	152
Decedent's Final Return	180
Alternative Minimum Tax (AMT)	190
Chapter 2: Corporations	
Corporate Formation	201
Return and Payment of Tax	211
Computation of Tax Liability	219
Estimated Tax	241
Accumulated Earnings Tax	251
Personal Service Corporations	273
Personal Holding Companies	275
Controlled Corporate Groups	289
Consolidated Returns	295

	Paragraph
Chapter 3: S Corporations	
S Corporation Status	301
Taxation of Shareholders	309
Tax Treatment of Distributions	323
Taxation of Corporation	335
Returns and Tax Year	351
Chapter 4: Partnerships	
Choice of Entity	401
Publicly Traded Partnerships	403
Partnership-Level Issues	404
Partnership Losses	425
Partner's Distributive Share of Partnership Items	428
Sale and Liquidation of Partner's Interest	434
Partnership Contributions, Distributions, and Basis	443
Family Partnerships	474
Organization, Syndication, Start-Up Costs	477
Electing Large Partnerships	482
Chapter 5: Trusts—Estates	
Estates and Trusts as Taxable Entities	501
Fiduciary Return and Payment of Tax	510
Taxation of Estates and Trusts	514
Income Distribution Deduction	542
Taxation of Beneficiaries	554
Grantor Trusts	571
Other Special Trusts	590
Chapter 6: Exempt Organizations	
Overview	601
Code Sec. 501(c)(3) Organizations	602
Private Foundations	631
Unrelated Business Taxable Income	655
Taxable Income from Debt-Financed Property	687
Other Tax-Exempt Organizations	692
Chapter 7: Income	
Income Defined	701
Ownership of Income	704
Salaries, Wages, and Benefits	713
Interest	724
Dividend Income	733
Dividends: Distribution in Redemption of Stock	742
Dividends: Earnings and Profits	747
Business Income	759
Rents and Royalties	762
Farming Income	767
Alimony Payments	771
Other Income	785

	Paragraph
Chapter 8: Exclusions from Gross Income	
Exclusions from Gross Income	801
Life Insurance and Death Benefits	803
Annuities	817
Bequests and Gifts	847
Personal Injury and Disability Proceeds	851
Cancellation of Debt	855
Education and Disability Benefits	863
Other Exclusions from Gross Income	871
Military Benefits	891
Chapter 9: Business Expenses	
Trade or Business Expenses	901
Compensation Paid	906
Entertainment, Meal, and Gift Expenses	910
Taxes	920
Charitable Contributions	927
Interest	937
Employee Business Expenses	941
Transportation and Car Expenses	945
Traveling Expenses Away from Home	949
Home Office and Vacation Home Expenses	961
Other Business Expenses	968
Domestic Production Activities Deduction	980A
Pass-Through Income Deduction	980P
Professional Expenses	981
Farmer's Expenses	982
Rents and Leasehold Payments	986
Mining Company's Expenses	987
Chapter 10: Nonbusiness Expenses	
Deductions of Individuals	1001
Adjusted Gross Income (AGI)	1005
Itemized Deductions	1014
Medical Expenses	1015
Taxes	1021
Real Property Taxes	1028
Interest	1043
Charitable Contributions	1058
Moving Expenses	1073
Miscellaneous Deductions	1079

	Paragraph
Chapter 11: Losses—Passive Activity Losses	
Deduction of Losses	1101
Casualty and Theft Losses	1121
Bad Debts	1135
Net Operating Losses (NOLs)	1145
At-Risk Limitations	1155
Passive Activity Limits on Losses and Credits	1165
Rental Activities Subject to Passive Activity Rules	1181
Excess Business Loss and Tax-Exempt Use Property	1190
Hobby Losses	1195
Chapter 12: Depreciation	
Allowance for Depreciation	1201
Basis for Depreciation	1203
Section 179 Expense Election	1208
Limitations on Automobiles and Other Listed Property	1211
Depreciation Methods	1216
Leased Property	1234
Modified Accelerated Cost Recovery System (MACRS)	1236
Accelerated Cost Recovery System (ACRS)	1252
Class Life ADR System	1282
Energy Efficiency Commercial Buildings Deduction	1286
Chapter 13: Capitalization, Amortization, and Depletion	
Capital Expenditures	1305
Uniform Capitalization Rules (UNICAP)	1330
Amortization	1360
Depletion	1380
Chapter 14: Tax Credits	
Nonrefundable Personal Credits	1401
Refundable Personal Credits	1421
Health Care Credits	1431
Nonbusiness Energy Credits	1441
Alternative Motor Vehicle Credits	1445
Foreign and Possession Credits	1461
General Business Credits	1465
Tax Credit Bonds	1471
Chapter 15: Tax Accounting	
Accounting Period	1501
Accounting Method	1515
Timing of Income and Expenses	1533
Long-Term Contracts	1551
Inventories	1553
Allocation and Reconstruction of Income	1573

	Paragraph
Chapter 16: Basis for Gain or Loss	
Computing Gain or Loss	1601
Property Acquired by Purchase	1611
Property Acquired by Gift or Bequest	1630
Property Acquired by Exchange	1648
Other Acquired Property	1678
Valuation Rules	1695
Chapter 17: Sales and Exchanges—Capital Gains	
SALES AND EXCHANGES	
Sales and Exchanges of Property	1701
Gain or Loss from Sale of Residence	1705
Involuntary Conversion	1713
Transactions Between Related Persons	1717
Tax-Free Exchanges	1719
CAPITAL GAINS AND LOSSES	
Capital Gains and Losses	1735
Section 1231	1747
Capital Loss Limitation, Carryover, Carryback	1752
Subdivision of Real Estate	1762
Patents, Royalties, and Franchises	1767
Disposition of Depreciable Property	1779
Farmers' Recapture	1797
Incentives for Economically Distressed Communities	1799A
Chapter 18: Installment Sales—Deferred Payments	
INSTALLMENT SALES	
Installment Method	1801
Computation of Income	1813
Related-Party Sales	1833
Repossessions of Property	1838
Dispositions of Installment Obligations	1846
Corporate Liquidations	1856
DEFERRED PAYMENTS	
Imputed Interest	1859
Treatment of Interest	1883
Chapter 19: Securities Transactions	
Taxation of Securities Transactions	1901
Gains and Losses on Small Business Stock	1905
Worthless Securities	1916
Options	1919
Wash Sales	1935
Short Sales	1944
Commodities and Related Instruments	1947
Corporate Bonds and Other Debt Instruments	1950
Accounting Issues	1973

	Paragraph
Chapter 20: Health and Employee Benefits	
Employer Health Insurance Mandate	2001
Health and Welfare Benefits	2011
HSAs, HRAs, and FSAs	2035
Cafeteria Plans	2045
Other Employee Benefits	2055
Fringe Benefits Under Code Sec. 132	2085
Chapter 21: Retirement Plans	
Types of Retirement Plans	2101
Qualified Plan Requirements	2111
Taxation of Distributions and Rollovers	2141
Traditional IRAs	2155
Roth IRAs	2171
SIMPLE Plans and SEPs	2181
Sec. 403(b), Sec. 457, and Nonqualified Plans	2191
Chapter 22: Corporate Acquisitions—Reorganizations—Liquidations	
Corporate Division	2201
Corporate Reorganization	2205
Corporate Liquidation	2253
Carryforwards	2277
Chapter 23: Special Corporate Status	
Regulated Investment Companies	2301
Real Estate Investment Trusts	2326
Real Estate Mortgage Investment Conduits	2343
Insurance Companies	2370
Other Special Entities	2383
Chapter 24: Foreign Income and Transactions	
U.S. Citizens and Residents Living Abroad	2402
Nonresident Aliens and Foreign Corporations	2425
Reporting Foreign Assets of U.S. Taxpayers	2465
Foreign Tax Credit or Deduction	2475
U.S. Shareholders of Foreign Corporations	2487
Other Foreign Tax Rules	2495
Chapter 25: Returns—Payment of Taxes	
Filing Returns	2501
Payment of Taxes	2525
Deadlines	2549
Information Returns and Payment at Source	2565
Reportable Transactions and Tax Shelters	2591

	Paragraph
Chapter 26: Withholding—Self-Employment Tax	
WITHHOLDING	
Withholding on Wages	2601
Computation of Withholding on Wages	2612
Withholding on Non-Wage Payments	2642
FICA and FUTA Taxes	2648
Return and Payment by Employer	2650
SELF-EMPLOYMENT TAX	
Tax on Self-Employment Income	2664
Chapter 27: Examination of Returns—Collection of Tax	
Organization of IRS	2701
Examination	2708
Assessment and Collection of Tax	2711
Liens and Levies	2751
Mitigation of Effect of Statute of Limitations	2756
Refunds and Credits	2759
The Courts	2776
Chapter 28: Penalties—Interest	
Failure to File Returns or Pay Tax	2801
Document and Information Return Penalties	2814
Underpayments of Tax—Interest	2838
Underpayments of Tax—Penalties	2854
Erroneous Tax Refund Claims	2891
Unauthorized Return Disclosures or Inspections	2892
Criminal Penalties	2898
Chapter 29: Estate, Gift and Generation-Skipping Transfer Tax	
Transfer Tax System	2901
Gift Tax	2903
Estate Tax	2912
Generation-Skipping Transfer Tax	2942
Transfer Tax on Gifts and Bequests from Expatriates	2948
Topical Index	page 937