

Becker CPA Review
Regulation Course Textbook and Lecture Errata/Clarifications
2015 Exam Edition

Date	Page and Item Number	Errata/Clarifications
12/19/14	R5-11 through R5-17	<p>Pages R5-11 through R5-17 have been updated to include revisions to IRS Circular 230. Click the following link to view the updated pages:</p> <p style="text-align: center;"><u>IRS Circular 230 Updates</u></p>
1/20/14	R1-29	<p>The Social Security Wage Base increased to \$117,000 for 2014. See the corrected passage below with the corrected amounts highlighted.</p> <ol style="list-style-type: none"> 1. Net Business Income or Loss <ol style="list-style-type: none"> a. Net Business Income Is Taxable <ol style="list-style-type: none"> (1) Income tax. (2) Federal self-employment (S/E) tax. <ol style="list-style-type: none"> (a) An adjustment to income is allowed for one-half (which is 7.65% of up to \$117,000 of self-employment income in 2014 plus 1.45% of self-employment thereafter, if applicable) of S/E tax (Medicare plus Social Security) paid. (b) This allows the sole proprietor the ability to "deduct" the employer portion of the S/E tax as an adjustment to gross taxable income (of which the net Schedule C amount is a part). (c) All self-employment income is subject to the 2.9% Medicare tax, but only up to \$117,000 in 2014 is subject to the 12.4% Social Security tax (i.e., a total of 15.3% on self-employment earnings up to \$117,000 in 2014).