

# ENROLLED AGENT PRACTICE EXAMS

## Part 1 - Individuals



# ERRATA SHEET

**2025/26**  
Testing Cycle



SKILLPREP BOOKS

# Enrolled Agent Practice Exams PART 1 - ERRATA SHEET

This document contains corrections and clarifications for *Enrolled Agent Practice Exams PART 1 2025-2026* by *SkillPrep Books* for editions published **from April 12 to May 22, 2025**.

Some questions have been corrected, while others have been revised to enhance clarity. Please use this information to update the content and ensure you have the most accurate version possible.

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## PART 1 - PRACTICE EXAM #1.1

### QUESTION 16

**ANSWER: D. \$133,300**

For 2024, the AMT exemption amounts are:

Single/Head of Household: \$85,700

Married Filing Jointly/Qualifying Surviving Spouse: \$133,300

Married Filing Separately: \$66,650

Phaseout thresholds:

Single/Head of Household: \$609,350

Married Filing Jointly/Qualifying Surviving Spouse: \$1,218,700

Married Filing Separately: \$609,350

Eduardo is married filing jointly, so his base exemption is \$133,300. Because his AMTI (\$271,000) is well below the phaseout threshold (\$1,218,700), he does *not* need to reduce his exemption. He can subtract the full \$133,300.

*Topic: Alternative Minimum Tax (AMT) Exemption*

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### QUESTION 27

**27. Which of the following items from last year's tax return is typically unnecessary for completing this year's return?**

- A. State income tax refund
- B. Alternative Minimum Tax (AMT) carryforward credit
- C. Total amount of itemized deductions claimed on the prior year's return
- D. Capital gain or loss carryover

**ANSWER: C. Total amount of itemized deductions claimed on the prior year's return**

Items like prior year State income tax refund details (A), AMT carryforward credits (B), and Capital gain or loss carryovers (D) are typically necessary for current year tax calculations if those situations apply, as they directly impact taxable income or credits.

However, the 'Total amount of itemized deductions claimed on the prior year's return' (C) is generally not a figure directly used in the current year's tax computation. While knowing if itemization occurred in the prior year can be relevant (e.g., for state refund taxability), the specific prior year total itself isn't carried over or directly used to calculate current year deductions or tax liability. Current year itemization decisions are based on current year expenses and the current year standard deduction.

*Topic: Tax Return Preparation*

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## QUESTION 29

**ANSWER: B. Only Sarah's uncle.**

Evaluate dependency for each:

Uncle: Qualifies as a Qualifying Relative (QR). He meets the relationship, gross income (no income, < \$5,050 limit for 2024), and support tests. An uncle does not need to live with the taxpayer.

Cousin (15): Does not qualify.

- Not a Qualifying Child (QC) because he lived with them only 5 months (fails >6 month residency test).

- Not a Qualifying Relative (QR) because, as a cousin who is not a QC, he would need to live with the taxpayer for the entire year to meet the member of household test for a QR. Five months is insufficient.

Conclusion: Only Sarah's uncle qualifies as a dependent.

*Topic: Dependents (Qualifying Relative Tests - Residency/Relationship)*

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## QUESTION 54

**54. Daniel, age 38, is a widowed taxpayer with two minor children and provides for all household costs. His spouse passed away in the previous year. Which filing status would likely offer him the lowest tax rate?**

- A. Married filing separately
- B. Head of household
- C. Qualifying Surviving Spouse with dependent child
- D. Married filing jointly

**Question 54 - C. Qualifying Surviving Spouse with dependent child**

A taxpayer whose spouse died in the *previous* tax year may be eligible to use the Qualifying Surviving Spouse (QSS) filing status for the current tax year (and the next year) if they meet certain conditions: have not remarried, could have filed MFJ in the year of death, and provide >50% of the cost of maintaining a home for the entire year for their dependent child. Daniel's spouse died in 2023 (the previous year). He meets the conditions for 2024 (widowed, supports dependent children living with him). QSS status provides the same standard deduction and tax brackets as MFJ, which is generally more favorable than Head of Household (B) or Single. MFJ (D) is only available in the year of death.

*Topic: Filing Status*

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## QUESTION 95

**ANSWER: A. \$7,000**

The annual gift exclusion for 2024 is \$18,000. Eleanor's gift exceeds this by \$7,000, which is the taxable portion.

*Topic: Gift Tax*

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## PART 1 - PRACTICE EXAM #1.2

### QUESTION 22

**22. Which of the following conditions must be met for a taxpayer to qualify for tax benefits on foreign earned income?**

- A. The taxpayer passes the tax home test.
- B. The taxpayer passes the bona fide residence test.
- C. The taxpayer passes the physical presence test.
- D. The taxpayer meets the tax home test, and meets either the bona fide residence test or the physical presence test.

**ANSWER: D. The taxpayer meets the tax home test, and meets either the bona fide residence test or the physical presence test.**

To qualify for the foreign earned income exclusion, a U.S. taxpayer must meet the tax home test and satisfy either the bona fide residence test or the physical presence test.

*Topic: Foreign Earned Income Exclusion Eligibility*

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### QUESTION 60

**60. Which statement about tip income reporting is correct?**

- A. If the taxpayer is an indirectly tipped employee (e.g., a busser or bartender), they are not required to report tips to their employer.
  - B. Any tips the taxpayer reported to their employer are to be included in the wages in box 1 (Wages, tips, other compensation) of their Form W-2.
  - C. If the only tips a taxpayer receives in a month are charged tips (e.g., credit and debit card charges) distributed to them by their employer, they are not required to report these tips to the employer.
  - D. The taxpayer must report the value of all non-cash tips, such as tickets or passes, to their employer on Form 4070.
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### QUESTION 61

**61. An unmarried taxpayer fully supports an elderly parent living separately. The taxpayer is claiming the parent as a dependent. Which filing status should the taxpayer use that is generally most beneficial?**

- A. Single
- B. Head of household
- C. Qualifying Surviving Spouse
- D. Married filing separately

**ANSWER: B. Head of household**

Head of Household filing status generally provides a lower tax rate and a higher standard deduction than Single filing status. To qualify for Head of Household, the taxpayer must be unmarried (or considered unmarried) and pay more than half the costs of keeping up a home for a qualifying person. A parent *can* be a qualifying person, even if they don't live with the taxpayer, *provided* the taxpayer pays more than half the costs of keeping up the parent's *main home* for the entire year, *and* the taxpayer can claim the parent as a dependent. The taxpayer does not need to live in the same home. Qualifying Surviving Spouse is only available for two years following the death of a spouse, and Married Filing Separately generally results in a higher tax liability than Head of Household.  
*Topic: Head of Household Filing Status*

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**QUESTION 65**

**ANSWER: A. April 15, 2025**

Combat zone tax deadlines are automatically extended for at least 180 days after leaving the zone. Captain Jones left the combat zone March 31, 2024, so this 180-day period ended around September 27, 2024. Her 2024 tax return's normal due date (April 15, 2025) is after this extension period ended. Thus, her 2024 filing deadline is April 15, 2025.  
*Topic: Military Tax Filing Deadlines (Combat Zone)*

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**QUESTION 81**

**81. For 2024, Kelly is unmarried and paid more than half the cost of keeping up her home. All of the following dependents would qualify Kelly to file as head of household except:**

- A. Kelly's granddaughter, who lived with her but was absent from her home for 10 months in 2024 while attending boarding school.
- B. Kelly's married daughter, who could properly be claimed as a dependent on her mother's return only.
- C. Kelly's mother, whom she can claim as a dependent and whose main home for 2024 was a home for the elderly for which Kelly paid more than one-half the cost.
- D. Kelly's brother, whom Kelly can claim as a dependent, who lived with her for the first five months of the year and then moved into his own separate apartment before passing away later in the year.

**ANSWER: D. Kelly's brother, whom Kelly can claim as a dependent, who lived with her for the first five months of the year and then moved into his own separate apartment before passing away later in the year.**

To qualify for Head of Household status, Kelly must provide a home for a qualifying person for more than half the year (with special rules for parents and temporary absences). Kelly's brother, who moved out to live independently before his death and did not live with Kelly until his death, nor did Kelly maintain his separate main home until death, would not qualify Kelly under the standard rules or the special rule for a deceased qualifying person.

*Topic: Filing Status (Head of Household Qualifying Person)*

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## QUESTION 85

**85. Lauren's husband Mark passed away in October 2024. She supports their two young children, ages 9 and 11, and has not remarried. What filing status can Lauren use in 2024 and for the next two tax years, assuming she remains unmarried?**

- A. Married Filing Jointly for 2024; Qualifying Surviving Spouse for 2025 and 2026.
- B. Qualifying Surviving Spouse for 2024, 2025, and 2026.
- C. Married Filing Jointly for 2024, 2025, and 2026.
- D. Head of Household for 2024, 2025 and 2026.

**ANSWER: A. Married Filing Jointly for 2024; Qualifying Surviving Spouse for 2025 and 2026.**

For 2024, the year her husband Mark passed away, Lauren can file as Married Filing Jointly. For the two tax years following the year of her husband's death (2025 and 2026), if she remains unmarried, has a dependent child living with her for the entire year, and pays more than half the cost of maintaining her home, she can use the Qualifying Surviving Spouse filing status. This status allows her to use the married filing jointly tax rates and standard deduction.

*Topic: Filing Status (Surviving Spouse)*

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## QUESTION 88

**88. Which type of income is not reported on Form 1099-MISC?**

- A. Rents of \$600 or more
- B. Non-employee compensation over \$600
- C. Medical and health care payments of \$600 or more made in the course of a trade or business
- D. Crop insurance proceeds of \$600 or more

**ANSWER: B. Non-employee compensation over \$600**

Since the introduction of Form 1099-NEC, non-employee compensation is reported on this form instead of Form 1099-MISC.

*Topic: Forms for Reporting Income*

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