

CORRECTIONS TO 2008 FEDERAL TAX WORKBOOK

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Date Posted	Page	Correction or addition
10/2/08	109	The 3 figures in column (a) on lines 33-35 at the bottom of the page should be in column (b) since the example pertains to an SUV, which is listed property.
10/20/08	432	In Example 12, change the date in the second line to January 1, 1994 and change the parenthetical comment at the end of the sentence to “a full 17-year period.” Also, change the date range in the first line following the second paragraph to “January 2, 1994 through January 1, 2014.”
10/30/08	501	Change the first part of the next to last sentence on the page to: “If the interest would not be deductible when the taxpayer paid it...” Change the first part of the last sentence on the page to: “If the interest would be deductible when the taxpayer paid it...”
10/30/08	409	Under Enhanced Expense Deduction – In the third sentence of the second paragraph, change “new” to “newly acquired.”
10/30/08	572	In the note box, change “Chapter 8, ‘IRS Update’” to “Chapter 2, ‘Ethics.’”
10/30/08	429	Change Example 9 to: “Use the same facts as Example 8, except Ryan sold the condo for \$98,000. Ryan’s 2011 recapture amount is \$5,000, since the recapture is limited to the gain on the property.”
10/30/08	11 of Supplement	In the sentence following Tiebreaker Rule , insert “as a qualifying child” before “... and has a higher AGI for the tax year...”
10/30/08	IL-8	In the first sentence following Withholding Exemptions , insert “non-individual,” after “nonresident.”
11/4/08	544	In the second paragraph above the Caution box, change the last sentence to read: “An asset that is purchased under a written binding contract in 2008 is still required to be placed in service by December 31, 2008.” Add the following sentence to the end of the paragraph: “However, a one-year extension of the placed-in-service date applies to certain transportation property and certain property with a recovery period of ten years or more.”
11/4/08	390	In the paragraph under Tax Result for Example 13 , delete the second and third sentences and replace them with the following: “This is allowed since IRC §197(c)(2) excludes “self-created intangibles” (such as Carla’s goodwill) from the definition of amortizable §197 intangibles. Thus, Carla has a \$50,000 long-term capital gain on the goodwill and a \$339 ordinary §1245 gain on the sale of the purchased franchise agreement.” Then, delete all the remaining text on the page above the Note box. Add the sentence: “If Carla’s goodwill had been purchased rather than created, she would be required to report the franchise agreement and the goodwill as the sale of a single asset on Form 4797, Part III.”
11/4/08	439	In the second paragraph under Receiving Benefits before Normal Retirement Age , change the second sentence to “This percentage gradually decreases for taxpayers born after 1954 but before 1960.”
11/7/08	401	In the first sentence under Net Capital Gain and Qualified Dividend Tax Rate , change the first part of the sentence from “For years 2008 and 2009” to “For the years 2008 through 2010.”

11/7/08	3 of Supplement	In the third bullet point under Energy Conservation Incentives , the last part of the sentence after “and” should read: “reinstating the credit for 2009 only.”
11/12/08	329	In the Note box at the bottom of the page, delete the last sentence.
11/13/08	645	After the first heading for Daycare Providers , add “For 2007 Returns” after “Standard Meal Allowance.” After the second heading for Daycare Providers, add “For 2008 Returns.”
11/17/08	109	For purposes of clarification, the text following the heading Form 4797, Part IV , up to the note box, is replaced with the following: “Form 4797, Part IV, is used to report the recapture of an IRC §179 expense deduction for property placed in service after 1986 when the business use of property placed in service in a previous year is reduced to 50% or less during the recapture period. The recapture period of the expense election is the entire recovery period of the qualifying §179 property (see IRC §179(d)(10)). Part IV is also used to recapture depreciation on listed property when the business use decreases to 50% or less as required under §280F(b)(2). The recapture for each property must be computed separately on a statement attached to Form 4797 and the total entered in Part IV. The recapture amount equals the §179 expense deduction taken minus the MACRS depreciation amount that would have been allowed on the expense amount from the time the property was placed in service up to and including the year of recapture (see Treas. Reg. §1.179-1(e)(1)) . The §179 expense deduction is reported on Line 33(a) and the recomputed depreciation is reported on line 34(a). The difference is reported on Line 35(a) and is then transferred to either Schedule C or F, depending on which schedule the original deduction was taken. If the property is listed property (defined in §280F(d)(4)), the total of both the §179 deduction and the MACRS depreciation is reported on Line 33(b). Next, the depreciation that would have been allowed if the property had not been used more than 50% in a qualified business is computed using the alternative MACRS method and reported on Line 34(b). The difference is reported on Line 35(b) and then transferred to either Schedule C or F.” The Note box text is replaced with the following: “In both scenarios, the recapture amount will increase SE income. It will also increase the basis of the property.”
11/17/08	644	After Estimated Tax Payments , change the “>” symbol to “≤.”
11/21/08	431	Under the New Law section of Example 10 , change the IRC code section in line (3) from §1221 to §121.