

This is calculated by taking 100% of the first \$1,000 of “qualified tuition and related expenses” plus 50% of the excess of these expenses up to a \$1,000 limit.

Lifetime Learning Credit

Financial Aid

Hope Credit

All of the above

The employer-provided educational assistance fringe benefit is limited to no more than ____% of the total amount spent on the employer-paid educational assistance program for employees, their spouses, or their dependents that have no more than 5% ownership in the business.

10%

15%

5%

20%

The following are methods of shifting income from parents to their children:

gifting appreciated assets

compensating the child from a family business

gifting income-producing assets

all of the above

The benefits of compensating the child include:

earned income is subject to kiddie tax

the child is able to utilize his full standard deduction

A and B only

none of the above

Which of the following investments would be beneficial for deferring income into college years?

Annuity

Roth IRA

EE Bond

All of the above

T / F Qualified expenses for the Hope and Lifetime Learning Credits include room and board.

T / F No taxable gift occurs when a charitable lead trust is established and a child is named as the beneficiary.

T / F Employer-provided education assistance benefits are considered to be income of the student and are assessed at the 50% rate.

In a closely held business, to qualify for the employer-provided educational assistance benefits, the following tests must be met:

The child must be age 18 or older

The child must be a legitimate employee of the business

The child must not own more than 5% of the business

The child must be a tax dependent of the parent/owner.

I, II and III

II and III only

II only

All of the above