CENTER FOR PROFESSIONAL EXCELLENCE

# Credential Candidate Guide

# Preface

The NATP Individual Tax Credentials Candidate Guide is the official resource for individuals pursuing the AITP or AAITP designation. This guide provides all essential information needed to navigate the credentialing process successfully.

All candidates are expected to comply with the policies, procedures and deadlines outlined here. As standards and requirements are subject to change, candidates should consult the most recent version of this guide to ensure they are working with the latest information. NATP reserves the right to modify credentialing standards, applications, examination content and renewal procedures as necessary.

This guide includes details on eligibility criteria, application steps, fees, examination requirements, testing procedures, scoring and renewal policies. Candidates are encouraged to review this guide in its entirety as they consider pursuing either credential or purchasing the exam.



The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they need to provide the highest level of service to their clients. NATP is comprised of more than 22,000 leading tax professionals who believe in a superior standard of ethics and exemplify professional excellence. Members rely on NATP to deliver professional connections, content expertise and advocacy to help them best serve their clients. The organization welcomes all tax professionals in their pursuit to continually meet the needs of the public, regardless of their career stage.

NATP recognizes professionals who have demonstrated the competencies and skills needed to apply their understanding of individual federal tax law and effectively explain and prepare individual tax returns. Those who pursue and achieve NATP's credentials distinguish themselves as credential holders, demonstrating a commitment to excellence in practice. Credential holders often work in independent practice, providing tax preparation and advisory services to individuals and small to mid-size businesses.

Accreditation is earned through a comprehensive examination that evaluates the practical application of core competencies essential for preparing and explaining federal individual tax returns. Once earned, the credential must be maintained through adherence to NATP's Code of Ethics and Standards of Professional Conduct, compliance with the requirements outlined in IRS Circular 230 and completion of 15 hours of continuing professional education (CPE) each year.

Accreditation offers tax professionals a clear path to distinguish themselves in the profession. Pursuing this credential reflects dedication to the highest standards of practice and confirms a high level of proficiency in federal individual tax return preparation. It also requires a commitment to continuous learning and quality client service. Accreditation signals credibility and trust, while the nationwide recognition it brings can lead to career advancement, broader opportunities and higher earning potential.

# What Is AITP?

The Accredited Individual Tax Professional (AITP) credential recognizes professionals who demonstrate practical knowledge of federal individual taxation and the ability to prepare and explain returns while addressing common taxpayer issues. It highlights proficiency in key areas such as income, adjustments, deductions, credits, retirement taxation, sole proprietorships, property and rental activity, along with a commitment to ethical practice and due diligence.

Earning the AITP credential enhances professional credibility and affirms the ability to apply tax law, follow IRS guidance and navigate real-world tax scenarios while serving clients with accuracy and integrity.

The credential serves as a trusted mark of professional competence, assuring clients, potential clients, employers, and the public that the credential holder possesses proven knowledge and demonstrates proficiency in individual tax preparation.

The AITP credential is awarded exclusively to candidates who successfully pass the Accredited Individual Tax Professional (AITP) examination. The exam is delivered online and can be completed remotely on a candidate's personal device. A minimum passing score of 70% is required to earn the credential.

## AITP credential eligibility

To earn the AITP credential, candidates must adhere to NATP's Code of Ethics and Standards of Professional Conduct, comply with the requirements outlined in IRS Circular 230, and hold a current preparer tax identification number (PTIN) issued by the Internal Revenue Service.

Candidates are not required to complete any specific coursework prior to sitting for the AITP exam. However, candidates new to federal individual tax preparation are strongly encouraged to complete the AITP credential study modules before attempting the exam. These modules are designed to build applied knowledge and practical skills in tax preparation, providing a strong foundation for readiness and exam success.

## AITP exam

To earn the AITP credential, candidates must pass a standardized exam consisting of 100 randomized, traditional multiple-choice questions in three hours. Exam scores will be displayed at the end of the online exam.

# AITP exam development

Core competencies, exam domains and the AITP exam were developed through a comprehensive, multi-layered process grounded in best practices for credentialing, adult learning and assessment design. Leading subject matter experts (SMEs), including experienced tax practitioners and educators, identified the knowledge, skills and abilities required for competent performance in federal individual taxation, with a focus on real-world responsibilities such as accurate return preparation, compliance with tax law and professional judgment.

This work resulted in a formal exam blueprint that defines seven major content areas:

- Federal Tax Foundations and Filing Determinations
- Income, Property and Retirement Reporting
- Adjustments, Deductions and Taxable Income
- Credits and Tax Liability Reduction
- Sole Proprietor Reporting
- Rental Activity Reporting
- Ethical Practice and IRS Communications

Each domain is weighted based on its importance in practice, ensuring the exam measures the knowledge and skills most critical to competent tax preparation.

Exam questions are developed from authoritative sources, including the Internal Revenue Code, Treasury regulations, IRS publications and AITP program materials. Items are designed across cognitive levels, emphasizing comprehension, application and analysis, and follow standard item-writing practices to ensure clarity, fairness and a single defensible correct answer.

NATP's AITP exam scoring methodology ensures that the passing score reflects a candidate's readiness to earn the credential. Using a criterion-referenced standard-setting approach, SMEs evaluated competencies, exam content and expected performance. The passing score was set at 70%, aligning with widely accepted benchmarks across the tax, accounting and financial services industries.

Across all stages of exam development, NATP applies a structured methodology to ensure the AITP exam meets established standards for validity, reliability, fairness and defensibility, providing a consistent and objective measure of a candidate's readiness to competently prepare individual tax returns.

All examination questions are the copyrighted property of the NATP. It is forbidden under federal copyright law to copy, reproduce, record, distribute or display these examination questions by any means, in whole or in part. Doing so may result in civil and criminal penalties.

# Preparing for the AITP Exam

## AITP credential program

Candidates are not required to complete any specific coursework prior to sitting for the AITP exam. Candidates may choose to purchase and take the exam on its own. Those who pass and meet the other credential requirements will earn the AITP credential. The AITP credential study modules are available as optional preparation resources, which can be purchased individually or as a bundle.

These modules are organized in a clear progression designed to equip candidates with the competencies needed to accurately prepare and explain federal individual tax returns. They guide candidates through key areas such as income, adjustments, deductions, credits, property transactions, retirement contributions, sole proprietorships and rental activity, while promoting ethical practice, due diligence and effective client communication.

### Other study resources

After working through the AITP credential study modules or other preparation resources, candidates should review the AITP exam content outline (see page 6). This chart outlines the exam domains and related topics, providing a clear picture of what will be assessed.

A focused study plan, guided by the AITP exam content outline, will help ensure candidates are thoroughly prepared for every section of the exam.

## AITP exam content outline

| Exam domain | Description | Topics covered | Weight |
|---|---|---|---|
| **Federal Tax Foundations and Filing Determinations** | This domain introduces the federal tax system and return structure, including filing requirements, taxpayer identification and dependency determinations. It covers accurate return setup by establishing the taxpayer's filing position and eligibility for key provisions. | Filing requirements and filing status determination<br><br>Taxpayer identification and dependent qualification<br><br>Structure of the individual tax return (Form 1040 and related schedules)<br><br>Tax year, accounting methods and foundational tax concepts | **10%** |
| **Income, Property and Retirement Reporting** | This domain addresses the identification and reporting of income from wages, investments, retirement distributions and property transactions. It evaluates accurate classification and treatment of income to support complete and compliant reporting on the return. | Wage and salary income<br><br>Interest, dividends and investment income<br><br>Retirement income and distributions<br><br>Property transactions (sale of assets, capital gains and losses)<br><br>Other common income types and reporting requirements | **25%** |
| **Adjustments, Deductions and Taxable Income** | This domain covers the provisions that reduce income and determine taxable income, including adjustments and deduction options. It supports accurate calculation of taxable income through proper application of limits, thresholds and eligibility rules. | Adjustments to income (above-the-line deductions)<br><br>Standard vs. itemized deduction determination<br><br>Common itemized deductions and limitations<br><br>Taxable income calculation and phaseouts | **20%** |

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| **Credits and Tax Liability Reduction** | This domain examines tax provisions that directly reduce tax liability, including refundable and nonrefundable credits. It highlights the role of credits in determining final tax outcomes and the importance of applying eligibility and calculation rules accurately. | Nonrefundable credits<br><br>Refundable credits<br><br>Credit eligibility and qualification rules<br><br>Credit calculation and interaction with tax liability | **16%** |
| **Sole Proprietor Reporting** | This domain addresses the reporting of sole proprietor income and expenses on an individual tax return. It emphasizes accurate income reporting, expense classification, and the determination of net profit or loss to support proper reporting of self-employment activity. | Sole proprietorship income and gross receipts<br><br>Sole proprietorship expense categories and classification<br><br>Net profit or loss determination (Schedule C)<br><br>Recordkeeping and substantiation requirements<br><br>Self-employment tax fundamentals | **12%** |
| **Rental Activity Reporting** | This domain covers the reporting of rental income and expenses on an individual tax return. It addresses the application of rules related to expense treatment, personal use and loss limitations to ensure accurate reporting of rental activity. | Rental income and allowable expenses<br><br>Expense allocation and depreciation basics<br><br>Personal use and mixed-use property considerations<br><br>Passive activity loss limitations<br><br>Reporting rental activity (Schedule E) | **12%** |

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| **Ethical Practice and IRS Communications** | This domain covers the professional responsibilities that support accurate and ethical tax preparation. It reinforces adherence to standards, effective documentation and recordkeeping practices, protection of taxpayer information and appropriate responses to IRS communications to support sound professional practice and accurately guide taxpayer actions. | Due diligence requirements in tax preparation<br><br>Digital recordkeeping and taxpayer data protection<br><br>Written information security plan (WISP) and safeguarding practices<br><br>Responding to IRS notices and correspondence<br><br>Standards of conduct and ethical compliance | **5%** |

*All domains are designed to assess competencies across Bloom's Taxonomy, ranging from Recall through Analysis.*

# AITP application and review process

After successfully passing the exam with a score of 70% or higher, candidates will receive their exam results on screen, along with access to the application for recognition as an accredited individual tax professional (AITP). This online application must be completed, submitted and approved.

To complete, candidates must:

- Fill out the application in full, providing or confirming their preparer tax identification number (PTIN) and contact information.
- Attest to following NATP's Standards of Professional Conduct, the requirements outlined in IRS Circular 230 and to the proper use of NATP credential marks.

Applications will not be accepted if they are incomplete. Once a valid application is submitted, NATP will review and approve it within five business days. Upon approval, candidates will be recognized as official credential holders and granted the right to use NATP's credential marks.

# What Is AAITP?

The Advanced Accredited Individual Tax Professional (AAITP) credential indicates that a tax professional has achieved an advanced level of competence in individual taxation. It demonstrates the ability to apply the Internal Revenue Code and regulatory guidance to complex tax matters such as investments, property transactions, unique income sources and international considerations. Credential holders show proficiency in interpreting advanced reporting forms, including K-1s, and addressing foreign transactions while applying sound professional judgment. The credential confirms a professional's ability to navigate intricate individual tax issues with technical expertise and ethical standards.

Further, this credential distinguishes tax professionals who possess knowledge beyond basic return preparation and who provide higher-level advisory services. It signals to clients, firms, and peers that the credential holder can skillfully manage complex individual tax situations and anticipate broader tax implications.

The AAITP credential is awarded exclusively to candidates who successfully pass the Advanced Accredited Individual Tax Professional (AAITP) exam. The exam is delivered online and can be completed remotely on a candidate's personal device. A minimum score of 70% is required to earn the credential.

## AAITP credential eligibility

To earn the AAITP credential, candidates must adhere to NATP's Code of Ethics and Standards of Professional Conduct, comply with the requirements outlined in IRS Circular 230 and hold a current preparer tax identification number (PTIN) issued by the Internal Revenue Service.

While no specific coursework is required before sitting for the AAITP exam, many candidates find that completing the AAITP credential study module deepens their understanding and build confidence.

The modules deliver practical, in-depth preparation in advanced federal individual tax topics, helping candidates demonstrate the skills needed to succeed on the exam and to be successful as trusted tax professionals in complex tax matters.

## AAITP exam

To earn the AAITP credential, candidates must meet the credential eligibility requirements, and pass a standardized exam comprising 110 randomized, multiple-choice questions in three hours. Exam scores will be displayed at the end of the online exam.

To be awarded the credential, candidates must pass the AAITP examination with a minimum score of 70%.

# AAITP exam development

Core competencies, exam domains and the AAITP exam were developed through a comprehensive, multi-layered process grounded in best practices for credentialing, adult learning and sound assessment design. This process included extensive collaboration with leading subject matter experts (SMEs) in federal individual taxation, including experienced practitioners and educators. Their input ensures the exam reflects the real-world complexities and advanced responsibilities encountered by professionals preparing complex individual tax returns.

SMEs identified the knowledge, skills and abilities required for competent performance, emphasizing accurate return preparation, compliance with federal tax law and the exercise of professional judgment. This work resulted in a formal exam blueprint defining seven major competency domains:

- Professional Practice and IRS Procedures
- Income Analysis and Investment Reporting
- Property Taxation
- Pass-Through Taxation and Losses
- International and Cross-Border Taxation
- Tax Planning and Advisory Strategies
- Complex Taxpayer Scenarios

The blueprint outlines key topics and assigns relative weight to each domain based on its importance in practice, ensuring the exam measures the advanced knowledge and analytical skills most critical to the profession.

Exam items are developed from AAITP program materials and authoritative sources, including the Internal Revenue Code, Treasury regulations and IRS publications. Items are constructed using Bloom's Taxonomy, with an emphasis on higher-order cognitive skills such as application, analysis and evaluation. Standard item-writing practices ensure clarity, fairness and a single defensible correct answer.

Each item undergoes multiple layers of review to ensure technical accuracy, clarity and alignment with professional practice. External SME panels further evaluate items for real-world relevance, appropriate difficulty and practitioner-level complexity. A final review confirms alignment with the exam blueprint and consistency in cognitive level and difficulty, strengthening the exam's overall validity, reliability and defensibility.

NATP's scoring methodology is designed to ensure the passing score reflects a candidate's readiness to earn the credential. Using a criterion-referenced standard-setting approach, SMEs evaluated competencies, exam content and expected performance to establish the passing standard. This standard represents the level of proficiency required to demonstrate competence in the weighted domains. Candidates must achieve a minimum score of 70% to earn the AAITP credential, demonstrating they possess the advanced knowledge and skills required to accurately complete complex individual tax returns.

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# Preparing for the AAITP Exam

## AAITP credential program

Candidates are not required to complete any specific coursework prior to sitting for the AAITP exam. Candidates may choose to purchase and take the exam on its own. Those who pass and meet the other credential requirements will earn the AAITP credential. The AAITP credential study modules are available as optional preparation resources, which can be purchased individually or as a bundle.

The AAITP credential program modules are designed to prepare candidates for the exam by strengthening competencies in advanced individual tax issues such as investment income, property transactions, pass-through reporting and international considerations, along with specialized and uncommon individual tax scenarios. Candidates also explore advanced treatment of losses and bad debts and the taxation of uncommon income sources, working through scenarios that reflect the complex situations encountered in real-world practice. Through this progression, candidates develop the advanced technical knowledge, analytical skills and professional judgment required to succeed on the exam and confidently address complex individual income tax matters.

### Other study resources

After working through the AAITP credential study modules or other preparation materials, candidates should review the AAITP exam content outline (see page 12). The outline highlights the exam domains and topics, providing a clear picture of what will be assessed.

Questions on the AAITP exam are tied to real-world practice and are designed to assess the advanced competencies required to prepare complex federal individual income tax returns. The exam moves beyond simple recall, emphasizing higher-level skills such as application, evaluation and analysis in complex federal individual taxation situations. By following a study plan aligned with the exam content outline, candidates can be confident they are prepared for each section of the AAITP exam.

# AAITP exam content outline

| Exam domain | Description | Topics covered | Weight |
|---|---|---|---|
| **Individual Income Tax Essentials** | This domain covers essential concepts and terminology assessed on the AITP exam. It includes recognizing and applying core individual tax concepts such as income, adjustments, deductions and credits, and assesses the ability to accurately interpret and apply foundational tax rules in common individual filing situations. | • Filing status, dependents and return structure<br>• Income types and reporting requirements<br>• Adjustments, deductions and credit calculations<br>• Property transactions and basis fundamentals<br>• Business and rental income reporting<br>• Common filing errors and omissions<br>• IRS notices and common taxpayer responses | 5% |
| **Professional Practice and IRS Procedures** | This domain focuses on the responsibilities of a tax professional, including ethical conduct, due diligence and effective use of IRS systems and processes. It brings together competencies that govern how work is performed, from evaluating client information to navigating IRS procedures. | • Ethical standards and Circular 230 application<br>• Conflicts of interest and disclosure requirements (Forms 8275 and 8275-R)<br>• Due diligence and taxpayer information verification<br>• IRS authorizations, tools and communication channels<br>• IRS notices, transcripts and issue identification<br>• Practitioner responsibilities, scope management and referrals | 12% |

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| **Income Analysis and Investment Reporting** | This domain brings together competencies related to identifying, evaluating and reporting income from a wide range of sources, including non-routine and investment-related items. It includes applying tax rules to complex investment activities and analyzing their impact on income reporting and planning. | • Recognition and reporting of non-routine income items (legal settlements, taxable scholarships and grants, disability payments)<br>• Specialized compensation income (employee stock options)<br>• Digital asset transactions and reporting considerations<br>• Bond premium and market discount treatment<br>• Documentation, reporting mechanics and audit risk indicators<br>• Short-term rentals | 25% |
| **Property Taxation** | This domain addresses the tax treatment of property transactions. It includes applying rules related to basis, holding periods, and gain or loss recognition. These competencies support accurate reporting of property-related activity within a return. | • Like-kind exchanges and involuntary conversions<br>• Installment sales and deferred gain recognition<br>• Related-party and divorce-related property transfers<br>• Easements, partial interests and other nontraditional property rights | 12% |
| **Pass-Through Taxation and Losses** | This domain focuses on determining taxable income from pass-through entity reporting and the proper treatment of losses. It includes interpreting K-1 information and applying rules to determine allowable amounts. | • Basis, at-risk and passive activity loss limitations<br>• Loss utilization and carry-forward rules<br>• Treatment of suspended losses<br>• Interaction and ordering of multiple limitation rules<br>• Reporting considerations for pass-through losses | 15% |

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| **International and Cross-Border Taxation** | This domain focuses on identifying and reporting foreign income and addressing cross-border tax considerations. It includes applying residency rules, foreign tax credits and required disclosures. | • U.S. tax treatment of foreign income<br>• Foreign earned income exclusion and housing considerations<br>• Foreign tax credit fundamentals and limitations<br>• Reporting foreign financial accounts (FBAR) and FATCA (Form 8938)<br>• Filing and disclosure requirements for taxpayers with foreign assets<br>• Foreign reporting compliance risks and considerations | 7% |
| **Tax Planning and Advisory Strategies** | This domain centers on evaluating tax situations and recommending strategies to improve client outcomes. It brings together timing decisions, structuring transactions and optimizing tax benefits. | • Evaluating alternative tax treatment scenarios<br>• Comparing short- and long-term tax implications<br>• Capital gain and loss planning strategies<br>• Retirement distribution and income planning<br>• Multi-year tax impact and scenario analysis<br>• Assessing trade-offs to optimize taxpayer outcomes | 18% |
| **Complex Taxpayer Scenarios** | This domain focuses on applying tax knowledge and professional judgment to complex taxpayer situations. These competencies require analysis across multiple factors, including technical rules, exceptions and client-specific considerations to support effective resolution of advanced tax scenarios. | • Tax implications of debt forgiveness and insolvency<br>• Retirement account distributions, penalties and exceptions<br>• Household employee tax obligations and reporting<br>• Qualified domestic relations orders (QDROs) and related impacts | 6% |

*All domains are designed to assess competencies across Bloom's Taxonomy, ranging from Analysis through Create.*

# AAITP application and review process

After successfully passing the exam with a score of 70% or higher, candidates will receive their exam results on screen, along with access to the application for recognition as an advanced accredited individual tax professional (AAITP). This is an online fillable form that must be completed, submitted and approved to earn the AAITP credential.

To complete, candidates must:

- Fill out the application in full, providing or confirming their preparer tax identification number (PTIN) and contact information.
- Attest to following NATP's Standards of Professional Conduct, the requirements outlined in IRS Circular 230 and to the proper use of NATP credential marks.

Applications will not be accepted if they are incomplete. Once a valid application is submitted, NATP will review and approve it within five business days. Upon approval, candidates will be recognized as official credential holders and granted the right to use NATP's credential marks.

# Adhering to standards of professional conduct

NATP is responsible to its candidates, credential holders, the profession and the public for upholding the integrity of all processes and programs within its credentialing programs. To ensure this integrity, NATP adheres to the highest standards of professional conduct. NATP credential holders agree to abide by these standards of professional conduct as a requirement to earn and maintain an NATP credential. Each credential holder receives a copy of the standards of professional conduct, which is also available on the NATP website.

# Credential requirements

Absent clear and convincing evidence of reform and rehabilitation, the following individuals are not eligible for credential recognition:

Individuals who have been convicted or pled guilty to incompetence and/or disreputable conduct, or conduct which would reflect negatively against the association, its members and credential holders including but not limited to:

- Conviction of any criminal offense under federal or state tax laws, and/or crimes involving theft, fraud or embezzlement
- Individuals who, during the 10 years prior to application for an NATP credential, have been the subject of a civil suit settlement or judgment involving theft, fraudulent taking or embezzlement of an amount greater than $5,000
- Conduct which that the professional unfit to represent before the Internal Revenue Service

- Conviction of any felony under federal or state law, crimes involving theft of information or other cyber-related crimes, and/or disreputable conduct which results in disbarment or suspension from practice as a member of a recognized professional body, board or federal agency

If you cannot meet these requirements, please contact ethics@natptax.com.

# Use of the AITP and AAITP marks

Credential holders may display the credential logo, mark or badge only after they have officially earned the credential. Use must cease immediately if the credential expires, is suspended, revoked or otherwise lapses. The mark must always be used in a way that truthfully reflects the holder's individual status and may not suggest organizational or program-level credentialing. To maintain consistency and integrity, the logo or badge may not be altered in any way, including changes to color, shape or text, and must be reproduced only from the official files provided by NATP or its authorized partner, Sertifier.

# Credential maintenance and renewal requirements

To maintain an active AITP or AAITP credential, individuals must complete annual continuing education, renew their credential each year and pay an annual renewal fee. These requirements ensure credential holders remain current on federal tax law, understand annual filing season updates and uphold the ethical standards expected of professional tax practitioners. The structure of NATP's continuing education requirements aligns closely with the framework used for credentialed tax preparers participating in the IRS Annual Filing Season Program.

Credential holders must complete 15 hours of qualifying continuing education between Jan. 1 and Dec. 31 each year, including 10 hours of Federal Tax Law, 3 hours of Tax Law Updates and 2 hours of Ethics. Qualifying education must relate to federal individual taxation and be provided by a recognized education provider through delivery formats such as seminars, conferences, webinars, online courses or self-study programs. Continuing education hours must be reported during the annual renewal process. Credential holders must also maintain documentation of completed education and provide proof of completion if selected for a credential audit.

# Audit policy

NATP may audit renewal submissions to confirm accuracy and compliance with credential requirements. Failure to respond or provide evidence of compliance may result in suspension or revocation of the credential.

# Failing an exam and exam retakes

Candidates who do not pass an NATP credential exam may retake it by purchasing a new exam. After purchase, candidates receive access to the exam through NATP's online learning management system. Each exam fee covers a single exam attempt.

The exam may be taken at any time, day or night. Exam access may be unavailable for a short period of time during the month of April while NATP updates exam content.

# Reinstatement

If a credential holder fails to renew their credential, pay required renewal fees or comply with the NATP Standards of Professional Conduct, their credential will be suspended. When this occurs, the individual will receive written notice stating that they are no longer credentialed and may not represent themselves as holding the NATP credential in any professional communications, including letterhead, stationery, business cards, directory listings or email signatures. At that time, access to credential marks and certificates through Sertifier will also be removed.

Accredited status may be reinstated in one of the following ways:

- Sitting for and satisfactorily completing the examination at any time after the accredited status has expired
- Submitting renewal fees and providing NATP with evidence of acceptable continuing education completed within the 12 months prior to the reinstatement filing date
- A decision of the NATP credential oversight committee or the board in special or extenuating circumstances

# Questions or appeals

Candidates who have a question about the credentialing process, or who wish to appeal an exam result, must submit their request in writing within 30 days of the exam. Submissions must include:

- The candidate's full name
- Contact information
- Credential ID (if applicable)
- A clear description of the question, concern or appeal
- Supporting documentation or evidence, as applicable

All submissions should be sent to credentials@natptax.com. NATP will review all inquiries in accordance with established policies and candidates will receive a written response with the decision.

Appeals or complaints submitted after the 30-day deadline will not be accepted. Since every exam question undergoes extensive review and validation during the development process, candidates may not file appeals to dispute individual questions or answers. Additionally, to maintain the security and integrity of NATP examinations, test questions will not be released, and candidates will not be provided with their specific responses or whether those responses were marked correct or incorrect.

## Sample exam questions

These sample questions show the types of questions and difficulty levels you can expect on the exams. They are meant to help you get comfortable with how questions are presented. Select the best answer for each question. The correct answers and explanations are provided on the pages that follow.

# Accredited Individual Tax Professional (AITP) sample questions

1. Priya and Marco were legally married on Dec. 31, 2025, but lived apart for most of the year. They are not legally separated under a divorce or separate maintenance decree. Priya wants to file as single because she paid her own expenses and did not live with Marco at year-end. Which filing status conclusion is correct?

    A. Priya may file as single because she and Marco lived apart at year-end.
    B. Priya must file as head of household because she did not live with Marco at year-end.
    C. Priya must use either married filing jointly or married filing separately unless she qualifies under a specific exception.
    D. Priya may choose any filing status that produces the lowest tax liability.

2. Marie is unmarried and has a 4-year-old child who lived with her all year. Marie paid $5,800 to a licensed daycare provider so she could work. She has earned income and no dependent care benefits. What amount of expenses may be used to calculate the credit before applying the applicable percentage?

    A. $0
    B. $3,000
    C. $5,800
    D. $6,000

3. Nolan, age 39, is covered by a qualifying self-only high-deductible health plan (HDHP) for all of 2025. Nolan's employer contributes $1,200 to his health savings account (HSA) during the year. Nolan is not enrolled in Medicare and is not claimed as a dependent. What additional amount may Nolan contribute and deduct for 2025?

    A. $1,200
    B. $3,100
    C. $4,300
    D. $5,500

4. Casey is employed full-time as a software developer. On weekends, Casey restores vintage bicycles and sells them online. During 2025, Casey bought parts, repaired bicycles, advertised the bikes for sale, kept records of costs and sales, and completed 18 sales for a profit. Casey receives Form 1099-K, *Payment Card and Third Party Network Transactions*, for the online payments. What is the best reporting treatment?

   A. Report the activity as a hobby because Casey has a full-time job outside the bicycle activity.
   B. Report only the amount shown on Form 1099-K as other income with no expenses.
   C. Report the activity as a capital transaction because Casey is selling personal property online.
   D. Report the net income on Schedule C, *Profit or Loss From Business*, because the activity appears to be a trade or business.

5. A small tax firm stores client tax return files, Social Security numbers (SSNs) and income documents electronically. The firm owner says a written data security plan is unnecessary because the firm has only two employees and uses commercial tax software. Which statement best reflects the firm's data security responsibility?

   A. The firm should have a written information security plan (WISP) tailored to its size, operations and client data.
   B. The firm does not need a written data security plan if it uses commercial tax software.
   C. The firm only needs a written data security plan if it has a data breach.
   D. The firm may rely on employees to decide individually how to store and transmit client documents.

# AITP answer key and explanations

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|---|---|---|
| 1. | **C** | Correct. A taxpayer who is married on the last day of the year generally must use married filing jointly or married filing separately unless the taxpayer qualifies under a specific rule, such as being considered unmarried for head of household purposes. |
| 2. | **B** | Correct. For one qualifying person, the maximum expenses used to calculate the child and dependent care credit are limited to $3,000, even though Marie paid $5,800. |
| 3. | **B** | Correct. Nolan's remaining allowable contribution is $4,300 - $1,200 = $3,100. Employer contributions are already tax-favored and reduce the amount Nolan may contribute and deduct for the year. |
| 4. | **D** | An activity carried on with continuity, regularity and a profit motive is generally treated as a trade or business. Casey should report the income and related ordinary and necessary business expenses on Schedule C, *Profit or Loss From Business*, and the net earnings may be subject to self-employment tax. |
| 5. | **A** | Tax professionals are required to protect taxpayer data and should maintain a WISP that addresses risks, safeguards, employee practices and procedures for protecting client information. |

# Advanced Accredited Individual Tax Professional (AAITP) sample questions

1. A taxpayer exchanges Bitcoin held for investment for Ethereum during 2025. The taxpayer does not receive any U.S. dollars. Which statement is correct?

   A. The exchange qualifies for like-kind exchange treatment.
   B. The transaction is nontaxable because the taxpayer did not convert the Bitcoin to cash.
   C. The transaction is reportable only if the taxpayer receives Form 1099-DA, *Digital Asset Proceeds From Broker Transactions*.
   D. The exchange is a reportable disposition, and the taxpayer must determine gain or loss.

2. A taxpayer pays a household employee $3,200 in cash wages during 2025. The employee is not the taxpayer's spouse, parent or child under age 21. Which statement is correct?

   A. No employment tax issue exists because the work was performed in the taxpayer's home.
   B. The taxpayer may need to report household employment taxes on Schedule H (Form 1040), *Household Employment Taxes*.
   C. The taxpayer reports the payments only as a charitable contribution.
   D. The employee must report the income, so the taxpayer has no payroll tax responsibility.

3. A taxpayer sells investment land using the installment method. The gross profit is $60,000 and the contract price is $150,000. The taxpayer receives a $25,000 principal payment in the year of sale. How much gain is generally reported for the year?

   A. $10,000
   B. $15,000
   C. $25,000
   D. $60,000

4. A 74-year-old taxpayer must take a $20,000 required minimum distribution (RMD) from a traditional IRA for 2025. The taxpayer also wants to donate $15,000 to a qualified public charity and does not expect to itemize deductions. Which strategy may provide the best tax result?

   A. Take the full $20,000 RMD, deposit it into a 529 plan and claim a charitable deduction for $15,000
   B. Direct the IRA trustee to transfer $15,000 to the qualified charity as a qualified charitable distribution (QCD) and take the remaining $5,000 RMD personally.
   C. Withdraw $20,000 from the IRA, give $15,000 to charity and exclude the $15,000 from income without reporting it.
   D. Roll the $20,000 RMD into a Roth IRA and make the charitable gift from the Roth IRA

5. A U.S. citizen works in Germany during 2025 and earns $160,000 of foreign wages. The taxpayer qualifies for and elects the foreign earned income exclusion. The taxpayer paid German income tax on the full $160,000. How should the German income tax generally be treated for foreign tax credit purposes?

   A. The taxpayer may claim the foreign tax credit for all German income tax paid because Germany taxed the full $160,000.
   B. The taxpayer must choose between the foreign earned income exclusion and the foreign tax credit for all foreign wages earned during the year.
   C. The taxpayer may claim the foreign tax credit only for German tax allocable to the foreign wages exceeding the excluded amount.
   D. The taxpayer should claim the German income tax as U.S. federal income tax withholding on Form 1040.

# AAITP answer key and explanations

| | | |
|---|---|---|
| 1. | **D** | Digital assets are generally treated as property for federal income tax purposes. Exchanging one digital asset for another may result in taxable gain or loss, even if no U.S. dollars are received. |
| 2. | **B** | For 2025, Social Security and Medicare taxes generally apply when a household employer pays a household worker $2,800 or more in cash wages. Schedule H (Form 1040) is used to report household employment taxes when applicable. |
| 3. | **A** | The gross profit percentage is $60,000 / $150,000 = 40%. The gain reported for the year is $25,000 x 40% = $10,000. Under the installment method, gain is generally reported as payments are received using the gross profit percentage. |
| 4. | **B** | A QCD is a nontaxable distribution made directly by an IRA trustee to an eligible charitable organization. A QCD can satisfy all or part of the taxpayer's RMD, which may reduce taxable income even when the taxpayer does not itemize deductions. |
| 5. | **C** | For 2025, the taxpayer may exclude up to $130,000 of qualifying foreign earned income. The taxpayer can't claim the foreign tax credit for German tax allocable to the excluded wages but may be able to claim the credit for foreign tax allocable to the $30,000 of wages exceeding the excluded amount. |

 