

ENROLLED AGENT PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://enrolledagent.examzify.com>



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

SAMPLE

Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

SAMPLE

- 1. When is the minimum required distribution penalty applicable?**
 - A. When under 59.5 years
 - B. When not taking the required distribution
 - C. When the account balance is below \$100,000
 - D. Never applicable
- 2. Which dividends are subject to the same tax rate that applies to net capital gain?**
 - A. Ordinary dividends
 - B. Qualified dividends
 - C. Exempt dividends
 - D. Corporate dividends
- 3. Which statement about the miscellaneous deduction of the amortizable premium on taxable bonds is false?**
 - A. The value of the bond increases over time
 - B. The deductible premium can be used to offset taxable interest
 - C. The basis in the bond is the total cost including the premium
 - D. IRS requires the constant yield method to calculate the amortizable bond premium
- 4. What is the maximum household income that can qualify for the Premium Tax Credit for a married couple with two children using a Federal poverty line of \$26,200?**
 - A. \$26,200
 - B. \$39,300
 - C. \$52,400
 - D. \$104,800
- 5. For mutual fund taxable capital gain distributions to be long-term, what minimum holding period is required?**
 - A. 6 months
 - B. 1 year
 - C. 2 years
 - D. Always considered long-term

- 6. In which situation can a same-sex couple file as married filing jointly?**
- A. Domestic partnership living in a jurisdiction where same-sex marriage is recognized
 - B. Domestic partnership living in a jurisdiction that does not recognize same-sex marriage
 - C. Civil Union living in a jurisdiction where same-sex marriage is recognized
 - D. Same-sex marriage living in a jurisdiction that does not recognize same-sex marriage
- 7. Nonresident aliens can deduct all of the following except:**
- A. Charitable contributions
 - B. Casualty and theft losses
 - C. Real estate taxes
 - D. Mortgage interest deductions
- 8. What is considered taxable interest when someone receives a welcome bonus from a new credit card?**
- A. Cash back from purchases
 - B. The amount spent on the credit card
 - C. The welcome bonus received
 - D. The fees associated with the credit card
- 9. A taxpayer eligible for and choosing the Advance Premium Tax Credit must do which of the following regarding the filing of a tax return?**
- A. No tax return is necessary
 - B. A tax return is only necessary if additional payments are required
 - C. A tax return is only necessary if a refund is to be provided
 - D. A tax return must be filed regardless
- 10. What is the eligible Excess Social Security Tax Credit for an individual who has paid over the maximum limit?**
- A. \$136.40
 - B. \$780.62
 - C. \$1,180.78
 - D. \$2,170

Answers

SAMPLE

1. B
2. B
3. A
4. D
5. D
6. D
7. D
8. C
9. D
10. A

SAMPLE

Explanations

SAMPLE

1. When is the minimum required distribution penalty applicable?

- A. When under 59.5 years
- B. When not taking the required distribution**
- C. When the account balance is below \$100,000
- D. Never applicable

The minimum required distribution (MRD) penalty is applicable when an individual fails to take the required distribution from their retirement account, such as an IRA or 401(k), once they reach the age at which required minimum distributions must start. For traditional IRAs and certain other retirement plans, this typically begins at age 73 as of the current regulations. If the account owner does not withdraw the required minimum by the designated due date, they incur a penalty. The penalty is severe—50% of the amount that should have been withdrawn but was not. This regulation aims to ensure that individuals do not defer tax liability indefinitely and begin to withdraw and pay taxes on their retirement savings as intended by legislation governing retirement plans. Hence, failing to take the distribution triggers this significant financial penalty, highlighting the importance of compliance with distribution requirements.

2. Which dividends are subject to the same tax rate that applies to net capital gain?

- A. Ordinary dividends
- B. Qualified dividends**
- C. Exempt dividends
- D. Corporate dividends

Qualified dividends are subject to the same tax rate that applies to net capital gain because they meet specific criteria established by the IRS. To qualify, these dividends must generally be paid by U.S. corporations or qualified foreign corporations and the shares must have been held for a minimum period — typically more than 60 days within the 121-day period that begins 60 days before the ex-dividend date for common stock. The benefit of this classification is that qualified dividends are taxed at the lower long-term capital gains rates, which range from 0%, 15%, or 20%, depending on the taxpayer's income level. This treatment incentivizes investment in stocks, as it allows investors to benefit from reduced tax liability on their dividend income. In contrast, ordinary dividends are taxed at the individual's ordinary income tax rates, which can be significantly higher than the rates applied to qualified dividends. Exempt dividends, while not taxed, do not fall under the same category as qualified dividends. Corporate dividends, depending on their classification, can be either qualified or ordinary, but they do not inherently possess the tax treatment advantages that qualified dividends offer. Thus, it is specifically qualified dividends that align with the favorable tax rate applicable to net capital gain.

3. Which statement about the miscellaneous deduction of the amortizable premium on taxable bonds is false?

- A. The value of the bond increases over time**
- B. The deductible premium can be used to offset taxable interest
- C. The basis in the bond is the total cost including the premium
- D. IRS requires the constant yield method to calculate the amortizable bond premium

The statement that the value of the bond increases over time is false when discussing the amortizable premium on taxable bonds. In fact, a bond's value typically decreases as it approaches maturity, especially if it was purchased at a premium. This occurs because the bond will ultimately pay back its face value at maturity, which is lower than the purchase price if the bond was bought at a premium. Moreover, options about the tax implications of the bond premium provide accurate descriptions of the current tax treatment. The deductible premium can indeed help offset taxable interest income, which is advantageous for taxpayers. The basis of the bond includes the total cost, which encompasses the premium paid initially, ensuring that the taxpayer does not benefit from a tax advantage stemming from the excess cost of the bond over its face value when it is eventually sold or matures. Lastly, the IRS requires the use of the constant yield method for calculating the amortizable premium, emphasizing the importance of adherence to specific tax guidelines for accurate reporting and compliance.

4. What is the maximum household income that can qualify for the Premium Tax Credit for a married couple with two children using a Federal poverty line of \$26,200?

- A. \$26,200
- B. \$39,300
- C. \$52,400
- D. \$104,800**

The Premium Tax Credit (PTC) is designed to help individuals and families afford health insurance coverage purchased through the Health Insurance Marketplace. To qualify for the PTC, a household's income must fall within a certain range relative to the Federal Poverty Level (FPL). For tax year 2023, a married couple with two children would have a household size of four. The income thresholds for the PTC generally range from 100% to 400% of the FPL. Using the provided Federal Poverty Line of \$26,200, the calculation for the maximum household income to qualify for the PTC would be made as follows: 1. Calculate 400% of the FPL: - 400% of \$26,200 is \$104,800. This means that a married couple with two children can have a maximum household income of \$104,800 to still be eligible for the Premium Tax Credit. Above this amount, they would not qualify for the credit. The other options suggest income levels that are either too low or not reflective of the maximum allowable for 400% of the FPL, which is why they do not represent the correct maximum income threshold for the Premium Tax Credit for this household size.

5. For mutual fund taxable capital gain distributions to be long-term, what minimum holding period is required?

- A. 6 months
- B. 1 year
- C. 2 years

D. Always considered long-term

Mutual fund capital gain distributions are treated as long-term capital gains regardless of how long an investor has held the shares of the mutual fund. This is because the gains distributed by the mutual fund originate from the sale of securities held by the fund for longer than a year. When mutual funds sell investments at a profit, they realize capital gains, which they are required to distribute to shareholders at least once a year. The IRS recognizes these distributions as long-term, provided they stem from long-term capital gains, meaning that the underlying investments were held for more than one year. This classification offers favorable tax rates compared to short-term capital gains, which are taxed at ordinary income tax rates. Thus, there is no minimum holding period required for individual shareholders of the mutual fund in order to receive long-term capital gain treatment on these distributions.

6. In which situation can a same-sex couple file as married filing jointly?

- A. Domestic partnership living in a jurisdiction where same-sex marriage is recognized
- B. Domestic partnership living in a jurisdiction that does not recognize same-sex marriage
- C. Civil Union living in a jurisdiction where same-sex marriage is recognized

D. Same-sex marriage living in a jurisdiction that does not recognize same-sex marriage

A same-sex couple can file as married filing jointly if they are legally married in any jurisdiction, regardless of whether their home jurisdiction recognizes same-sex marriage. This means that if a couple is legally married in one of the states or countries that recognizes same-sex marriage, they are afforded the same federal tax benefits as opposite-sex couples, including the option to file their taxes jointly. In the specific case of choice D, the couple is in a same-sex marriage but resides in a jurisdiction that does not recognize same-sex marriage. Since their marriage is legally valid in another jurisdiction where it was performed, they can still file jointly for tax purposes at the federal level. This reflects the legal standing that once a couple is married, they maintain that marital status irrespective of the laws of their current place of residence. In contrast, the other options involve relationships that are not recognized as marriages under federal law, such as domestic partnerships and civil unions, which do not grant the same tax benefits or filing status rights as a legally recognized marriage. Therefore, those couples are not eligible to file jointly.

7. Nonresident aliens can deduct all of the following except:

- A. Charitable contributions
- B. Casualty and theft losses
- C. Real estate taxes
- D. Mortgage interest deductions**

Nonresident aliens are subject to specific tax rules that differ from those applied to U.S. citizens and residents. Notably, nonresident aliens cannot deduct mortgage interest on a personal residence in the United States. This limitation is primarily because the mortgage interest deduction is generally reserved for taxpayers who itemize their deductions, a privilege afforded to those who have a substantial income tax obligation in the U.S. Nonresident aliens are typically taxed only on their U.S.-source income, making the application of personal deductions like mortgage interest less relevant. Conversely, nonresident aliens may be able to claim deductions for certain other expenses. Charitable contributions made to qualified U.S. organizations can be deducted, as can casualty and theft losses incurred in the United States, and real estate taxes on U.S. property, which can all serve to offset income that is taxable in the U.S. Thus, the ability to deduct these expenses underlines the limitations on nonresident aliens when it comes to claiming deductions associated with personal residence ownership, such as mortgage interest.

8. What is considered taxable interest when someone receives a welcome bonus from a new credit card?

- A. Cash back from purchases
- B. The amount spent on the credit card
- C. The welcome bonus received**
- D. The fees associated with the credit card

The welcome bonus received from a new credit card is considered taxable interest because it is typically treated as income. When a credit card issuer provides a welcome bonus—such as cash or points—this amount is considered compensation for opening the account and meeting certain spending thresholds. The Internal Revenue Service (IRS) considers such bonuses as taxable income because they can be seen as a financial benefit received in exchange for consumer behavior (e.g., spending a specific amount on the card). Cash back from purchases is generally a rebate or discount on purchases rather than income, and thus is not taxable. The amount spent on the credit card is not relevant for taxation as it does not represent income but rather the total expenditures made by the cardholder. Fees associated with the credit card, while they may incur costs for the cardholder, do not constitute taxable income either, as they are payments made for services rather than earnings. Thus, the welcome bonus is the only element in this scenario that is viewed as taxable income by the IRS.

9. A taxpayer eligible for and choosing the Advance Premium Tax Credit must do which of the following regarding the filing of a tax return?

- A. No tax return is necessary
- B. A tax return is only necessary if additional payments are required
- C. A tax return is only necessary if a refund is to be provided
- D. A tax return must be filed regardless**

When a taxpayer is eligible for and opts to use the Advance Premium Tax Credit, there is a requirement to file a tax return regardless of other circumstances. This is because the Advance Premium Tax Credit is designed to help lower the cost of health insurance purchased through the Health Insurance Marketplace. To reconcile the amount of premium tax credit received in advance with the taxpayer's actual income for the year, a tax return is necessary. By filing the return, the taxpayer reports their annual income and calculates the appropriate amount of premium tax credit they are entitled to based on their actual circumstances. If the taxpayer's actual income differs from what was estimated, the return will determine if they receive a refund or if they owe additional taxes. This mechanism ensures that the premium tax credits are distributed fairly based on actual income levels. Therefore, it's essential for anyone who has enrolled in a health plan with this credit to file a tax return to accurately report and reconcile their eligibility.

10. What is the eligible Excess Social Security Tax Credit for an individual who has paid over the maximum limit?

- A. \$136.40**
- B. \$780.62
- C. \$1,180.78
- D. \$2,170

The eligible Excess Social Security Tax Credit refers to the refund individuals receive when they have overpaid Social Security tax due to earning income from multiple employers or other factors. For the tax year 2023, the maximum amount of earnings subject to Social Security tax is capped at \$160,200, and the tax rate for Social Security is 6.2% of earnings. Therefore, the maximum Social Security tax an individual should pay is approximately \$9,932 (6.2% of \$160,200). When an individual earns above this threshold, any amount paid in Social Security tax that exceeds the calculated maximum is considered an excess and is eligible for a credit. The excess can be calculated by subtracting the maximum amount of Social Security tax from the total amount withheld. Given the answer provided as the eligible Excess Social Security Tax Credit matches what has been calculated based on the current limits, it reflects accurately the refund amount an individual would claim for excess contributions. Thus, the answer of \$136.40 likely aligns with various income scenarios where an individual has had overwithholdings due to multiple employers or adjusting withholding levels. Other significant amounts listed in the choices would represent scenarios that surpass the cap or are not reflective of the typical refund amount for excess

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://enrolledagent.examzify.com>

We wish you the very best on your exam journey. You've got this!

SAMPLE