

INTUIT ACADEMY TAX PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://intuit-tax.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. Ava, a single accountant earning \$35,000, can reduce her adjusted gross income through which deduction?**
 - A. Student Loan Interest Deduction
 - B. Health Savings Account Deduction
 - C. Traditional IRA Deduction
 - D. Charitable Contributions Deduction

- 2. Taxpayer A and B are married and filing jointly with a gross income of \$80,000. Are child support payments made by Taxpayer A deductible?**
 - A. Yes, they can be deducted
 - B. No, they cannot be deducted
 - C. Yes, if reported correctly
 - D. No, only if the children are dependents

- 3. For Alexa's taxable income, what would happen if she did not calculate her underpayment penalty?**
 - A. It will not be assessed
 - B. She could face additional fines
 - C. The IRS will calculate it for her
 - D. She can request a waiver

- 4. Can the standard deduction reduce a taxpayer's tax liability?**
 - A. Yes, it can reduce the tax liability
 - B. No, it does not affect liability
 - C. Yes, but only for certain taxpayers
 - D. No, unless itemized deductions exceed it

- 5. What is the total income tax calculated for a taxpayer earning \$350,000 considering the specific tax law?**
 - A. \$30,000
 - B. \$32,000
 - C. \$28,000
 - D. Non of the above

- 6. What type of interest income is generally not taxed?**
- A. Interest income from corporate bonds
 - B. Interest income from municipal bonds
 - C. Interest from savings accounts
 - D. Interest from foreign banks
- 7. Does the \$9 of interest income from Wells Fargo Bank need to be reported on Form 1040?**
- A. Yes, it is reportable and taxable
 - B. No, it is not reportable
 - C. Yes, but only if it exceeds \$10
 - D. No, it can be ignored
- 8. What are the eligibility requirements for a 401(k) retirement plan?**
- A. Must have a college degree and work full-time
 - B. Employees must meet minimum age and service requirements set by the employer
 - C. Employment must be part-time with annual average income
 - D. No requirements other than employment status
- 9. What is one of the tests that must be satisfied for a taxpayer's child to be considered a qualifying child?**
- A. Support Test
 - B. Income Test
 - C. Dependency Test
 - D. Relationship Test
- 10. What is the tax treatment of life insurance proceeds received by a taxpayer?**
- A. They are included in gross income
 - B. They are tax-exempt and excluded from gross income
 - C. They can be partially taxed depending on the state
 - D. They are subject to capital gains tax

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Ava, a single accountant earning \$35,000, can reduce her adjusted gross income through which deduction?

- A. Student Loan Interest Deduction**
- B. Health Savings Account Deduction
- C. Traditional IRA Deduction
- D. Charitable Contributions Deduction

The Student Loan Interest Deduction is a valuable way for individuals like Ava to reduce their adjusted gross income (AGI). This deduction allows qualifying taxpayers to deduct up to \$2,500 of interest paid on student loans, which can directly lower the amount of income subject to taxation. This is particularly relevant for single taxpayers, such as Ava, who may be in the process of repaying student loans while working. Since she is earning \$35,000, utilizing this deduction can provide her with tax savings, making it a beneficial option for reducing her overall taxable income. The other choices, such as the Health Savings Account Deduction, the Traditional IRA Deduction, and the Charitable Contributions Deduction, can also serve as methods to deduct amounts from income or adjust AGI, but the Student Loan Interest Deduction specifically permits a deduction based on interest paid on student loans that is generally available even for individuals who do not itemize their deductions, thus making it a widely applicable option for someone in Ava's situation.

2. Taxpayer A and B are married and filing jointly with a gross income of \$80,000. Are child support payments made by Taxpayer A deductible?

- A. Yes, they can be deducted
- B. No, they cannot be deducted**
- C. Yes, if reported correctly
- D. No, only if the children are dependents

Child support payments made by Taxpayer A are not deductible. The tax code specifically states that child support is considered a non-deductible personal expense. This means that the payor cannot deduct child support payments from their taxable income, regardless of their filing status or income level. Additionally, child support does not create a taxable event for the recipient; they do not have to report it as income. This principle aims to ensure that the money designated for the child's support is used for that purpose and is not subject to taxation. Therefore, regardless of the specific circumstances around the payments, the fundamental tax treatment of child support remains the same: it is not deductible for the payer.

3. For Alexa's taxable income, what would happen if she did not calculate her underpayment penalty?

- A. It will not be assessed
- B. She could face additional fines
- C. The IRS will calculate it for her**
- D. She can request a waiver

If Alexa did not calculate her underpayment penalty, the IRS has the authority to calculate it for her. This means that the IRS will review her tax situation and determine whether an underpayment penalty applies based on her tax filings and payments made throughout the year. The IRS uses specific criteria and formulas to ascertain whether the taxpayer has sufficient payments and if there is an outstanding balance that could incur a penalty. This outcome emphasizes the IRS's role in ensuring compliance with tax laws, highlighting that taxpayers cannot merely avoid penalties by neglecting their calculations. It is important for taxpayers to understand that, while they can calculate their underpayment penalties themselves, if they do not, the IRS will step in to enforce regulations and may impose penalties they determine to be applicable. The other options, while potentially relevant in different contexts, do not accurately describe the IRS's process. The IRS does not simply refrain from assessing a penalty because it wasn't calculated, nor does it automatically impose additional fines beyond the established penalty framework. Requesting a waiver of the penalty is possible but typically requires valid grounds, which does not apply in the scenario where there is a straight failure to calculate the underpayment.

4. Can the standard deduction reduce a taxpayer's tax liability?

- A. Yes, it can reduce the tax liability**
- B. No, it does not affect liability
- C. Yes, but only for certain taxpayers
- D. No, unless itemized deductions exceed it

The standard deduction indeed plays a crucial role in reducing a taxpayer's tax liability. It functions as a flat deduction that taxpayers can subtract from their adjusted gross income (AGI) to determine their taxable income. When a taxpayer takes the standard deduction, it lowers their overall income that is subject to taxation, resulting in a reduced tax liability. This is especially beneficial for those who may not have enough eligible expenses to itemize deductions or who choose the simplicity of the standard deduction for tax filing. The standard deduction applies universally, with specific amounts set each tax year that depend on factors such as filing status, age, and disability status. This means that nearly all taxpayers can utilize it to lower their taxable income. In contrast, the other choices suggest limitations or misunderstandings about the standard deduction's applicability and impact, whereas the reality is that it serves as a fundamental component of the tax reduction strategy for most taxpayers.

5. What is the total income tax calculated for a taxpayer earning \$350,000 considering the specific tax law?

- A. \$30,000
- B. \$32,000
- C. \$28,000

D. Non of the above

The correct choice reflects that none of the provided options accurately represents the total income tax calculated for a taxpayer earning \$350,000 under the specific tax law in question. To understand why this is the case, it is important to consider the progressive nature of the tax system. Typically, income taxes are assessed in brackets, where portions of income are taxed at different rates. For an income of \$350,000, it is necessary to apply the tax rates relevant for that year to the income segments in order to accurately compute the total tax liability. Given the high income amount, the applicable tax rates might include multiple brackets, and calculating the total tax liability would involve considering taxes owed on each segment of income according to those brackets. Since the sum of these calculations for a \$350,000 income will most likely exceed the amounts presented in the options, it reinforces that none of the listed figures (30,000, 32,000, 28,000) reflect the accurate tax liability. To arrive at a correct total income tax, it's essential to be aware of current tax rates and how they apply at various income levels, which likely leads to a figure greater than 32,000 for such earnings. Consequently, it is evident that "

6. What type of interest income is generally not taxed?

A. Interest income from corporate bonds

B. Interest income from municipal bonds

C. Interest from savings accounts

D. Interest from foreign banks

Interest income from municipal bonds is generally not taxed at the federal level, which is a significant advantage compared to other types of interest income. Municipal bonds are issued by state and local governments to fund various projects, and the interest earned on these bonds is often exempt from federal income tax. This tax advantage makes municipal bonds an attractive investment choice for individuals in higher tax brackets. In contrast, interest income from corporate bonds, savings accounts, and foreign banks is subject to federal income tax. Corporate bonds typically yield higher interest rates, but that income is fully taxable. Interest earned from savings accounts is also taxable and reported on the individual's tax return. Lastly, interest from foreign banks may be subject to taxation as well, typically requiring reporting on a foreign income or financial account in addition to regular income reporting. Thus, the exemption of municipal bond interest from federal taxation is what sets it apart in this context.

7. Does the \$9 of interest income from Wells Fargo Bank need to be reported on Form 1040?

- A. Yes, it is reportable and taxable**
- B. No, it is not reportable
- C. Yes, but only if it exceeds \$10
- D. No, it can be ignored

The correct answer indicates that the \$9 of interest income from Wells Fargo Bank must be reported on Form 1040 because all interest income, regardless of the amount, is taxable and should be included on your tax return. The IRS requires taxpayers to report all income, and although the amount may seem minimal, it is still considered part of total income for the year. The rationale behind this requirement is that even small amounts of income can add up over time, and failure to report any income could lead to issues with tax compliance. Additionally, under tax regulations, there is no minimum threshold for reporting interest income; every dollar counts towards your tax liability. Rather than stating that certain amounts can be ignored, it's important to recognize that accurate record-keeping and reporting of income, including interest earned from financial institutions, is crucial for maintaining compliance and ensuring that the tax return reflects the true financial situation of the taxpayer.

8. What are the eligibility requirements for a 401(k) retirement plan?

- A. Must have a college degree and work full-time
- B. Employees must meet minimum age and service requirements set by the employer**
- C. Employment must be part-time with annual average income
- D. No requirements other than employment status

The correct choice highlights that employees must meet minimum age and service requirements set by the employer to be eligible for a 401(k) retirement plan. This is an important aspect because the Internal Revenue Service (IRS) allows employers to define their own requirements regarding how long employees must work at the company and what age they must be to participate in the plan. Employers often set service requirements, such as being employed for a certain period (like one year) before becoming eligible for the plan. Additionally, there may be age thresholds, commonly set at 21 years old, to ensure that employees have reached a mature age before they can start contributing to and benefiting from the retirement plans. In contrast, other options suggest criteria that are typically not required for 401(k) eligibility. A college degree and full-time status are not mandatory; employees can still participate if they meet the age and service requirements, regardless of their educational background or employment classification. Moreover, part-time employment can also qualify for participation in 401(k) plans if the employer's plan allows it, meaning the income aspect alone doesn't determine eligibility. Lastly, it is not accurate to state that there are no requirements other than employment status, as age and service criteria are fundamental to the

9. What is one of the tests that must be satisfied for a taxpayer's child to be considered a qualifying child?

- A. Support Test
- B. Income Test
- C. Dependency Test
- D. Relationship Test**

To determine whether a taxpayer's child qualifies as a qualifying child, the relationship test is crucial. This test stipulates that the child must be the taxpayer's biological child, stepchild, adopted child, or a foster child, and they must reside with the taxpayer for more than half of the year. Successfully meeting this criterion is essential for claiming tax benefits such as the Child Tax Credit. By confirming the relationship, the Internal Revenue Service (IRS) ensures that tax benefits are provided to individuals who have a significant familial bond with the child in question. Other tests, like the support test, income test, and dependency test, while important in the overall assessment, are secondary to establishing the foundational relationship between the taxpayer and the child. These tests evaluate factors like financial support and income levels, but without passing the relationship test, the child cannot be classified as a qualifying child for tax purposes.

10. What is the tax treatment of life insurance proceeds received by a taxpayer?

- A. They are included in gross income
- B. They are tax-exempt and excluded from gross income**
- C. They can be partially taxed depending on the state
- D. They are subject to capital gains tax

Life insurance proceeds received by a taxpayer are generally tax-exempt and excluded from gross income. This means that when a beneficiary receives a death benefit from a life insurance policy, they do not have to report that amount as income on their federal tax return, nor do they have to pay any taxes on it. This tax treatment is designed to provide financial relief to beneficiaries during what is often a difficult time, ensuring that they can utilize the full amount of the insurance benefit for their needs without the burden of additional taxation. While there might be certain exceptions (for example, if the policy was sold for a profit or if interest on the proceeds is earned), the overarching rule is that the face value of life insurance benefits received due to the insured's death is not subject to income tax.

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://intuit-tax.examzify.com>

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

SAMPLE