

Registered Tax Return Preparer RTRP Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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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

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1. What is the standard deduction for a single filer in 2023?

- A. \$12,950
- B. \$13,850
- C. \$14,050
- D. \$15,000

2. How are educational expenses generally treated for tax purposes?

- A. Always deductible without limitation
- B. They can qualify for various credits and deductions if eligible
- C. Fully taxable income
- D. Not deducted at all

3. What criteria are required for taxpayers to automatically receive a 2-month extension for filing?

- A. Residing outside the US, working in a foreign country only
- B. Traveling abroad for leisure purposes
- C. Living in a US territory, non-resident alien
- D. Military or naval service outside of the US or Puerto Rico

4. Which income is not subject to U.S. income tax?

- A. Certain forms of foreign income
- B. Wages from part-time jobs
- C. Dividends from U.S. corporations
- D. Interest from savings accounts

5. What criteria must be met for a taxpayer to be eligible for the American Opportunity Tax Credit?

- A. Enrollment in any course of study
- B. Enrollment in an eligible degree or certificate program
- C. A minimum age requirement
- D. Residence in a specific state

6. Which of the following is NOT a test for qualifying a child for EIC?

- A. Age**
- B. Residency**
- C. Joint Return**
- D. Net Worth**

7. What is a key requirement for a taxpayer to qualify for Head of Household (HOH) status?

- A. Must be married**
- B. Must have no dependents**
- C. Must have significant business income**
- D. Must be unmarried or "considered unmarried" and provide more than 1/2 upkeep of the home**

8. What is the recovery period for non-residential real property?

- A. 27.5 years**
- B. 39 years**
- C. 45 years**
- D. 50 years**

9. What is the late payment penalty imposed on taxpayers?

- A. 1/2 of 1% of any tax not paid by regular due date, charged per month**
- B. \$1,000 flat fee**
- C. Percentage based on annual income**
- D. Maximum of \$500**

10. Which form is used to report self-employment income?

- A. Schedule A (Form 1040)**
- B. Schedule C (Form 1040)**
- C. Form 1099**
- D. Form 1040-SR**

Answers

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

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Explanations

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1. What is the standard deduction for a single filer in 2023?

- A. \$12,950
- B. \$13,850**
- C. \$14,050
- D. \$15,000

The standard deduction for a single filer in 2023 is \$13,850. This amount represents a significant tax advantage, as taxpayers can subtract it from their taxable income, effectively lowering their overall tax liability. The standard deduction is adjusted each year to account for inflation and other economic factors, and for 2023, the increase reflects these adjustments from previous years. It is essential for tax preparers to be aware of the appropriate standard deduction amounts for different filing statuses in order to accurately prepare tax returns. Understanding the correct standard deduction helps tax preparers advise their clients effectively and ensures compliance with tax regulations. Therefore, being familiar with these details is crucial for successful tax preparation.

2. How are educational expenses generally treated for tax purposes?

- A. Always deductible without limitation
- B. They can qualify for various credits and deductions if eligible**
- C. Fully taxable income
- D. Not deducted at all

Educational expenses are generally treated as a flexible category for tax purposes, primarily qualifying for various credits and deductions based on eligibility criteria. This means that taxpayers may benefit from several education-related tax incentives, such as the American Opportunity Credit or the Lifetime Learning Credit, which can reduce their tax liability. For instance, the American Opportunity Tax Credit allows for a credit of up to a certain amount per eligible student for qualified education expenses during the first four years of higher education. The Lifetime Learning Credit, on the other hand, provides a credit for tuition and fees for any post-secondary education and can be claimed for an unlimited number of years. Additionally, certain educational expenses can be deducted as business expenses if they are required for a job or if they improve skills required in your current occupation. This treatment recognizes that educational expenses can have varying implications and tax benefits based on individual circumstances, rather than being a flat-out deduction or being entirely taxable. Therefore, identifying the correct options for tax benefits related to educational expenses is crucial for maximizing a taxpayer's financial outcome.

3. What criteria are required for taxpayers to automatically receive a 2-month extension for filing?

- A. Residing outside the US, working in a foreign country only**
- B. Traveling abroad for leisure purposes**
- C. Living in a US territory, non-resident alien**
- D. Military or naval service outside of the US or Puerto Rico**

Taxpayers who are in military or naval service outside of the United States or Puerto Rico are eligible for an automatic 2-month extension for filing their tax returns. This provision is designed to accommodate those who may face difficulties while deployed or stationed abroad, allowing them additional time to meet their tax obligations without incurring penalties for late filing. The rationale for providing this extension specifically to military personnel recognizes the unique challenges faced when they are not in their usual environment, including potential limitations on access to necessary documentation or facilities to prepare and file their returns. In contrast, other options do not qualify for this specific 2-month automatic extension. For instance, residing outside the U.S. while only working in a foreign country does not inherently grant the same extension, and traveling abroad for leisure purposes does not provide any filing relief. Similarly, while living in a U.S. territory as a non-resident might have different tax implications, it does not confer the same automatic extension benefit as military service does.

4. Which income is not subject to U.S. income tax?

- A. Certain forms of foreign income**
- B. Wages from part-time jobs**
- C. Dividends from U.S. corporations**
- D. Interest from savings accounts**

Certain forms of foreign income may not be subject to U.S. income tax depending on various circumstances. The U.S. tax system is based on citizenship and residency, meaning that U.S. citizens and resident aliens are taxed on their worldwide income. However, there are specific exclusions and provisions for certain types of foreign income. For example, foreign earned income may qualify for the Foreign Earned Income Exclusion, allowing some taxpayers to exclude a portion of their income earned abroad from being taxed in the U.S. Additionally, certain foreign source income might be exempt under tax treaties between the U.S. and other countries. This nuanced treatment of foreign income is important for taxpayers who work overseas or have investments in foreign countries. In contrast, wages from part-time jobs, dividends from U.S. corporations, and interest from savings accounts all represent income that is subject to U.S. income tax as they fall under standard taxable income categories without exclusions.

5. What criteria must be met for a taxpayer to be eligible for the American Opportunity Tax Credit?

- A. Enrollment in any course of study**
- B. Enrollment in an eligible degree or certificate program**
- C. A minimum age requirement**
- D. Residence in a specific state**

The American Opportunity Tax Credit (AOTC) is specifically designed to assist students who are enrolled in an eligible degree or certificate program at an institution of higher education. To be eligible for this credit, the taxpayer must meet several criteria, one of which is being enrolled at least half-time in a qualifying program. This specific requirement directly ties the credit to the pursuit of an educational degree or recognized certification, allowing the taxpayer to benefit from tax relief related to their higher education expenses. Enrollment in any course of study does not guarantee the credit, as the program must be recognized as eligible. Minimum age requirements and state residency do not impact qualification for the AOTC, making enrollment in an eligible program the key criterion for accessing this tax benefit.

6. Which of the following is NOT a test for qualifying a child for EIC?

- A. Age**
- B. Residency**
- C. Joint Return**
- D. Net Worth**

The correct choice is that net worth is not a test for qualifying a child for the Earned Income Credit (EIC). The EIC has specific criteria that must be met to claim the credit, which primarily revolve around the relationship, age, residency, and joint return status of the qualifying child. For qualifying a child for the EIC, the age test ensures that the child is under a certain age at the end of the tax year, which helps determine eligibility based on how dependent the child is. The residency test requires that the child live with the taxpayer for more than half the year, an indication of a stable living situation that supports claiming the credit. The joint return test stipulates that the child cannot file a joint return with a spouse to be considered a qualifying child, as this indicates a different tax situation that generally precludes the parent from qualifying for the EIC based on that child. Given that net worth is not one of the established criteria for the EIC, it correctly stands out as the option that does not belong in the list of qualifying tests.

7. What is a key requirement for a taxpayer to qualify for Head of Household (HOH) status?

- A. Must be married**
- B. Must have no dependents**
- C. Must have significant business income**
- D. Must be unmarried or "considered unmarried" and provide more than 1/2 upkeep of the home**

To qualify for Head of Household (HOH) status, a taxpayer must either be unmarried or "considered unmarried" for the year and must provide more than half of the upkeep for a home that is the principal residence for themselves and a qualifying person, such as a child or other dependent. This requirement emphasizes the taxpayer's responsibility in supporting the household and providing a stable living situation for dependents. In this context, being unmarried or considered unmarried allows those who do not fit the traditional marital status to still claim HOH, recognizing that many individuals fulfill roles as primary caregivers without being married. The stipulation that they must provide more than half of the home's upkeep ensures that the taxpayer is financially invested in the household, which is a crucial factor in determining their status.

8. What is the recovery period for non-residential real property?

- A. 27.5 years**
- B. 39 years**
- C. 45 years**
- D. 50 years**

The recovery period for non-residential real property is indeed 39 years. This period reflects the time over which the IRS allows the cost of non-residential real estate, such as office buildings and retail stores, to be depreciated for tax purposes. The choice of 39 years aligns with the Modified Accelerated Cost Recovery System (MACRS) rules established for the depreciation of non-residential real properties placed into service after May 12, 1993. Understanding this period is crucial for tax preparation tasks involving depreciation calculations, as it influences the annual deductions a taxpayer can claim. Other options pertain to different types of property; for instance, 27.5 years applies to residential rental property, while longer periods like 45 or 50 years may relate to certain specialized property considerations not typically encountered in standard non-residential contexts.

9. What is the late payment penalty imposed on taxpayers?

- A. 1/2 of 1% of any tax not paid by regular due date, charged per month**
- B. \$1,000 flat fee**
- C. Percentage based on annual income**
- D. Maximum of \$500**

The late payment penalty is assessed to encourage taxpayers to pay their tax liabilities on time. The correct answer describes this penalty as being 1/2 of 1% of any tax that remains unpaid after the regular due date, which is assessed for each month or part of a month that the tax is not paid. This approach means that the penalty can accumulate over time, increasing the total liability the taxpayer owes if they delay payment. This penalty structure is designed to incentivize prompt payment and discourage procrastination regarding tax obligations, ensuring that taxpayers fulfill their responsibilities to the tax system efficiently. The other choices do not reflect the established penalty framework, as they either imply a fixed fee or a system that does not align with the actual calculations applied by the IRS for late payment penalties.

10. Which form is used to report self-employment income?

- A. Schedule A (Form 1040)**
- B. Schedule C (Form 1040)**
- C. Form 1099**
- D. Form 1040-SR**

Schedule C (Form 1040) is specifically designed for reporting income or loss from a business operated as a sole proprietorship, which includes self-employment income. When an individual is self-employed, they must report both their income and expenses associated with their business activities on this form. On Schedule C, the taxpayer details their gross income, deducts allowable business expenses, and determines their net profit or loss from their self-employment activities. This information is then transferred to Form 1040, where it is included in the taxpayer's total income. Other forms mentioned serve different purposes. For instance, Schedule A is used for itemizing deductions rather than reporting income, Form 1099 generally reports income received from various sources, and Form 1040-SR is a variation of Form 1040 intended for seniors, also not specific to self-employment income reporting. Understanding the specific use of these forms is crucial for proper tax reporting and compliance.

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://rtrpexam.examzify.com>

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

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