

## Addendum: 2023 Introduction to Schedule C & E

### Revision 1

#### Page 193

Delete:

If Jackson's 4-year-old son, Benjamin, accompanied him to the cabin and played while Jackson works, Benjamin's personal use of the cabin would be disregarded since Benjamin is incapable of working on a substantially full-time basis. If, however, Benjamin was 16 years old and otherwise capable of working, Jackson would be deemed to have used the cottage for personal purposes unless Benjamin worked on the cabin on a substantially full-time basis.

Replace with:

If Jackson's family accompanied him and used the cabin personally while he worked, the time Jackson spent maintaining the cabin would not be considered personal use. The IRS doesn't have authority to treat a dwelling unit as used for personal purposes on days the taxpayer is repairing or maintaining it on a substantially full-time basis even when other persons who are present are not working.

The six days Jackson spends repairing and maintaining the property do not count as days of personal use. If Jackson's family accompanied him and used the cabin personally while he worked, the time Jackson spent maintaining the cabin would not be considered personal use. The IRS doesn't have authority to treat a dwelling unit as used for personal purposes on days the taxpayer is repairing or maintaining it on a substantially full-time basis even when other persons who are present are not working.

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## Revision 2

### Page 260

Replace:

\$26,071

With:

Edward's outside basis is \$26,861, figured as follows:

Edward's dad gave him a partnership interest worth \$50,000 when his dad's adjusted outside basis was only \$20,000. The amount of the gift was \$33,000 (\$50,000 less \$17,000 annual exclusion). Edward's dad paid gift tax of \$7,540 on this gift of property.

Edward's outside basis is \$26,861, figured as follows:

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