# The IRS CE **80/20 Rule**

The publication provides general guidance for determining whether a continuing education (CE) program may qualify for IRS CE credit when the content is not exclusively related to federal tax.

The 80/20 Rule requires that at least 80% of a program consists of qualifying IRS CE content and no more than 20% consists of non-qualifying content. For each 50-minute CE hour, at least 40 minutes must consist of qualifying IRS CE content and no more than 10 minutes may consist of non-qualifying content.

## Qualifying IRS CE Content

Under Circular 230 and IRS CE Provider Standard No. 4, qualifying programs must enhance professional knowledge in federal tax law, federal tax-related matters, qualified retirement plan matters or federal tax-related ethics and be consistent with the Internal Revenue Code and effective tax administration.

## Evaluating Common Topics

### Artificial Intelligence

A program focused on productivity improvements, workflow efficiencies or office operations does not qualify.

A program addressing Circular 230 competence, due diligence, written advice standards, confidentiality obligations, ethical risks or other qualifying federal tax-related matters associated with AI may qualify.

### Accounting Programs

Programs focused primarily on financial statements, accounting standards, bookkeeping or general accounting concepts do not qualify for IRS CE credit.

Accounting is not a separate IRS CE category; however, accounting content may qualify when it directly supports federal tax compliance, planning, controversies or tax return preparation.

Examples include book-to-tax adjustments, Schedule M reconciliations and the use of accounting information in federal tax return preparation.

### Computer Software

Programs focused primarily on bookkeeping software, accounting software, personal finance software, financial management software or other non-tax return preparation software do not qualify.

A federal tax law program taught in conjunction with tax preparation software may qualify.

### Financial Planning and Retirement Programs

Programs focused primarily on investment selection, diversification, wealth accumulation, retirement investing or general financial planning topics do not qualify.

Programs addressing the federal tax consequences of investment or retirement planning decisions may qualify, including capital gains taxation, basis calculations, Roth conversions, contribution limits, retirement distributions, required minimum distributions and other federal tax planning.

### Social Media

A program focused on marketing, branding, networking or client acquisition does not qualify.

A program addressing Circular 230 advertising restrictions, conflicts of interest, confidentiality concerns or professional responsibilities may qualify.

### Social Security

Programs focused on Social Security claiming strategies, benefit optimization, retirement timing decisions or the general operation of the Social Security system do not qualify.

Programs addressing the federal taxation of Social Security benefits, including the determination and reporting of taxable benefits and related federal tax consequences, may qualify.

### Practice Management and Business Operations

Programs focused on general business operations, staffing, revenue growth, billing and fee collection, sales techniques, customer acquisition, networking or personal development do not qualify.

While many practice management topics do not qualify for IRS CE credit, certain topics may qualify when they are developed around Circular 230 requirements. Examples include best practices for tax advisors (§ 10.33), competence (§ 10.35), procedures to ensure compliance (§ 10.36), due diligence (§ 10.22), written advice standards (§ 10.37), data security, identity theft prevention and other IRS-related compliance obligations.

### State Tax Programs

Programs focused primarily on state tax law do not qualify for IRS CE credit because they do not directly enhance professional knowledge in federal tax-related matters. Examples include programs addressing state sales tax, state nexus rules, state filing requirements or other state-specific tax provisions without a significant federal tax component.

State tax content may be included as part of the allowable 20% non-qualifying content when combined with a qualifying federal tax program that satisfies the 80/20 Rule. For example, a federal tax program may include discussion of related state tax treatment as a supplemental context, provided the federal tax content remains the primary instructional focus.

**Tax Professional Management Office**

**CONTINUING EDUCATION**

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