EA Exam (SEE) SEE2: Part 2: Businesses

Official Body: IRS (Internal Revenue Service) | Time: 3.5 Hours | 2026 Blueprint

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Passing Standard: Scaled score of 500 on a 200-800 scale (Historical 105 / 40-130 retired March 1, 2026)

Section Format: 100 MCQs (85 scored + 15 experimental) (PSI Services (migrated from Prometric effective March 1, 2026))

1. OFFICIAL 2026 SEE2 BLUEPRINT DOMAINS & WEIGHTINGS

SEE2-1: Business Entities and Formations	**Weight: 32.9% (~28 Qs)**
SEE2-2: Business Financial Information and Operations	**Weight: 45.9% (~39 Qs)**
SEE2-3: Specialized Business Returns and Filings (Trusts, Exempt Orgs)	**Weight: 21.2% (~18 Qs)**

2. HIGH-YIELD SEE2 FORMULAS, ORDERING RULES & MNEMONICS

* **Entity Classification & Tax Deadlines**
  Partnership (1065) & S-Corp (1120-S) due March 15; C-Corp (1120) due April 15 (15th day of 4th month). Multi-member LLC defaults to Partnership; single-member LLC defaults to Disregarded Entity.
* **Basis, Sec. 179, Bonus & MACRS Depreciation**
  Half-year convention default unless >40% personal property placed in Q4 (mid-quarter). Real property = straight-line mid-month (27.5 yr residential, 39 yr nonresidential). Sec. 179 cannot create a net business loss.
* **QBI Deduction (Sec. 199A) & Reasonable Comp**
  Up to 20% QBI deduction on qualified pass-through income (excludes S-Corp W-2 wages and partnership guaranteed payments). S-Corp shareholder-employees must take reasonable W-2 salary before distributions.

EXAM TRAP TO AVOID: Guaranteed payments to partners (Sec. 707(c)) are deductible by the partnership and subject to SE tax to the partner, but NEVER qualify as QBI under Sec. 199A.

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