

Table of Contents

Qualified Business Income Deduction (QBI) Overview	1
Taxable income limitation	2
W-2 wage and qualified property limit.....	2
SSTB	2
Qualified business income (QBI).....	3
Phase-in of W-2 wage and qualifying property limit and SSTB exclusion	4
Threshold summary per filing status	5
QBI calculation	6
Puerto Rico	6
Specified service trade or business (SSTB).....	7
Health	8
Law.....	8
Accounting.....	9
Actuarial science	9
Performing arts	9
Consulting.....	10
Athletics	11
Financial services	11
Brokerage	12
Investing and investment management	12
Trading.....	12
Dealing.....	13
Reputation or skill of one or more employees	13
SSTB summary	14

Partnerships and S corporations	15
Pass-through entity responsibilities.....	15
Sample Statements.....	16
Flow chart to help determine QBI items.....	18
Schedules K-1	19
Calculating QBI.....	20
Below phase-in range	20
Above phase-in range	29
Within phase-in range	40
Combined qualified business income amount	63
Qualified business loss	77
Penalty.....	82
Other noteworthy items of QBI	82
Form 8995, Trade or Business, Rental Safe Harbor	90
Forms 8995 and 8995-A	90
Trade or business.....	97
Pass-through and disregarded entities	97
Taxpayer consistency	98
Multiple trades or businesses within an entity	98
Business aggregation.....	99
Rentals	115
Rental real estate enterprise	115
The safe harbor test	116
Safe harbor statement.....	117
Rental services.....	123
Ineligible property	123
Self-rentals.....	124

Business Entity Selection.....	131
Case study.....	133
Schedule C case study	134
Partnership case study.....	147
S corporation case study	168
Chart of Entity Comparison.....	186
Changing Entities.....	191
Form 8832.....	191
Form 2553.....	195
Eligibility for an S corporation	195
Revocation.....	201
Index.....	207