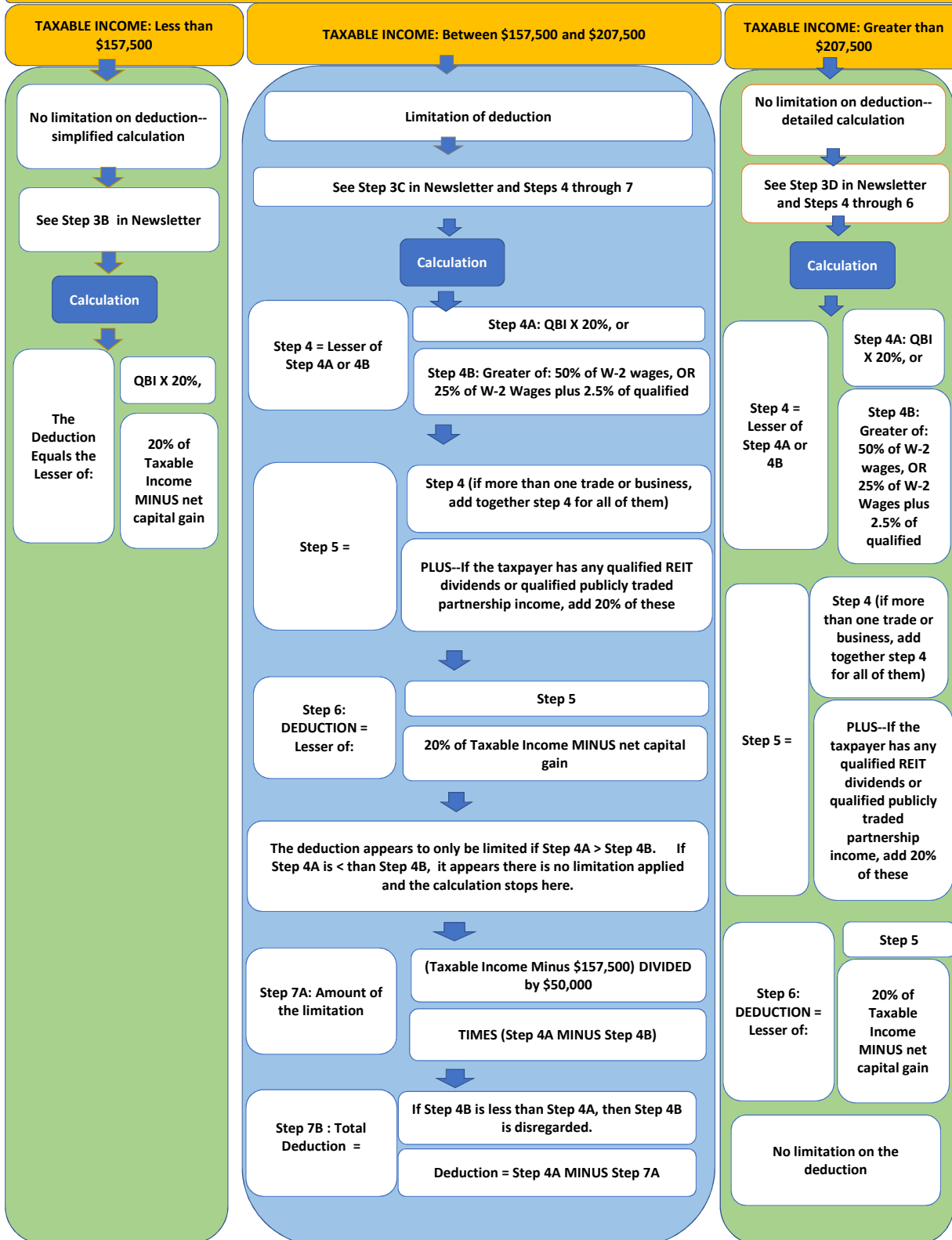


Chart A: SINGLE FILER WITH A QUALIFIED BUSINESS

Select your taxable income for the 2018 taxable year



**Calculation of IRC Section 199A Deduction for 2018 for a Single Filer with a Qualified Business
For Chart A**

Taxable Income < Threshold No Limitation				
Example 1:		Single Filer		
Taxable Income	=	145,000	20%	29,000
QBI	=	35,000	20%	7,000
W-2 Wages	=	5,000		N/A
Deduction	=	Lesser of 20% Taxable Income or 20% QBI		
Deduction	=			7,000
Since taxable income is less than the threshold, W-2 Wage calculation in Step 4B does not apply				

Taxable Income < Threshold No Limitation				
Example 2:		Single Filer		
Taxable Income	=	105,000	20%	21,000
QBI	=	125,000	20%	25,000
W-2 Wages	=	5,000		N/A
Deduction	=	Lesser of 20% Taxable Income or 20% QBI		
Deduction	=			21,000
Since taxable income is less than the threshold, W-2 Wage calculation in Step 4B does not apply				

Taxable Income > Threshold and < Upper Limit Limitation Applies: Calculate Step 7				
Example 1:		Single Filer		
Taxable Income	=	200,000	20%	40,000
Step 7A: Minus Threshold	=	(157,500)		
Step 7A: Equals Excess	=	42,500		
Step 7A: Divide by	=	50,000		
Step 7A: Equals ratio	=	85%		
Step 4A: QBI	=	35,000	0.2	7,000
Step 4B: W-2 Wages	=	5,000	0.5	2,500
Step 7A: Step 4A minus 4B	=			4,500
Step 7A: Ratio	=			85%
Step 7A = Amount of Reduction	=			3825
Step 7B: If Step 4B<4A, use 4A	=			7,000
Step 7B: Minus amount of reduction	=			-3825
Total Deduction	=			3,175

Taxable Income > Threshold and < Upper Limit Limitation Applies: Calculate Step 7				
Example 2:		Single Filer		
Taxable Income	=	200,000	20%	40,000
Step 7A: Minus Threshold	=	(157,500)		
Step 7A: Equals Excess	=	42,500		
Step 7A: Divide by	=	50,000		
Step 7A: Equals ratio	=	85%		
Step 4A: QBI	=	35,000	0.2	7,000
Step 4B: W-2 Wages	=	15,000	0.5	7,500
Step 7A: Step 4A minus 4B	=			(500)
Step 7A: Ratio	=			85%
Step 7A = Amount of Reduction	=			-425
since 4B>4A, use 4A				7,000
Step 7B: NO reduction				0
Total Deduction				7,000

Taxable Income > Threshold No Limitation in Step 7 but W-2 wage calculation in Step 4B applies				
Example 1:		Single Filer		
Taxable Income	=	220,000	20%	44,000
Step 4A: QBI	=	35,000	0.2	7,000
Step 4B: W-2 Wages	=	5,000	0.5	2,500
Lesser of 4A or 4B	=			2,500
Deduction	=	Lesser of 20% Taxable Income or 20% QBI		
Deduction	=			2,500
Since taxable income is greater than the threshold, W-2 Wage calculation in Step 4B applies				

Taxable Income > Threshold No Limitation in Step 7 but W-2 wage calculation in Step 4B applies				
Example 2:		Single Filer		
Taxable Income	=	220,000	20%	44,000
Step 4A: QBI	=	35,000	0.2	7,000
Step 4B: W-2 Wages	=	15,000	0.5	7,500
Lesser of 4A or 4B	=			7,000
Deduction	=	Lesser of 20% Taxable Income or 20% QBI		
Deduction	=			7,000
Since taxable income is greater than the threshold, W-2 Wage calculation in Step 4B applies				