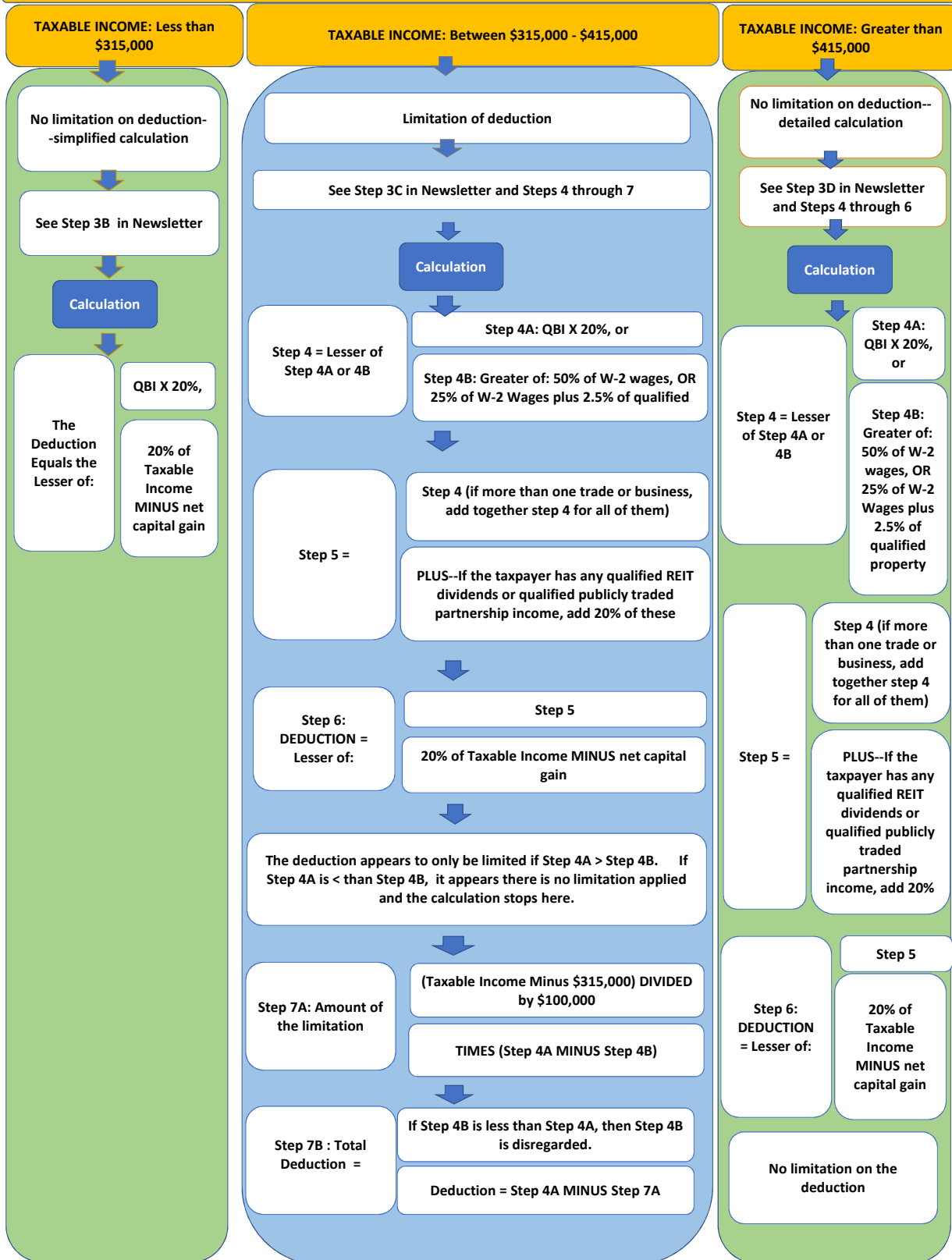


## Chart C: JOINT FILER WITH A QUALIFIED BUSINESS

Select your taxable income for the 2018 taxable year



**Calculation of IRC Section 199A Deduction for 2018 for a Joint Filer with a Qualified Business**

**For Chart C**

Taxable Income < Threshold				
<i>No Limitation</i>				
Example 1				
Joint Filer; Qualified Business				
Taxable Income	=	305,000	20%	61,000
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				
<i>No Limitation</i>				
Example 2				
Joint Filer; Qualified Business				
Taxable Income	=	110,000	20%	22,000
QBI	=	125,000	20%	25,000
W-2 Wages	=	5,000		N/A
Deduction	=	Lesser of 20% Taxable Income or 20% QBI		
Deduction	=			22,000
Since taxable income is less than the threshold, W-2 Wage calculation in Step 4B does not apply				

Taxable Income > Threshold and < Upper Limit				
<i>Limitation Applies: Calculate Step 7</i>				
Example 1				
Joint Filer; Qualified Business				
Taxable Income	=	375,000	20%	75,000
Step 7A: Minus Threshold	=	(315,000)		
Step 7A: Equals Excess	=	60,000		
Step 7A: Divide by	=	100,000		
Step 7A: Equals ratio	=	60%		
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	=			60%
Step 7A = Amount of Reduction	=			2700
Step 7B: If Step 4B<4A, use 4A	=			7,000
Step 7B: Minus amount of reduction	=			-2700
Total Deduction	=			4,300

Taxable Income > Threshold and < Upper Limit				
<i>Limitation Applies: Calculate Step 7</i>				
Example 2				
Joint Filer; Qualified Business				
Taxable Income	=	375,000	20%	75,000
Step 7A: Minus Threshold	=	(315,000)		
Step 7A: Equals Excess	=	60,000		
Step 7A: Divide by	=	100,000		
Step 7A: Equals ratio	=	60%		
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	=			60%
Step 7A = Amount of Reduction	=			-300
Step 7B: If Step 4A<4B, use 4B	=			7,000
Step 7B: Minus amount of reduction	=			N/A
Total Deduction	=			7,000

Taxable Income > Upper Limit				
<i>No Limitation in Step 7 but W-2 wage calculation in Step 4B applies</i>				
Example 1				
Joint Filer; Qualified Business				
Taxable Income	=	450,000	20%	90,000
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 > Upper Limit				
<i>No Limitation in Step 7 but W-2 wage calculation in Step 4B applies</i>				
Example 2				
Joint Filer; Qualified Business				
Taxable Income	=	450,000	20%	90,000
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				