

Learning Objectives

- Explain how to compute the § 199A deduction for pass-through business owners whose taxable income is:
 - Not in excess of the applicable threshold.
 - In excess of the applicable threshold, but not in excess of the sum of the threshold and phase-in range.
 - In excess of the sum of the applicable threshold and phase-in range.
- Determine W-2 wages and the unadjusted basis of qualified property immediately after its acquisition (UBIA).
- Define qualified business income (QBI), qualified REIT dividends, and qualified publicly traded partnership (PTP) income and the special rules applicable to them.
- Recognize the aggregation rules applicable to the § 199A deduction.
- Identify the trades or businesses considered specified service trades or businesses (SSTBs) that may be ineligible for the pass-through deduction.

Chapter 1 –Business Owners’ Taxable Income Below Threshold

- Overview of the Pass-Through Deduction
- Nature of the 20 percent Deduction for Qualified Business Income
 - Deduction Eligibility
 - Pass-Through Business
 - Carryover Rules
- Computing the Deduction - Taxable Income Not Exceeding Threshold Amount
 - Trade or Business
 - Rental Safe Harbor
- Threshold Amount
- Qualified REIT Dividends
- Qualified Publicly Traded Partnership Income
- Qualified Business Income
- Qualified Items of Income, Gain, Deduction and Loss
- Qualified Trade or Business
- Aggregation
- Reporting and Consistency Requirements
- Accuracy-Related Penalty on Underpayments

Chapter 2 – When Taxable Income Exceeds the Threshold

- Taxable Income Above Threshold Amount
- Pass-Through Deduction when Taxable Income Exceeds the Threshold
- QBI component
 - SSTB Exclusion Rules
 - Aggregated Trade or Business
 - Netting and Carryover
 - QBI Component Calculation
- Computing the Deduction - Taxable Income Exceeding Threshold Amount
 - Determining W-2 Wages
 - UBIA of Qualified Property
- Computing the Deduction

Chapter 3 – When Taxable Income is Within Phase-In Range

- Calculating the QBI Component
- Taxpayers With Taxable Income Within Phase-In Range
 - Determining the Applicable Percentage
- Calculating the Pass-Through Deduction – Modification for Non-SSTBs
 - SSTBs and Taxpayers with Taxable Income in Phase-In Range
- Calculating the Pass-Through Deduction – Modification for SSTBs
 - SSTBs and Taxpayers with Taxable Income Exceeding Phase-In Range

Chapter 4 – Specified Services Trades or Businesses (SSTBs)

- Qualified Trade or Business
- Specified Service Trade or Business
 - Trades or Businesses Considered SSTBs
 - Trades or Businesses Not Considered SSTBs