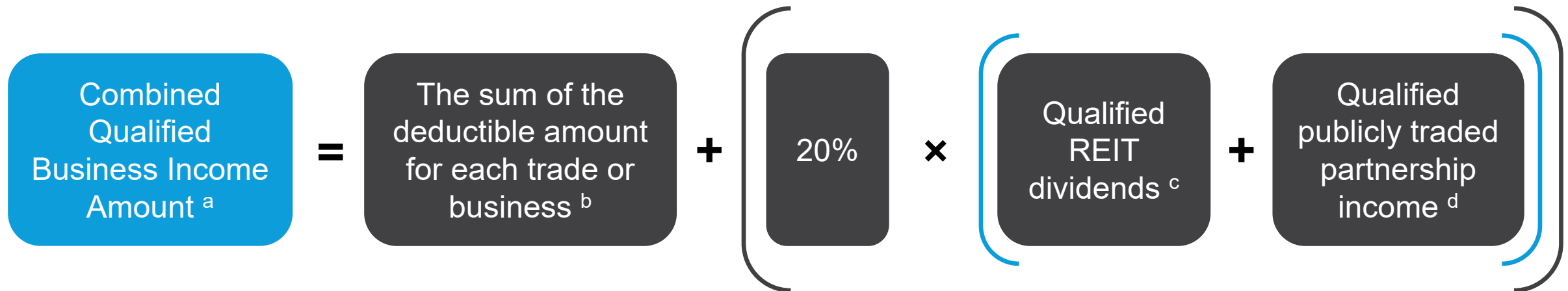


# §199A(b)(1): Combined Qualified Business Income Amount

Summary: The Qualified Business Income (QBI) statute prescribes the allowable QBI deduction for tax years beginning after December 31, 2017, and before January 1, 2026.



Color Key:



## Notes and Sources:

<sup>a</sup> [§199A\(b\)\(1\)](#). For further discussion, see [537 T.M.](#), *Qualified Business Income Deduction: Section 199A*.

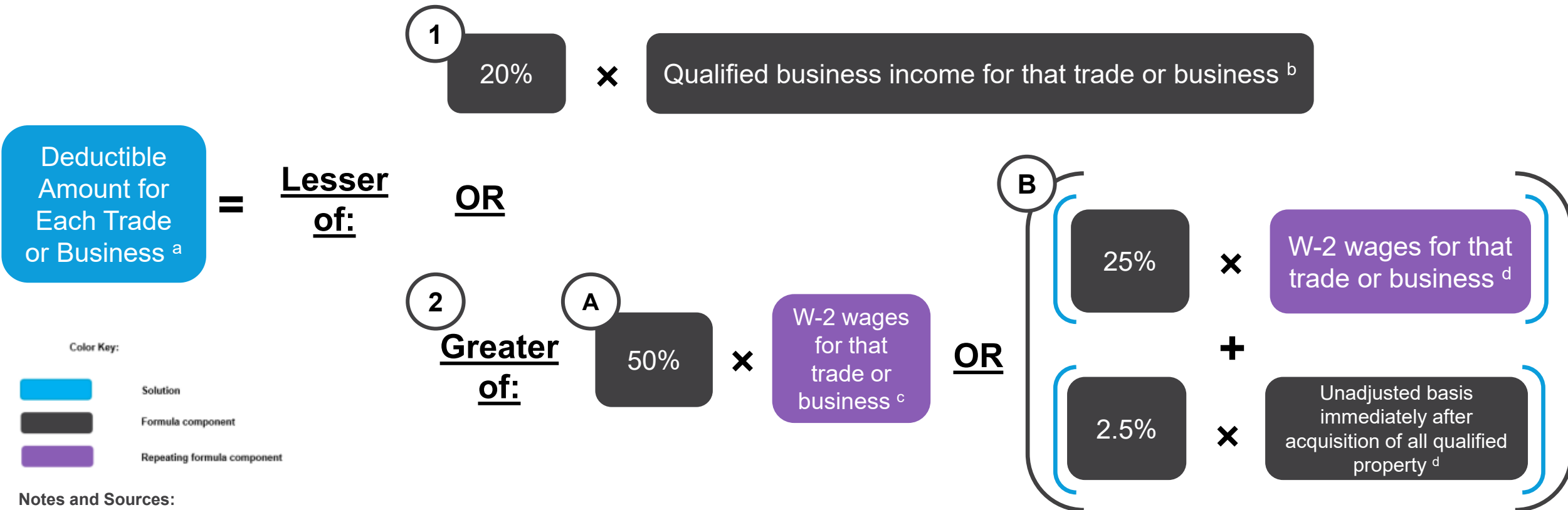
<sup>b</sup> [§199A\(b\)\(1\)\(A\)](#). For the computation to determine the deductible amount for each trade or business, see [§199A\(b\)\(2\)](#).

<sup>c</sup> [§199A\(b\)\(1\)\(B\)](#). Any dividend from a real estate investment trust which is not a capital gain dividend and is not qualified dividend income. See [§199A\(e\)\(3\)](#).

<sup>d</sup> [§199A\(b\)\(1\)\(B\)](#). Sum of net amount of allocable share of each qualified item of income, gain, deduction, and loss from a PTP that is not taxed as a corporation and any gain recognized upon disposition of its interest in such PTP to the extent the gain is treated as an amount realized from the sale or exchange of property other than a capital asset under [§751](#). See [§199A\(e\)\(4\)](#); Reg. [§1.199A-3\(c\)\(3\)](#).

# §199A(b)(2): Deductible Amount for Each Trade or Business

Summary: The Qualified Business Income (QBI) statute prescribes the allowable QBI deduction for tax years beginning after December 31, 2017, and before January 1, 2026.



## Notes and Sources:

<sup>a</sup> [§199A\(b\)\(2\)](#). For further discussion, see [537 T.M.](#), *Qualified Business Income Deduction: Section 199A*.

<sup>b</sup> [§199A\(b\)\(2\)\(A\)](#). Net amount of qualified items of income, gain, deduction, and loss for any qualified trade or business, less qualified REIT dividends and qualified PTP income. See [§199A\(c\)\(1\)](#).

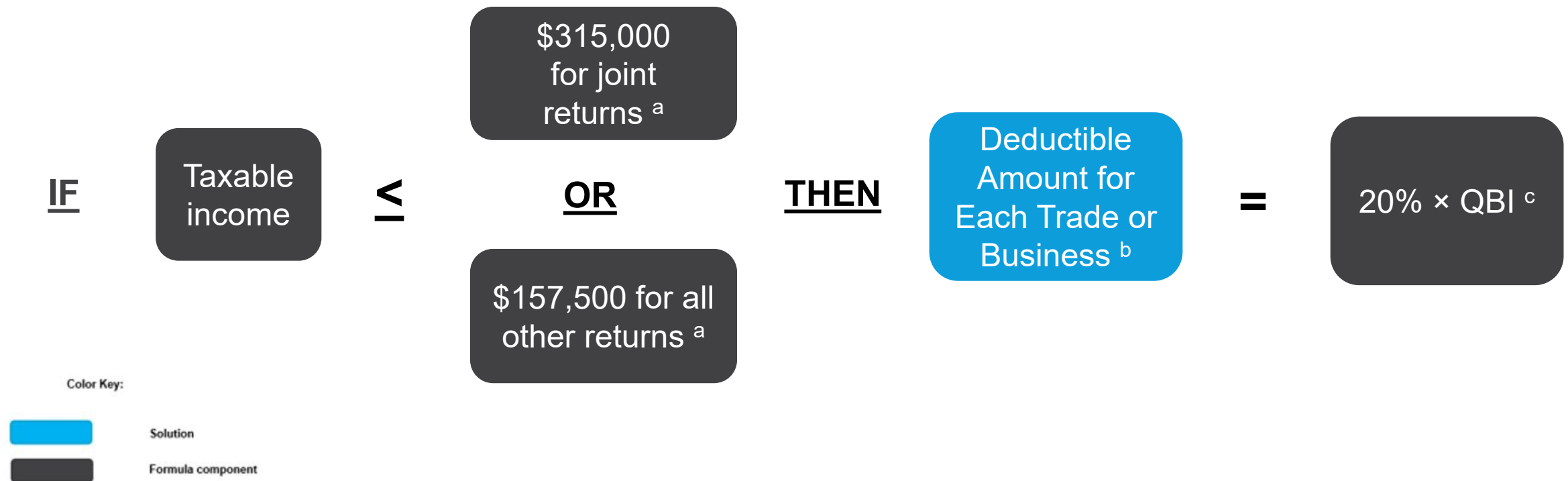
<sup>c</sup> [§199A\(b\)\(2\)\(B\)\(i\)](#). All remuneration for services performed by an employee for their employer, including elective deferrals, deferred compensation, and designated Roth contributions.

See [§199A\(b\)\(4\)](#), [§6051\(a\)\(3\)](#), [§6051\(a\)\(8\)](#), [§3401\(a\)](#).

<sup>d</sup> [§199A\(b\)\(2\)\(B\)\(ii\)](#).

# §199A(b)(3)(A): Exception From Limit Based on Taxable Income

Summary: The Qualified Business Income (QBI) statute prescribes the allowable QBI deduction for tax years beginning after December 31, 2017, and before January 1, 2026.



## Notes and Sources:

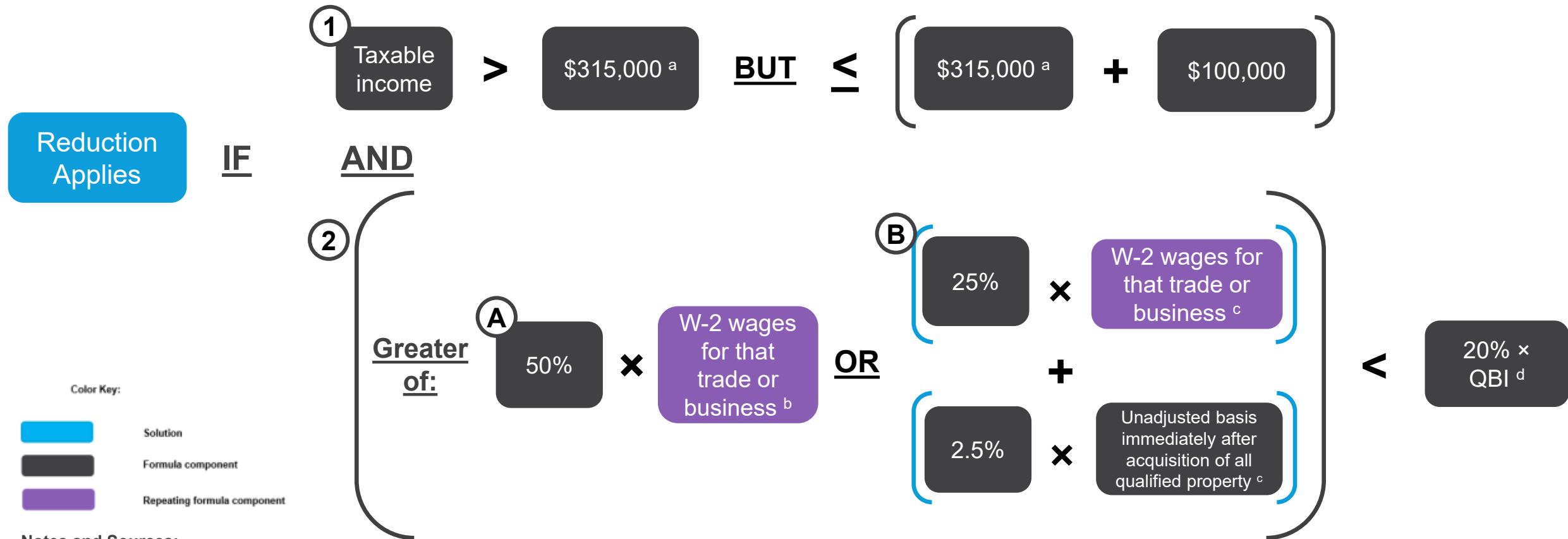
<sup>a</sup> [§199A\(b\)\(3\)\(A\)](#), [§199A\(e\)\(2\)](#). As indexed for inflation. For the current inflation-adjusted amounts see Tables, Charts & Lists, [Qualified Business Income](#).

<sup>b</sup> [§199A\(b\)\(3\)\(A\)](#), [§199A\(b\)\(2\)\(A\)](#). For further discussion, see [537 T.M.](#), *Qualified Business Income Deduction: Section 199A*.

<sup>c</sup> [§199A\(b\)\(3\)\(A\)](#), [§199A\(b\)\(2\)\(A\)](#).

# §199A(b)(3)(B)(i): Applicability of Phase-In for Joint Returns

Summary: The Qualified Business Income (QBI) deduction is reduced for taxpayers filing joint returns whose income exceeds a certain threshold and who meet other specified conditions.



Notes and Sources:

<sup>a</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(I\)](#), [§199A\(e\)\(2\)](#). As indexed for inflation. For the current inflation-adjusted amounts see Tables, Charts & Lists, [Qualified Business Income](#).

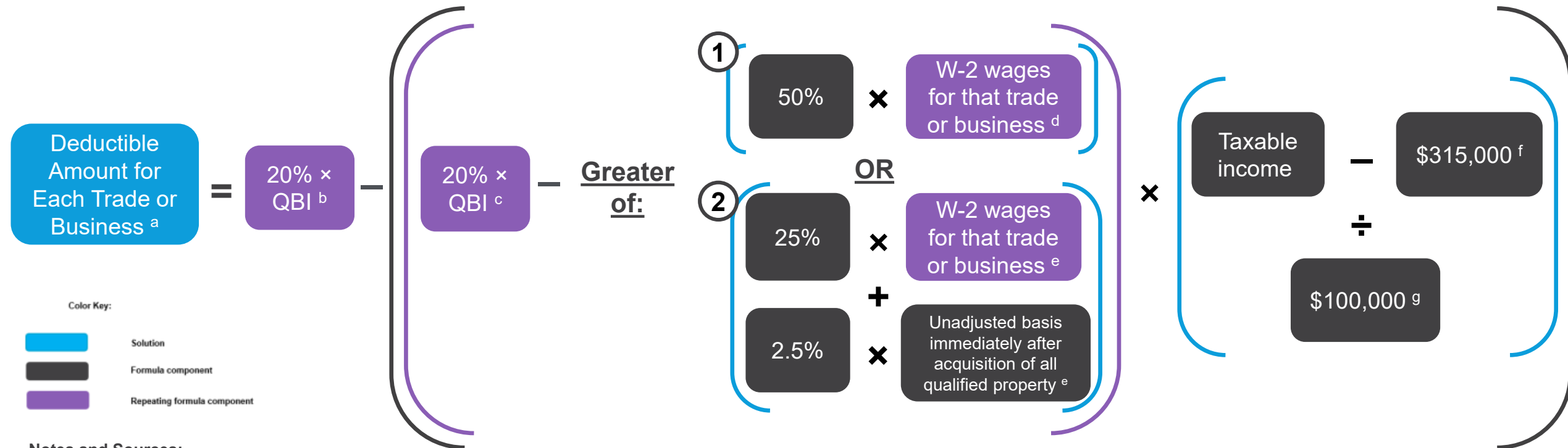
<sup>b</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(i\)](#). All remuneration for services performed by an employee for their employer, including elective deferrals, deferred compensation, and designated Roth contributions. See [§199A\(b\)\(4\)](#), [§6051\(a\)\(3\)](#), [§6051\(a\)\(8\)](#), [§3401\(a\)](#).

<sup>c</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(ii\)](#).

<sup>d</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(II\)](#), [§199A\(b\)\(2\)\(A\)](#).

# §199A(b)(3)(B)(ii): Phase-In of Limit for Joint Returns

Summary: The Qualified Business Income (QBI) deduction is reduced for taxpayers filing joint returns whose income exceeds a certain threshold and who meet other specified conditions.



## Notes and Sources:

<sup>a</sup> [§199A\(b\)\(3\)\(B\)\(i\)](#) (flush language), [§199A\(b\)\(2\)](#).

<sup>b</sup> [§199A\(b\)\(3\)\(B\)\(i\)](#) (flush language), [§199A\(b\)\(2\)\(A\)](#).

<sup>c</sup> [§199A\(b\)\(3\)\(B\)\(iii\)\(I\)](#), [§199A\(b\)\(2\)\(A\)](#).

<sup>d</sup> [§199A\(b\)\(3\)\(B\)\(iii\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(i\)](#). All remuneration for services performed by an employee for their employer, including elective deferrals, deferred compensation, and designated Roth contributions. See [§199A\(b\)\(4\)](#), [§6051\(a\)\(3\)](#), [§6051\(a\)\(8\)](#), [§3401\(a\)](#).

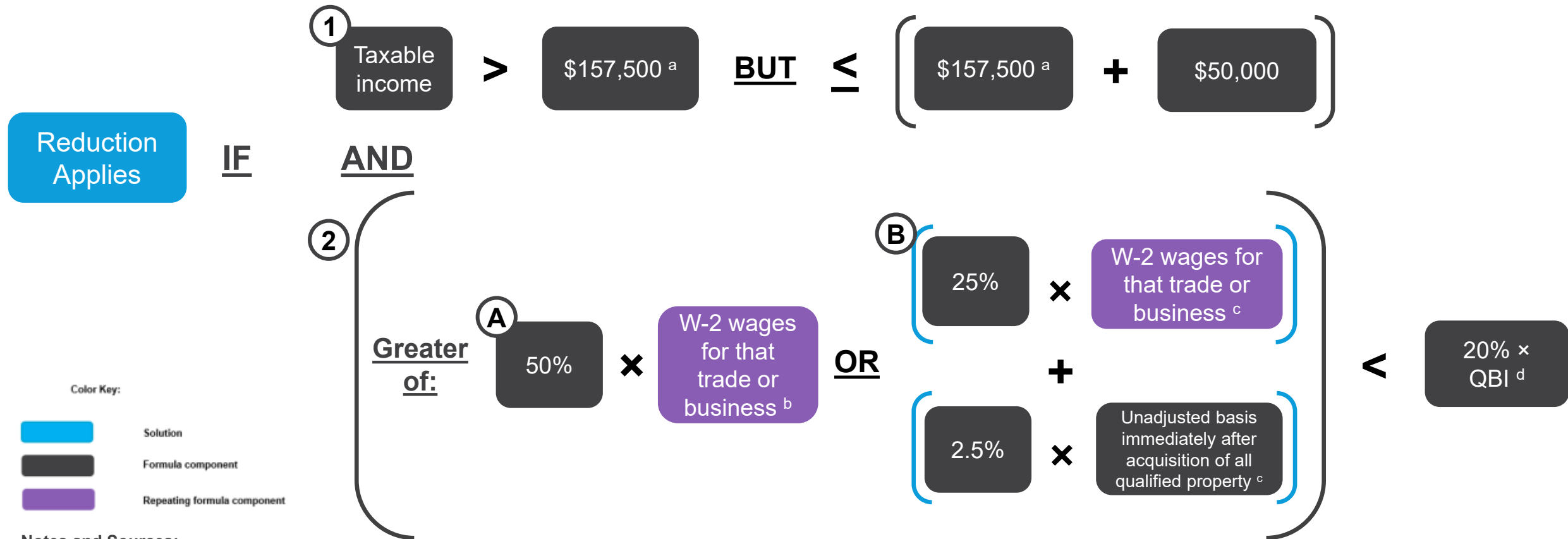
<sup>e</sup> [§199A\(b\)\(3\)\(B\)\(iii\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(ii\)](#).

<sup>f</sup> [§199A\(b\)\(3\)\(B\)\(ii\)\(I\)](#), [§199A\(e\)\(2\)](#). As indexed for inflation. For the current inflation-adjusted amounts see Tables, Charts & Lists, [Qualified Business Income](#).

<sup>g</sup> [§199A\(b\)\(3\)\(B\)\(ii\)\(II\)](#).

# §199A(b)(3)(B)(i): Applicability of Phase-In for Non-Joint Returns

Summary: The Qualified Business Income (QBI) deduction is reduced for taxpayers filing returns other than joint returns whose income exceeds a certain threshold and who meet other specified conditions.



Notes and Sources:

<sup>a</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(I\)](#), [§199A\(e\)\(2\)](#). As indexed for inflation. For the current inflation-adjusted amounts see Tables, Charts & Lists, [Qualified Business Income](#).

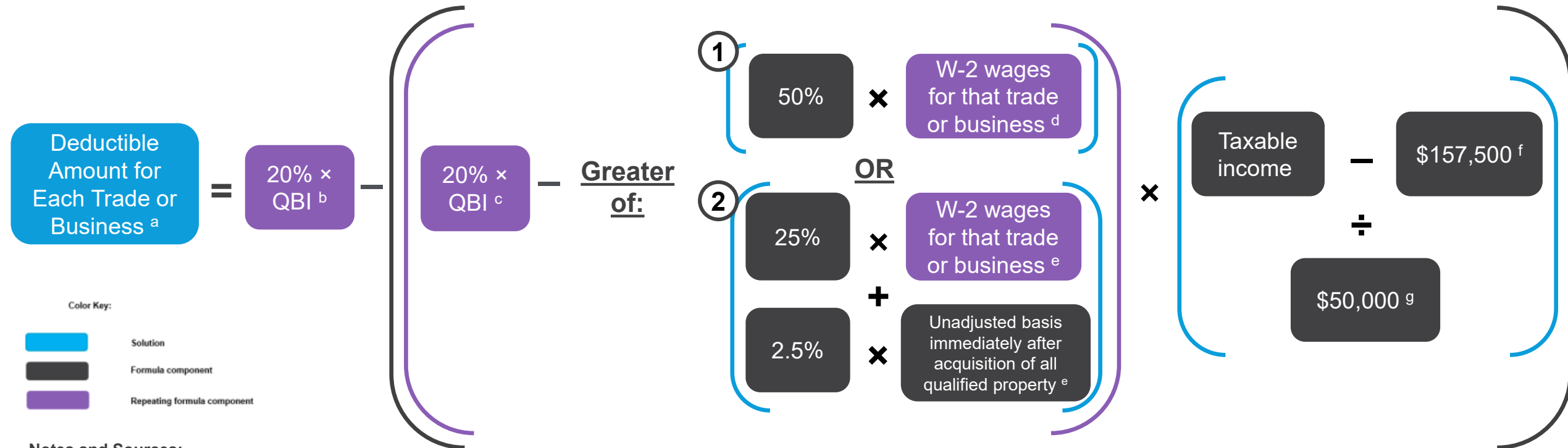
<sup>b</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(i\)](#). All remuneration for services performed by an employee for their employer, including elective deferrals, deferred compensation, and designated Roth contributions. See [§199A\(b\)\(4\)](#), [§6051\(a\)\(3\)](#), [§6051\(a\)\(8\)](#), [§3401\(a\)](#).

<sup>c</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(ii\)](#).

<sup>d</sup> [§199A\(b\)\(3\)\(B\)\(i\)\(II\)](#), [§199A\(b\)\(2\)\(A\)](#).

# §199A(b)(3)(B)(ii): Phase-In of Limit for Non-Joint Returns

Summary: The Qualified Business Income (QBI) deduction is reduced for taxpayers filing returns other than joint returns whose income exceeds a certain threshold and who meet other specified conditions.



## Notes and Sources:

<sup>a</sup> [§199A\(b\)\(3\)\(B\)\(i\)](#) (flush language), [§199A\(b\)\(2\)](#).

<sup>b</sup> [§199A\(b\)\(3\)\(B\)\(i\)](#) (flush language), [§199A\(b\)\(2\)\(A\)](#).

<sup>c</sup> [§199A\(b\)\(3\)\(B\)\(iii\)\(I\)](#), [§199A\(b\)\(2\)\(A\)](#).

<sup>d</sup> [§199A\(b\)\(3\)\(B\)\(iii\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(i\)](#). All remuneration for services performed by an employee for their employer, including elective deferrals, deferred compensation, and designated Roth contributions. See [§199A\(b\)\(4\)](#), [§6051\(a\)\(3\)](#), [§6051\(a\)\(8\)](#), [§3401\(a\)](#).

<sup>e</sup> [§199A\(b\)\(3\)\(B\)\(iii\)\(II\)](#), [§199A\(b\)\(2\)\(B\)\(ii\)](#).

<sup>f</sup> [§199A\(b\)\(3\)\(B\)\(ii\)\(I\)](#), [§199A\(e\)\(2\)](#). As indexed for inflation. For the current inflation-adjusted amounts see Tables, Charts & Lists, [Qualified Business Income](#).

<sup>g</sup> [§199A\(b\)\(3\)\(B\)\(ii\)\(II\)](#).