

§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.

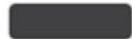
The diagram illustrates the formula for the Combined Qualified Business Income Amount. It consists of several components connected by mathematical operators. The first component, 'Combined Qualified Business Income Amount ^a', is highlighted in blue. This is followed by an equals sign, then 'The sum of the deductible amount for each trade or business ^b', which is a formula component. This is followed by a plus sign, then a large bracket containing three items: '20%' (a formula component), a multiplication sign '×', 'Qualified REIT dividends ^c' (a formula component enclosed in a blue bracket), a plus sign, and 'Qualified publicly traded partnership income ^d' (a formula component enclosed in a blue bracket). The entire bracketed section is enclosed in a large black bracket.

$$\text{Combined Qualified Business Income Amount}^a = \text{The sum of the deductible amount for each trade or business}^b + \left(20\% \times \left(\text{Qualified REIT dividends}^c + \text{Qualified publicly traded partnership income}^d \right) \right)$$

Color Key:



Solution



Formula component