



**Note:** *The draft you are looking for begins on the next page.*

## **Caution: DRAFT—NOT FOR FILING**

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms** and do **not** rely on draft forms, instructions, and publications for filing. We do **not** release draft forms until we believe we have incorporated all changes (except when explicitly stated on this coversheet). However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions generally are subject to OMB approval before they can be officially released, so we post only drafts of them until they are approved. Drafts of instructions and publications usually have some changes before their final release.

Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). All information about all forms, instructions, and pubs is at [IRS.gov/Forms](https://www.irs.gov/Forms).

Almost every form and publication has a page on IRS.gov with a friendly shortcut. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/Form1040); the Pub. 501 page is at [IRS.gov/Pub501](https://www.irs.gov/Pub501); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/W4); and the Schedule A (Form 1040/SR) page is at [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA). If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not a Search box.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product.

If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

**Qualified Business Income Deduction**

Department of the Treasury  
Internal Revenue Service

Attach to your tax return.

Go to [www.irs.gov/Form8995A](http://www.irs.gov/Form8995A) for instructions and the latest information.

Name(s) shown on return

Your taxpayer identification number

**Note:** You can claim the qualified business income deduction **only** if you have qualified business income from a qualified trade or business, real estate investment trust dividends, publicly traded partnership income, or a domestic production activities deduction passed through from an agricultural or horticultural cooperative. See instructions.

Use this form if your taxable income, before your qualified business income deduction, is above \$170,050 (\$340,100 if married filing jointly), or you're a patron of an agricultural or horticultural cooperative.

**Part I Trade, Business, or Aggregation Information**

Complete Schedules A, B, and/or C (Form 8995-A), as applicable, before starting Part I. Attach additional worksheets when needed. See instructions.

| 1 | (a) Trade, business, or aggregation name | (b) Check if specified service | (c) Check if aggregation | (d) Taxpayer identification number | (e) Check if patron      |
|---|--|--------------------------------|--------------------------|------------------------------------|--------------------------|
| A |  | <input type="checkbox"/>       | <input type="checkbox"/> |                                    | <input type="checkbox"/> |
| B |  | <input type="checkbox"/>       | <input type="checkbox"/> |                                    | <input type="checkbox"/> |
| C |  | <input type="checkbox"/>       | <input type="checkbox"/> |                                    | <input type="checkbox"/> |

**Part II Determine Your Adjusted Qualified Business Income**

|   | A  | B | C |
|---|----|---|---|
| 2 Qualified business income from the trade, business, or aggregation. See instructions . . . . .  | 2  |   |   |
| 3 Multiply line 2 by 20% (0.20). If your taxable income is \$170,050 or less (\$340,100 if married filing jointly), skip lines 4 through 12 and enter the amount from line 3 on line 13 . . . . . | 3  |   |   |
| 4 Allocable share of W-2 wages from the trade, business, or aggregation . . . . .   | 4  |   |   |
| 5 Multiply line 4 by 50% (0.50) . . . . .   | 5  |   |   |
| 6 Multiply line 4 by 25% (0.25) . . . . .   | 6  |   |   |
| 7 Allocable share of the unadjusted basis immediately after acquisition (UBIA) of all qualified property . . . . .  | 7  |   |   |
| 8 Multiply line 7 by 2.5% (0.025) . . . . .   | 8  |   |   |
| 9 Add lines 6 and 8 . . . . .   | 9  |   |   |
| 10 Enter the greater of line 5 or line 9 . . . . .  | 10 |   |   |
| 11 W-2 wage and UBIA of qualified property limitation. Enter the smaller of line 3 or line 10 . . . . .   | 11 |   |   |
| 12 Phased-in reduction. Enter the amount from line 26, if any . . . . .   | 12 |   |   |
| 13 Qualified business income deduction before patron reduction. Enter the greater of line 11 or line 12 . . . . .   | 13 |   |   |
| 14 Patron reduction. Enter the amount from Schedule D (Form 8995-A), line 6, if any. See instructions . . . . .   | 14 |   |   |
| 15 Qualified business income component. Subtract line 14 from line 13 . . . . .   | 15 |   |   |
| 16 Total qualified business income component. Add all amounts reported on line 15 . . . . .   | 16 |   |   |

**Part III Phased-in Reduction**

Complete Part III only if your taxable income is more than \$170,050 but not \$220,050 (\$340,100 and \$440,100 if married filing jointly) and line 10 is less than line 3. Otherwise, skip Part III.

|    |   | A  | B | C |
|----|---|----|---|---|
| 17 | Enter the amounts from line 3 . . . . .   | 17 |   |   |
| 18 | Enter the amounts from line 10 . . . . .  | 18 |   |   |
| 19 | Subtract line 18 from line 17 . . . . .   | 19 |   |   |
| 20 | Taxable income before qualified business income deduction . . . . .   | 20 |   |   |
| 21 | Threshold. Enter \$170,050 (\$340,100 if married filing jointly) . . . . .  | 21 |   |   |
| 22 | Subtract line 21 from line 20 . . . . .   | 22 |   |   |
| 23 | Phase-in range. Enter \$50,000 (\$100,000 if married filing jointly) . . . . .  | 23 |   |   |
| 24 | Phase-in percentage. Divide line 22 by line 23 . . . . .  | 24 | % |   |
| 25 | Total phase-in reduction. Multiply line 19 by line 24 . . . . .   | 25 |   |   |
| 26 | Qualified business income after phase-in reduction. Subtract line 25 from line 17. Enter this amount here and on line 12, for the corresponding trade or business . . . . . | 26 |   |   |

**Part IV Determine Your Qualified Business Income Deduction**

|    |   |    |     |  |
|----|---|----|-----|--|
| 27 | Total qualified business income component from all qualified trades, businesses, or aggregations. Enter the amount from line 16 . . . . .                               | 27 |     |  |
| 28 | Qualified REIT dividends and publicly traded partnership (PTP) income or (loss). See instructions . . . . .   | 28 |     |  |
| 29 | Qualified REIT dividends and PTP (loss) carryforward from prior years . . . . .   | 29 | ( ) |  |
| 30 | Total qualified REIT dividends and PTP income. Combine lines 28 and 29. If less than zero, enter -0- . . . . .  | 30 |     |  |
| 31 | REIT and PTP component. Multiply line 30 by 20% (0.20) . . . . .  | 31 |     |  |
| 32 | Qualified business income deduction before the income limitation. Add lines 27 and 31 . . . . .   | 32 |     |  |
| 33 | Taxable income before qualified business income deduction . . . . .   | 33 |     |  |
| 34 | Net capital gain. See instructions . . . . .  | 34 |     |  |
| 35 | Subtract line 34 from line 33. If zero or less, enter -0- . . . . .   | 35 |     |  |
| 36 | Income limitation. Multiply line 35 by 20% (0.20) . . . . .   | 36 |     |  |
| 37 | Qualified business income deduction before the domestic production activities deduction (DPAD) under section 199A(g). Enter the smaller of line 32 or line 36 . . . . . | 37 |     |  |
| 38 | DPAD under section 199A(g) allocated from an agricultural or horticultural cooperative. Don't enter more than line 33 minus line 37 . . . . .                           | 38 |     |  |
| 39 | Total qualified business income deduction. Add lines 37 and 38 . . . . .  | 39 |     |  |
| 40 | Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 28 and 29. If zero or greater, enter -0- . . . . .  | 40 | ( ) |  |