tel 719.387.9800 **sms** 719.345.2100 **t**

Section 199A Deductions – Fred Flintstone

Section 199A deduction also known as the Qualified Business Income Deduction (QBID) arises from the Tax Cuts & Jobs Act of 2017. This is a significant tax break for small business owners but there are rules and limits of course.

The computation can be maddening as we've demonstrated in other papers and articles. This one boils all the gobbly-goo into tax returns and tax return projections for 2018. We use UltraTax by ThomsonReuters which is consistently voted the best tax software by practitioners as reported by the Journal of Accountancy. Our annual fee is about \$30,000 per year... while price alone does not determine quality and accuracy, it certainly defines the sandbox that we play in.

So... we created fictitious tax returns for Fred Flintstone operating an S corporation (he bought Slate Rock and Gravel from Mr. Slate). You can side by side the differences between 2017 and 2018, using the new tax brackets, the new standard deduction and the Qualified Business Income Deduction (QBID) along with Section 199A.

UltraTax does a wonderful job showing the worksheet computations of the Section 199A deduction, line by line. Here is a table for reference-

<u>Filing</u>	TP Inc	SP Inc	Biz Inc	<u>SS</u>	<u>199A</u>
single	30,000		70,000		14,000
single	60,000		140,000		28,000
single	60,000		140,000	Χ	10,920
married	60,000		140,000		28,000
married	60,000		140,000	Χ	28,000
married	60,000	150,000	140,000		28,000
married	60,000	150,000	140,000	Χ	24,920
married	40,000	150,000	160,000		30,680
married	40,000	150,000	160,000	Χ	27,305

SS refers to specified service trade or business. Following this page are copies of the 2017 tax returns plus the 2018 tax projection worksheets (TPW as we call it).

Some caution- our software is using a strict interpretation of the tax code. There will be changes and adjustments as we move along. One particular problem is a taxpayer who blows up the Section 199A deduction because of income and occupation, but who also has rentals which would otherwise enjoy the deduction. Please be patient as we wade through the interpretations and changes in the upcoming months.

Enjoy!

tel 719.387.9800 sms 719.345.2100 fax 855.345.9700

Section 199A Deductions - Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Single

S Corp Wages: **30,000**

S Corp Net Income: 70,000

Specified Service: No

Taxable Income: 88,000 (before QBID)

Section 199A Deduction: 14,000

For the year Jan. 1-L		.S. Individu , 2017, or other tax ye				2017	, 2017, end		, 20	_		e or staple in this space. ate instructions.	
Your first name and i	nitial		Last name									ecurity number	
<u> Fred</u>			Flints	tone						**	* - *	**-6789	
If a joint return, spou	se's firs	t name and initial	Last name								e's soc	ial security number	
` _		street). If you have a	a P.O. box, see instructions.						Apt. no.	P Make sure the SSN(s) above and on line 6c are correct.			
City, town or post off Bedrock	ice, stat	te, and ZIP code. If yo	you have a foreign address, also complete spaces below (see instructions ${\bf LA}$ ${\bf 70777}$				uctions).				Check	dential Election Campaion chere if you, or your spoused jointly, want \$3 to go to the	
Foreign country name	<u> </u>		LA Foreign province/s		<i>/ /</i>			Foreign po	stal code		fund.	Checking a box below will nange your tax or refund.	
			r ereign previncere	tato, oo arity				l diaigii pa	otal oout			You Spouse	
Filing Status		7				the L	qualifying	person is a	ualifying person). (child but not your d	See inst ependen	ructions t, enter	.) If this	
01 1	2	┥ ゙゙	tly (even if only one				ld's name l						
Check only one box.	3 _	Married filing sep and full name her	arately. Enter spous	e's SSN abo	ve	5 ∐ Qu	alitying wid	low(er) (see	instructions)				
Exemptions	6a		someone can claim you as a dependent, do not chec				check bo	x 6a			1	Boxes checked 1	
Exemptions	b											on 6a and 6b No. of children	
	С	Dependents:				(2) Depe	endent's		(3) Dependent's	child	√ if d under	on 6c who: ● lived with you	
						social secu			tax	child	 did not live with 		
If more than four		(1) First name	Las	t name						(see	instr.)	you due to divorce or separation	
dependents, see										++	+	(see instructions)	
instructions and check here u												Dependents on 6c not entered above	
												Add numbers on	
	d_	Total number of										lines above u L	
Income	7 8a	Wages, salaries, tip	s, etc. Attach Form((s) W-2 dule Rifr	 equired					8a		30,000	
Attach Form(s)	b	Taxable interest. Attach Schedule B if required Tax-exempt interest. Do not include on line 8a 8b											
W-2 here. Also	9a	Ordinary divide	nds. Attach Sch	nedule B it	f required					9a			
attach Forms W-2G and	b	Qualified divide	dinary dividends. Attach Schedule B if required ualified dividends 9b										
1099-R if tax	10	Taxable refunds, credits, or offsets of state and local income taxes							10				
was withheld.	11	Alimony receive								11	+		
If you did not	12 13	Capital gain or (loss)	ne or (loss). Atta	required If n	ot required check	<u>/</u> hara 1 1				12	+		
get a W-2, see instructions.	14		(losses). Attach		97	eck here u							
	15a	IRA distribution	` ' '			b Taxal	ole amour	nt	14 15b	,			
	16a	Pensions and a		16a			b Taxab	ole amour	nt	16b)		
	17		ate, royalties, pa							17 18		70,000	
	18				e F								
	19 20a	Unemployment Social security be	•				b Taxable amount		 Nt	19 20b			
	21		List type and ar	nount						21	+		
	22		mounts in the fa		umn for lines							100,000	
	23	Educator exper	ncoc				23						
Adjusted	24		ss expenses of	reservists	, performing a	artists, and							
Gross	05		rnment officials.				24			_			
Income	25 26		account deductes. Attach Form		n Form 8889		25 26						
	27		of self-employr		 Attach Schedi	ıle SF	27						
	28		SEP, SIMPLE,				28						
	29		health insuranc				29						
	30	Penalty on earl	y withdrawal of	savings .			30						
	31a	Alimony paid	b Recipient's	SSN u _			31a						
	32	IKA deduction	toroot dod			32							
	33 34	Tuition and fee	nterest deduction s. Attach Form	1 8917			33						
	35	Domestic produ	uction activities	deduction		8903	35						
	36	Add lines 23 th								36			
	37	Subtract line 36	from line 22. T							ı 37		100,000	

Form 1040 (2017	Fre	d Flintstone	**	*-**-6789 Page 2
	38	Amount from line 37 (adjusted gross income)	38	100,000
Tax and	39a	Check You were born before January 2, 1953, Blind. Total boxes		
Credits		if: Spouse was born before January 2, 1953, Blind. checked u 39a		
Credits	1 b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b	7	
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	6,350
Deduction for—	41	Subtract line 40 from line 38	41	93,650
• People who	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42	4,050
check any	43		\vdash	89,600
box on line 39a or 39b or	_	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43 44	
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c - 4772 c -	45	18,145
dependent, see	45	Alternative minimum tax (see instructions). Attach Form 6251	\vdash	
instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	10 145
All others:	47	Add lines 44, 45, and 46	47	18,145
Single or Married filing	48	Foreign tax credit. Attach Form 1116 if required 48	_	
separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49	_	
\$6,350 Married filing	50	Education credits from Form 8863, line 19 50	_	
jointly or	51	Retirement savings contributions credit. Attach Form 8880 51	_	
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52	_	
\$12,700	53	Residential energy credits. Attach Form 5695 53		
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	18,145
Other	57	Self-employment tax. Attach Schedule SE	57	
Taxes	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
1 axes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
	60a	Household employment taxes from Schedule H	60a	
		First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage X	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	
	63	Add lines 56 through 62. This is your total tax.		18,145
	64	Federal income tax withheld from Forms W-2 and 1099 64	103	
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	-	
If you have a	66a		-	
qualifying	b	Nontaxable combat pay election 66b	-	
child, attach			-	
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67	-	
	68	American opportunity credit from Form 8863, line 8	-	
	69	Net premium tax credit. Attach Form 8962 Amount paid with request for extension to file 70	-	
	70		-	
	71	Excess social security and tier 1 RRTA tax withheld 71	_	
	72	Credit for federal tax on fuels. Attach Form 4136 72	_	
	73	Credits from Forma 2439 b Reserved c 8885 d 73	_	
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments u		
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here \dots u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings		
See instructions.	u d	Account number		
	77	Amount of line 75 you want applied to your 2018 estimated tax u 77		
Amount	78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u	78	18,579
You Owe	79	Estimated tax penalty (see instructions) 79 434	1	
Third Part	Do you	$oldsymbol{J}$ want to allow another person to discuss this return with the IRS (see instructions)? $oldsymbol{\mathbf{X}}$ Yes. Com	plete be	elow. No
Designee	Designe	Personal identification number (PIN)	u 4	0111
Designee	name	Tanana 77a Larana 173	u 719	9-387-9800
Sign	Under pena accurately li	lties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any kno	and owledge.	Daytime phone number
Here	Your sign	nature Date Your occupation	9	Dayune phone number
Joint return? See instr.	Cnouse's	signature If a joint return both must sign		If the IRS sent you an Identity Protection PIN,
Keep a copy for your records.	opouse's	signature. If a joint return, both must sign. Date Spouse's occupation		enter it here (see instr.)
	Print/Type p	preparer's name Preparer's signature Date	Chec	`
Paid	Jason V	Vatson, EA Jason Watson, EA 06/29/		™ 🗀 " I
	Firm's name		Firm's Ell	
• –	Firm's addre	0.485 5 ''11 5: 6: 0.05	Phone no	
300 Only	. mms duule	Colorado Springs CO 80920-7907		_387_9800

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred Flintstone

				2017	2018	Differences
	Fil	ing Status		SGL	SGL	
		ependents				
		Salaries and wages	1.	30,000	30,000	
	2.	Interest income	2.	,		
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
		Alimony received	5.			
n .	6.	Business income/loss	6.			
C	7	Capital gain/loss	7.			
0		Other gains/leases	8.			
			9.			
m		Taxable IRA distributions	-			
е		Taxable pensions and annuities	10.	70,000	70,000	
	11.	Schedule E income/loss	11.	70,000	70,000	
		Farm income/loss	12.			
		Unemployment benefits	13.			
	14.	Taxable social security benefits	14.			
	15.	Other income	15.	100 000	100 000	
		Total income	16.	100,000	100,000	
Α		Moving expenses	17.			
d		Deductible part of self-employment tax	18.			
j		SEP/SIMPLE/Qualified plans deductions	19.			
u S		Self-employed health insurance deduction	20.			
t		Penalty on early withdrawal of savings	21.			
m	22.	Alimony paid	22.			
е	23.	IRA deductions	23.			
n	24.	Student loan interest deduction	24.			
ι S	25.	Other adjustments	25.			
		Adjusted gross income	26.	100,000	100,000	
		Medical	27.			
	28.	State and local or sales taxes	28.	787	787	
D		Real estate taxes	29.			
е	30.	Personal property & other taxes	30.			
d		Total Taxes Paid. Add lines 28 - 30	31.	787	787	
u		Maximum State and local tax deduction	32.		10,000	10,000
C		State/local tax deduction. Lower of 31 or 32	33.	787	787	
t			34.			
i		Contributions	35.			
0		Casualty losses (non-disaster)	36.			
n		Miscellaneous expenses (including qualified disaster loss)				
s	38.		38.	787	787	
3				6,350	12,000	5,650
	39.	Standard deduction	39.	Standard	Standard	3,030
	40	Deduction taken	40	6,350		E 6E0
	40.		40.		12,000	5,650 -5,650
	41.		41.	93,650	88,000	-5,650
		Exemptions	42.	4,050	00 000	-4,050
	43.	•	43.	89,600	88,000	-1,600
	44.		44.	00 100	14,000	14,000
	45.	Taxable income	45.	89,600	74,000	-15,600

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred Flintstone

FIE	ia i	rintstone				<u> </u>			
				2017	2018		Differences		
	Fil	ing Status		SGL	SGL				
	46.	Taxable income from TPW page 1, line 45	46.	89,600	74,	000	-15,600		
	47.	Tax on taxable income	47.	18,145	12,	220	-5,925		
		Taxes from Forms 4972, 8814, and add'l taxes	48.						
	49.	Alternative minimum tax	49.						
	50.	Add lines 47, 48, and 49	50.	18,145	12,	220	-5,925		
	51.	Foreign tax credit	51.						
Т	52.	Child and dependent care credit	52.						
а	53.	Education credits	53.						
x	54.	Retirement savings credit	54.						
	55.	Credit for the elderly	55.						
С	56.	Child tax credit	56.						
0	57.	Nonbusiness energy property credit	57.						
m		Alternative motor vehicle credit (Form 8910)	58.						
р		Qualified plug-in electric motor vehicle (Form 893	36 59 .						
u	60.	Mortgage interest credit	60.						
t	61.	D.C. first-time homebuyer credit	61.						
а	62.	Residential energy efficient property credit	62.						
t		Adoption credit	63.						
i	64.	General business credit	64.						
0	65.	Prior year minimum tax credit	65.						
n	66.	Other credits	66.						
	67.	Total credits	67.						
	68.	Net tax liability	68.	18,145	12,	220	-5,925		
	69.	Self-employment tax	69.						
	70.	Tax on unreported tips	70.						
	71.	Tax on IRA or qualified plans	71.						
	72.	Household employment taxes	72.						
		First-time homebuyer credit repayment	73.						
		Health care: individual responsibility	74.						
		Additional Medicare Tax	75.						
	76.	Net Investment Income Tax	76.						
		Other taxes	77.						
		Total tax	78.	18,145	12,	220	-5,925		
		Income tax withheld	79.						
	80.	Estimated tax payments	80.						
	81.	Earned income credit	81.						
		Additional child tax credit	82.						
		Reserved	83.						
	84.		84.						
	85.	Total payments	85.						
	86.			18,145	12,	220	-5,925		
	87.	Marginal Tax Rate - Ordinary Income	86. 87.	25.0%		2.0%			
	88.		88.	%		%			
	89.	Effective Tax Rate	89.	20.0%	17	7.0 _%			

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred Flintstone

				Company	
Specified service business					
Net projected qualified business income for all activities					70,000
If projected qualified business income is less than zero, complete only line 3 au Tentative Deduct		3 thru 3	4		
Enter projected qualified business income for this trade or business				1	70,000
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.				2.	14,000
3. Enter projected taxable income before qualified business deduction (TPW, line 4	43)			3.	88,000
Mark if taxable income is \$157,500 or \$ 315,000 (MFJ) or lower; Do not complete	lete the re	st of this	s worksheet.		
Enter the amount from Line 2 on Line 21, Qualified business income deducti Mark if taxable income is more than \$207,500, or \$415,000 (MFJ) and Specific	ed service	busine	ss is marked;		
Do not complete lines 4 through 20. The deduction for this activity is not allo	owed			· · · · · —	
Wage and Capital Li	imitation				
Complete wage and capital limitation section, if projected taxable income is great	ater than S	\$157,500	o, or \$315,000) (MFJ).	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable income; comp	plete only	if specif	ied service.	4	
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified service.				5. <u></u>	
6. Subtract Line 5 from 1.0; This is the applicable percentage for the specified serv	vice busin	ess.			
7. If specified service, multiply Line 2 by Line 6; else enter amount from Line 2. \dots				7	
8. W-2 Wages from business, enter 0 if none. If service business, multiply by Line	6.				
9. Wage component. Multiply line 8 by 50% (.50).				9.	
10. Multiply line 8 by 25% (.25)					
11. Qualified property of the business, enter 0 if none. If specified service, multiply b	y line 6.			11.	
12. Multiply line 11 by 2.5% (.025).					
13. Wage and Capital component. Add lines 10 and 12.				13.	
14. Enter the greater of line 9, Wage component or line 13, Wage and Capital comp	onent.				
15. Enter the lesser of line 7 or line 14.					
If the wage/capital limit is used on line 15 and projected taxable income is \$20 then, complete Phase Out of Wage and Capital Limitation section.	7,500, or	\$415,00	0 (MFJ) or les		
Otherwise, enter the amount from Line 15 on line 21, Qualified business incom	ne deduct	ion for tl	nis activity.		
Phase Out of Wage and Ca			·		
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxable income.				16.	
17. Divide line 16 by 50,000, or 100,000 (MFJ).					
18. Subtract Line 15 from Line 7.				18.	
19. Multiply line 18 by line 17.				19.	
20. Qualified business income for this activity. Subtract Line 19 from Line 7 and 6	enter the a	amount o	on line 21.	20.	
Business Income Deduction	on Calcu	lation			
21. Qualified business income deduction for this activity.				^{21.} ===	14,000
Tentative Qualified Business * Complete Business Income Deduction Ca				only.	
22. Combined qualified business income. Enter the total of all activities line 21.				22.	14,000
23. Qualified real estate investment trust dividends multiplied by 20%					· ·
24. Qualified publicly traded partnership income multiplied by 20%					
OF Total combined multiple business income. Add lines 00 through 0.4				OF.	14,000
Taxable Income Lin					•
26. Net capital gain				26	
27. Qualified cooperative dividends				27	0
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20). If less than ze	ero, enter	0		28	17,600
29. Enter the lesser of Line 25 or Line 28.				29	14,000
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).				30	
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable income.				31	88,000
32. Enter the smaller of line 30 or line 31. If zero or less, then enter 0.				32	0
33. Add lines 29 and 32.				33	14,000
34. Qualified Business Income Deduction. Enter smaller of line 3 or line 33. Enter	er on TPV	V line 44	٠	34	14,000

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Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Single

S Corp Wages: **60,000**

S Corp Net Income: 140,000

Specified Service: No

Taxable Income: 188,000 (before QBID)

Section 199A Deduction: 28,000

For the year Jan. 1-I		.S. Individu , 2017, or other tax ye				<u> 2017</u>	, 2017, end		, 20	_		rate instructions.	
Your first name and i	nitial		Last name									security number	
<u>Fred</u>			Flints	tone						**	*-	<u>**-6789</u>	
If a joint return, spou	se's firs	t name and initial	Last name								se's so	cial security number	
` _		street). If you have a	a P.O. box, see instructions.						Apt. no.	P Make sure the SSN(s) above and on line 6c are correct.			
City, town or post off Bedrock	ice, stat	te, and ZIP code. If yo	you have a foreign address, also complete spaces below (see instruction ${\bf LA}$				uctions).				Chec	idential Election Campaig k here if you, or your spouse g jointly, want \$3 to go to this	
Foreign country name	e		Foreign province/state/county					Foreign po	stal code		fund.	Checking a box below will hange your tax or refund. You Spouse	
Filing Status		7				the	ad of hous qualifying ld's name	person is a	qualifying person). (child but not your d	See inst ependen	tructions it, enter	s.) If	
Check only one box.	3	┥ ゙゙	tly (even if only one arately. Enter spous re. U						instructions)				
Exemptions	6a		f someone can claim you as a dependent, do not che				check bo	x 6a			. 1	Boxes checked 1	
Exemplions	b										<u> </u>	on 6a and 6b No. of children	
	С	Dependents:		(2) Depe			(3) Dependent's	age for	child	on 6c who: on 6c who: lived with you on did not live with			
If more than four		(1) First name	Las	t name		social secu	rity number	re	lationship to you		credit instr.)	you due to divorce or separation	
dependents, see											+	(see instructions)	
instructions and check here u											$oldsymbol{\perp}$	Dependents on 6c not entered above	
	d	Total number of	of exemptions of	aimed								Add numbers on lines above u	
	7		os, etc. Attach Form							7	T	60,000	
Income	8a	Taxable intere	st. Attach Sche	dule B if r	equired					8a		•	
Attach Form(s)	b	Tax-exempt in	nterest. Do not	include on	ı line 8a		8b						
W-2 here. Also attach Forms	9a	Ordinary divide	Ordinary dividends. Attach Schedule B if required Qualified dividends 9b										
W-2G and	b	Qualified divide											
1099-R if tax	10	Taxable refunds, credits, or offsets of state and local income taxes								10			
was withheld.	11	Alimony receive								11			
If you did not	12 13	Capital gain or (loss)	ne or (loss). Atta	roquired If n	ot required shock	<u>/</u> horo ••				13			
get a W-2, see instructions.	14		. Attach Schedule D if (losses). Attach		07					14			
occ monucions.	15a	IRA distribution	` ' '			 b Taxal	ole amour	nt .	15b	,			
		Pensions and a						nt	16b				
	17	Rental real esta	ate, royalties, pa	artnerships	s, S corporation	ons, trusts, e	etc. Attac	ch Schedu	ule E	17		140,000	
	18		ate, royalties, partnerships, S corporations, trusts, etc. Attach Scheduler (loss). Attach Schedule F						18		•		
	19		compensation							19			
	20a	Social security be	enefits				b Taxal	ole amour	nt	20b)		
	21	Other income. I	List type and ar	nount						21			
	22	Combine the ar	mounts in the fa	ar right col	umn for lines	7 through 2	1. This is	your tot	al income u	ı 22		200,000	
	23	Educator exper					23			_			
Adjusted	24		ss expenses of										
Gross			rnment officials.				24			4			
Income	25		account deduct		n Form 8889		25			4			
	26		es. Attach Forn				26			4			
	27 28		of self-employr SEP, SIMPLE,				27 28			-			
	29		health insuranc				29			-			
	30	Penalty on earl	v withdrawal of	savinas			30			-			
	31a	Alimony paid					31a						
	32	IRA deduction					32						
	33	Student loan in	nterest deduction										
	34	Tuition and fee	s. Attach Form	8917			34						
	35	Domestic produ	uction activities	deduction	. Attach Form	8903	35						
	36	Add lines 23 th	rough 35							36			
	37	Subtract line 36	6 from line 22. T							37		200,000	

Form 1040 (2017	Fre	d Flintstone	* *	*-**-6789 Page 2
	38	Amount from line 37 (adjusted gross income)	38	200,000
Tax and	39a	Check You were born before January 2, 1953, Blind. Total boxes		
Credits		if: Spouse was born before January 2, 1953, Blind. checked u 39a		
Credits	1 b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b	-	
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	6,350
Deduction for—	41	Subtract line 40 from line 38	41	193,650
• People who	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42	4,050
check any	43		-	189,600
box on line 39a or 39b or	Ī -	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43 44	
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c - 4772 c -	45	46,070
dependent, see	45	Alternative minimum tax (see instructions). Attach Form 6251	\vdash	
instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	46 070
All others:	47	Add lines 44, 45, and 46	47	46,070
Single or Married filing	48	Foreign tax credit. Attach Form 1116 if required 48	-	
separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49	_	
\$6,350 Married filing	50	Education credits from Form 8863, line 19 50	_	
jointly or	51	Retirement savings contributions credit. Attach Form 8880 51	_	
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52	_	
\$12,700	53	Residential energy credits. Attach Form 5695 53	_	
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	46,070
Other	57	Self-employment tax. Attach Schedule SE	57	
Taxes	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
1 axes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
	60a	Household employment taxes from Schedule H	60a	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage X	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	
	63	Add lines 56 through 62. This is your total tax.		46,070
	64	Federal income tax withheld from Forms W-2 and 1099 64	100	10/0/0
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	-	
If you have a	66a		-	
qualifying	b	Nontaxable combat pay election 66b	-	
child, attach			- !	
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67	- !	
	68	American opportunity credit from Form 8863, line 8 Net premium tax credit. Attach Form 8962 69	- !	
	69		-	
	70	Amount paid with request for extension to file 70	- !	
	71	Excess social security and tier 1 RRTA tax withheld 71	_	
	72	Credit for federal tax on fuels. Attach Form 4136 72	_	
	73	Credits from Forma 2439 b Reserved c 8885 d 73	_ !	
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments u	74	
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here \dots u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings		
See instructions.	u d	Account number		
	77	Amount of line 75 you want applied to your 2018 estimated tax u 77		
Amount	78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u	78	47,173
You Owe	79	Estimated tax penalty (see instructions) 79 1,103	3	
Third Dor	Do you	u want to allow another person to discuss this return with the IRS (see instructions)? $\overline{\mathbf{X}}$ Yes. Com	plete be	elow. No
Third Part	. y Designe	Personal identification number (PIN)	ս 4	0111
Designee	name	Tanan Makaan 173	u 719	9-387-9800
Sign	Under pena	tlies of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	and	Daytime phone number
Here	Your sign	nature Date Your occupation	wicuge.	Dayume phone number
Joint return? See instr.	,	Business Owner		If the IRS sent you an Identity Protection PIN,
Keep a copy for your records.	Spouse's	signature. If a joint return, both must sign. Date Spouse's occupation		enter it here (see instr.)
	Print/Type n	preparer's name Preparer's signature Date		`
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USE Office	Firm's addre	Colorado Springs CO 80920-7907	71 Q .	_387_9800

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred Flintstone

	_			2017	2018	Differences
	Fil	ing Status		SGL	SGL	
	De	pendents				
	1.	Salaries and wages	1.	60,000	60,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
ı	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
С	7.	Capital gain/loss	7.			
0	8.	Other gains/losses	8.			
m	9.	Taxable IRA distributions	9.			
e	10.	Taxable pensions and annuities	10.			
-	11.	Schedule E income/loss	11.	140,000	140,000	
	12.	Farm income/loss	12.			
	13	Unemployment benefits	13.			
	14	Taxable social security benefits	14.			
	15	Other income	15.			
	16	T-4-1 !	16.	200,000	200,000	
		Moving expenses	17.	200,000	2007000	
A	12	Deductible part of self-employment tax	18.			
d :	10.	SEP/SIMPLE/Qualified plans deductions	19.			
J U	20	Self-employed health insurance deduction	20.			
S		Penalty on early withdrawal of savings	21.			
t			22.			
m e	22.	Alimony paid	23.			
n	23.	IRA deductions	-			
t		Student loan interest deduction	24.			
S		Other adjustments	25.	200 000	200 000	
		Adjusted gross income	26.	200,000	200,000	
	27.	Medical	27.	1 102	1 102	
		State and local or sales taxes	28.	1,102	1,102	
D	29.	Real estate taxes	29.			
е.		Personal property & other taxes	30.	1 100	1 100	
d		Total Taxes Paid. Add lines 28 - 30	31.	1,102	1,102	10 000
u		Maximum State and local tax deduction	32.	1 100	10,000	10,000
C		State/local tax deduction. Lower of 31 or 32	33.	1,102	1,102	
t	34.	Interest	34.			
i	35.	Contributions	35.			
0		Casualty losses (non-disaster)	36.			
n			37.	4 400	4 400	
S		Allowable itemized deductions	38.	1,102	1,102	
	39.	Standard deduction	39.	6,350	12,000	5,650
				Standard	Standard	_ 4
		Deduction taken	40.	6,350	12,000	5,650
	41.	Subtract line 40 from line 26	41.	193,650	188,000	<u>-5,650</u>
	42.		42.	4,050		-4,050
	43.	Taxable inc before qualified business deduction	43.	189,600	188,000	-1,600
	44.	Qualified business income deduction	44.		28,000	28,000
	45.	Taxable income	45.	189,600	160,000	-29,600

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred Flintstone

				2017	2018	Differences
	Fil	ing Status		SGL	SGL	
	46.	Taxable income from TPW page 1, line 45	46.	189,600	160,000	-29,600
		Tax on taxable income	47.	46,070	32,890	-13,180
	48.	Taxes from Forms 4972, 8814, and add'l taxes	48.			
	49.	Alternative minimum tax	49.			
	50.	Add lines 47, 48, and 49	50.	46,070	32,890	-13,180
	51.	Foreign tax credit	51.			
т	52.	Child and dependent care credit	52.			
a	53.	Education credits	53.			
x	54.	Retirement savings credit	54.			
	55.	Credit for the elderly	55.			
С	56.	Child tax credit	56.			
0	57.	Nonbusiness energy property credit	57.			
m	58.	Alternative motor vehicle credit (Form 8910)	58.			
р		Qualified plug-in electric motor vehicle (Form 893	6 59 .			
u	60.	Mortgage interest credit	60.			
t		D.C. first-time homebuyer credit	61.			
a	62.	Residential energy efficient property credit	62.			
t	63.	Adoption credit	63.			
i	64.	General business credit	64.			
0	65.	Prior year minimum tax credit	65.			
n	66.	Other credits	66.			
	67.	Total credits	67.			
	68.	Net tax liability	68.	46,070	32,890	-13,180
	69.	Self-employment tax	69.	_		
	70.	Tax on unreported tips	70.			
	71.	Tax on IRA or qualified plans	71.			
	72.	Household employment taxes	72.			
		First-time homebuyer credit repayment	73.			
		Health care: individual responsibility	74.			
		Additional Medicare Tax	75.			
	76.	Net Investment Income Tax	76.			
		Other taxes	77.			
	78.	Total tax	78.	46,070	32,890	-13,180
		Income tax withheld	79.	_		
	80.	Estimated tax payments	80.			
		Earned income credit	81.			
		Additional child tax credit	82.			
		Reserved	83.			
		Other payments	84.			
	85.	Total payments	85.			
	86.		86.	46,070	32,890	-13,180
	87.		87.	28.0%	32.0%	
	88.		88.	%	%	
	89.	Effective Tax Rate	89.	24.0%	21.0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred Flintstone

	Slate Rock and Gravel Comp	pany
Specified service business		140.000
Net projected qualified business income for all activities		140,000
If projected qualified business income is less than zero, compl	ete only line 3 and lines 23 thru 34 entative Deduction	
1. Enter projected qualified business income for this trade or busin	ness 1.	140,000
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero). 2	
3. Enter projected taxable income before qualified business deduc	tion (TPW, line 43)	188,000
Mark if taxable income is \$157,500 or \$ 315,000 (MFJ) or low	er; Do not complete the rest of this worksheet.	
Enter the amount from Line 2 on Line 21, Qualified business	s income deduction for this activity.	
Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$207,500, or \$415,000 (Mark if taxable income is more than \$400,000 (Mark if taxable income is more	MFJ) and Specified service business is marked;	
Do not complete lines 4 through 20. The deduction for this	activity is not allowed	
Wage	and Capital Limitation	
Complete wage and capital limitation section, if projected taxable	e income is greater than \$157,500, or \$315,000 (MFJ).	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxab	ole income; complete only if specified service. 4.	
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if spec		
6. Subtract Line 5 from 1.0; This is the applicable percentage for t		
7. If specified service, multiply Line 2 by Line 6; else enter amount	from Line 2.	28,000
8. W-2 Wages from business, enter 0 if none. If service business,	multiply by Line 6.	60,000
9. Wage component. Multiply line 8 by 50% (.50).		30,000
	1	o. <u>15,000</u>
11. Qualified property of the business, enter 0 if none. If specified so	ervice, multiply by line 6.	10
12. Multiply line 11 by 2.5% (.025).		2. 0
13. Wage and Capital component. Add lines 10 and 12.		3. 15, 000
14. Enter the greater of line 9, Wage component or line 13, Wage a	and Capital component.	4. 30,000
15. Enter the lesser of line 7 or line 14.		5. 28, 000
If the wage/capital limit is used on line 15 and projected taxab		
then, complete Phase Out of Wage and Capital Limitation s	ection.	
Otherwise, enter the amount from Line 15 on line 21, Qualified	d business income deduction for this activity.	
	of Wage and Capital Limitation	
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected ta		6
17. Divide line 16 by 50,000, or 100,000 (MFJ).	1'	7
18. Subtract Line 15 from Line 7.	11	8
19. Multiply line 18 by line 17.	1	9
20. Qualified business income for this activity. Subtract Line 19 f		0
21. Qualified business income deduction for this activity.	ncome Deduction Calculation 2'	1. 28,000
Tentative Quali	ified Business Income Deduction Deduction Calculation on last worksheet only.	
22. Combined qualified business income. Enter the total of all a		28,000
23. Qualified real estate investment trust dividends multiplied by 20		3.
24. Qualified publicly traded partnership income multiplied by 20%	2	4.
25. Total combined qualified business income. Add lines 22 through	24 29	5. 28,000
Taxa	ble Income Limitation	
26. Net capital gain	20	6
27. Qualified cooperative dividends	2	
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20	0). If less than zero, enter 0. 2	B. <u>37,600</u>
29. Enter the lesser of Line 25 or Line 28.	2	9. <u>28,000</u>
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).	3	0
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable	e income.	1. 188,000
32. Enter the smaller of line 30 or line 31. If zero or less, then enter	0	2. 0
33. Add lines 29 and 32.	3:	3. <u>28,000</u>
34. Qualified Business Income Deduction. Enter smaller of line 3	3 or line 33. Enter on TPW line 44	4. <u>28,000</u>

tel 719.387.9800 **sms** 719.345.2100 **t**

Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Single

S Corp Wages: **60,000**

S Corp Net Income: 140,000

Specified Service: Yes

Taxable Income: 188,000 (before QBID)

Section 199A Deduction: 10,920

For the year Jan. 1-I		.S. Individu , 2017, or other tax ye				<u> 2017</u>	, 2017, end		, 20	_		rate instructions.	
Your first name and i	nitial		Last name									security number	
<u>Fred</u>			Flints	tone						**	*-	<u>**-6789</u>	
If a joint return, spou	se's firs	t name and initial	Last name								se's so	cial security number	
` _		street). If you have a	a P.O. box, see instructions.						Apt. no.	P Make sure the SSN(s) above and on line 6c are correct.			
City, town or post off Bedrock	ice, stat	te, and ZIP code. If yo	you have a foreign address, also complete spaces below (see instruction ${\bf LA}$				uctions).				Chec	idential Election Campaig k here if you, or your spouse g jointly, want \$3 to go to this	
Foreign country name	e		Foreign province/state/county					Foreign po	stal code		fund.	Checking a box below will hange your tax or refund. You Spouse	
Filing Status		7				the	ad of hous qualifying ld's name	person is a	qualifying person). (child but not your d	See inst ependen	tructions it, enter	s.) If	
Check only one box.	3	┥ ゙゙	tly (even if only one arately. Enter spous re. U						instructions)				
Exemptions	6a		f someone can claim you as a dependent, do not che				check bo	x 6a			. 1	Boxes checked 1	
Exemplions	b										<u> </u>	on 6a and 6b No. of children	
	С	Dependents:		(2) Depe			(3) Dependent's	age for	child	on 6c who: on 6c who: lived with you on did not live with			
If more than four		(1) First name	Las	t name		social secu	rity number	re	lationship to you		credit instr.)	you due to divorce or separation	
dependents, see											+	(see instructions)	
instructions and check here u											$oldsymbol{\perp}$	Dependents on 6c not entered above	
	d	Total number of	of exemptions of	aimed								Add numbers on lines above u	
	7		os, etc. Attach Form							7	T	60,000	
Income	8a	Taxable intere	st. Attach Sche	dule B if r	equired					8a		•	
Attach Form(s)	b	Tax-exempt in	nterest. Do not	include on	ı line 8a		8b						
W-2 here. Also attach Forms	9a	Ordinary divide	Ordinary dividends. Attach Schedule B if required Qualified dividends 9b										
W-2G and	b	Qualified divide											
1099-R if tax	10	Taxable refunds, credits, or offsets of state and local income taxes								10			
was withheld.	11	Alimony receive								11			
If you did not	12 13	Capital gain or (loss)	ne or (loss). Atta	roquired If n	ot required shock	<u>/</u> horo ••				13			
get a W-2, see instructions.	14		. Attach Schedule D if (losses). Attach		07					14			
occ monucions.	15a	IRA distribution	` ' '			 b Taxal	ole amour	nt .	15b	,			
		Pensions and a						nt	16b				
	17	Rental real esta	ate, royalties, pa	artnerships	s, S corporation	ons, trusts, e	etc. Attac	ch Schedu	ule E	17		140,000	
	18		ate, royalties, partnerships, S corporations, trusts, etc. Attach Scheduler (loss). Attach Schedule F						18		•		
	19		compensation							19			
	20a	Social security be	enefits				b Taxal	ole amour	nt	20b)		
	21	Other income. I	List type and ar	nount						21			
	22	Combine the ar	mounts in the fa	ar right col	umn for lines	7 through 2	1. This is	your tot	al income u	ı 22		200,000	
	23	Educator exper					23			_			
Adjusted	24		ss expenses of										
Gross			rnment officials.				24			4			
Income	25		account deduct		n Form 8889		25			4			
	26		es. Attach Forn				26			4			
	27 28		of self-employr SEP, SIMPLE,				27 28			-			
	29		health insuranc				29			-			
	30	Penalty on earl	v withdrawal of	savinas			30			-			
	31a	Alimony paid					31a						
	32	IRA deduction					32						
	33	Student loan in	nterest deduction										
	34	Tuition and fee	s. Attach Form	8917	33 34 34 34 34 34 34 34 34 34 34 34 34 3								
	35	Domestic produ	uction activities	deduction	. Attach Form	8903	35						
	36	Add lines 23 th	rough 35							36			
	37	Subtract line 36	6 from line 22. T							37		200,000	

Form 1040 (2017	Fre	d Flintstone	* *	*-**-6789 Page 2
	38	Amount from line 37 (adjusted gross income)	38	200,000
Tax and	39a	Check You were born before January 2, 1953, Blind. Total boxes		
Credits		if: Spouse was born before January 2, 1953, Blind. checked u 39a		
Credits	1 b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b	-	
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	6,350
Deduction for—	41	Subtract line 40 from line 38	41	193,650
• People who	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	42	4,050
check any	43		-	189,600
box on line 39a or 39b or	Ī -	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43 44	
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c - 4772 c -	45	46,070
dependent, see	45	Alternative minimum tax (see instructions). Attach Form 6251	\vdash	
instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	46 070
All others:	47	Add lines 44, 45, and 46	47	46,070
Single or Married filing	48	Foreign tax credit. Attach Form 1116 if required 48	-	
separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49	_	
\$6,350 Married filing	50	Education credits from Form 8863, line 19 50	_	
jointly or	51	Retirement savings contributions credit. Attach Form 8880 51	_	
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52	_	
\$12,700	53	Residential energy credits. Attach Form 5695 53	_	
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	46,070
Other	57	Self-employment tax. Attach Schedule SE	57	
Taxes	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
1 axes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
	60a	Household employment taxes from Schedule H	60a	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage X	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	
	63	Add lines 56 through 62. This is your total tax.		46,070
	64	Federal income tax withheld from Forms W-2 and 1099 64	03	10/0/0
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	- !	
If you have a	66a		-	
qualifying	b	Nontaxable combat pay election 66b	-	
child, attach			- !	
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67	- !	
	68	American opportunity credit from Form 8863, line 8 Net premium tax credit. Attach Form 8962 69	- !	
	69		- !	
	70	Amount paid with request for extension to file 70	- !	
	71	Excess social security and tier 1 RRTA tax withheld 71	-	
	72	Credit for federal tax on fuels. Attach Form 4136 72	_	
	73	Credits from Forma 2439 b Reserved c 8885 d 73	_ !	
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments u	74	
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here \dots u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings		
See instructions.	u d	Account number		
	77	Amount of line 75 you want applied to your 2018 estimated tax u 77		
Amount	78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u	78	47,173
You Owe	79	Estimated tax penalty (see instructions) 79 1,103	3	
Third Dor	Do you	u want to allow another person to discuss this return with the IRS (see instructions)? $\overline{\mathbf{X}}$ Yes. Com	plete be	elow. No
Third Part	. y Designe	Personal identification number (PIN)	ս 4	0111
Designee	name	Tanan Makaan 173	u 719	9-387-9800
Sign	Under pena	tlies of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	and	Daytime phone number
Here	Your sign	nature Date Your occupation	wicuge.	Dayume phone number
Joint return? See instr.	,	Business Owner		If the IRS sent you an Identity Protection PIN,
Keep a copy for your records.	Spouse's	signature. If a joint return, both must sign. Date Spouse's occupation		enter it here (see instr.)
	Print/Type n	preparer's name Preparer's signature Date		`
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_	Firm's name	TILL TO CONTRACT OF THE CONTRA	Firm's Ell	
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USE Office	Firm's addre	Colorado Springs CO 80920-7907	71 Q .	_387_9800

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred Flintstone

				2017	2018	Differences	
	Fili	ing Status		SGL	SGL		
		pendents					
		Salaries and wages	1.	60,000	60,000		
	2.	Interest income	2.	,			
	3.	Dividend income	3.				
	4.	Taxable state/local refunds	4.				
1		Alimony received	5.				
n		Business income/loss	6.				
C	7.	Capital gain/loss	7.				
0		Other gains/losses	8.				
m		Tayabla IDA diatributiana	9.				
e		Taxable pensions and annuities	10.				
•	11	Schedule E income/loss	11.	140,000	140,000		
		Farma ::	12.	210,000	110,000		
		The second consent the second	13.				
		Taxable social security benefits	14.				
			15.				
	16	Other income	16.	200,000	200,000		
	17	Total income Moving expenses	17.	200,000	200,000		
Α		Deductible part of self-employment tax	18.				
d :		SEP/SIMPLE/Qualified plans deductions	19.				
J U		Self-employed health insurance deduction	20.				
S		Penalty on early withdrawal of savings	21.				
t			22.				
m e	22.	Alimony paid	23.				
n	23.	IRA deductions	24.				
t		Student loan interest deduction	25.				
S		Other adjustments	25. 26.	200,000	200,000		
		Adjusted gross income		200,000	200,000		
		Medical	27.	1 100	1 100		
_		State and local or sales taxes	28.	1,102	1,102		
D	29.	Real estate taxes	29.				
e		Personal property & other taxes	30.	1 100	1 100		
d		Total Taxes Paid. Add lines 28 - 30	31.	1,102	1,102	10 000	
u		Maximum State and local tax deduction	32.	1 100	10,000	10,000	
C		State/local tax deduction. Lower of 31 or 32	33.	1,102	1,102		
t	-	Interest	34.				
i	35.	Contributions	35.				
0		Casualty losses (non-disaster)	36.				
n		Miscellaneous expenses (including qualified disaster loss)	37.		4 4 4 4 4		
S		Allowable itemized deductions	38.	1,102	1,102		
	39.	Standard deduction	39.	6,350	12,000	5,650	
				Standard	Standard		
	40.	Deduction taken	40.	6,350	12,000	5,650	
	41.	Subtract line 40 from line 26	41.	193,650	188,000	-5,650	
	42.		42.	4,050		-4,050	
	43.	•	43.	189,600	188,000	-1,600	
	44.	Qualified business income deduction	44.		10,920	10,920	
	45.	Taxable income	45.	189,600	177,080	-12,520	

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred Flintstone

FIE	ia r	Tintstone					-~~-0/09
				2017	2018		Differences
	Fil	ing Status		SGL	SGL		
	46.	Taxable income from TPW page 1, line 45	46.	189,600	177,	080	-12,520
	47.	Tax on taxable income	47.	46,070	38,	355	-7,715
		Taxes from Forms 4972, 8814, and add'l taxes	48.				
	49.	Alternative minimum tax	49.				
	50.	Add lines 47, 48, and 49	50.	46,070	38,	355	-7,715
	51.	Foreign tax credit	51.				
Т	52.	Child and dependent care credit	52.				
а	53.	Education credits	53.				
x	54.	Retirement savings credit	54.				_
	55.	Credit for the elderly	55.				
С	56.	Child tax credit	56.				
0	57.	Nonbusiness energy property credit	57.				
m		Alternative motor vehicle credit (Form 8910)	58.				
р	1	Qualified plug-in electric motor vehicle (Form 893	36 59 .				
u	60.	Mortgage interest credit	60.				
t		D.C. first-time homebuyer credit	61.				
а	62.	Residential energy efficient property credit	62.				
t		Adoption credit	63.				
i	64.	General business credit	64.				
0	65.	Prior year minimum tax credit	65.				
n	66.	Other credits	66.				
	67.	Total credits	67.				
	68.	Net tax liability	68.	46,070	38,	355	-7,715
	69.	Self-employment tax	69.				
	70.	Tax on unreported tips	70.				
	71.	Tax on IRA or qualified plans	71.				
	72.	Household employment taxes	72.				
		First-time homebuyer credit repayment	73.				
		Health care: individual responsibility	74.				
		Additional Medicare Tax	75.				
	76.	Net Investment Income Tax	76.				
		Other taxes	77.				
		Total tax	78.	46,070	38,	355	-7,715
		Income tax withheld	79.				
	80.	Estimated tax payments	80.				
		Earned income credit	81.				
		Additional child tax credit	82.				
		Reserved	83.				
	84.		84.				
	85.	Total payments	85.				
	86.	Net tax due/-refund	86.	46,070	38,	355	-7,715
	87.	Marginal Tax Rate - Ordinary Income	87.	28.0%		.0%	•
	88.		88.	%		%	
	89.	Effective Tax Rate	89.	24.0%	22	.0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred Flintstone

Description of Business	Slate Rock and Gravel	Company	7
Specified service business			<u>X</u>
Net projected qualified business income for all activities			140,000
If projected qualified business income is less than zero, comple Tel	te only line 3 and lines 23 thru 34 ntative Deduction		
1. Enter projected qualified business income for this trade or business	ess	1.	140,000
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.		2.	28,000
3. Enter projected taxable income before qualified business deducti	on (TPW, line 43)	3.	188,000
Mark if taxable income is \$157,500 or \$ 315,000 (MFJ) or lowe			_
Enter the amount from Line 2 on Line 21, Qualified business	income deduction for this activity.		
Mark if taxable income is more than \$207,500, or \$415,000 (M			
Do not complete lines 4 through 20. The deduction for this a	ctivity is not allowed.	<u>—</u>	
Wage	and Capital Limitation		
Complete wage and capital limitation section, if projected taxable	income is greater than \$157,500, or \$315,000 (I	ΜFJ).	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable	e income; complete only if specified service.	4	30,500
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if speci	fied service.	5.	0.6100
6. Subtract Line 5 from 1.0; This is the applicable percentage for the	e specified service business.	6	0.3900
7. If specified service, multiply Line 2 by Line 6; else enter amount f	rom Line 2.	7	10,920
8. W-2 Wages from business, enter 0 if none. If service business, n	nultiply by Line 6.	8	
9. Wage component. Multiply line 8 by 50% (.50).		9	11,700
10. Multiply line 8 by 25% (.25)		10	5,850
11. Qualified property of the business, enter 0 if none. If specified se	rvice, multiply by line 6.	11	0
12. Multiply line 11 by 2.5% (.025).		12	0
13. Wage and Capital component. Add lines 10 and 12		13	5,850
14. Enter the greater of line 9, Wage component or line 13, Wage ar			11,700
15. Enter the lesser of line 7 or line 14.			10,920
If the wage/capital limit is used on line 15 and projected taxable			
then, complete Phase Out of Wage and Capital Limitation se			
Otherwise, enter the amount from Line 15 on line 21, Qualified	business income deduction for this activity.		
	Wage and Capital Limitation	40	
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected tax			
17. Divide line 16 by 50,000, or 100,000 (MFJ).		17	
18. Subtract Line 15 from Line 7.		10	
19. Multiply line 18 by line 17.20. Qualified business income for this activity. Subtract Line 19 fr	om Line 7 and enter the amount on line 21		
·		20	
	come Deduction Calculation	21.	10,920
21. Qualified business income deduction for this activity.		*"=	10,920
	ied Business Income Deduction Deduction Calculation on last worksheet onl	y.	
22. Combined qualified business income. Enter the total of all a	ctivities line 21	22	10,920
23. Qualified real estate investment trust dividends multiplied by 20%)	23.	
24. Qualified publicly traded partnership income multiplied by 20%		24	
25. Total combined qualified business income. Add lines 22 through	24	25	10,920
Taxab	le Income Limitation		
26. Net capital gain		26	
27. Qualified cooperative dividends		27	0
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20)	. If less than zero, enter 0.		37,600
29. Enter the lesser of Line 25 or Line 28.		29	
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).		30	100 000
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable	income.	31	188,000
32. Enter the smaller of line 30 or line 31. If zero or less, then enter 0	·	32	10 920
33. Add lines 29 and 32.	or line 22. Enter on TDM line 44	33	10,920
34. Qualified Business Income Deduction. Enter smaller of line 3	or line 33. Enter on TPVV line 44	34	10,920

tel 719.387.9800 sms 719.345.2100 fax 855.345.9700

Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Married

S Corp Wages: **60,000**

S Corp Net Income: 140,000

Specified Service: No

Taxable Income: 176,000 (before QBID)

Section 199A Deduction: 28,000

For the year Jan. 1-l		S. Individ , 2017, or other tax y			11000		2017, end		, 20	-		or staple in this space. te instructions.
Your first name and	initial		Last name							l		curity number
Fred			Flints	tone						**	*-*	*-6789
If a joint return, spou Wilma	se's firs	t name and initial	Flints	tone								l security number *-4321
Home address (numl			a P.O. box, see instr				Apt. no.			p Make sure the SSN(s) above		
		tstone V								_		line 6c are correct.
City, town or post off Bedrock	ice, sta	te, and ZIP code. If y	ou have a foreign ac LA	ddress, also 707		oelow (see instru	ictions).				Check h	here if you, or your spouse ointly, want \$3 to go to this
Foreign country nam	e		Foreign province/state/county				Foreign po	stal code			necking a box below will nge your tax or refund. You Spouse	
Filing Status	1	Single	•			4 Hea	ad of hous qualifying	ehold (with o	qualifying person). (Schild but not your de	See inst ependen	ructions.) t, enter th	If is
_	2	⊣ ਾ	itly (even if only one				d's name l	nere. u				
Check only one box.	3 [Enter spouse's SSN above 5 Qualifying widow(er) (see instructions)			instructions)					
	60	and full name he X Yourself. I	lf someone can	oloim vou	as a depende	ant de net o	hook ho	v 60			1 B	oxes checked 2
Exemptions	6a b										ſ	n 6a and 6b — Z
	c Dependents									(4)	✓ if o	o. of children n 6c who:
						(2) Depe			(3) Dependent's	age for	17 qual. Child	lived with you
		(1) First name	Las	t name		social securi	ity numbei	re	lationship to you		instr.) V	ou due to divorce r separation
If more than four dependents, see										\perp		see instructions)
instructions and										+		ependents on 6c
check here ${f u}$										+	no	ot entered above
	d	Total number of	of exemptions c	laimed							—— А III	dd numbers on 2
	7		ps, etc. Attach Form							7	T	60,000
Income	8a	Taxable intere	est. Attach Sche	dule B if i	required					8a		
Attach Form(s)	b	Tax-exempt in	nterest. Do not	include or	n line 8a		8b					
W-2 here. Also attach Forms	9a	Ordinary divide	ends. Attach Sch	nedule B	if required		. 1 1			9a		
W-2G and	b	Qualified divide	ends				9b					
1099-R if tax	10		ls, credits, or off	fsets of st	ate and local	income taxes	3			10		
was withheld.	11 12	Alimony receiv	reane or (loss). Atta	sch Sche	tule C or C-F	 7				11		
If you did not get a W-2,	13	Capital gain or (loss)). Attach Schedule D i	f required If r	not required check	here ll				13		
see instructions.	14		(losses). Attach		07					14		
	15a	IRA distribution	ns	15a			t Taxal	ole amour	nt	15b		
	16a	Pensions and		16a		ŀ	T axal	ole amour	nt	16b		
	17		ate, royalties, pa			ons, trusts, e	tc. Atta	ch Sched	ule E	17		140,000
	18		or (loss). Attach							18		
	19		compensation	1 1						19		
	20a 21	Social security b	List type and ar	mount					nt	20b		
	22		mounts in the fa		lumn for lines							200,000
	23	Educator expe	ncoc	_		_	23	you. tot	<u> </u>			
Adjusted	24	•	ss expenses of		s, performing a							
Gross			rnment officials.				24					
Income	25		account deduc		ch Form 8889		25					
	26		ses. Attach Forn				26			_		
	27		t of self-employr				27			4		
	28		SEP, SIMPLE,				28			-		
	29 30	Penalty on ear	health insuranc ly withdrawal of	e ueducti savinas	UII		29 30					
	31a		b Recipient's							1		
	32		·····				32					
	33	Student loan in	nterest deduction	n			33					
	34	Tuition and fee	es. Attach Form	8917			34					
	35	Domestic prod	uction activities	deduction	. Attach Form	8903	35					
	36	Add lines 23 th								36		200 202
	37	Subtract line 36	6 from line 22. T	ınıs is yol	ır aqjusted g	ross income	ə		u	ı 37	1	200,000

Form 1040 (2017	7) Fre	d & Wilma Flintstone	***	-**-6789 Page 2
,	38	Amount from line 37 (adjusted gross income)	38	200,000
Tay and		Check You were born before January 2, 1953, Blind. Total boxes		
Tax and Credits		if: { Spouse was born before January 2, 1953, Blind. } checked u 39a		
Credits	¬ b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b		
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,700
Deduction			40	187,300
for—	41	Subtract line 40 from line 38	42	
People who check any	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions		8,100
box on line 39a or 39b or	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	179,200
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c C	44	37,061
dependent,	45	Alternative minimum tax (see instructions). Attach Form 6251	45	
see instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	
All others:	47	Add lines 44, 45, and 46 u	47	<u>37,061</u>
Single or	48	Foreign tax credit. Attach Form 1116 if required 48		
Married filing separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49		
\$6,350	50	Education credits from Form 8863, line 19 50		
Married filing jointly or	51	Retirement savings contributions credit. Attach Form 8880 51		
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52		
\$12,700	53	Residential energy credits. Attach Form 5695 53		
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	37,061
	57	Self-employment tax. Attach Schedule SE	57	
Other	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
Taxes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
			60a	
	60a	Household employment taxes from Schedule H		
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	20.061
	63	Add lines 56 through 62. This is your total tax u	63	37,061
Da	64	Federal income tax withheld from Forms W-2 and 1099 64		
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	_	
If you have a	66a	Earned income credit (EIC) 66a		
qualifying child, attach	b	Nontaxable combat pay election _ 66b		
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67		
	68	American opportunity credit from Form 8863, line 8		
	69	Net premium tax credit. Attach Form 8962 69		
	70	Amount paid with request for extension to file 70		
	71	Excess social security and tier 1 RRTA tax withheld 71		
	72	Credit for federal tax on fuels. Attach Form 4136 72		
	73	Credits from Forma 2439 b Reserved c 8885 d 73		
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings		
See	u d	Account number		
instructions.	77	Amount of line 75 you want applied to your 2018 estimated tax u 77		
Amount	78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u	78	37,948
You Owe	79	Estimated tax penalty (see instructions) 79 887		377310
Tou Owe		u want to allow another person to discuss this return with the IRS (see instructions)? X	•	w. No
Third Par	ty Do you		405	
Designee	Designee	98		
Ciarra	name Under penal			-387-9800
Sign	accurately lis	tiles of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any known acture Date Your occupation	owledge. Da	sytime phone number
Here Joint return?	i our sign	Business Owner	If +	he IRS sent you an Identity
Joint return? See instr. Keep a copy	Spouse's	signature. If a joint return, both must sign. Date _Spouse's occupation	Pro	otection PIN, ter it here
Keep a copy for your records.		Accountant	(se	ee instr.)
	Print/Type p	reparer's name Preparer's signature Date	Check	if PTIN
Paid _	Jason W	Jason Watson, EA 06/29/		
Preparer _	Firm's name	u Watson CPA Group	Firm's EIN 1	ı **-***0847
Use Only	Firm's address	_	Phone no.	
		Colorado Springs	710-3	227_0200

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
		pendents				
	1.	Salaries and wages	1.	60,000	60,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
1	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
C	7.	Capital gain/loss	7.			
0	8	Other gains/losses	8.			
m	a.	Taxable IRA distributions	9.			
e	10	Taxable pensions and annuities	10.			
C	10.	Schedule E income/loss	11.	140,000	140,000	
	11.	Form income/loss	12.	140,000	140,000	
	12.	Farm income/loss	13.			
	13.	Unemployment benefits	14.			
	14.	Taxable social security benefits	-			
	15.	Other income	15.	200 000	200 000	
		Total income	16.	200,000	200,000	
Α	17.	Moving expenses	17.			
d	18.	Deductible part of self-employment tax	18.			
j 	19.	SEP/SIMPLE/Qualified plans deductions	19.			
u S		Self-employed health insurance deduction	20.			
ť		Penalty on early withdrawal of savings	21.			
m	22.	Alimony paid	22.			
e n	23.	IRA deductions	23.			
**		Student loan interest deduction	24.			
S	25.	Other adjustments	25.			
		Adjusted gross income	26.	200,000	200,000	
	27.	Medical	27.			
	28.	State and local or sales taxes	28.	1,191	1,191	
D	29.	Real estate taxes	29.			
е	30.	Personal property & other taxes	30.			
d		Total Taxes Paid. Add lines 28 - 30	31.	1,191	1,191	
u		Maximum State and local tax deduction	32.		10,000	10,000
С		State/local tax deduction. Lower of 31 or 32	33.	1,191	1,191	
t		Interest	34.			
i	35.	Contributions	35.			
o		Casualty losses (non-disaster)	36.			
n		Miscellaneous expenses (including qualified disaster loss)	37.			
s	38.		38.	1,191	1,191	
-		Standard deduction	39.	12,700	24,000	11,300
				Standard	Standard	,
	40.	Deduction taken	40.	12,700	24,000	11,300
		Subtract line 40 from line 26	41.	187,300	176,000	-11,300
	42.		42.	8,100	=:0,000	-8,100
	43.		43.	179,200	176,000	-3,200
	44.	•	44.	1,5,200	28,000	28,000
			45.	179,200	148,000	-31,200
	45.	Taxable income	43.	1/9,200	T40,000	-31,200

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
		ing Status		MFJ	MFJ	
	46.	Taxable income from TPW page 1, line 45	46.	179,200	148,000	-31,200
	47.	Tax on taxable income	47.	37,061	24,439	-12,622
	48.	Taxes from Forms 4972, 8814, and add'l taxes	48.			
	49.	Alternative minimum tax	49.			
	50.	Add lines 47, 48, and 49	50.	37,061	24,439	-12,622
	51.	Foreign tax credit	51.			
т	52.	Child and dependent care credit	52.			
а	53.	Education credits	53.			
x	54.	Retirement savings credit	54.			
	55.	Credit for the elderly	55.			
С		Child tax credit	56.			
0	57.	Nonbusiness energy property credit	57.			
m	58.	Alternative motor vehicle credit (Form 8910)	58.			
р	59.	Qualified plug-in electric motor vehicle (Form 893	36 59 .			
u	60.	Mortgage interest credit	60.			
t	61.	D.C. first-time homebuyer credit	61.			
а		Residential energy efficient property credit	62.			
t		Adoption credit	63.			
i	64.	General business credit	64.			
0	65.	Prior year minimum tax credit	65.			
n	66.	Other credits	66.			
	67.	Total credits	67.			
	68.	Net tax liability	68.	37,061	24,439	-12,622
	69.	Self-employment tax	69.	·	,	
	70.	Tax on unreported tips	70.			
	71.	Tax on IRA or qualified plans	71.			
	72.	Household employment taxes	72.			
		First-time homebuyer credit repayment	73.			
		Health care: individual responsibility	74.			
		Additional Medicare Tax	75.			
	76.	Net Investment Income Tax	76.			
		Other taxes	77.			
	78.	Total tax	78.	37,061	24,439	-12,622
		Income tax withheld	79.	0.700=		
		Estimated tax payments	80.			
	81	Earned income credit	81.			
		Additional child tax credit	82.			
		Reserved	83.			
	84	Other payments	84.			
	85	Total payments	85.			
		Not toy due, noticed	86.	37,061	24,439	-12,622
		Marginal Tax Rate - Ordinary Income	87.	28.0%	22.0%	12,022
		Marginal Tax Rate - Capital Income	88.	<u>20.0</u> %	%	
		Effective Tax Rate	89.	21.0%	17.0%	
	δЭ.	Ellective lax kate	oy.	∠⊥• ∪%	1 /•0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred & Wilma Flintstone

Specified service business Not projected qualified business income for all activities		140,000
Net projected qualified business income for all activities If projected qualified business income is less than zero, complete only line 3 and lines 23 thru 34		140,000
Tentative Deduction		
Enter projected qualified business income for this trade or business	1.	140,000
. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.		28,000
Enter projected taxable income before qualified business deduction (TPW, line 43)		176,000
Mark if taxable income is \$157,500 or \$ 315,000 (MFJ) or lower; Do not complete the rest of this worksheet.	··· • —	270,000
Enter the amount from Line 2 on Line 21, Qualified business income deduction for this activity.	X	
Mark if taxable income is more than \$207,500, or \$415,000 (MFJ) and Specified service business is marked;	=	
Do not complete lines 4 through 20. The deduction for this activity is not allowed.		
Wage and Capital Limitation	··· —	
Complete wage and capital limitation section, if projected taxable income is greater than \$157,500, or \$315,000 (limitation)	ME I)	
Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable income; complete only if specified service Divide Line 4 by \$50,000 (\$100,000 MFJ): complete only if specified service.		
7 *************************************		
If specified service, multiply Line 2 by Line 6; else enter amount from Line 2.		
Wages from business, enter 0 if none. If service business, multiply by Line 6.	6.	
Wage component. Multiply line 8 by 50% (.50).	9	
O. Multiply line 8 by 25% (.25) O. Qualified property of the business, enter 0 if none. If specified service, multiply by line 6.	10	
2. Multiply line 11 by 2.5% (.025). 3. Wage and Capital component. Add lines 10 and 12.	12	
4. Enter the greater of line 9, Wage component or line 13, Wage and Capital component.		
5. Enter the lesser of line 7 or line 14. If the wage/capital limit is used on line 15 and projected taxable income is \$207,500, or \$415,000 (MFJ) or less	'	
then, complete Phase Out of Wage and Capital Limitation section.	,	
Otherwise, enter the amount from Line 15 on line 21, Qualified business income deduction for this activity.		
Phase Out of Wage and Capital Limitation		
6. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxable income.		
7. Divide line 16 by 50,000, or 100,000 (MFJ).	17	
3. Subtract Line 15 from Line 7.	18	
9. Multiply line 18 by line 17.	19	
D. Qualified business income for this activity. Subtract Line 19 from Line 7 and enter the amount on line 21.	20	
Business Income Deduction Calculation		
1. Qualified business income deduction for this activity.	21	28,000
Tentative Qualified Business Income Deduction * Complete Business Income Deduction Calculation on last worksheet on	ly.	
2. Combined qualified business income. Enter the total of all activities line 21	22.	28,000
3. Qualified real estate investment trust dividends multiplied by 20%		-,
4. Qualified publicly traded partnership income multiplied by 20%	24.	
5. Total combined qualified business income. Add lines 22 through 24	25.	28,000
Taxable Income Limitation		•
6. Net capital gain	26.	
7. Qualified cooperative dividends	27.	(
3. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20). If less than zero, enter 0.	28.	35,200
3. Enter the lesser of Line 25 or Line 28.	00	28,000
0. Multiply Line 27, Qualified cooperative dividends by 20% (.20).	30.	
1. Subtract Line 26, Net capital gain from Line 3, Projected taxable income.	31.	176,000
2. Enter the smaller of line 30 or line 31. If zero or less, then enter 0.	32.	(
3. Add lines 29 and 32.	33.	28,000
4. Qualified Business Income Deduction. Enter smaller of line 3 or line 33. Enter on TPW line 44	34	28,000

tel 719.387.9800 **sms** 719.345.2100 **t** fax 855.345.9700

Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Married

S Corp Wages: **60,000**

S Corp Net Income: 140,000

Specified Service: Yes

Taxable Income: 176,000 (before QBID)

Section 199A Deduction: 28,000

For the year Jan. 1-l		S. Individ , 2017, or other tax y			11000		2017, end		, 20	-		or staple in this space. te instructions.
Your first name and	initial		Last name							l		curity number
Fred			Flints	tone						**	*-*	*-6789
If a joint return, spou Wilma	se's firs	t name and initial	Flints	tone								l security number *-4321
Home address (numl			a P.O. box, see instr				Apt. no.			p Make sure the SSN(s) above		
		tstone V								_		line 6c are correct.
City, town or post off Bedrock	ice, sta	te, and ZIP code. If y	ou have a foreign ac LA	ddress, also 707		oelow (see instru	ictions).				Check h	here if you, or your spouse ointly, want \$3 to go to this
Foreign country nam	e		Foreign province/state/county				Foreign po	stal code			necking a box below will nge your tax or refund. You Spouse	
Filing Status	1	Single	•			4 Hea	ad of hous qualifying	ehold (with o	qualifying person). (Schild but not your de	See inst ependen	ructions.) t, enter th	If is
_	2	⊣ ਾ	itly (even if only one				d's name l	nere. u				
Check only one box.	3 [Enter spouse's SSN above 5 Qualifying widow(er) (see instructions)			instructions)					
	60	and full name he X Yourself. I	lf someone can	oloim vou	as a depende	ant de net o	hook ho	v 60			1 B	oxes checked 2
Exemptions	6a b										ſ	n 6a and 6b — Z
	c Dependents									(4)	✓ if o	o. of children n 6c who:
						(2) Depe			(3) Dependent's	age for	17 qual. Child	lived with you
		(1) First name	Las	t name		social securi	ity numbei	re	lationship to you		instr.) V	ou due to divorce r separation
If more than four dependents, see										\perp		see instructions)
instructions and										+		ependents on 6c
check here ${f u}$										+	no	ot entered above
	d	Total number of	of exemptions c	laimed							—— А III	dd numbers on 2
	7		ps, etc. Attach Form							7	T	60,000
Income	8a	Taxable intere	est. Attach Sche	dule B if i	required					8a		
Attach Form(s)	b	Tax-exempt in	nterest. Do not	include or	n line 8a		8b					
W-2 here. Also attach Forms	9a	Ordinary divide	ends. Attach Sch	nedule B	if required		. 1 1			9a		
W-2G and	b	Qualified divide	ends				9b					
1099-R if tax	10		ls, credits, or off	fsets of st	ate and local	income taxes	3			10		
was withheld.	11 12	Alimony receiv	reane or (loss). Atta	sch Sche	tule C or C-F	 7				11		
If you did not get a W-2,	13	Capital gain or (loss)). Attach Schedule D i	f required If r	not required check	here ll				13		
see instructions.	14		(losses). Attach		07					14		
	15a	IRA distribution	ns	15a			t Taxal	ole amour	nt	15b		
	16a	Pensions and		16a		ŀ	T axal	ole amour	nt	16b		
	17		ate, royalties, pa			ons, trusts, e	tc. Atta	ch Sched	ule E	17		140,000
	18		or (loss). Attach							18		
	19		compensation	1 1						19		
	20a 21	Social security b	List type and ar	mount					nt	20b		
	22		mounts in the fa		lumn for lines							200,000
	23	Educator expe	ncoc	_		_	23	you. tot	<u> </u>			
Adjusted	24	•	ss expenses of		s, performing a							
Gross			rnment officials.				24					
Income	25		account deduc		ch Form 8889		25					
	26		ses. Attach Forn				26			_		
	27		t of self-employr				27			4		
	28		SEP, SIMPLE,				28			-		
	29 30	Penalty on ear	health insuranc ly withdrawal of	e ueducti savinas	UII		29 30					
	31a		b Recipient's							1		
	32		·····				32					
	33	Student loan in	nterest deduction	n			33					
	34	Tuition and fee	es. Attach Form	8917			34					
	35	Domestic prod	uction activities	deduction	. Attach Form	8903	35					
	36	Add lines 23 th								36		200 202
	37	Subtract line 36	6 from line 22. T	ınıs is yol	ır aqjusted g	ross income	ə		u	ı 37	1	200,000

Form 1040 (2017	7) Fre	d & Wilma Flintstone	***	-**-6789 Page 2
,	38	Amount from line 37 (adjusted gross income)	38	200,000
Tay and		Check You were born before January 2, 1953, Blind. Total boxes		
Tax and Credits		if: { Spouse was born before January 2, 1953, Blind. } checked u 39a		
Credits	¬ b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b		
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,700
Deduction			40	187,300
for—	41	Subtract line 40 from line 38	42	
People who check any	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions		8,100
box on line 39a or 39b or	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	179,200
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c C	44	37,061
dependent,	45	Alternative minimum tax (see instructions). Attach Form 6251	45	
see instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	
All others:	47	Add lines 44, 45, and 46 u	47	<u>37,061</u>
Single or	48	Foreign tax credit. Attach Form 1116 if required 48		
Married filing separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49		
\$6,350	50	Education credits from Form 8863, line 19 50		
Married filing jointly or	51	Retirement savings contributions credit. Attach Form 8880 51		
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52		
\$12,700	53	Residential energy credits. Attach Form 5695 53		
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	37,061
	57	Self-employment tax. Attach Schedule SE	57	
Other	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
Taxes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
			60a	
	60a	Household employment taxes from Schedule H		
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	20.061
	63	Add lines 56 through 62. This is your total tax u	63	37,061
Da	64	Federal income tax withheld from Forms W-2 and 1099 64		
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	_	
If you have a	66a	Earned income credit (EIC) 66a		
qualifying child, attach	b	Nontaxable combat pay election _ 66b		
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67		
	68	American opportunity credit from Form 8863, line 8		
	69	Net premium tax credit. Attach Form 8962 69		
	70	Amount paid with request for extension to file 70		
	71	Excess social security and tier 1 RRTA tax withheld 71		
	72	Credit for federal tax on fuels. Attach Form 4136 72		
	73	Credits from Forma 2439 b Reserved c 8885 d 73		
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings		
See	u d	Account number		
instructions.	77	Amount of line 75 you want applied to your 2018 estimated tax u 77		
Amount	78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u	78	37,948
You Owe	79	Estimated tax penalty (see instructions) 79 887		377310
Tou Owe		u want to allow another person to discuss this return with the IRS (see instructions)? X	•	w. No
Third Par	ty Do you		405	
Designee	Designee	98		
Ciarra	name Under penal			-387-9800
Sign	accurately lis	tiles of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any known acture Date Your occupation	owledge. Da	sytime phone number
Here Joint return?	i our sign	Business Owner	If +	he IRS sent you an Identity
Joint return? See instr. Keep a copy	Spouse's	signature. If a joint return, both must sign. Date _Spouse's occupation	Pro	otection PIN, ter it here
Keep a copy for your records.		Accountant	(se	ee instr.)
	Print/Type p	reparer's name Preparer's signature Date	Check	if PTIN
Paid _	Jason W	Jason Watson, EA 06/29/		
Preparer _	Firm's name	u Watson CPA Group	Firm's EIN 1	ı **-***0847
Use Only	Firm's address	_	Phone no.	
		Colorado Springs	710-3	227_0200

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
		pendents				
	1.	Salaries and wages	1.	60,000	60,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
1	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
C	7.	Capital gain/loss	7.			
0	8	Other gains/losses	8.			
m	a.	Taxable IRA distributions	9.			
e	10	Taxable pensions and annuities	10.			
C	10.	Schedule E income/loss	11.	140,000	140,000	
	11.	Form income/loss	12.	140,000	140,000	
	12.	Farm income/loss	13.			
	13.	Unemployment benefits	14.			
	14.	Taxable social security benefits	-			
	15.	Other income	15.	200 000	200 000	
		Total income	16.	200,000	200,000	
Α	17.	Moving expenses	17.			
d	18.	Deductible part of self-employment tax	18.			
j 	19.	SEP/SIMPLE/Qualified plans deductions	19.			
u S		Self-employed health insurance deduction	20.			
ť		Penalty on early withdrawal of savings	21.			
m	22.	Alimony paid	22.			
e n	23.	IRA deductions	23.			
**		Student loan interest deduction	24.			
S	25.	Other adjustments	25.			
		Adjusted gross income	26.	200,000	200,000	
	27.	Medical	27.			
	28.	State and local or sales taxes	28.	1,191	1,191	
D	29.	Real estate taxes	29.			
е	30.	Personal property & other taxes	30.			
d		Total Taxes Paid. Add lines 28 - 30	31.	1,191	1,191	
u		Maximum State and local tax deduction	32.		10,000	10,000
С		State/local tax deduction. Lower of 31 or 32	33.	1,191	1,191	
t		Interest	34.			
i	35.	Contributions	35.			
o		Casualty losses (non-disaster)	36.			
n		Miscellaneous expenses (including qualified disaster loss)	37.			
s	38.		38.	1,191	1,191	
-		Standard deduction	39.	12,700	24,000	11,300
				Standard	Standard	,
	40.	Deduction taken	40.	12,700	24,000	11,300
		Subtract line 40 from line 26	41.	187,300	176,000	-11,300
	42.		42.	8,100	=:0,000	-8,100
	43.		43.	179,200	176,000	-3,200
	44.	•	44.	1,5,200	28,000	28,000
			45.	179,200	148,000	-31,200
	45.	Taxable income	43.	1/9,200	T40,000	-31,200

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
		ing Status		MFJ	MFJ	
	46.	Taxable income from TPW page 1, line 45	46.	179,200	148,000	-31,200
	47.	Tax on taxable income	47.	37,061	24,439	-12,622
	48.	Taxes from Forms 4972, 8814, and add'l taxes	48.			
	49.	Alternative minimum tax	49.			
	50.	Add lines 47, 48, and 49	50.	37,061	24,439	-12,622
	51.	Foreign tax credit	51.			
т	52.	Child and dependent care credit	52.			
а	53.	Education credits	53.			
x	54.	Retirement savings credit	54.			
	55.	Credit for the elderly	55.			
С		Child tax credit	56.			
0	57.	Nonbusiness energy property credit	57.			
m	58.	Alternative motor vehicle credit (Form 8910)	58.			
р	59.	Qualified plug-in electric motor vehicle (Form 893	36 59.			
u	60.	Mortgage interest credit	60.			
t	61.	D.C. first-time homebuyer credit	61.			
а		Residential energy efficient property credit	62.			
t		Adoption credit	63.			
i	64.	General business credit	64.			
0	65.	Prior year minimum tax credit	65.			
n	66.	Other credits	66.			
	67.	Total credits	67.			
	68.	Net tax liability	68.	37,061	24,439	-12,622
	69.	Self-employment tax	69.	·	,	
	70.	Tax on unreported tips	70.			
	71.	Tax on IRA or qualified plans	71.			
	72.	Household employment taxes	72.			
		First-time homebuyer credit repayment	73.			
		Health care: individual responsibility	74.			
		Additional Medicare Tax	75.			
	76.	Net Investment Income Tax	76.			
		Other taxes	77.			
	78.	Total tax	78.	37,061	24,439	-12,622
		Income tax withheld	79.	0.700=		
		Estimated tax payments	80.			
	81	Earned income credit	81.			
		Additional child tax credit	82.			
		Reserved	83.			
	84	Other payments	84.			
	95	Total navments	85.			
		Total payments Net tax due/-refund	86.	37,061	24,439	-12,622
		Marginal Tax Rate - Ordinary Income	87.	28.0%	22.0%	12,022
		Marginal Tax Rate - Capital Income	88.	<u>20.0</u> %	%	
		Effective Tax Rate	89.	21.0%	17.0%	
	69.	Ellective Tax Rate	oy.	ZI•U%	1 /•0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred & Wilma Flintstone

Description of Business	Slate Rock and Gravel C	ompany	<u>- </u>
Character of consider business			<u>X</u>
Net projected qualified business income for all activities			140,000
If projected qualified business income is less than zero, complete Ten	e only line 3 and lines 23 thru 34 tative Deduction		
1. Enter projected qualified business income for this trade or business	s	1	140,000
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.		2.	28,000
3. Enter projected taxable income before qualified business deductio	n (TPW, line 43)	3.	176,000
Mark if taxable income is \$157,500 or \$315,000 (MFJ) or lower;			
Enter the amount from Line 2 on Line 21, Qualified business in	ncome deduction for this activity.	<u>X</u>	
Mark if taxable income is more than \$207,500, or \$415,000 (MF	J) and Specified service business is marked;		
Do not complete lines 4 through 20. The deduction for this ac	tivity is not allowed.	. <u> </u>	
Wage a	nd Capital Limitation		
Complete wage and capital limitation section, if projected taxable	income is greater than \$157,500, or \$315,000 (MI	=J).	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable	income; complete only if specified service.	4	
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specific	ed service.	5.	
6. Subtract Line 5 from 1.0; This is the applicable percentage for the	specified service business.	6.	
7. If specified service, multiply Line 2 by Line 6; else enter amount from	om Line 2.	7	
8. W-2 Wages from business, enter 0 if none. If service business, mu	ultiply by Line 6.	8	
9. Wage component. Multiply line 8 by 50% (.50).		9	
10. Multiply line 8 by 25% (.25)		. 10	
11. Qualified property of the business, enter 0 if none. If specified serv			
12. Multiply line 11 by 2.5% (.025).		. 12	
13. Wage and Capital component. Add lines 10 and 12		. 13	
14. Enter the greater of line 9, Wage component or line 13, Wage and		14	
15. Enter the lesser of line 7 or line 14.		. 15	
If the wage/capital limit is used on line 15 and projected taxable			
then, complete Phase Out of Wage and Capital Limitation sec			
Otherwise, enter the amount from Line 15 on line 21, Qualified by	business income deduction for this activity.		
	Wage and Capital Limitation	40	
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxa			
17. Divide line 16 by 50,000, or 100,000 (MFJ).		. 17	
18. Subtract Line 15 from Line 7.		10	
19. Multiply line 18 by line 17.20. Qualified business income for this activity. Subtract Line 19 from	m Line 7 and enter the amount on line 21	20	
·			
	ome Deduction Calculation	21.	28 000
21. Qualified business income deduction for this activity.			28,000
	ed Business Income Deduction Deduction Calculation on last worksheet only.		
22. Combined qualified business income. Enter the total of all act	ivities line 21	. 22	28,000
23. Qualified real estate investment trust dividends multiplied by 20%			
24. Qualified publicly traded partnership income multiplied by 20%		24	
25. Total combined qualified business income. Add lines 22 through 2	4	25	28,000
Taxable	e Income Limitation		
26. Net capital gain		26	
27. Qualified cooperative dividends		. 27	0
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20).	If less than zero, enter 0.	28	35,200
29. Enter the lesser of Line 25 or Line 28.			
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).		30	176 000
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable in	ncome.	31.	
32. Enter the smaller of line 30 or line 31. If zero or less, then enter 0.		32	28 000
33. Add lines 29 and 32.34. Qualified Business Income Deduction. Enter smaller of line 3 of the smaller	ur line 22. Enter on TDM line 44	33	28,000
34. Qualified Business income Deduction. Enter smaller of line 3 c	or line 33. Enter on TPVV line 44	. 34	28,000

tel 719.387.9800 **sms** 719.345.2100 **t** fax 855.345.9700

Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Married

S Corp Wages: **60,000**

S Corp Net Income: 140,000

Specified Service: No

Taxable Income: 326,000 (before QBID)

Section 199A Deduction: 28,000

For the year Jan. 1-Dec. 31, 2017, or other tax			Lual Income Tax Return Lual Income Tax Ret											
Your first name and i	nitial		Last name								Your social security number			
Fred			Flintstone								***-**-6789			
If a joint return, spouse's first name and initial Wilma			Last name Flintst	Last name Flintstone							Spouse's social security number ***-**-4321			
Home address (number and street). If you have a P.O. box, see instructions. Apt. no. 301 Cobbletstone Way). 	P Make sure the SSN(s) above and on line 6c are correct.						
			ou have a foreign add	dress, also com		ow (see instruc	ctions).		•	•		Check if filing	k here if you, g jointly, want	tion Campaio or your spouse \$3 to go to the box below will
Foreign country name	Э		Foreign province/sta	ate/county				Foreig	n postal code			not ch	You	Spouse
Filing Status	1 2	Single Married filing join	tly (even if only one h	ad income)		Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. U								
Check only one box.	3	┥ ::	parately. Enter spouse		- 🗆									
Exemptions	6a		f someone can c	laim you as	a dependen	t, do not ch	neck bo	ox 6a _.				}	Boxes che	
•	<u>b</u>				· · · · · · · · · · · · · · · · · · ·						1 (4)	J V if	No. of child	
	С	Dependents:				(2) Depen	dent's		(3) Dependen	t's	age 1	under 7 qual.	on 6c who: lived with	h you
		(1) First name	Loot	name		social securit	y numbe	er	relationship to	/ou	tax	child	• did not li	ive with
If more than four		(1) Thist hame	Last	Harrie							(366	1115(1.)	or separation (see instru	on .
dependents, see													`	,
instructions and check here u													Dependents not entered	
													Add number	ers on —
	d		of exemptions cla								l .	 	lines above	u
Income	7	Wages, salaries, tip	os, etc. Attach Form(s	s) W-2							7		21	_0,000
	8a h		est. Attach Sched nterest. Do not ir								8a			
Attach Form(s) W-2 here. Also	b 9a	Ordinary divide	ends. Attach Sch	adule B if re	ne oa equired		OD				9a			
attach Forms	b	Qualified divide					9b							
W-2G and 1099-R if tax	10		ls, credits, or offs	ets of state	and local in	come taxes					10			
was withheld.	11	Alimony receiv	ed								11			
If you did not	12	Business incon	ne or (loss). Atta	ch Schedule	e C or C-EZ					٠ بــــ	12			
get a W-2,	13		. Attach Schedule D if			re u				Ш	13			
see instructions.	14		(losses). Attach								14			
		IRA distribution Pensions and		15a 16a				ble am			15b 16b			
	17		ate, royalties, pa		S corporation	s trusts et	r Atta	ch Sch	ount edule F		17		14	10,000
	18		or (loss). Attach S								18			10,000
	19		compensation								19			
	20a	Social security b		I I					ount		20b			
	21	Other income.	List type and am	ount							21			
	22		mounts in the far				This i	s your	total income	u	22		35	<u>0,000</u>
A ali: . a.t.a. al	23	Educator expe	nses				23							
Adjusted	24		ss expenses of r		_		24							
Gross	25	Health savings	rnment officials.	on Attach F	11 2 100 01 2 1 Form 8880	00-⊑∠	24							
Income	26		ses. Attach Form	3003			26							
	27		t of self-employm		ach Schedule	e SE	27							
	28		SEP, SIMPLE, a				28							
	29	Self-employed	health insurance	deduction			29							
	30		ly withdrawal of				30							
	31a		b Recipient's S				31a							
	32 33	IKA deduction					32							
	34	Tuition and fee	nterest deduction es. Attach Form 8	 1917			34							
	35	Domestic prod	uction activities of	deduction. A	Attach Form 8	3903	35							
	36	Add lines 23 th									36			
	37		6 from line 22. Th								37		35	50,000

Form 1040 (2017	7) Fre	d & Wilma Flintstone	***	-**-6789 Page 2
,	38	Amount from line 37 (adjusted gross income)	38	350,000
Tax and		Check You were born before January 2, 1953, Blind. Total boxes		
Credits		if: { Spouse was born before January 2, 1953, Blind. } checked u 39a		
Credits	¬ b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b		
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,700
Deduction			40	337,300
for—	41	Subtract line 40 from line 38	42	
People who check any	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions		5,670
box on line 39a or 39b or	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	331,630
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c C	44	84,655
dependent,	45	Alternative minimum tax (see instructions). Attach Form 6251	45	
see instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	
All others:	47	Add lines 44, 45, and 46 u	47	84,655
Single or	48	Foreign tax credit. Attach Form 1116 if required 48		
Married filing separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49		
\$6,350	50	Education credits from Form 8863, line 19 50		
Married filing jointly or	51	Retirement savings contributions credit. Attach Form 8880 51		
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52		
\$12,700	53	Residential energy credits. Attach Form 5695 53		
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	84,655
	57	Self-employment tax. Attach Schedule SE	57	
Other	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
Taxes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
			60a	
	60a	Household employment taxes from Schedule H		
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	04 655
	63	Add lines 56 through 62. This is your total taxu	63	84,655
_	64	Federal income tax withheld from Forms W-2 and 1099 64	_	
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	_	
If you have a	66a	Earned income credit (EIC) 66a		
qualifying child, attach	b	Nontaxable combat pay election _ 66b		
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67		
	່ 68	American opportunity credit from Form 8863, line 8 68		
	69	Net premium tax credit. Attach Form 8962 69		
	70	Amount paid with request for extension to file 70		
	71	Excess social security and tier 1 RRTA tax withheld 71		
	72	Credit for federal tax on fuels. Attach Form 4136 72		
	73	Credits from Forma 2439 b Reserved c 8885 d 73		
	74	Add lines 64 65 669, and 67 through 72 Those are your total nayments	74	
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
Refuiid	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings	700	
See		Account number		
instructions.	u d			
	77	Amount of line 75 you want applied to your 2018 estimated tax \u00e4 77	- 70	0E 00E
Amount	78 70	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u		85,985
You Owe	79	Estimated tax penalty (see instructions) 79 1,330		
Third Par	ty Do you	want to allow another person to discuss this return with the IRS (see instructions)? X Yes. Com		 -
Designee	Designee			111
	name			<u>-387-9800</u>
Sign		ties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, at all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any known that the properties of the	owledge. Da	aytime phone number
Here	Your sign	nature Date Your occupation Business Owner		
Joint return? See instr. Keep a copy	Spouse's	signature. If a joint return, both must sign. Date Spouse's occupation	- If	the IRS sent you an Identity rotection PIN,
Keep a copy for your records.		Accountant	er	nter it here ee instr.)
	Print/Type p	reparer's name Preparer's signature Date	Check	if PTIN
Paid _	Jason W	Watson, EA Jason Watson, EA 06/29/3	18 self-em	ployed *******
Preparer	Firm's name	u Watson CPA Group		u **-***0847
Use Only	Firm's address		Phone no.	
=,		Colorado Springs		387_9800

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
	De	pendents				
	1.	Salaries and wages	1.	210,000	210,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
ı	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
С	7.	Capital gain/loss	7.			
0	8.	Other gains/losses	8.			
m	9.	Taxable IRA distributions	9.			
е	10.	Taxable pensions and annuities	10.			
	11.	Schedule E income/loss	11.	140,000	140,000	
	12.	Farm income/loss	12.	•		
	13.	Unemployment benefits	13.			
	14.	Taxable social security benefits	14.			
	15.	Other income	15.			
	16.	Total income	16.	350,000	350,000	
		Moving expenses	17.	550,000	220,000	
Ą	18.	Deductible part of self-employment tax	18.			
d i		SEP/SIMPLE/Qualified plans deductions	19.			
u u	20	Self-employed health insurance deduction	20.			
s		Penalty on early withdrawal of savings	21.			
t m			22.			
m e	22.	Alimony paid	23.			
n	24	IRA deductions Student loan interest deduction	24.			
t			25.			
S		Other adjustments	26.	350,000	350,000	
		Adjusted gross income	27.	3307000	3307000	
	27.	Medical State and local or sales taxes	28.	1,768	1,768	
D			29.	1,700	1,700	
	29.	Real estate taxes Personal property & other taxes	30.			
e e		Total Taxes Paid. Add lines 28 - 30	31.	1,768	1,768	
d		Maximum State and local tax deduction	32.	1,700	10,000	10,000
u		State/local tax deduction. Lower of 31 or 32		1,768	1,768	10,000
C +			33. 34.	1,700	1,700	
:	34. 25	Interest				
ı		Contributions	35. 36.			
0		Casualty losses (non-disaster)				
n		Miscellaneous expenses (including qualified disaster loss) Allowable itemized deductions	37.	682	1,768	1,086
s	38.		38.	12,700	24,000	11,300
	39.	Standard deduction	39.	Standard	Standard	11,300
	40	Deduction taken	40		24,000	11 200
	40.	Deduction taken	40.	12,700		11,300 -11,300
		Subtract line 40 from line 26	41.	337,300	326,000	
	42.	Exemptions	42.	5,670	206 000	-5,670 5,630
	43.		43.	331,630	326,000	-5,630
	44.	Qualified business income deduction	44.	221 622	28,000	28,000
	45.	Taxable income	45.	331,630	298,000	-33,630

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
	46.	Taxable income from TPW page 1, line 45	46.	331,630	298,000	-33,630
		Tax on taxable income	47.	84,655	60,099	-24,556
	48.	Taxes from Forms 4972, 8814, and add'l taxes	48.			
	49.	Alternative minimum tax	49.			
	50.	Add lines 47, 48, and 49	50.	84,655	60,099	-24,556
	51.	Foreign tax credit	51.			
Т	52.	Child and dependent care credit	52.			
а	53.	Education credits	53.			
X	54.	Retirement savings credit	54.			
	55.	Credit for the elderly	55.			
С		Child tax credit	56.			
0		Nonbusiness energy property credit	57.			
m		Alternative motor vehicle credit (Form 8910)	58.			
р		Qualified plug-in electric motor vehicle (Form 893	6 59 .			
u		Mortgage interest credit	60.			
t		D.C. first-time homebuyer credit	61.			
а		Residential energy efficient property credit	62.			
t		Adoption credit	63.			
i	64.	General business credit	64.			
0	65.	Prior year minimum tax credit	65.			
n		Other credits	66.			
•	67.	Total credits	67.			
	68	Net tax liability	68.	84,655	60,099	-24,556
	69.	Self-employment tax	69.	01,000	00,000	
	70	Tax on unreported tips	70.			
	71	Tax on IRA or qualified plans	71.			
		Household employment taxes	72.			
		First-time homebuyer credit repayment	73.			
		Health care: individual responsibility	74.			
		Additional Medicare Tax	75.			
	76.	Net Investment Income Tax	76.			
			77.			
	70		78.	84,655	60,099	-24,556
		Total tax Income tax withheld	79.	01/055	007055	21/550
			80.			
	00.	Estimated tax payments	81.			
		Earned income credit				
		Additional child tax credit	82.			
	03.	Reserved	83.			
	84.	Other payments	84.			
		Total payments	85.	01 655	60 000	
		Net tax due/-refund	86.	84,655	60,099	-24,556
		Marginal Tax Rate - Ordinary Income	87.	33.0%	24.0%	
		Marginal Tax Rate - Capital Income	88.	36.0	<u>%</u>	
	89.	Effective Tax Rate	89.	26.0%	20.0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred & Wilma Flintstone

	Slate Rock and Gravel Cor	npany
Specified service business		140.000
Net projected qualified business income for all activities		140,000
If projected qualified business income is less than zero, complete Ten	ative Deduction	
1. Enter projected qualified business income for this trade or business	s	1. <u>140,000</u>
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.		2. <u>28,000</u>
3. Enter projected taxable income before qualified business deduction	n (TPW, line 43)	3. 326,000
Mark if taxable income is \$157,500 or \$315,000 (MFJ) or lower;	Do not complete the rest of this worksheet.	
Enter the amount from Line 2 on Line 21, Qualified business in	ncome deduction for this activity.	_
Mark if taxable income is more than \$207,500, or \$415,000 (MF	J) and Specified service business is marked;	
Do not complete lines 4 through 20. The deduction for this ac	ivity is not allowed.	_
Wage a	nd Capital Limitation	
Complete wage and capital limitation section, if projected taxable	•	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable	-	4
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specific		5.
6. Subtract Line 5 from 1.0; This is the applicable percentage for the		6.
7. If specified service, multiply Line 2 by Line 6; else enter amount from	om Line 2.	7. 28,000
8. W-2 Wages from business, enter 0 if none. If service business, mu	ultiply by Line 6.	8. 60,000
9. Wage component. Multiply line 8 by 50% (.50).		9. 30,000
		10. 15,000
11. Qualified property of the business, enter 0 if none. If specified serv		11. 0
12. Multiply line 11 by 2.5% (.025).		12. 0
13. Wage and Capital component. Add lines 10 and 12.		13. 15,000
14. Enter the greater of line 9, Wage component or line 13, Wage and		14. 30,000
15. Enter the lesser of line 7 or line 14.		15. 28,000
If the wage/capital limit is used on line 15 and projected taxable		
then, complete Phase Out of Wage and Capital Limitation sec	,	
Otherwise, enter the amount from Line 15 on line 21, Qualified by		
	Nage and Capital Limitation	
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxa	ble income.	16
17. Divide line 16 by 50,000, or 100,000 (MFJ).		17
18. Subtract Line 15 from Line 7.		18
19. Multiply line 18 by line 17.		19
20. Qualified business income for this activity. Subtract Line 19 from	n Line 7 and enter the amount on line 21.	20
Business Inc	ome Deduction Calculation	
21. Qualified business income deduction for this activity.		21. <u>28,000</u>
	d Business Income Deduction Deduction Calculation on last worksheet only.	
22. Combined qualified business income. Enter the total of all act	vities line 21	22. 28,000
23. Qualified real estate investment trust dividends multiplied by 20%		23.
24. Qualified publicly traded partnership income multiplied by 20%		24.
25. Total combined qualified business income. Add lines 22 through 2	4	25. 28,000
Taxable	Income Limitation	
26. Net capital gain		26
27. Qualified cooperative dividends		270
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20).	If less than zero, enter 0.	28. <u>65,200</u>
29. Enter the lesser of Line 25 or Line 28.		29. <u>28,000</u>
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).		30
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable in	come.	31. <u>326,000</u>
32. Enter the smaller of line 30 or line 31. If zero or less, then enter 0.		320
33. Add lines 29 and 32.		33. <u>28,000</u>
34. Qualified Business Income Deduction. Enter smaller of line 3 of	r line 33. Enter on TPW line 44	34. <u>28,000</u>

tel 719.387.9800 **sms** 719.345.2100 **t** fax 855.345.9700 **b**

Section 199A Deductions - Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Married

S Corp Wages: **60,000**

S Corp Net Income: 140,000

Specified Service: Yes

Taxable Income: 301,080 (before QBID)

Section 199A Deduction: 24,920

For the year Jan. 1-I		, 2017, or other tax y		e Tax Retui	,	2017, end	IB No. 1545 ding	, 20		separate instructions.	
Your first name and	nitial		Last name	L						social security number	
Fred			Flints	tone						*-**-6789	
If a joint return, spou Wilma	se's firs	t name and initial	Flints	tone						e's social security number **-**-4321	
,		street). If you have a	P.O. box, see instru					Apt. no.	\mathbf{p}	Make sure the SSN(s) above and on line 6c are correct.	
				ddress, also complete sp	aces below (see instru	ıctions).				Presidential Election Cam	
Bedrock			LA	70777						Check here if you, or your sp if filing jointly, want \$3 to go to	to this
Foreign country nam	е		Foreign province/st	tate/county			Foreign po	ostal code		fund. Checking a box below what change your tax or refund You Spous	ıd.
Filing Status	1	Single			→ ∟ the	qualifying	person is a	qualifying person). (S child but not your de	See insti ependen	ructions.) If t, enter this	
	2	⊣ ::	tly (even if only one I			d's name l	here. u				
Check only one box.	3 [parately. Enter spous	e's SSN above	5 Qua	alifying wid	low(er) (see	instructions)			
	60	and full name he X Yourself. I		claim you as a dep	andant da nat a	book bo	v 60) Boxes checked	_
Exemptions	6a b										2
		Dependents:			<u> </u>	<u></u>			(4)	No. of children if on 6c who:	
					(2) Depe	ndent's		(3) Dependent's	age '	I under of lived with you 17 qual. ● lived with you child ● did not live with	
		(1) First name	Last	t name	social secur	ity number	r re	elationship to you	tax	credit you due to divorce	
If more than four										or separation (see instructions)	
dependents, see instructions and										Dependents on 6c	
check here u									$\perp \downarrow$	not entered above	
_	_									Add numbers on	_
	d			aimed							2
Income	7 8a	Wages, salaries, tip	os, etc. Attach Form((s) W-2		8a	210,00	<u> </u>			
Attach Form(s)	oa b			dule B if required . include on line 8a					oa		—
W-2 here. Also	9a	Ordinary divide	nds. Attach Sch	nedule B if required		_ 00			9a		
ttach Forms	b	Qualified divide		.5445	`	9b					
W-2G and 1099-R if tax	10	Taxable refund	Faxable refunds, credits, or offsets of state and local income taxes								
was withheld.	11	Alimony receiv	ed						11		
If you did not	12	Business incon	ne or (loss). Atta	ach Schedule C or	C-EZ				12		
get a W-2,	13			required. If not required,	check here ${f u}$ \dots			Ц	13		
see instructions.	14	9	(losses). Attach	The second second				-4	14		
	15a	IRA distribution Pensions and					ole amour		15b 16b	+	—
	17			artnerships, S corp	orations trusts e	oto Atta	sh Schedi	nt 	17	140,00	<u> </u>
	18			Schedule F					18	110,00	50
	19		compensation						19		
	20a	Social security b		1		b Taxal	ole amour	nt	20b	,	
	21	Other income.	List type and an	nount					21		
	22	Combine the a	mounts in the fa	ar right column for I	ines 7 through 21	I. This is	s your tot	al income u	. 22	350,00	<u>00</u>
A 12 1	23	Educator expe				23			4		
Adjusted	24			reservists, perform							
Gross	25			Attach Form 2106 tion. Attach Form 8		24 25			-		
Income	26		ses. Attach Form	n 3903		26			-		
	27			ment tax. Attach So	hedule SE	27			1		
	28			and qualified plans		28			1		
	29			e deduction		29					
	30	Penalty on ear	ly withdrawal of	savings		30					
	31a	Alimony paid	b Recipient's	SSN u		31a					
	32	IRA deduction				32			-		
	33	Student loan in	nterest deduction	n 		33					
	34 35	Domostic produ	s. Allach Form	8917deduction. Attach	8003	34 35					
	36	Add lines 23 th							36		
	37			This is your adjust e						350,00	00

Form 1040 (2017	7) Fre	d & Wilma Flintstone	***-**-6789 Page
,	38	Amount from line 37 (adjusted gross income)	38 350,000
Tax and		Check You were born before January 2, 1953, Blind. Total boxes	1
Credits		if: { Spouse was born before January 2, 1953, Blind. } checked u 39a	
Credits	¬ b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b	1
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	12,700
Deduction			
for—	41	Subtract line 40 from line 38	
People who check any	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	
box on line 39a or 39b or	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43 331,630
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c C	44 84,655
dependent,	45	Alternative minimum tax (see instructions). Attach Form 6251	45
see instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46
All others:	47	Add lines 44, 45, and 46 u	47 84,655
Single or	48	Foreign tax credit. Attach Form 1116 if required 48	
Married filing separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49	
\$6,350	50	Education credits from Form 8863, line 19 50	
Married filing jointly or	51	Retirement savings contributions credit. Attach Form 8880 51	
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52	
\$12,700	53	Residential energy credits. Attach Form 5695 53	
Head of household,	54	Other credits from Forma 3800 b 8801 c 54	7 1
\$9,350	55	Add lines 48 through 54. These are your total credits	55
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56 84,655
	57	Self-employment tax. Attach Schedule SE	57
Other	58	Unreported social security and Medicare tax from Forma 4137 b 8919	
Taxes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	
	60a	Household employment taxes from Schedule H	
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b
	61	Health care: individual responsibility (see instructions) Full-year coverage	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62
	63	Add lines 56 through 62. This is your total tax u	84,655
Da	64	Federal income tax withheld from Forms W-2 and 1099 64	-
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	_
If you have a	66a	Earned income credit (EIC) 66a	_
qualifying child, attach	b	Nontaxable combat pay election _ 66b	_
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812	
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	70	Amount paid with request for extension to file 70	
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	72	Credit for federal tax on fuels. Attach Form 4136 72	
	73	Credits from Forma 2439 b Reserved c 8885 d 73	7
	74	Add lines 64 65 669, and 67 through 72 Those are your total nayments	74
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75
Rorana	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here u	76a
Direct deposit?	u b	Routing number u c Type: Checking Savings	, , , , , , , , , , , , , , , , , , , ,
See	u d	Account number	
instructions.		Amount of line 75 you want applied to your 2018 estimated tax u 77	
A	77		78 85,985
Amount	78 70	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u	
You Owe	79	Estimated tax penalty (see instructions) 79 1,330	
Third Par	ty Do you		nplete below. No
Designee	Designee		u <u>40111</u>
	name		u 719-387-9800
Sign		ties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	nowledge. Daytime phone number
Here	Your sign	nature Date Your occupation Business Owner	K 1 100
Joint return? See instr. Keep a copy	Spouse's	signature. If a joint return, both must sign. Date Spouse's occupation	If the IRS sent you an Identity Protection PIN,
Keep a copy for your records.	•	Accountant	enter it here (see instr.)
	Print/Type p	reparer's name Preparer's signature Date	Check if PTIN
Paid _	Jason W	Jason Watson, EA 06/29/	18 self-employed *******
Preparer _	Firm's name	u Watson CPA Group	Firm's EIN u **-***084
Use Only	Firm's addres		Phone no.
•		Colorado Springs CO 80920-7907	719-387-9800

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
	De	pendents				
	1.	Salaries and wages	1.	210,000	210,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
I	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
С	7.	Capital gain/loss	7.			
0	8.	Other gains/losses	8.			
m	9.	Taxable IRA distributions	9.			
е	10.	Taxable pensions and annuities	10.			
	11.	Schedule E income/loss	11.	140,000	140,000	
	12.	Farm income/loss	12.	·	•	
	13.	Unemployment benefits	13.			
	14.	Taxable social security benefits	14.			
	15.	Other income	15.			
	16.	Total income	16.	350,000	350,000	
		Moving expenses	17.		300700	
A	18.	Deductible part of self-employment tax	18.			
d i		SEP/SIMPLE/Qualified plans deductions	19.			
u	20.	Self-employed health insurance deduction	20.			
s		Penalty on early withdrawal of savings	21.			
t m		Alimony paid	22.			
e	23	IRA deductions	23.			
n	24	Student loan interest deduction	24.			
t		Other adjustments	25.			
S		Adjusted gross income	26.	350,000	350,000	
			27.	330,000	330,000	
	28	Medical State and local or sales taxes	28.	1,768	1,768	
D		Real estate taxes	29.	17700	1,700	
e	30	Personal property & other taxes	30.			
d		Total Taxes Paid. Add lines 28 - 30	31.	1,768	1,768	
u		Maximum State and local tax deduction	32.	17700	10,000	10,000
C		State/local tax deduction. Lower of 31 or 32	33.	1,768	1,768	10,000
+			34.	1,,00	1,700	
i	25	Interest	35.			
1		Contributions Casualty losses (non-disaster)	36.			
0 n			37.			
n e		Miscellaneous expenses (including qualified disaster loss) Allowable itemized deductions		682	1,768	1,086
S	38.		38. 39.	12,700	24,000	11,300
	39.	Standard deduction	33.	Standard	Standard	11,300
	40	Deduction taken	40		24,000	11 200
	40.	Deduction taken	40.	12,700 337 300		11,300 -11,300
		Subtract line 40 from line 26	41.	337,300	326,000	
	42.	Exemptions	42.	5,670	226 000	-5,670 -5,630
	43.		43.	331,630	326,000	-5,630
	44.	Qualified business income deduction	44.	221 (20	24,920	24,920
	45.	Taxable income	45.	331,630	301,080	-30,550

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

FIE	<u> </u>	willia Fillitstone				^ ^ ^ - ^ ^ - 0 / 0 9		
				2017	2018	Differences		
		ing Status		MFJ	MFJ			
	46.	Taxable income from TPW page 1, line 45	46.	331,630	301,080	-30,550		
		Tax on taxable income	47.	84,655	60,838	-23,817		
		Taxes from Forms 4972, 8814, and add'l taxes	48.					
	49.	Alternative minimum tax	49.					
	50.	Add lines 47, 48, and 49	50.	84,655	60,838	-23,817		
	51.	Foreign tax credit	51.					
Т	52.	Child and dependent care credit	52.					
а	53.	Education credits	53.					
X	54.	Retirement savings credit	54.					
	55.	Credit for the elderly	55.					
С	56.	Child tax credit	56.					
0	57.	Nonbusiness energy property credit	57.					
m		Alternative motor vehicle credit (Form 8910)	58.					
р	59.	Qualified plug-in electric motor vehicle (Form 893	6 59 .					
u	60.	Mortgage interest credit	60.					
t	61.	D.C. first-time homebuyer credit	61.					
а	62.	Residential energy efficient property credit	62.					
t		Adoption credit	63.					
i	64.	General business credit	64.					
0	65.	Prior year minimum tax credit	65.					
n	66.	Other credits	66.					
	67.	Total credits	67.					
	68.	Net tax liability	68.	84,655	60,838	-23,817		
	69.	Self-employment tax	69.					
	70.	Tax on unreported tips	70.					
	71.	Tax on IRA or qualified plans	71.					
		Household employment taxes	72.					
		First-time homebuyer credit repayment	73.					
	74.	Health care: individual responsibility	74.					
	75.	Additional Medicare Tax	75.					
	76.	Net Investment Income Tax	76.					
		Other taxes	77.					
		Total tax	78.	84,655	60,838	-23,817		
		Income tax withheld	79.					
	80.	Estimated tax payments	80.					
	81.	Earned income credit	81.					
		Additional child tax credit	82.					
	1	Reserved	83.					
	84.	Other payments	84.					
	85.		85.					
	86.	Net tax due/-refund	86.	84,655	60,838	-23,817		
	87.	.	87.	33.0%	24.0%			
	88.	Marginal Tax Rate - Capital Income	88.	%	%			
	89.	Effective Tax Rate	89.	26.0%	20.0%			

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred & Wilma Flintstone

	Slate Rock and Gravel Com	
Specified service business		
Net projected qualified business income for all activities		140,000
If projected qualified business income is less than zero, complete Tent	only line 3 and lines 23 thru 34 cative Deduction	
1. Enter projected qualified business income for this trade or busines	s1	140,000
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.	2	28,000
3. Enter projected taxable income before qualified business deduction	n (TPW, line 43)	326,000
Mark if taxable income is \$157,500 or \$315,000 (MFJ) or lower;		
Enter the amount from Line 2 on Line 21, Qualified business in	ncome deduction for this activity.	_
Mark if taxable income is more than \$207,500, or \$415,000 (MF	J) and Specified service business is marked;	
Do not complete lines 4 through 20. The deduction for this act	ivity is not allowed.	_
Wage a	nd Capital Limitation	
Complete wage and capital limitation section, if projected taxable i	•	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable		ı. <u>11,000</u>
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specifie		0.1100
6. Subtract Line 5 from 1.0; This is the applicable percentage for the	specified service business.	0.8900
7. If specified service, multiply Line 2 by Line 6; else enter amount from	om Line 2.	24,920
8. W-2 Wages from business, enter 0 if none. If service business, mu	ultiply by Line 6.	53,400
9. Wage component. Multiply line 8 by 50% (.50).		26,700
	1	13,350
11. Qualified property of the business, enter 0 if none. If specified serv		11. 0
12. Multiply line 11 by 2.5% (.025).		12. 0
13. Wage and Capital component. Add lines 10 and 12.	1	13,350
14. Enter the greater of line 9, Wage component or line 13, Wage and		26 , 700
15. Enter the lesser of line 7 or line 14.		24,920
If the wage/capital limit is used on line 15 and projected taxable		
then, complete Phase Out of Wage and Capital Limitation sect		
Otherwise, enter the amount from Line 15 on line 21, Qualified by		
	Nage and Capital Limitation	
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxa		l6
17. Divide line 16 by 50,000, or 100,000 (MFJ).		l 7.
18. Subtract Line 15 from Line 7.		l8
19. Multiply line 18 by line 17.		l9
20. Qualified business income for this activity. Subtract Line 19 from	n Line 7 and enter the amount on line 21.	20
21. Qualified business income deduction for this activity.	ome Deduction Calculation 2	21. 24,920
Tentative Qualifie	d Business Income Deduction Deduction Calculation on last worksheet only.	
22. Combined qualified business income. Enter the total of all act	vities line 21	22. 24,920
23. Qualified real estate investment trust dividends multiplied by 20%		23.
24. Qualified publicly traded partnership income multiplied by 20%		24.
25. Total combined qualified business income. Add lines 22 through 2.	4 2	24,920
Taxable	Income Limitation	
26. Net capital gain		26
27. Qualified cooperative dividends		270
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20).	If less than zero, enter 0. 2	28. <u>65,200</u>
29. Enter the lesser of Line 25 or Line 28.		29. <u>24,920</u>
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).	3	30.
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable in	come.	326 , 000
32. Enter the smaller of line 30 or line 31. If zero or less, then enter 0.	3	320
33. Add lines 29 and 32.		33. <u>24,920</u>
34. Qualified Business Income Deduction. Enter smaller of line 3 of	r line 33. Enter on TPW line 44 3	34. <u>24,920</u>

tel 719.387.9800 **sms** 719.345.2100 **t**

Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Married

S Corp Wages: 40,000 (might not be reasonable)

S Corp Net Income: 160,000

Specified Service: No

Taxable Income: 301,080 (before QBID)

Section 199A Deduction: 30,680

For the year Jan. 1-E	Dec. 31	.S. Individ				, ;	2017, end		, 20				ate instru	this space.
Your first name and i	nitial		Last name							١,			ecurity num	
Fred			Flintst	cone							**:	*-*	*-678	39
If a joint return, spous	se's firs	st name and initial	Last name Flintst	one							•		ial security	
,		street). If you have a	a P.O. box, see instruc	ctions.					Apt. no.		\mathbf{p} M	ake su and on	re the SSN(line 6c are	s) above correct.
			ou have a foreign add	dress, also comp		(see instruc	ctions).		•	•		Check if filing	here if you, jointly, want	tion Campaig or your spouse \$3 to go to thi ox below will
Foreign country name	Э		Foreign province/sta	ate/county				Foreign	postal code			not ch	ange your ta	x or refund.
Filing Status	1 2	Single Married filing join	ntly (even if only one h	ad income)	4	the d		person is	n qualifying perso a child but not yo					
Check only one box.	3	⊣ ∵	parately. Enter spouse		5	Qual	lifying wid	dow(er) (se	ee instructions)					
Exemptions	6a		If someone can c	laim you as a	a dependent, o	do not ch	neck bo	ox 6a					Boxes checon 6a and 6	
•	<u>b</u>				· · · · · · · · · · · · · · · · · · ·								No. of child	Iren
	С	Dependents:				(2) Depen	dent's		(3) Dependent's	8	child age 17	qual.	on 6c who: ● lived with	n you
	(1) First name		Last name		s	ocial securit	y numbe	r	relationship to yo	ou	for c tax c (see i	hild	did not li you due to	ve with
If more than four		(1) Thist hame	Lasi	Hame							(See I		or separation (see instruc	on .
dependents, see													`	/
instructions and check here u	J. Tatal assessed												Dependents not entered	
													Add numbe	ers on —
	d												lines above	u
Income	7	Wages, salaries, tip	s, etc. Attach Form(s) W-2 st. Attach Schedule B if required								7		19	0,000
	8a h		est. Attach Sched nterest. Do not ir								8a			
Attach Form(s) W-2 here. Also	b 9a	Ordinary divide	ands Attach Sche	adule B if red	e oa nuired		OD			\dashv	9a			
attach Forms	b		Ordinary dividends. Attach Schedule B if required Qualified dividends											
W-2G and 1099-R if tax	10		Taxable refunds, credits, or offsets of state and local income taxes								10			
was withheld.	11	Alimony received									11			
If you did not	12	Business incor	ne or (loss). Attac	ch Schedule	C or C-EZ $_{\dots}$					<u></u>	12			
get a W-2,	13). Attach Schedule D if r		quired, check here 1	ս 				\sqcup	13			
see instructions.	14		(losses). Attach							}	14			
		IRA distribution Pensions and		15a 16a				ble amo		}	15b 16b			
	17		atte, royalties, pa		corporations	trusts et	r Atta	ch Sche	unt 	}	17		16	0,000
	18		or (loss). Attach S								18			0,000
	19		compensation							- 1	19			
	20a	Social security b							unt		20b			
	21	Other income.	List type and am	ount							21			
	22		mounts in the far					s your t o	otal income	u	22		35	0,000
A dimeted	23	Educator expe	nses				23							
Adjusted	24		ss expenses of r rnment officials.		-		24							
Gross	25	Health savings	account deduction	on Attach Fo	2100 01 2100 orm 8889		25			\dashv				
Income	26		ses. Attach Form	3003			26			\dashv				
	27		t of self-employm		ich Schedule S	 SE	27							
	28		SEP, SIMPLE, a				28							
	29	Self-employed	health insurance	deduction			29							
	30		ly withdrawal of s				30							
	31a		b Recipient's S				31a			_				
	32 33	Student lean in	nterest deduction				32			\dashv				
	34	Tuition and fee	nterest deduction es. Attach Form 8	 1917			34			\dashv				
	35	Domestic prod	uction activities of	leduction. At	tach Form 890	03	35							
	36							1			36			
	37					d lines 23 through 35 btract line 36 from line 22. This is your adjusted gross income u								0,000

Form 1040 (2017	Fre	d & Wilma Flintstone	* *	**-**-6789 Page 2
,	38	Amount from line 37 (adjusted gross income)	38	350,000
Tax and	39a	Check You were born before January 2, 1953, Blind. Total boxes		
Credits		if: Spouse was born before January 2, 1953, Blind. checked u 39a		
Credits	1 b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b	_	
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,700
Deduction for—	41	Subtract line 40 from line 38	41	337,300
• People who	42		42	5,670
check any	43	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions		331,630
box on line 39a or 39b or	_	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43 44	
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c 4772 c 4772 c 4772 c	45	84,655
dependent, see	45	Alternative minimum tax (see instructions). Attach Form 6251		
instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46	04 (55
All others:	47	Add lines 44, 45, and 46	47	84,655
Single or Married filing	48	Foreign tax credit. Attach Form 1116 if required 48	4	
separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49	4	
\$6,350 Married filing	50	Education credits from Form 8863, line 19 50	_	
jointly or	51	Retirement savings contributions credit. Attach Form 8880 51	_	
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52	_	
\$12,700	53	Residential energy credits. Attach Form 5695 53		
Head of household,	54	Other credits from Forma 3800 b 8801 c 54		
\$9,350	55	Add lines 48 through 54. These are your total credits	55	
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	84,655
Other	57	Self-employment tax. Attach Schedule SE	57	
Taxes	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58	
1 axes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
	60a	Household employment taxes from Schedule H	60a	
		First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions) Full-year coverage X	61	
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	
	63	Add lines 56 through 62. This is your total tax		84,655
	64	Federal income tax withheld from Forms W-2 and 1099 64	+ 05	01/035
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	-	
	66a		-	
If you have a qualifying	b		-	
child, attach			4	
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67	-	
	68	American opportunity credit from Form 8863, line 8 Net premium tax credit. Attach Form 8962 69	-	
	69		-	
	70		_	
	71	Excess social security and tier 1 RRTA tax withheld 71	4	
	72	Credit for federal tax on fuels. Attach Form 4136	4	
	73	Credits from Forma 2439 b Reserved c 8885 d 73	_	
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total paymentsu	74	
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here \dots u	76a	
Direct deposit?	u b	Routing number u c Type: Checking Savings		
See instructions.	u d	Account number		
	77	Amount of line 75 you want applied to your 2018 estimated tax \u03c4 77		
Amount	78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u		85,985
You Owe	79	Estimated tax penalty (see instructions) 79 1,330)	
Third Part	Do you	u want to allow another person to discuss this return with the IRS (see instructions)? $f X$ Yes. Com	plete be	elow. No
Designee	Designe	e's Personal identification number (PIN)	ս 🛚 4	0111
Designee	name	Tanan Makaan 173	u 71	9-387-9800
Sign	Under pena accurately li	llies of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, st all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any kn	and owledge.	Daytime phone number
nere	Your sign	nature Date Your occupation		Dayune phone number
Joint return? See instr.	Cnaussia	Business Owner		If the IRS sent you an Identity Protection PIN,
Keep a copy for your records.	opouse's	signature. If a joint return, both must sign. Date Spouse's occupation Accountant	ĺ	enter it here (see instr.)
	Print/Type p	preparer's name Preparer's signature Date	Chec	<u> </u>
Paid	Jason V	Watson, EA Jason Watson, EA 06/29/		™ L I " I
	Firm's name		Firm's El	
• –	Firm's addre	0488 8 1 1111 8 20 008	Phone no	
Joe Only	i minis duule	Colorado Springs CO 80920-7907		_387_9800

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
	De	pendents				
	1.	Salaries and wages	1.	190,000	190,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
I	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
С	7.	Capital gain/loss	7.			
0	8.	Other gains/losses	8.			
m	9.	Taxable IRA distributions	9.			
е	10.	Taxable pensions and annuities	10.			
	11.	Schedule E income/loss	11.	160,000	160,000	
	12.	Farm income/loss	12.	_	•	
	13.	Unemployment benefits	13.			
	14.	Taxable social security benefits	14.			
	15.	Other income	15.			
	16.	Total income	16.	350,000	350,000	
		Moving expenses	17.		3007000	
A	18.	Deductible part of self-employment tax	18.			
d i		SEP/SIMPLE/Qualified plans deductions	19.			
u	20.	Self-employed health insurance deduction	20.			
S		Penalty on early withdrawal of savings	21.			
t m		Alimony paid	22.			
e	23	IRA deductions	23.			
n	24	Student loan interest deduction	24.			
t		Other adjustments	25.			
s		Adjusted gross income	26.	350,000	350,000	
		Medical	27.	550,000	220,000	
	28	State and local or sales taxes	28.	1,768	1,768	
D		Real estate taxes	29.			
e	30	Personal property & other taxes	30.			
d		Total Taxes Paid. Add lines 28 - 30	31.	1,768	1,768	
u		Maximum State and local tax deduction	32.	2,700	10,000	10,000
C		State/local tax deduction. Lower of 31 or 32	33.	1,768	1,768	20,000
t			34.	2,,00	- ,,,,,	
i	35	Interest Contributions	35.			
0		Casualty losses (non-disaster)	36.			
n		Miscellaneous expenses (including qualified disaster loss)	37.			
s	38.		38.	682	1,768	1,086
3		Standard deduction	39.	12,700	24,000	11,300
	33.	Standard doddollori	55.	Standard	Standard	11,500
	40.	Deduction taken	40.	12,700	24,000	11,300
		Subtract line 40 from line 26	41.	337,300	326,000	-11,300
	41.		42.	5,670	320,000	-5,670
	42.	Exemptions Taxable inc before qualified business deduction	43.	331,630	326,000	-5,630
	43.	Qualified business income deduction	44.	331,030	30,680	30,680
				331,630	295,320	-36,310
	45.	Taxable income	45.	331,030	433,340	-30,3±0

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
	46.	Taxable income from TPW page 1, line 45	46.	331,630	295,320	-36,310
		Tax on taxable income	47.	84,655	59,456	-25,199
		Taxes from Forms 4972, 8814, and add'l taxes	48.			
	49.	Alternative minimum tax	49.			
	50.	Add lines 47, 48, and 49	50.	84,655	59,456	-25,199
		Foreign tax credit	51.			
Т	52.	Child and dependent care credit	52.			
а	53.	Education credits	53.			
x	54.	Retirement savings credit	54.			
	55.	Credit for the elderly	55.			
С	56.	Child tax credit	56.			
0	57.	Nonbusiness energy property credit	57.			
m	58.	Alternative motor vehicle credit (Form 8910)	58.			
р	59.	Qualified plug-in electric motor vehicle (Form 893	6 59 .			
u		Mortgage interest credit	60.			
t	61.	D.C. first-time homebuyer credit	61.			
а	62.	Residential energy efficient property credit	62.			
t		Adoption credit	63.			
i	64.	General business credit	64.			
0	65.	Prior year minimum tax credit	65.			
n	66.	Other credits	66.			
	67.	Total credits	67.			
	68.	Net tax liability	68.	84,655	59,456	-25,199
	69.	Self-employment tax	69.			
	70.	Tax on unreported tips	70.			
	71.	Tax on IRA or qualified plans	71.			
		Household employment taxes	72.			
		First-time homebuyer credit repayment	73.			
		Health care: individual responsibility	74.			
	75.	Additional Medicare Tax	75.			
	76.	Net Investment Income Tax	76.			
	77.	Other taxes	77.			
	78.	Total tax	78.	84,655	59,456	-25,199
	79.	Income tax withheld	79.			
	80.	Estimated tax payments	80.			
		Earned income credit	81.			
	82.	Additional child tax credit	82.			
	83.	Reserved	83.			
	84.	Other payments	84.			
	85.		85.	_		
	86.	Net tax due/-refund	86.	84,655	59,456	-25,199
	87.		87.	33.0%	24.0%	
	88.	Marginal Tax Rate - Capital Income	88.	%	%	
	89.	Effective Tax Rate	89.	26.0%	20.0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred & Wilma Flintstone

Description of Bus	ness <u>S</u>	late Rock	and Gravel	Company	7
Specified service I	usiness				<u> </u>
Net projected qual	ied business income for all activities				160,000
If projected qua	lified business income is less than zero, complete only	y line 3 and lines 23	3 thru 34		
		e Deduction			
1. Enter projected of	ualified business income for this trade or business \dots			1.	160,000
Multiply line 1 by	20% (.20). Enter zero, if line 1 is less than zero.			2.	32,000
Enter projected t	exable income before qualified business deduction (TR	PW, line 43)		3.	326,000
	income is \$157,500 or \$ 315,000 (MFJ) or lower; Do	•			
Enter the am	ount from Line 2 on Line 21, Qualified business incom	ne deduction for this	activity.	<u> </u>	
	income is more than \$207,500, or \$415,000 (MFJ) ar				
Do not com	plete lines 4 through 20. The deduction for this activity	is not allowed		<u> </u>	
	Wage and C	Capital Limitation			
Complete wage	and capital limitation section, if projected taxable incor	ne is greater than \$	5157,500, or \$315,000 (M	1FJ).	
4. Subtract \$157,50	0 (\$315,000 MFJ) from Line 3, Projected taxable inco	me; complete only	if specified service.	4.	
	\$50,000 (\$100,000 MFJ); complete only if specified se			_	
6. Subtract Line 5 f	om 1.0; This is the applicable percentage for the spe-	cified service busine	ess.	6.	
7. If specified service	e, multiply Line 2 by Line 6; else enter amount from L	ine 2.		7.	32,000
8. W-2 Wages from	business, enter 0 if none. If service business, multiply	by Line 6.		8.	40,000
9. Wage compone	nt. Multiply line 8 by 50% (.50).			9.	20,000
10. Multiply line 8 by	25% (.25)			10.	10,000
11. Qualified propert	of the business, enter 0 if none. If specified service,	multiply by line 6.			0
	/ 2.5% (.025).				
13. Wage and Capi	al component. Add lines 10 and 12.			13.	10,000
14. Enter the greater	of line 9, Wage component or line 13, Wage and Cap	oital component.			20,000
15. Enter the lesser				15	
If the wage/cap	ital limit is used on line 15 and projected taxable incor				<u>-</u>
then, comple	te Phase Out of Wage and Capital Limitation section.				
Otherwise, ent	r the amount from Line 15 on line 21, Qualified busin	ess income deducti	on for this activity.		
	Phase Out of Wag	e and Canital Limi	itation		
16. Subtract \$157.50	O, or \$315,000 (MFJ) from Line 3, Projected taxable in	-		16.	11,000
	50,000, or 100,000 (MFJ).				0.1100
18. Subtract Line 15	from Line 7.			18.	12,000
19. Multiply line 18 b	/ line 17.			19.	1,320
20. Qualified busin	ess income for this activity. Subtract Line 19 from Lir	ne 7 and enter the a	mount on line 21.	20.	30,680
	Business Income				
24 Qualified business		Deduction Calcul	ation	24	30,680
ZI. Qualified busines	s income deduction for this activity.			21	30,000
	Tentative Qualified B * Complete Business Income Dedu			<i>/</i> .	
22. Combined qual	fied business income. Enter the total of all activities	s line 21		22.	30,680
	ate investment trust dividends multiplied by 20%				
24. Qualified publicly	traded partnership income multiplied by 20%			24.	
25. Total combined	ualified business income. Add lines 22 through 24			25.	30,680
		come Limitation			
26. Net capital gain				26.	
27. Qualified cooper	ttive dividends			27.	0
28. Subtract Lines 20	and 27 from Line 3; then, multiply by 20% (.20). If les	ss than zero. enter (28.	65,200
	of Line 25 or Line 28.			20	30,680
	Qualified cooperative dividends by 20% (.20).				
31. Subtract Line 26	Net capital gain from Line 3, Projected taxable incom	e.		31.	
32. Enter the smaller	of line 30 or line 31. If zero or less, then enter 0.			32.	
33. Add lines 29 and	32.			33.	
34. Qualified Busin	ess Income Deduction. Enter smaller of line 3 or line	33. Enter on TPW	/ line 44		
		· · · · ·			

tel 719.387.9800 **sms** 719.345.2100 **t** fax 855.345.9700

Section 199A Deductions – Fred Flintstone

The following sample 2017 tax return with 2018 projections including the Qualified Business Income Deduction (QBID) as defined by Section 199A has the following assumptions-

Filing Status: Married

S Corp Wages: 40,000 (might not be reasonable)

S Corp Net Income: 160,000

Specified Service: Yes

Taxable Income: 298,695 (before QBID)

Section 199A Deduction: 27,305

For the year Jan. 1-I		S. Individ , 2017, or other tax y					2017, end		, 20	-		or staple in this space. The instructions.
Your first name and	initial		Last name	_						l		curity number
_Fred			Flints	tone								*-6789
If a joint return, spou Wilma	se's firs	t name and initial	Flints	tone								l security number *-4321
Home address (numl		street). If you have a	a P.O. box, see instr						Apt. no.	p '		e the SSN(s) above line 6c are correct.
City, town or post off				ddress also	complete spaces l	nelow (see instru	ctions)			<u> </u>		ential Election Campaig
Bedrock	100, 010	.e, and <u>En</u>	LA	707		30.011 (000 11.01.0	007.				if filing jo	nere if you, or your spouse ointly, want \$3 to go to this
Foreign country nam	e		Foreign province/s	state/county				Foreign po	stal code			necking a box below will nge your tax or refund. You Spouse
Filing Status	1	Single				4 Hea	nd of hous qualifying	ehold (with o	qualifying person). (Schild but not your de	See inst ependen	ructions.) t, enter thi	If is
•	2	Married filing join	itly (even if only one	had income)		chile	d's name l	nere. u				
Check only one	3 _		parately. Enter spous	e's SSN abo	ove	5 Qua	alifying wic	low(er) (see	instructions)			
box.		and full name he									• D	oxes checked 2
Exemptions	6a		If someone can								or	oxes checked 2 n 6a and 6b
	_ <u>b</u> _							<u> </u>		(4)	✓ if or	o. of children n 6c who:
	С	Dependents:				(2) Depe	ndent's		(3) Dependent's	age	17 gual.	lived with you
		(1) First name	Las	t name		social securi	ty number	relationship to you		tax	credit -	did not live with ou due to divorce
If more than four		(i) That hame	Las	t Hamo						(300	– oʻr	separation see instructions)
dependents, see												,
instructions and check here u												ependents on 6c ot entered above
oneon nere ca												dd numbers on
	d	Total number of	of exemptions c	laimed						<u></u>	lir	nes above $\mathbf{u} = 2$
I	7	Wages, salaries, tip	ps, etc. Attach Form	Attach Form(s) W-2 tach Schedule B if required								190,000
Income	8a									8a		
Attach Form(s)	b	Tax-exempt in	nterest. Do not	include or	n line 8a		8b			٠.		
V-2 here. Also ttach Forms	9a b	Qualified divide	ends. Attach Sch	nedule B	ır requirea		9b			9a		
W-2G and	10		Taxable refunds, credits, or offsets of state and local income taxes									
1099-R if tax was withheld.	11	Alimony receiv		0010 01 01	ato and local					10		
If you did not	12	•	ne or (loss). Atta	ach Sche	dule C or C-E	Z				12		
get a W-2,	13	Capital gain or (loss)). Attach Schedule D it	f required. If r	not required, check	here u				13		
see instructions.	14		(losses). Attach	Form 47	07							
	15a	IRA distribution		s 15a b				ole amour	nt	15b	+	
		Pensions and	annuities 16a				• Taxab	ole amour	nt	16b		1.50.000
	17		ate, royalties, pa							17		160,000
	18 19		or (loss). Attach							18 19		
	20a	Social security b	compensation	1			 Taxah	le amour	nt	20b		
	21		List type and ar	mount						21		
	22		mounts in the fa		lumn for lines							350,000
	23	Educator expe	ncoc			_	23	•				-
Adjusted	24		ss expenses of	reservists	s, performing a	artists, and						
Gross			rnment officials.				24			4		
Income	25		account deduc		h Form 8889		25			4		
	26		ses. Attach Forn				26			-		
	27		t of self-employr				27			-		
	28 29		SEP, SIMPLE,				29			-		
	30	Penalty on ear	health insuranc ly withdrawal of	savinas	···		30					
	31a		b Recipient's				31a					
	32		·····				32					
	33	Student loan in	nterest deduction	n			33					
	34	Tuition and fee	es. Attach Form	8917			34		<u> </u>			
	35	Domestic prod	uction activities	deduction	. Attach Form	8903	35					
	36	Add lines 23 th								36		252 222
	37	Subtract line 36	6 from line 22. T	This is you	ır adjusted g	ross income	•		u	ı 37	Ī	350,000

Form 1040 (2017	7) Fre	d & Wilma Flintstone	***	-**-6789 Page 2		
,	38	Amount from line 37 (adjusted gross income)	38	350,000		
Tax and		Check You were born before January 2, 1953, Blind. Total boxes				
Credits		if: { Spouse was born before January 2, 1953, Blind. } checked u 39a				
Credits	¬ b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 139b				
Standard	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,700		
Deduction			40	337,300		
for—	41	Subtract line 40 from line 38	42			
People who check any	42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions		5,670		
box on line 39a or 39b or	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	331,630		
who can be claimed as a	44	Tax (see instr.). Check if any from: a Form(s) b Form c C	44	84,655		
dependent,	45	Alternative minimum tax (see instructions). Attach Form 6251	45			
see instructions.	46	Excess advance premium tax credit repayment. Attach Form 8962	46			
All others:	47	Add lines 44, 45, and 46 u	47	84,655		
Single or	48	Foreign tax credit. Attach Form 1116 if required 48				
Married filing separately,	49	Credit for child and dependent care expenses. Attach Form 2441 49				
\$6,350	50	Education credits from Form 8863, line 19 50				
Married filing jointly or	51	Retirement savings contributions credit. Attach Form 8880 51				
Qualifying widow(er),	52	Child tax credit. Attach Schedule 8812, if required 52				
\$12,700	53	Residential energy credits. Attach Form 5695 53				
Head of household,	54	Other credits from Forma 3800 b 8801 c 54				
\$9,350	55	Add lines 48 through 54. These are your total credits	55			
	56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	84,655		
	57	Self-employment tax. Attach Schedule SE	57			
Other	58	Unreported social security and Medicare tax from Forma 4137 b 8919	58			
Taxes	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59			
			60a			
	60a	Household employment taxes from Schedule H				
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b			
	61	Health care: individual responsibility (see instructions) Full-year coverage	61			
	62	Taxes from: a Form 8959 b Form 8960 C Instructions; enter code(s)	62	04 655		
	63	Add lines 56 through 62. This is your total taxu	63	84,655		
_	64	Federal income tax withheld from Forms W-2 and 1099 64	_			
Payments	65	2017 estimated tax payments and amount applied from 2016 return 65	_			
If you have a	66a	Earned income credit (EIC) 66a				
qualifying child, attach	b	Nontaxable combat pay election _ 66b				
Schedule EIC.	67	Additional child tax credit. Attach Schedule 8812 67				
	່ 68	American opportunity credit from Form 8863, line 8 68				
	69	Net premium tax credit. Attach Form 8962 69				
	70	Amount paid with request for extension to file 70				
	71	Excess social security and tier 1 RRTA tax withheld 71				
	72	Credit for federal tax on fuels. Attach Form 4136 72				
	73	Credits from Forma 2439 b Reserved c 8885 d 73				
	74	Add lines 64 65 669, and 67 through 72 Those are your total nayments	74			
Refund	75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75			
Refuiid	76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here u	76a			
Direct deposit?	u b	Routing number u c Type: Checking Savings	700			
See		Account number				
instructions.	u d					
	77	Amount of line 75 you want applied to your 2018 estimated tax \u03c4 77	- 70	0E 00E		
Amount	78 70	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions u		85,985		
You Owe	79	Estimated tax penalty (see instructions) 79 1,330				
Third Par	ty Do you	want to allow another person to discuss this return with the IRS (see instructions)? X Yes. Com		 -		
Designee	Designee			111		
	name			<u>-387-9800</u>		
Sign		ties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, at all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any known that the properties of the	owledge. Da	aytime phone number		
Here	Your sign	nature Date Your occupation Business Owner				
Joint return? See instr. Keep a copy	Spouse's	signature. If a joint return, both must sign. Date Spouse's occupation	- If	the IRS sent you an Identity rotection PIN,		
Keep a copy for your records.		Accountant	er	nter it here ee instr.)		
	Print/Type p	reparer's name Preparer's signature Date	Check	if PTIN		
Paid _	Jason W	Watson, EA Jason Watson, EA 06/29/3	18 self-em	ployed *******		
Preparer	Firm's name	u Watson CPA Group		u **-***0847		
	se Only Firm's address u 9475 Briar Village Pt Ste 325 Phone no.					
=,		Colorado Springs		387_9800		

Federal Tax Projection Worksheet 1 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
		pendents				
	1.	Salaries and wages	1.	190,000	190,000	
	2.	Interest income	2.			
	3.	Dividend income	3.			
	4.	Taxable state/local refunds	4.			
1	5.	Alimony received	5.			
n	6.	Business income/loss	6.			
С	7.	Capital gain/loss	7.			
0	8.	Other gains/losses	8.			
m	9.	Taxable IRA distributions	9.			
е	10.	Taxable pensions and annuities	10.			
	11.	Schedule E income/loss	11.	160,000	160,000	
	12.	Farm income/loss	12.	,	•	
	13.	Unemployment benefits	13.			
	14.	Taxable social security benefits	14.			
	15.	Other income	15.			
	16.	Total income	16.	350,000	350,000	
		Moving expenses	17.	,		
A	18.	Deductible part of self-employment tax	18.			
d i		SEP/SIMPLE/Qualified plans deductions	19.			
u	20.	Self-employed health insurance deduction	20.			
s		Penalty on early withdrawal of savings	21.			
t m		Alimony paid	22.			
e	23	IRA deductions	23.			
n	24	Student loan interest deduction	24.			
t		Other adjustments	25.			
s		Adjusted gross income	26.	350,000	350,000	
		Medical	27.	200,000	330,300	
	28.	State and local or sales taxes	28.	1,768	1,768	
D		Real estate taxes	29.			
e	30	Personal property & other taxes	30.			
d		Total Taxes Paid. Add lines 28 - 30	31.	1,768	1,768	
u		Maximum State and local tax deduction	32.	_,	10,000	10,000
C		State/local tax deduction. Lower of 31 or 32	33.	1,768	1,768	20,000
t			34.	- ,,,,,		
i	35	Interest Contributions	35.			
0		Casualty losses (non-disaster)	36.			
n		Miscellaneous expenses (including qualified disaster loss)	37.			
s	38.		38.	682	1,768	1,086
3		Standard deduction	39.	12,700	24,000	11,300
	39.	Glaridatu deduction	33.	Standard	Standard	11,500
	40.	Deduction taken	40.	12,700	24,000	11,300
		Subtract line 40 from line 26	41.	337,300	326,000	-11,300
			42.	5,670	320,000	-5,670
	42.	'	43.	331,630	326,000	-5,630
	43.	•		331,030	27,305	27,305
	44.		44.	331 630		
	45.	Taxable income	45.	331,630	298,695	-32,935

Federal Tax Projection Worksheet 2 - Tax Computation

2017 & 2018

Name

Fred & Wilma Flintstone

				2017	2018	Differences
	Fil	ing Status		MFJ	MFJ	
	46.	Taxable income from TPW page 1, line 45	46.	331,630	298,695	-32,935
		Tax on taxable income	47.	84,655	60,266	-24,389
	48.	Taxes from Forms 4972, 8814, and add'l taxes	48.			
	49.	Alternative minimum tax	49.			
	50.	Add lines 47, 48, and 49	50.	84,655	60,266	-24,389
	51.	Foreign tax credit	51.			
Т	52.	Child and dependent care credit	52.			
а	53.	Education credits	53.			
X	54.	Retirement savings credit	54.			
	55.	Credit for the elderly	55.			
С		Child tax credit	56.			
0	57.	Nonbusiness energy property credit	57.			
m		Alternative motor vehicle credit (Form 8910)	58.			
р		Qualified plug-in electric motor vehicle (Form 893	6 59.			
u		Mortgage interest credit	60.			
t		D.C. first-time homebuyer credit	61.			
а		Residential energy efficient property credit	62.			
t		Adoption credit	63.			
i	64.	General business credit	64.			
0	65.	Prior year minimum tax credit	65.			
n		Other credits	66.			
	67.	Total credits	67.			
	68.	Net tax liability	68.	84,655	60,266	-24,389
	69.	Self-employment tax	69.	,	,	,
	70.	Tax on unreported tips	70.			
	71.	Tax on IRA or qualified plans	71.			
		Household employment taxes	72.			
		First-time homebuyer credit repayment	73.			
		Health care: individual responsibility	74.			
		Additional Medicare Tax	75.			
	76.		76.			
			77.			
	78.	Total tax	78.	84,655	60,266	-24,389
		Income tax withheld	79.	0 1 7 0 0 0	00/200	
	_	Estimated tax payments	80.			
	81	Earned income credit	81.			
		Additional child tax credit	82.			
		Reserved	83.			
	84	Other payments	84.			
		Total narments	85.			
		Not toy due/ refund	86.	84,655	60,266	-24,389
		Marginal Tax Rate - Ordinary Income	87.	33.0%	24.0%	21,505
		Marginal Tax Rate - Capital Income	88.	33.0 %	21.0 %	
		Effective Tax Rate	89.	26.0%	20.0%	
	09.	LITCOUTC TAX IVALE	03.	20.0%	20.0%	

Federal TPW - Qualified Business Income Deduction (QBID)

2018

Name

Fred & Wilma Flintstone

Description of Business Slate Rock and G	ravel Company	
Specified service business		<u>X</u>
Net projected qualified business income for all activities		160,000
If projected qualified business income is less than zero, complete only line 3 and lines 23 thru 34 Tentative Deduction		
1. Enter projected qualified business income for this trade or business	1. <u></u>	160,000
2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero.	2	32,000
3. Enter projected taxable income before qualified business deduction (TPW, line 43)	3	326,000
Mark if taxable income is \$157,500 or \$ 315,000 (MFJ) or lower; Do not complete the rest of this wo		
Enter the amount from Line 2 on Line 21, Qualified business income deduction for this activity	_	
Mark if taxable income is more than \$207,500, or \$415,000 (MFJ) and Specified service business is	marked;	
Do not complete lines 4 through 20. The deduction for this activity is not allowed.	_	
Wage and Capital Limitation		
Complete wage and capital limitation section, if projected taxable income is greater than \$157,500, or	\$315,000 (MFJ).	
4. Subtract \$157,500 (\$315,000 MFJ) from Line 3, Projected taxable income; complete only if specified		11,000
5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified service.	-	0.1100
6. Subtract Line 5 from 1.0; This is the applicable percentage for the specified service business.	6.	0.8900
7. If specified service, multiply Line 2 by Line 6; else enter amount from Line 2.	7.	28,480
8. W-2 Wages from business, enter 0 if none. If service business, multiply by Line 6.	8.	35,600
9. Wage component. Multiply line 8 by 50% (.50).		17,800
10. Multiply line 8 by 25% (.25)		8,900
11. Qualified property of the business, enter 0 if none. If specified service, multiply by line 6.	11.	0
12. Multiply line 11 by 2.5% (.025).		
13. Wage and Capital component. Add lines 10 and 12.		8,900
14. Enter the greater of line 9, Wage component or line 13, Wage and Capital component.	14.	17,800
15. Enter the lesser of line 7 or line 14.	15.	17,800
If the wage/capital limit is used on line 15 and projected taxable income is \$207,500, or \$415,000 (N	IFJ) or less ,	
then, complete Phase Out of Wage and Capital Limitation section.		
Otherwise, enter the amount from Line 15 on line 21, Qualified business income deduction for this a	activity.	
Phase Out of Wage and Capital Limitation		
16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxable income.		11,000
17. Divide line 16 by 50,000, or 100,000 (MFJ).	17	0.1100
18. Subtract Line 15 from Line 7.	18	10,680
19. Multiply line 18 by line 17.	19	1,175
20. Qualified business income for this activity. Subtract Line 19 from Line 7 and enter the amount on li	ne 21. 20.	27,305
Business Income Deduction Calculation		
21. Qualified business income deduction for this activity.	21	<u>27,305</u>
Tentative Qualified Business Income Deduction * Complete Business Income Deduction Calculation on last wo		
22. Combined qualified business income. Enter the total of all activities line 21		27,305
23. Qualified real estate investment trust dividends multiplied by 20%		27,7505
24. Qualified publicly traded partnership income multiplied by 20%	24.	
25. Total combined qualified business income. Add lines 22 through 24	25.	
Taxable Income Limitation		27,505
26. Net capital gain	26.	
27. Qualified cooperative dividends	27.	0
28. Subtract Lines 26 and 27 from Line 3; then, multiply by 20% (.20). If less than zero, enter 0.	28.	
29. Enter the lesser of Line 25 or Line 28.	29.	
30. Multiply Line 27, Qualified cooperative dividends by 20% (.20).	30.	
31. Subtract Line 26, Net capital gain from Line 3, Projected taxable income.	31.	326,000
32. Enter the smaller of line 30 or line 31. If zero or less, then enter 0.	32.	
33. Add lines 29 and 32.	20	27,305
34. Qualified Business Income Deduction. Enter smaller of line 3 or line 33. Enter on TPW line 44		