

## 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 gobby-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>	<u>TP Inc</u>	<u>SP Inc</u>	<u>Biz Inc</u>	<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	X	10,920
married	60,000		140,000		28,000
married	60,000		140,000	X	28,000
married	60,000	150,000	140,000		28,000
married	60,000	150,000	140,000	X	24,920
married	40,000	150,000	160,000		30,680
married	40,000	150,000	160,000	X	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!

## 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:	<b>Single</b>
S Corp Wages:	<b>30,000</b>
S Corp Net Income:	<b>70,000</b>
Specified Service:	<b>No</b>
Taxable Income:	<b>88,000</b> (before QBID)
Section 199A Deduction:	<b>14,000</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a. } Boxes checked on 6a and 6b **1**  
 b  Spouse } No. of children on 6c who:  
 • lived with you \_\_\_\_\_  
 • did not live with you due to divorce or separation (see instructions) \_\_\_\_\_

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)

d Total number of exemptions claimed **1** Add numbers on lines above **u** **1**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>30,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
8b	8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	9a	Ordinary dividends. Attach Schedule B if required	9a	
9b	9b	Qualified dividends	9b	
10	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	11	Alimony received	11	
12	12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	14	Other gains or (losses). Attach Form 4797	14	
15a	15a	IRA distributions	15b	
15b	15b	Taxable amount	15b	
16a	16a	Pensions and annuities	16b	
16b	16b	Taxable amount	16b	
17	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>70,000</b>
18	18	Farm income or (loss). Attach Schedule F	18	
19	19	Unemployment compensation	19	
20a	20a	Social security benefits	20b	
20b	20b	Taxable amount	20b	
21	21	Other income. List type and amount	21	
22	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income <b>u</b>	22	<b>100,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36		
37	Subtract line 36 from line 22. This is your adjusted gross income <b>u</b>	37	<b>100,000</b>	

<b>38</b> Amount from line 37 (adjusted gross income) .....		<b>38</b>	<b>100,000</b>
<b>Tax and Credits</b>	<b>39a</b> Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <b>Total boxes checked</b> <input type="checkbox"/> <b>39a</b>		
	if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. <b>checked</b> <input checked="" type="checkbox"/> <b>39a</b>		
	<b>b</b> If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> <b>39b</b>		
<b>Standard Deduction for—</b> • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	<b>40</b> <b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin) .....	<b>40</b>	<b>6,350</b>
	<b>41</b> Subtract line 40 from line 38 .....	<b>41</b>	<b>93,650</b>
	<b>42</b> <b>Exemptions.</b> If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions .....	<b>42</b>	<b>4,050</b>
	<b>43</b> Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- .....	<b>43</b>	<b>89,600</b>
	<b>44</b> Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> .....	<b>44</b>	<b>18,145</b>
	<b>45</b> <b>Alternative minimum tax</b> (see instructions). Attach Form 6251 .....	<b>45</b>	
	<b>46</b> Excess advance premium tax credit repayment. Attach Form 8962 .....	<b>46</b>	
	<b>47</b> Add lines 44, 45, and 46 .....	<b>47</b>	<b>18,145</b>
	<b>48</b> Foreign tax credit. Attach Form 1116 if required .....	<b>48</b>	
	<b>49</b> Credit for child and dependent care expenses. Attach Form 2441 .....	<b>49</b>	
	<b>50</b> Education credits from Form 8863, line 19 .....	<b>50</b>	
	<b>51</b> Retirement savings contributions credit. Attach Form 8880 .....	<b>51</b>	
	<b>52</b> Child tax credit. Attach Schedule 8812, if required .....	<b>52</b>	
	<b>53</b> Residential energy credits. Attach Form 5695 .....	<b>53</b>	
	<b>54</b> Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> .....	<b>54</b>	
<b>55</b> Add lines 48 through 54. These are your <b>total credits</b> .....	<b>55</b>		
<b>56</b> Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- .....	<b>56</b>	<b>18,145</b>	
<b>Other Taxes</b>	<b>57</b> Self-employment tax. Attach Schedule SE .....	<b>57</b>	
	<b>58</b> Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 .....	<b>58</b>	
	<b>59</b> Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required .....	<b>59</b>	
	<b>60a</b> Household employment taxes from Schedule H .....	<b>60a</b>	
	<b>b</b> First-time homebuyer credit repayment. Attach Form 5405 if required .....	<b>60b</b>	
	<b>61</b> Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/> .....	<b>61</b>	
	<b>62</b> Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) .....	<b>62</b>	
<b>63</b> Add lines 56 through 62. This is your total tax .....	<b>63</b>	<b>18,145</b>	
<b>Payments</b>	<b>64</b> Federal income tax withheld from Forms W-2 and 1099 .....	<b>64</b>	
	<b>65</b> 2017 estimated tax payments and amount applied from 2016 return .....	<b>65</b>	
	<b>66a</b> <b>Earned income credit (EIC)</b> .....	<b>66a</b>	
	<b>b</b> Nontaxable combat pay election <b>66b</b> .....		
	<b>67</b> Additional child tax credit. Attach Schedule 8812 .....	<b>67</b>	
	<b>68</b> American opportunity credit from Form 8863, line 8 .....	<b>68</b>	
	<b>69</b> Net premium tax credit. Attach Form 8962 .....	<b>69</b>	
	<b>70</b> Amount paid with request for extension to file .....	<b>70</b>	
	<b>71</b> Excess social security and tier 1 RRTA tax withheld .....	<b>71</b>	
	<b>72</b> Credit for federal tax on fuels. Attach Form 4136 .....	<b>72</b>	
<b>73</b> Credits from Form a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/> .....	<b>73</b>		
<b>74</b> Add lines 64, 65, 66a, and 67 through 73. These are your total payments .....	<b>74</b>		
<b>Refund</b>	<b>75</b> If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you <b>overpaid</b> .....	<b>75</b>	
	<b>76a</b> Amount of line 75 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/> <b>u</b> <input type="checkbox"/>	<b>76a</b>	
	<b>u b</b> Routing number <input type="text"/> <b>u c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>u d</b> Account number <input type="text"/>			
<b>77</b> Amount of line 75 you want <b>applied to your 2018 estimated tax</b> <b>u</b> <input type="checkbox"/> <b>77</b>			
<b>Amount You Owe</b>	<b>78</b> <b>Amount you owe.</b> Subtract line 74 from line 63. For details on how to pay, see instructions. <b>u</b>	<b>78</b>	<b>18,579</b>
	<b>79</b> Estimated tax penalty (see instructions) .....	<b>79</b>	<b>434</b>

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS (see instructions)?  **Yes.** Complete below.  **No**

Designee's name **u Jason Watson, EA** Personal identification number (PIN) **u 40111** Phone no. **u 719-387-9800**

**Sign Here** Under penalties 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, and accurately list 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.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **Business Owner** Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see instr.) \_\_\_\_\_

Print/Type preparer's name **Jason Watson, EA** Preparer's signature **Jason Watson, EA** Date **06/29/18** Check  if self-employed  PTIN **\*\*\*\*\***

**Paid Preparer** Firm's name **u Watson CPA Group** Firm's EIN **u \*\*\*-\*\*\*0847**

**Use Only** Firm's address **u 9475 Briar Village Pt Ste 325 Colorado Springs CO 80920-7907** Phone no. **719-387-9800**

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		SGL	SGL		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 30,000	30,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	10. Taxable pensions and annuities .....	10.			
	11. Schedule E income/loss .....	11. 70,000	70,000		
	12. Farm income/loss .....	12.			
	13. Unemployment benefits .....	13.			
	14. Taxable social security benefits .....	14.			
	15. Other income .....	15.			
		16. <b>Total income</b> .....	16. 100,000	100,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 100,000	100,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 787	787		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 787	787		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 787	787		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
		38. <b>Allowable itemized deductions</b> .....	38. 787	787	
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. 93,650	88,000	-5,650	
42. Exemptions .....		42. 4,050		-4,050	
43. Taxable inc before qualified business deduction .....		43. 89,600	88,000	-1,600	
44. Qualified business income deduction .....		44.	14,000	14,000	
45. <b>Taxable income</b> .....	45. 89,600	74,000	-15,600		

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
Filing Status		SGL	SGL	
	46. Taxable income from TPW page 1, line 45	89,600	74,000	-15,600
	47. Tax on taxable income	18,145	12,220	-5,925
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	18,145	12,220	-5,925
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8935)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	18,145	12,220	-5,925
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	18,145	12,220	-5,925
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	18,145	12,220	-5,925
	87. <b>Marginal Tax Rate - Ordinary Income</b>	25.0%	22.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	20.0%	17.0%	

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel 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 and lines 23 thru 34

**Tentative Deduction**

- 1. Enter projected qualified business income for this trade or business ..... **70,000**
- 2. Multiply line 1 by 20% (.20). Enter zero, if line 1 is less than zero. .... **14,000**
- 3. Enter projected taxable income before qualified business deduction (TPW, line 43) ..... **88,000**  
 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 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 (MFJ).

- 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 specified 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 Line 2. .... 7. \_\_\_\_\_
- 8. W-2 Wages from business, enter 0 if none. If service business, multiply 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 service, multiply by line 6. .... 11. \_\_\_\_\_
- 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 Capital component. .... 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 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**

- 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). .... 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 Line 7 and enter the amount on line 21. .... 20. \_\_\_\_\_

**Business Income Deduction Calculation**

- 21. Qualified business income deduction for this activity. .... **14,000**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

- 22. **Combined qualified business income.** Enter the total of all activities line 21. .... **14,000**
- 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 24 ..... **14,000**

**Taxable 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. **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 on TPW line 44 ..... 34. **14,000**

## 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:	<b>Single</b>
S Corp Wages:	<b>60,000</b>
S Corp Net Income:	<b>140,000</b>
Specified Service:	<b>No</b>
Taxable Income:	<b>188,000</b> (before QBID)
Section 199A Deduction:	<b>28,000</b>



For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a. } Boxes checked on 6a and 6b **1**  
 b  Spouse } No. of children on 6c who:  
 • lived with you \_\_\_\_\_  
 • did not live with you due to divorce or separation (see instructions) \_\_\_\_\_

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)

d Total number of exemptions claimed **1** Add numbers on lines above **u** **1**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>60,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
8b	8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	9a	Ordinary dividends. Attach Schedule B if required	9a	
9b	9b	Qualified dividends	9b	
10	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	11	Alimony received	11	
12	12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	14	Other gains or (losses). Attach Form 4797	14	
15a	15a	IRA distributions	15b	
15b	15b	Taxable amount	15b	
16a	16a	Pensions and annuities	16b	
16b	16b	Taxable amount	16b	
17	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>140,000</b>
18	18	Farm income or (loss). Attach Schedule F	18	
19	19	Unemployment compensation	19	
20a	20a	Social security benefits	20b	
20b	20b	Taxable amount	20b	
21	21	Other income. List type and amount	21	
22	22	Combine the amounts in the far right column for lines 7 through 21. This is your <b>total income</b> <b>u</b>	22	<b>200,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid <b>b</b> Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35		
36	Add lines 23 through 35	36		
37	Subtract line 36 from line 22. This is your <b>adjusted gross income</b> <b>u</b>	37	<b>200,000</b>	

<b>38</b> Amount from line 37 (adjusted gross income) .....		<b>38</b>	<b>200,000</b>
<b>Tax and Credits</b>	<b>39a</b> Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. } <b>Total boxes checked</b> <b>u</b> <b>39a</b>		
	if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. }		
	<b>b</b> If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>u</b> <b>39b</b> <input type="checkbox"/>		
<b>Standard Deduction for—</b> • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	<b>40</b> <b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin) .....	<b>40</b>	<b>6,350</b>
	<b>41</b> Subtract line 40 from line 38 .....	<b>41</b>	<b>193,650</b>
	<b>42</b> <b>Exemptions.</b> If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions .....	<b>42</b>	<b>4,050</b>
	<b>43</b> Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- .....	<b>43</b>	<b>189,600</b>
	<b>44</b> Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> .....	<b>44</b>	<b>46,070</b>
	<b>45</b> <b>Alternative minimum tax</b> (see instructions). Attach Form 6251 .....	<b>45</b>	
	<b>46</b> Excess advance premium tax credit repayment. Attach Form 8962 .....	<b>46</b>	
	<b>47</b> Add lines 44, 45, and 46 .....	<b>47</b>	<b>46,070</b>
	<b>48</b> Foreign tax credit. Attach Form 1116 if required .....	<b>48</b>	
	<b>49</b> Credit for child and dependent care expenses. Attach Form 2441 .....	<b>49</b>	
	<b>50</b> Education credits from Form 8863, line 19 .....	<b>50</b>	
	<b>51</b> Retirement savings contributions credit. Attach Form 8880 .....	<b>51</b>	
	<b>52</b> Child tax credit. Attach Schedule 8812, if required .....	<b>52</b>	
	<b>53</b> Residential energy credits. Attach Form 5695 .....	<b>53</b>	
	<b>54</b> Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> .....	<b>54</b>	
<b>55</b> Add lines 48 through 54. These are your <b>total credits</b> .....	<b>55</b>		
<b>56</b> Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- .....	<b>56</b>	<b>46,070</b>	
<b>Other Taxes</b>	<b>57</b> Self-employment tax. Attach Schedule SE .....	<b>57</b>	
	<b>58</b> Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 .....	<b>58</b>	
	<b>59</b> Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required .....	<b>59</b>	
	<b>60a</b> Household employment taxes from Schedule H .....	<b>60a</b>	
	<b>b</b> First-time homebuyer credit repayment. Attach Form 5405 if required .....	<b>60b</b>	
	<b>61</b> Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/> .....	<b>61</b>	
	<b>62</b> Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) .....	<b>62</b>	
<b>63</b> Add lines 56 through 62. This is your total tax .....	<b>63</b>	<b>46,070</b>	
<b>Payments</b>	<b>64</b> Federal income tax withheld from Forms W-2 and 1099 .....	<b>64</b>	
	<b>65</b> 2017 estimated tax payments and amount applied from 2016 return .....	<b>65</b>	
	<b>66a</b> <b>Earned income credit (EIC)</b> .....	<b>66a</b>	
	<b>b</b> Nontaxable combat pay election <b>66b</b> .....		
	<b>67</b> Additional child tax credit. Attach Schedule 8812 .....	<b>67</b>	
	<b>68</b> American opportunity credit from Form 8863, line 8 .....	<b>68</b>	
	<b>69</b> Net premium tax credit. Attach Form 8962 .....	<b>69</b>	
	<b>70</b> Amount paid with request for extension to file .....	<b>70</b>	
	<b>71</b> Excess social security and tier 1 RRTA tax withheld .....	<b>71</b>	
	<b>72</b> Credit for federal tax on fuels. Attach Form 4136 .....	<b>72</b>	
<b>73</b> Credits from Form a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/> .....	<b>73</b>		
<b>74</b> Add lines 64, 65, 66a, and 67 through 73. These are your total payments .....	<b>74</b>		
<b>Refund</b>	<b>75</b> If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you <b>overpaid</b> .....	<b>75</b>	
	<b>76a</b> Amount of line 75 you want <b>refunded to you</b> . If Form 8888 is attached, check here <b>u</b> <input type="checkbox"/>	<b>76a</b>	
	<b>u b</b> Routing number <input type="text"/> <b>u c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>u d</b> Account number <input type="text"/>			
<b>77</b> Amount of line 75 you want <b>applied to your 2018 estimated tax</b> <b>u</b> <b>77</b>			
<b>Amount You Owe</b> <b>78</b> <b>Amount you owe.</b> Subtract line 74 from line 63. For details on how to pay, see instructions. <b>u</b>	<b>78</b>	<b>47,173</b>	
<b>79</b> Estimated tax penalty (see instructions) .....	<b>79</b>	<b>1,103</b>	

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS (see instructions)?  **Yes.** Complete below.  **No**

Designee's name **u Jason Watson, EA** Personal identification number (PIN) **u 40111** Phone no. **u 719-387-9800**

**Sign Here** Under penalties 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, and accurately list 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.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **Business Owner** Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see instr.) \_\_\_\_\_

Print/Type preparer's name **Jason Watson, EA** Preparer's signature **Jason Watson, EA** Date **06/29/18** Check  if self-employed  PTIN \*\*\*\*\*

**Paid Preparer** Firm's name **u Watson CPA Group** Firm's EIN **u \*\*\*-\*\*\*0847**

**Use Only** Firm's address **u 9475 Briar Village Pt Ste 325 Colorado Springs CO 80920-7907** Phone no. **719-387-9800**

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		SGL	SGL		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 60,000	60,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 200,000	200,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 200,000	200,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,102	1,102		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,102	1,102		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,102	1,102		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
		38. <b>Allowable itemized deductions</b> .....	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. Exemptions .....		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. <b>Taxable income</b> .....	45. 189,600	160,000	-29,600		

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
<b>Filing Status</b>		<b>SGL</b>	<b>SGL</b>	
	46. Taxable income from TPW page 1, line 45	189,600	160,000	-29,600
	47. Tax on taxable income	46,070	32,890	-13,180
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	46,070	32,890	-13,180
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8935)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	<b>67. Total credits</b>			
	<b>68. Net tax liability</b>	46,070	32,890	-13,180
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	<b>78. Total tax</b>	46,070	32,890	-13,180
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	<b>85. Total payments</b>			
	<b>86. Net tax due/-refund</b>	46,070	32,890	-13,180
	<b>87. Marginal Tax Rate - Ordinary Income</b>	28.0%	32.0%	
	<b>88. Marginal Tax Rate - Capital Income</b>	%	%	
	<b>89. Effective Tax Rate</b>	24.0%	21.0%	

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**

Specified service business .....

Net projected qualified business income for all activities ..... **140,000**

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. 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 (TPW, line 43) ..... **3. 188,000**

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 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 service. .... 4. \_\_\_\_\_
- 5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified 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 Line 2. .... 7. **28,000**
- 8. W-2 Wages from business, enter 0 if none. If service business, multiply by Line 6. .... 8. **60,000**
- 9. **Wage component.** Multiply line 8 by 50% (.50). .... 9. **30,000**
- 10. Multiply line 8 by 25% (.25) ..... 10. **15,000**
- 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). .... 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 Capital component. .... 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 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**

- 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). .... 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 Line 7 and enter the amount on line 21. .... 20. \_\_\_\_\_

**Business Income Deduction Calculation**

- 21. Qualified business income deduction for this activity. .... **21. 28,000**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

- 22. **Combined qualified business income.** Enter the total of all activities 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 24 ..... **25. 28,000**

**Taxable 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. **37,600**
- 29. Enter the lesser of Line 25 or Line 28. .... 29. **28,000**
- 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. **188,000**
- 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. **28,000**
- 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... **34. 28,000**

## 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:	<b>Single</b>
S Corp Wages:	<b>60,000</b>
S Corp Net Income:	<b>140,000</b>
Specified Service:	<b>Yes</b>
Taxable Income:	<b>188,000</b> (before QBID)
Section 199A Deduction:	<b>10,920</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20

Your first name and initial: **Fred** Last name: **Flintstone** Your social security number: **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial: \_\_\_\_\_ Last name: \_\_\_\_\_ Spouse's social security number: \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name: \_\_\_\_\_ Foreign province/state/county: \_\_\_\_\_ Foreign postal code: \_\_\_\_\_

**Filing Status**

1  Single

2  Married filing jointly (even if only one had income)

3  Married filing separately. Enter spouse's SSN above and full name here. **u**

4  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**

5  Qualifying widow(er) (see instructions)

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a

6b  Spouse

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)

d Total number of exemptions claimed **1**

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2 **60,000**

8a Taxable interest. Attach Schedule B if required

8b Tax-exempt interest. Do not include on line 8a

9a Ordinary dividends. Attach Schedule B if required

9b Qualified dividends

10 Taxable refunds, credits, or offsets of state and local income taxes

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here

14 Other gains or (losses). Attach Form 4797

15a IRA distributions **15a** Taxable amount **15b**

16a Pensions and annuities **16a** Taxable amount **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E **140,000**

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits **20a** Taxable amount **20b**

21 Other income. List type and amount

22 Combine the amounts in the far right column for lines 7 through 21. This is your **total income** **u** **200,000**

**Adjusted Gross Income**

23 Educator expenses

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ

25 Health savings account deduction. Attach Form 8889

26 Moving expenses. Attach Form 3903

27 Deductible part of self-employment tax. Attach Schedule SE

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction

30 Penalty on early withdrawal of savings

31a Alimony paid **b** Recipient's SSN **u**

32 IRA deduction

33 Student loan interest deduction

34 Tuition and fees. Attach Form 8917

35 Domestic production activities deduction. Attach Form 8903

36 Add lines 23 through 35

37 Subtract line 36 from line 22. This is your **adjusted gross income** **u** **200,000**

<b>38</b> Amount from line 37 (adjusted gross income) .....		<b>38</b>	<b>200,000</b>	
<b>Tax and Credits</b>	<b>39a</b> Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <b>Total boxes checked</b> <input type="checkbox"/> <b>39a</b>			
	if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. <b>checked</b> <input checked="" type="checkbox"/> <b>39a</b>			
	<b>b</b> If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> <b>39b</b>			
	<b>40</b> <b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin) .....	<b>40</b>	<b>6,350</b>	
	<b>41</b> Subtract line 40 from line 38 .....	<b>41</b>	<b>193,650</b>	
	<b>42</b> <b>Exemptions.</b> If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions .....	<b>42</b>	<b>4,050</b>	
	<b>43</b> Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- .....	<b>43</b>	<b>189,600</b>	
	<b>44</b> Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> .....	<b>44</b>	<b>46,070</b>	
	<b>45</b> <b>Alternative minimum tax</b> (see instructions). Attach Form 6251 .....	<b>45</b>		
	<b>46</b> Excess advance premium tax credit repayment. Attach Form 8962 .....	<b>46</b>		
<b>47</b> Add lines 44, 45, and 46 .....	<b>47</b>	<b>46,070</b>		
<b>48</b> Foreign tax credit. Attach Form 1116 if required .....	<b>48</b>			
<b>49</b> Credit for child and dependent care expenses. Attach Form 2441 .....	<b>49</b>			
<b>50</b> Education credits from Form 8863, line 19 .....	<b>50</b>			
<b>51</b> Retirement savings contributions credit. Attach Form 8880 .....	<b>51</b>			
<b>52</b> Child tax credit. Attach Schedule 8812, if required .....	<b>52</b>			
<b>53</b> Residential energy credits. Attach Form 5695 .....	<b>53</b>			
<b>54</b> Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> .....	<b>54</b>			
<b>55</b> Add lines 48 through 54. These are your <b>total credits</b> .....	<b>55</b>			
<b>56</b> Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- .....	<b>56</b>	<b>46,070</b>		
<b>57</b> Self-employment tax. Attach Schedule SE .....	<b>57</b>			
<b>58</b> Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 .....	<b>58</b>			
<b>59</b> Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required .....	<b>59</b>			
<b>60a</b> Household employment taxes from Schedule H .....	<b>60a</b>			
<b>b</b> First-time homebuyer credit repayment. Attach Form 5405 if required .....	<b>60b</b>			
<b>61</b> Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/> .....	<b>61</b>			
<b>62</b> Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) .....	<b>62</b>			
<b>63</b> Add lines 56 through 62. This is your total tax .....	<b>63</b>	<b>46,070</b>		
<b>64</b> Federal income tax withheld from Forms W-2 and 1099 .....	<b>64</b>			
<b>65</b> 2017 estimated tax payments and amount applied from 2016 return .....	<b>65</b>			
<b>66a</b> <b>Earned income credit (EIC)</b> .....	<b>66a</b>			
<b>b</b> Nontaxable combat pay election <b>66b</b> .....				
<b>67</b> Additional child tax credit. Attach Schedule 8812 .....	<b>67</b>			
<b>68</b> American opportunity credit from Form 8863, line 8 .....	<b>68</b>			
<b>69</b> Net premium tax credit. Attach Form 8962 .....	<b>69</b>			
<b>70</b> Amount paid with request for extension to file .....	<b>70</b>			
<b>71</b> Excess social security and tier 1 RRTA tax withheld .....	<b>71</b>			
<b>72</b> Credit for federal tax on fuels. Attach Form 4136 .....	<b>72</b>			
<b>73</b> Credits from Form a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/> .....	<b>73</b>			
<b>74</b> Add lines 64, 65, 66a, and 67 through 73. These are your total payments .....	<b>74</b>			
<b>75</b> If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you <b>overpaid</b> .....	<b>75</b>			
<b>76a</b> Amount of line 75 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/> <b>u</b> <input type="checkbox"/> <b>76a</b>				
<b>u b</b> Routing number <input type="text"/> <b>u c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings				
<b>u d</b> Account number <input type="text"/>				
<b>77</b> Amount of line 75 you want <b>applied to your 2018 estimated tax</b> <b>u</b> <input type="checkbox"/> <b>77</b>				
<b>78</b> <b>Amount you owe.</b> Subtract line 74 from line 63. For details on how to pay, see instructions. <b>u</b>	<b>78</b>	<b>47,173</b>		
<b>79</b> Estimated tax penalty (see instructions) .....	<b>79</b>	<b>1,103</b>		

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS (see instructions)?  **Yes.** Complete below.  **No**

Designee's name **u Jason Watson, EA** Personal identification number (PIN) **u 40111** Phone no. **u 719-387-9800**

**Sign Here** Under penalties 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, and accurately list 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.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **Business Owner** Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see instr.) \_\_\_\_\_

Print/Type preparer's name **Jason Watson, EA** Preparer's signature **Jason Watson, EA** Date **06/29/18** Check  if self-employed  PTIN **\*\*\*\*\***

**Paid** Firm's name **u Watson CPA Group** Firm's EIN **u \*\*\*-\*\*\*0847**

**Preparer** Firm's address **u 9475 Briar Village Pt Ste 325 Colorado Springs CO 80920-7907** Phone no. **719-387-9800**



Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
		SGL	SGL	
	<b>Filing Status</b> .....			
	<b>Dependents</b> .....			
	1. Salaries and wages .....	1. 60,000	60,000	
	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.		
c	7. Capital gain/loss .....	7.		
o	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. <b>Total income</b> .....	16. 200,000	200,000	
	17. Moving expenses .....	17.		
A	18. Deductible part of self-employment tax .....	18.		
d	19. SEP/SIMPLE/Qualified plans deductions .....	19.		
j	20. Self-employed health insurance deduction .....	20.		
u	21. Penalty on early withdrawal of savings .....	21.		
s	22. Alimony paid .....	22.		
t	23. IRA deductions .....	23.		
e	24. Student loan interest deduction .....	24.		
n	25. Other adjustments .....	25.		
t	26. <b>Adjusted gross income</b> .....	26. 200,000	200,000	
	27. Medical .....	27.		
D	28. State and local or sales taxes .....	28. 1,102	1,102	
e	29. Real estate taxes .....	29.		
d	30. Personal property & other taxes .....	30.		
u	31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....	31. 1,102	1,102	
c	32. Maximum State and local tax deduction .....	32.	10,000	10,000
t	33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....	33. 1,102	1,102	
i	34. Interest .....	34.		
o	35. Contributions .....	35.		
n	36. Casualty losses (non-disaster) .....	36.		
s	37. Miscellaneous expenses (including qualified disaster loss) .....	37.		
	38. <b>Allowable itemized deductions</b> .....	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. Exemptions .....	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.	10,920	10,920
	45. <b>Taxable income</b> .....	45. 189,600	177,080	-12,520

Name

**Fred Flintstone**

Taxpayer Identification Number

**\*\*\*-\*\*-6789**

		2017	2018	Differences
<b>Filing Status</b>		<b>SGL</b>	<b>SGL</b>	
	46. Taxable income from TPW page 1, line 45	189,600	177,080	-12,520
	47. Tax on taxable income	46,070	38,355	-7,715
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	46,070	38,355	-7,715
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8935)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	46,070	38,355	-7,715
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	46,070	38,355	-7,715
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	46,070	38,355	-7,715
	87. <b>Marginal Tax Rate - Ordinary Income</b>	28.0%	32.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	24.0%	22.0%	

Name  
**Fred Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**  
 Specified service business ..... **X**  
 Net projected qualified business income for all activities ..... **140,000**

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. 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 (TPW, line 43) ..... **3. 188,000**  
 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 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 service. .... **4. 30,500**  
 5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified service. .... **5. 0.6100**  
 6. Subtract Line 5 from 1.0; This is the applicable percentage for the specified service business. .... **6. 0.3900**  
 7. If specified service, multiply Line 2 by Line 6; else enter amount from Line 2. .... **7. 10,920**  
 8. W-2 Wages from business, enter 0 if none. If service business, multiply by Line 6. .... **8. 23,400**  
 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 service, 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 and Capital component. .... **14. 11,700**  
 15. Enter the lesser of line 7 or line 14. .... **15. 10,920**  
 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**

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). .... **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 Line 7 and enter the amount on line 21. .... **20.**

**Business Income Deduction Calculation**

21. Qualified business income deduction for this activity. .... **21. 10,920**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

22. **Combined qualified business income.** Enter the total of all activities 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**

**Taxable 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. 37,600**  
 29. Enter the lesser of Line 25 or Line 28. .... **29. 10,920**  
 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. 188,000**  
 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. 10,920**  
 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... **34. 10,920**

## 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:	<b>Married</b>
S Corp Wages:	<b>60,000</b>
S Corp Net Income:	<b>140,000</b>
Specified Service:	<b>No</b>
Taxable Income:	<b>176,000</b> (before QBID)
Section 199A Deduction:	<b>28,000</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial **Wilma** Last name **Flintstone** Spouse's social security number **\*\*\*-\*\*-4321**

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a  
 b  Spouse } Boxes checked on 6a and 6b **2**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see instructions) _____

d Total number of exemptions claimed \_\_\_\_\_ Add numbers on lines above **u** **2**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>60,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
8b	8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	9a	Ordinary dividends. Attach Schedule B if required	9a	
9b	9b	Qualified dividends	9b	
10	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	11	Alimony received	11	
12	12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	14	Other gains or (losses). Attach Form 4797	14	
15a	15a	IRA distributions	15b	
15b	15b	Taxable amount	15b	
16a	16a	Pensions and annuities	16b	
16b	16b	Taxable amount	16b	
17	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>140,000</b>
18	18	Farm income or (loss). Attach Schedule F	18	
19	19	Unemployment compensation	19	
20a	20a	Social security benefits	20b	
20b	20b	Taxable amount	20b	
21	21	Other income. List type and amount	21	
22	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income <b>u</b>	22	<b>200,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36		
37	Subtract line 36 from line 22. This is your adjusted gross income <b>u</b>	37	<b>200,000</b>	

	<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	<b>200,000</b>
<b>Tax and Credits</b>	<b>39a</b>	Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <b>Total boxes checked u</b> <input type="checkbox"/> <b>39a</b>		
		if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind.		
	<b>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> <b>39b</b>		
<b>Standard Deduction for—</b> • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	<b>40</b>	<b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin)	<b>40</b>	<b>12,700</b>
	<b>41</b>	Subtract line 40 from line 38	<b>41</b>	<b>187,300</b>
	<b>42</b>	<b>Exemptions.</b> If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	<b>42</b>	<b>8,100</b>
	<b>43</b>	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	<b>179,200</b>
	<b>44</b>	Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	<b>44</b>	<b>37,061</b>
	<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251	<b>45</b>	
	<b>46</b>	Excess advance premium tax credit repayment. Attach Form 8962	<b>46</b>	
	<b>47</b>	Add lines 44, 45, and 46	<b>47</b>	<b>37,061</b>
	<b>48</b>	Foreign tax credit. Attach Form 1116 if required	<b>48</b>	
	<b>49</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>49</b>	
	<b>50</b>	Education credits from Form 8863, line 19	<b>50</b>	
	<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>	
	<b>52</b>	Child tax credit. Attach Schedule 8812, if required	<b>52</b>	
	<b>53</b>	Residential energy credits. Attach Form 5695	<b>53</b>	
	<b>54</b>	Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	<b>54</b>	
	<b>55</b>	Add lines 48 through 54. These are your <b>total credits</b>	<b>55</b>	
	<b>56</b>	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	<b>56</b>	<b>37,061</b>
<b>Other Taxes</b>	<b>57</b>	Self-employment tax. Attach Schedule SE	<b>57</b>	
	<b>58</b>	Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	<b>58</b>	
	<b>59</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>59</b>	
	<b>60a</b>	Household employment taxes from Schedule H	<b>60a</b>	
	<b>b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required	<b>60b</b>	
	<b>61</b>	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	<b>61</b>	
	<b>62</b>	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	<b>62</b>	
	<b>63</b>	Add lines 56 through 62. This is your total tax	<b>63</b>	<b>37,061</b>
<b>Payments</b> If you have a qualifying child, attach Schedule EIC.	<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>	
	<b>65</b>	2017 estimated tax payments and amount applied from 2016 return	<b>65</b>	
	<b>66a</b>	<b>Earned income credit (EIC)</b>	<b>66a</b>	
	<b>b</b>	Nontaxable combat pay election <b>66b</b>		
	<b>67</b>	Additional child tax credit. Attach Schedule 8812	<b>67</b>	
	<b>68</b>	American opportunity credit from Form 8863, line 8	<b>68</b>	
	<b>69</b>	Net premium tax credit. Attach Form 8962	<b>69</b>	
	<b>70</b>	Amount paid with request for extension to file	<b>70</b>	
	<b>71</b>	Excess social security and tier 1 RRTA tax withheld	<b>71</b>	
	<b>72</b>	Credit for federal tax on fuels. Attach Form 4136	<b>72</b>	
<b>73</b>	Credits from Form a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	<b>73</b>		
	<b>74</b>	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	<b>74</b>	
<b>Refund</b>	<b>75</b>	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you <b>overpaid</b>	<b>75</b>	
	<b>76a</b>	Amount of line 75 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/> <b>u</b>	<b>76a</b>	
	<b>u b</b>	Routing number <input type="text"/> <b>u c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>u d</b>	Account number <input type="text"/>		
	<b>77</b>	Amount of line 75 you want <b>applied to your 2018 estimated tax u</b> <b>77</b>		
<b>Amount You Owe</b>	<b>78</b>	<b>Amount you owe.</b> Subtract line 74 from line 63. For details on how to pay, see instructions. <b>u</b>	<b>78</b>	<b>37,948</b>
	<b>79</b>	Estimated tax penalty (see instructions)	<b>79</b>	<b>887</b>

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS (see instructions)?  **Yes.** Complete below.  **No**

Designee's name **u Jason Watson, EA** Personal identification number (PIN) **u 40111** Phone no. **u 719-387-9800**

**Sign Here** Under penalties 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, and accurately list 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.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **Business Owner** Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation **Accountant** If the IRS sent you an Identity Protection PIN, enter it here (see instr.) \_\_\_\_\_

Print/Type preparer's name **Jason Watson, EA** Preparer's signature **Jason Watson, EA** Date **06/29/18** Check  if self-employed  PTIN **\*\*\*\*\***

**Paid** Preparer Firm's name **u Watson CPA Group** Firm's EIN **u \*\*\*-\*\*\*0847**

**Use Only** Firm's address **u 9475 Briar Village Pt Ste 325 Colorado Springs CO 80920-7907** Phone no. **719-387-9800**

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		MFJ	MFJ		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 60,000	60,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 200,000	200,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 200,000	200,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,191	1,191		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,191	1,191		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,191	1,191		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
		38. <b>Allowable itemized deductions</b> .....	38. 1,191	1,191	
		39. Standard deduction .....	39. 12,700	24,000	11,300
			Standard	Standard	
40. Deduction taken .....		40. 12,700	24,000	11,300	
41. Subtract line 40 from line 26 .....		41. 187,300	176,000	-11,300	
42. Exemptions .....		42. 8,100		-8,100	
43. Taxable inc before qualified business deduction .....		43. 179,200	176,000	-3,200	
44. Qualified business income deduction .....		44.	28,000	28,000	
	45. <b>Taxable income</b> .....	45. 179,200	148,000	-31,200	

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
Filing Status		MFJ	MFJ	
	46. Taxable income from TPW page 1, line 45	179,200	148,000	-31,200
	47. Tax on taxable income	37,061	24,439	-12,622
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	37,061	24,439	-12,622
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8936)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	37,061	24,439	-12,622
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	37,061	24,439	-12,622
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	37,061	24,439	-12,622
	87. <b>Marginal Tax Rate - Ordinary Income</b>	28.0%	22.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	21.0%	17.0%	



Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**

Specified service business .....  
Net projected qualified business income for all activities ..... **140,000**

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. 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 (TPW, line 43) ..... **3. 176,000**  
 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 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 (MFJ).

- 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 specified 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 Line 2. .... **7. \_\_\_\_\_**
- 8. W-2 Wages from business, enter 0 if none. If service business, multiply 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 service, multiply by line 6. .... **11. \_\_\_\_\_**
- 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 Capital component. .... **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 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**

- 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). .... **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 Line 7 and enter the amount on line 21. .... **20. \_\_\_\_\_**

**Business Income Deduction Calculation**

- 21. Qualified business income deduction for this activity. .... **21. 28,000**

**Tentative Qualified Business Income Deduction**

\* Complete Business Income Deduction Calculation on last worksheet only.

- 22. **Combined qualified business income.** Enter the total of all activities 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 24 ..... **25. 28,000**

**Taxable 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. .... **29. 28,000**
- 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. 176,000**
- 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. 28,000**
- 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... **34. 28,000**

## 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:	<b>Married</b>
S Corp Wages:	<b>60,000</b>
S Corp Net Income:	<b>140,000</b>
Specified Service:	<b>Yes</b>
Taxable Income:	<b>176,000</b> (before QBID)
Section 199A Deduction:	<b>28,000</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial **Wilma** Last name **Flintstone** Spouse's social security number **\*\*\*-\*\*-4321**

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a  
 b  Spouse } Boxes checked on 6a and 6b **2**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see instructions) _____

d Total number of exemptions claimed **2** Add numbers on lines above **u**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>60,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
8b	8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	9a	Ordinary dividends. Attach Schedule B if required	9a	
9b	9b	Qualified dividends	9b	
10	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	11	Alimony received	11	
12	12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	14	Other gains or (losses). Attach Form 4797	14	
15a	15a	IRA distributions	15a	
15b	15b	Taxable amount	15b	
16a	16a	Pensions and annuities	16a	
16b	16b	Taxable amount	16b	
17	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>140,000</b>
18	18	Farm income or (loss). Attach Schedule F	18	
19	19	Unemployment compensation	19	
20a	20a	Social security benefits	20a	
20b	20b	Taxable amount	20b	
21	21	Other income. List type and amount	21	
22	22	Combine the amounts in the far right column for lines 7 through 21. This is your <b>total income</b> <b>u</b>	22	<b>200,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36		
37	Subtract line 36 from line 22. This is your <b>adjusted gross income</b> <b>u</b>	37	<b>200,000</b>	

	<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	<b>200,000</b>
<b>Tax and Credits</b>	<b>39a</b>	Check if: <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. } <b>Total boxes checked u 39a</b>		
	<b>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>u 39b</b>		
<b>Standard Deduction for—</b> • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	<b>40</b>	<b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin)	<b>40</b>	<b>12,700</b>
	<b>41</b>	Subtract line 40 from line 38	<b>41</b>	<b>187,300</b>
	<b>42</b>	<b>Exemptions.</b> If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	<b>42</b>	<b>8,100</b>
	<b>43</b>	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	<b>179,200</b>
	<b>44</b>	Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	<b>44</b>	<b>37,061</b>
	<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251	<b>45</b>	
	<b>46</b>	Excess advance premium tax credit repayment. Attach Form 8962	<b>46</b>	
	<b>47</b>	Add lines 44, 45, and 46	<b>47</b>	<b>37,061</b>
	<b>48</b>	Foreign tax credit. Attach Form 1116 if required	<b>48</b>	
	<b>49</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>49</b>	
	<b>50</b>	Education credits from Form 8863, line 19	<b>50</b>	
	<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>	
	<b>52</b>	Child tax credit. Attach Schedule 8812, if required	<b>52</b>	
	<b>53</b>	Residential energy credits. Attach Form 5695	<b>53</b>	
	<b>54</b>	Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	<b>54</b>	
	<b>55</b>	Add lines 48 through 54. These are your <b>total credits</b>	<b>55</b>	
	<b>56</b>	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	<b>56</b>	<b>37,061</b>
<b>Other Taxes</b>	<b>57</b>	Self-employment tax. Attach Schedule SE	<b>57</b>	
	<b>58</b>	Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	<b>58</b>	
	<b>59</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>59</b>	
	<b>60a</b>	Household employment taxes from Schedule H	<b>60a</b>	
	<b>b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required	<b>60b</b>	
	<b>61</b>	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	<b>61</b>	
	<b>62</b>	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	<b>62</b>	
	<b>63</b>	Add lines 56 through 62. This is your total tax	<b>63</b>	<b>37,061</b>
<b>Payments</b> If you have a qualifying child, attach Schedule EIC.	<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>	
	<b>65</b>	2017 estimated tax payments and amount applied from 2016 return	<b>65</b>	
	<b>66a</b>	<b>Earned income credit (EIC)</b>	<b>66a</b>	
	<b>b</b>	Nontaxable combat pay election <b>66b</b>		
	<b>67</b>	Additional child tax credit. Attach Schedule 8812	<b>67</b>	
	<b>68</b>	American opportunity credit from Form 8863, line 8	<b>68</b>	
	<b>69</b>	Net premium tax credit. Attach Form 8962	<b>69</b>	
	<b>70</b>	Amount paid with request for extension to file	<b>70</b>	
	<b>71</b>	Excess social security and tier 1 RRTA tax withheld	<b>71</b>	
	<b>72</b>	Credit for federal tax on fuels. Attach Form 4136	<b>72</b>	
<b>73</b>	Credits from Form a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	<b>73</b>		
	<b>74</b>	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	<b>74</b>	
<b>Refund</b>	<b>75</b>	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you <b>overpaid</b>	<b>75</b>	
	<b>76a</b>	Amount of line 75 you want <b>refunded to you</b> . If Form 8888 is attached, check here <b>u</b> <input type="checkbox"/>	<b>76a</b>	
	<b>u b</b>	Routing number <input type="text"/> <b>u c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>u d</b>	Account number <input type="text"/>		
	<b>77</b>	Amount of line 75 you want <b>applied to your 2018 estimated tax u 77</b>		
<b>Amount You Owe</b>	<b>78</b>	<b>Amount you owe.</b> Subtract line 74 from line 63. For details on how to pay, see instructions. <b>u</b>	<b>78</b>	<b>37,948</b>
	<b>79</b>	Estimated tax penalty (see instructions)	<b>79</b>	<b>887</b>

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS (see instructions)?  **Yes.** Complete below.  **No**

Designee's name **u Jason Watson, EA** Personal identification number (PIN) **u 40111** Phone no. **u 719-387-9800**

**Sign Here** Under penalties 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, and accurately list 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.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **Business Owner** Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation **Accountant** If the IRS sent you an Identity Protection PIN, enter it here (see instr.) \_\_\_\_\_

Print/Type preparer's name **Jason Watson, EA** Preparer's signature **Jason Watson, EA** Date **06/29/18** Check  if self-employed  PTIN **\*\*\*\*\***

**Paid** Preparer Firm's name **u Watson CPA Group** Firm's EIN **u \*\*\*-\*\*\*0847**

**Use Only** Firm's address **u 9475 Briar Village Pt Ste 325 Colorado Springs CO 80920-7907** Phone no. **719-387-9800**

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		MFJ	MFJ		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 60,000	60,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 200,000	200,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 200,000	200,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,191	1,191		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,191	1,191		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,191	1,191		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
		38. <b>Allowable itemized deductions</b> .....	38. 1,191	1,191	
39. Standard deduction .....		39. 12,700	24,000	11,300	
			Standard	Standard	
40. Deduction taken .....		40. 12,700	24,000	11,300	
41. Subtract line 40 from line 26 .....		41. 187,300	176,000	-11,300	
42. Exemptions .....		42. 8,100		-8,100	
43. Taxable inc before qualified business deduction .....		43. 179,200	176,000	-3,200	
44. Qualified business income deduction .....		44.	28,000	28,000	
45. <b>Taxable income</b> .....	45. 179,200	148,000	-31,200		

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
Filing Status		MFJ	MFJ	
	46. Taxable income from TPW page 1, line 45	179,200	148,000	-31,200
	47. Tax on taxable income	37,061	24,439	-12,622
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	37,061	24,439	-12,622
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8935)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	37,061	24,439	-12,622
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	37,061	24,439	-12,622
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	37,061	24,439	-12,622
	87. <b>Marginal Tax Rate - Ordinary Income</b>	28.0%	22.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	21.0%	17.0%	

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**  
 Specified service business ..... **X**  
 Net projected qualified business income for all activities ..... **140,000**

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. 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 (TPW, line 43) ..... **3. 176,000**  
 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 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 (MFJ).

- 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 specified 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 Line 2. .... **7. \_\_\_\_\_**
- 8. W-2 Wages from business, enter 0 if none. If service business, multiply 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 service, multiply by line 6. .... **11. \_\_\_\_\_**
- 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 Capital component. .... **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 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**

- 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). .... **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 Line 7 and enter the amount on line 21. .... **20. \_\_\_\_\_**

**Business Income Deduction Calculation**

- 21. Qualified business income deduction for this activity. .... **21. 28,000**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

- 22. **Combined qualified business income.** Enter the total of all activities 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 24 ..... **25. 28,000**

**Taxable 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. .... **29. 28,000**
- 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. 176,000**
- 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. 28,000**
- 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... **34. 28,000**

## 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:	<b>Married</b>
S Corp Wages:	<b>60,000</b>
S Corp Net Income:	<b>140,000</b>
Specified Service:	<b>No</b>
Taxable Income:	<b>326,000</b> (before QBID)
Section 199A Deduction:	<b>28,000</b>



For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial **Wilma** Last name **Flintstone** Spouse's social security number **\*\*\*-\*\*-4321**

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a  
 b  Spouse } Boxes checked on 6a and 6b **2**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see instructions) _____

If more than four dependents, see instructions and check here

d Total number of exemptions claimed **2** Add numbers on lines above **u**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>210,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule B if required	9a	
	b	Qualified dividends	9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	
If you did not get a W-2, see instructions.	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	IRA distributions	15a	
	b	Taxable amount	15b	
	16a	Pensions and annuities	16a	
	b	Taxable amount	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>140,000</b>
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Social security benefits	20a	
	b	Taxable amount	20b	
	21	Other income. List type and amount	21	
	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income <b>u</b>	22	<b>350,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
	36	Add lines 23 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income <b>u</b>	37	<b>350,000</b>	

Table with tax line items 38-79. Includes sections for Tax and Credits, Other Taxes, Payments, and Refund. Total amount owed is 1,330.

Third Party Designee: Jason Watson, EA. Personal identification number (PIN) 40111. Phone no. 719-387-9800.

Sign Here: Business Owner (Accountant). Spouse's signature: Accountant. Date: 06/29/18.

Paid: Jason Watson, EA. Preparer: Watson CPA Group. Firm's EIN: \*\*\*-\*\*-0847. Firm's address: 9475 Briar Village Pt Ste 325, Colorado Springs, CO 80920-7907. Phone no. 719-387-9800.

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		MFJ	MFJ		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 210,000	210,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 350,000	350,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 350,000	350,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,768	1,768		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,768	1,768		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,768	1,768		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
		38. <b>Allowable itemized deductions</b> .....	38. 682	1,768	1,086
		39. Standard deduction .....	39. 12,700	24,000	11,300
		40. Deduction taken .....	40. Standard 12,700	Standard 24,000	11,300
	41. Subtract line 40 from line 26 .....	41. 337,300	326,000	-11,300	
	42. Exemptions .....	42. 5,670		-5,670	
	43. Taxable inc before qualified business deduction .....	43. 331,630	326,000	-5,630	
	44. Qualified business income deduction .....	44.	28,000	28,000	
	45. <b>Taxable income</b> .....	45. 331,630	298,000	-33,630	

Name

**Fred & Wilma Flintstone**

Taxpayer Identification Number

**\*\*\*-\*\*-6789**

		2017	2018	Differences
Filing Status		MFJ	MFJ	
	46. Taxable income from TPW page 1, line 45	331,630	298,000	-33,630
	47. Tax on taxable income	84,655	60,099	-24,556
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	84,655	60,099	-24,556
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8936)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	84,655	60,099	-24,556
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	84,655	60,099	-24,556
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	84,655	60,099	-24,556
	87. <b>Marginal Tax Rate - Ordinary Income</b>	33.0%	24.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	26.0%	20.0%	

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**

Specified service business .....

Net projected qualified business income for all activities ..... **140,000**

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. 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 (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 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 service. .... 4. \_\_\_\_\_
- 5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified 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 Line 2. .... 7. **28,000**
- 8. W-2 Wages from business, enter 0 if none. If service business, multiply by Line 6. .... 8. **60,000**
- 9. **Wage component.** Multiply line 8 by 50% (.50). .... 9. **30,000**
- 10. Multiply line 8 by 25% (.25) ..... 10. **15,000**
- 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). .... 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 Capital component. .... 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 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**

- 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). .... 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 Line 7 and enter the amount on line 21. .... 20. \_\_\_\_\_

**Business Income Deduction Calculation**

- 21. Qualified business income deduction for this activity. .... 21. **28,000**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

- 22. **Combined qualified business income.** Enter the total of all activities 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 24 ..... 25. **28,000**

**Taxable 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. **65,200**
- 29. Enter the lesser of Line 25 or Line 28. .... 29. **28,000**
- 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. **326,000**
- 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. **28,000**
- 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... 34. **28,000**

## 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:	<b>Married</b>
S Corp Wages:	<b>60,000</b>
S Corp Net Income:	<b>140,000</b>
Specified Service:	<b>Yes</b>
Taxable Income:	<b>301,080</b> (before QBID)
Section 199A Deduction:	<b>24,920</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial **Wilma** Last name **Flintstone** Spouse's social security number **\*\*\*-\*\*-4321**

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_ Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a  
 b  Spouse } Boxes checked on 6a and 6b **2**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see instructions) _____

d Total number of exemptions claimed **2** Add numbers on lines above **u**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>210,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule B if required	9a	
	b	Qualified dividends	9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	
If you did not get a W-2, see instructions.	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	IRA distributions	15a	
	b	Taxable amount	15b	
	16a	Pensions and annuities	16a	
	b	Taxable amount	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>140,000</b>
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Social security benefits	20a	
	b	Taxable amount	20b	
	21	Other income. List type and amount	21	
	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income <b>u</b>	22	<b>350,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
	36	Add lines 23 through 35	36	
	37	Subtract line 36 from line 22. This is your adjusted gross income <b>u</b>	37	<b>350,000</b>

	<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	<b>350,000</b>
<b>Tax and Credits</b>	<b>39a</b>	Check if: <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. } <b>Total boxes checked</b> <b>u</b> <b>39a</b>		
	<b>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>u</b> <b>39b</b>		
<b>Standard Deduction for—</b> • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350	<b>40</b>	<b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin)	<b>40</b>	<b>12,700</b>
	<b>41</b>	Subtract line 40 from line 38	<b>41</b>	<b>337,300</b>
	<b>42</b>	<b>Exemptions.</b> If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions	<b>42</b>	<b>5,670</b>
	<b>43</b>	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	<b>331,630</b>
	<b>44</b>	Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	<b>44</b>	<b>84,655</b>
	<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251	<b>45</b>	
	<b>46</b>	Excess advance premium tax credit repayment. Attach Form 8962	<b>46</b>	
	<b>47</b>	Add lines 44, 45, and 46	<b>47</b>	<b>84,655</b>
	<b>48</b>	Foreign tax credit. Attach Form 1116 if required	<b>48</b>	
	<b>49</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>49</b>	
	<b>50</b>	Education credits from Form 8863, line 19	<b>50</b>	
	<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>	
	<b>52</b>	Child tax credit. Attach Schedule 8812, if required	<b>52</b>	
	<b>53</b>	Residential energy credits. Attach Form 5695	<b>53</b>	
	<b>54</b>	Other credits from Form a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	<b>54</b>	
	<b>55</b>	Add lines 48 through 54. These are your <b>total credits</b>	<b>55</b>	
	<b>56</b>	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	<b>56</b>	<b>84,655</b>
<b>Other Taxes</b>	<b>57</b>	Self-employment tax. Attach Schedule SE	<b>57</b>	
	<b>58</b>	Unreported social security and Medicare tax from Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	<b>58</b>	
	<b>59</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>59</b>	
	<b>60a</b>	Household employment taxes from Schedule H	<b>60a</b>	
	<b>b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required	<b>60b</b>	
	<b>61</b>	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	<b>61</b>	
	<b>62</b>	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	<b>62</b>	
	<b>63</b>	Add lines 56 through 62. This is your total tax	<b>63</b>	<b>84,655</b>
<b>Payments</b> If you have a qualifying child, attach Schedule EIC.	<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>	
	<b>65</b>	2017 estimated tax payments and amount applied from 2016 return	<b>65</b>	
	<b>66a</b>	<b>Earned income credit (EIC)</b>	<b>66a</b>	
	<b>b</b>	Nontaxable combat pay election <b>66b</b>		
	<b>67</b>	Additional child tax credit. Attach Schedule 8812	<b>67</b>	
	<b>68</b>	American opportunity credit from Form 8863, line 8	<b>68</b>	
	<b>69</b>	Net premium tax credit. Attach Form 8962	<b>69</b>	
	<b>70</b>	Amount paid with request for extension to file	<b>70</b>	
	<b>71</b>	Excess social security and tier 1 RRTA tax withheld	<b>71</b>	
	<b>72</b>	Credit for federal tax on fuels. Attach Form 4136	<b>72</b>	
<b>73</b>	Credits from Form a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	<b>73</b>		
	<b>74</b>	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	<b>74</b>	
<b>Refund</b>	<b>75</b>	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you <b>overpaid</b>	<b>75</b>	
	<b>76a</b>	Amount of line 75 you want <b>refunded to you</b> . If Form 8888 is attached, check here <b>u</b> <input type="checkbox"/>	<b>76a</b>	
	<b>u b</b>	Routing number <input type="text"/> <b>u c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>u d</b>	Account number <input type="text"/>		
	<b>77</b>	Amount of line 75 you want <b>applied to your 2018 estimated tax</b> <b>u</b> <b>77</b>		
<b>Amount You Owe</b>	<b>78</b>	<b>Amount you owe.</b> Subtract line 74 from line 63. For details on how to pay, see instructions. <b>u</b>	<b>78</b>	<b>85,985</b>
	<b>79</b>	Estimated tax penalty (see instructions)	<b>79</b>	<b>1,330</b>

**Third Party Designee** Do you want to allow another person to discuss this return with the IRS (see instructions)?  **Yes.** Complete below.  **No**

Designee's name **u Jason Watson, EA** Personal identification number (PIN) **u 40111** Phone no. **u 719-387-9800**

**Sign Here** Under penalties 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, and accurately list 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.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **Business Owner** Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation **Accountant** If the IRS sent you an Identity Protection PIN, enter it here (see instr.) \_\_\_\_\_

Print/Type preparer's name **Jason Watson, EA** Preparer's signature **Jason Watson, EA** Date **06/29/18** Check  if self-employed  PTIN **\*\*\*\*\***

**Paid** Preparer Firm's name **u Watson CPA Group** Firm's EIN **u \*\*\*-\*\*\*0847**

**Use Only** Firm's address **u 9475 Briar Village Pt Ste 325 Colorado Springs CO 80920-7907** Phone no. **719-387-9800**



Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		MFJ	MFJ		
I n c o m e	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
	1. Salaries and wages .....	1. 210,000	210,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 350,000	350,000		
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 350,000	350,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,768	1,768		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,768	1,768		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,768	1,768		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
		38. <b>Allowable itemized deductions</b> .....	38. 682	1,768	1,086
		39. Standard deduction .....	39. 12,700	24,000	11,300
			Standard	Standard	
	40. Deduction taken .....	40. 12,700	24,000	11,300	
	41. Subtract line 40 from line 26 .....	41. 337,300	326,000	-11,300	
	42. Exemptions .....	42. 5,670		-5,670	
	43. Taxable inc before qualified business deduction .....	43. 331,630	326,000	-5,630	
	44. Qualified business income deduction .....	44.	24,920	24,920	
	45. <b>Taxable income</b> .....	45. 331,630	301,080	-30,550	

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
Filing Status		MFJ	MFJ	
	46. Taxable income from TPW page 1, line 45	331,630	301,080	-30,550
	47. Tax on taxable income	84,655	60,838	-23,817
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	84,655	60,838	-23,817
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8935)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	84,655	60,838	-23,817
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	84,655	60,838	-23,817
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	84,655	60,838	-23,817
	87. <b>Marginal Tax Rate - Ordinary Income</b>	33.0%	24.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	26.0%	20.0%	

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**  
 Specified service business ..... **X**  
 Net projected qualified business income for all activities ..... **140,000**

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. 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 (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 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 service. .... **4. 11,000**  
 5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified service. .... **5. 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. 24,920**  
 8. W-2 Wages from business, enter 0 if none. If service business, multiply by Line 6. .... **8. 53,400**  
 9. **Wage component.** Multiply line 8 by 50% (.50). .... **9. 26,700**  
 10. Multiply line 8 by 25% (.25) ..... **10. 13,350**  
 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). .... **12. 0**  
 13. **Wage and Capital component.** Add lines 10 and 12. .... **13. 13,350**  
 14. Enter the greater of line 9, Wage component or line 13, Wage and Capital component. .... **14. 26,700**  
 15. Enter the lesser of line 7 or line 14. .... **15. 24,920**  
 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**

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). .... **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 Line 7 and enter the amount on line 21. .... **20.**

**Business Income Deduction Calculation**

21. Qualified business income deduction for this activity. .... **21. 24,920**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

22. **Combined qualified business income.** Enter the total of all activities 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 24 ..... **25. 24,920**

**Taxable 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. 65,200**  
 29. Enter the lesser of Line 25 or Line 28. .... **29. 24,920**  
 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. 0**  
 33. Add lines 29 and 32. .... **33. 24,920**  
 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... **34. 24,920**

## 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:	<b>Married</b>
S Corp Wages:	<b>40,000</b> (might not be reasonable)
S Corp Net Income:	<b>160,000</b>
Specified Service:	<b>No</b>
Taxable Income:	<b>301,080</b> (before QBID)
Section 199A Deduction:	<b>30,680</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial **Wilma** Last name **Flintstone** Spouse's social security number **\*\*\*-\*\*-4321**

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a  
 b  Spouse } Boxes checked on 6a and 6b **2**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see instructions) _____

d Total number of exemptions claimed **2** Add numbers on lines above **u**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>190,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
8b	8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	9a	Ordinary dividends. Attach Schedule B if required	9a	
9b	9b	Qualified dividends	9b	
10	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	11	Alimony received	11	
12	12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	14	Other gains or (losses). Attach Form 4797	14	
15a	15a	IRA distributions	15b	
15b	15b	Taxable amount	15b	
16a	16a	Pensions and annuities	16b	
16b	16b	Taxable amount	16b	
17	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>160,000</b>
18	18	Farm income or (loss). Attach Schedule F	18	
19	19	Unemployment compensation	19	
20a	20a	Social security benefits	20b	
20b	20b	Taxable amount	20b	
21	21	Other income. List type and amount	21	
22	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income <b>u</b>	22	<b>350,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36		
37	Subtract line 36 from line 22. This is your adjusted gross income <b>u</b>	37	<b>350,000</b>	

Table with tax line items 38-79. Includes sections for Tax and Credits, Standard Deduction, Other Taxes, Payments, and Refund. Total amount owed is 1,330.

Third Party Designee: Jason Watson, EA. Personal identification number (PIN) 40111. Phone no. 719-387-9800.

Sign Here: Business Owner (Accountant). Spouse's signature: Accountant. Date: 06/29/18.

Paid: Jason Watson, EA. Preparer: Watson CPA Group. Firm's EIN: \*\*\*-\*\*-0847. Firm's address: 9475 Briar Village Pt Ste 325, Colorado Springs, CO 80920-7907. Phone no. 719-387-9800.

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		MFJ	MFJ		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 190,000	190,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 350,000	350,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 350,000	350,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,768	1,768		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,768	1,768		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,768	1,768		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
38. <b>Allowable itemized deductions</b> .....		38. 682	1,768	1,086	
39. Standard deduction .....		39. 12,700	24,000	11,300	
			Standard	Standard	
40. Deduction taken .....		40. 12,700	24,000	11,300	
41. Subtract line 40 from line 26 .....		41. 337,300	326,000	-11,300	
42. Exemptions .....		42. 5,670		-5,670	
43. Taxable inc before qualified business deduction .....		43. 331,630	326,000	-5,630	
44. Qualified business income deduction .....		44.	30,680	30,680	
45. <b>Taxable income</b> .....	45. 331,630	295,320	-36,310		

Name

**Fred & Wilma Flintstone**

Taxpayer Identification Number

**\*\*\*-\*\*-6789**

		2017	2018	Differences
<b>Filing Status</b>		<b>MFJ</b>	<b>MFJ</b>	
	46. Taxable income from TPW page 1, line 45	<b>331,630</b>	<b>295,320</b>	<b>-36,310</b>
	47. Tax on taxable income	<b>84,655</b>	<b>59,456</b>	<b>-25,199</b>
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	<b>84,655</b>	<b>59,456</b>	<b>-25,199</b>
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8936)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	<b>67. Total credits</b>			
	<b>68. Net tax liability</b>	<b>84,655</b>	<b>59,456</b>	<b>-25,199</b>
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	<b>78. Total tax</b>	<b>84,655</b>	<b>59,456</b>	<b>-25,199</b>
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	<b>85. Total payments</b>			
	<b>86. Net tax due/-refund</b>	<b>84,655</b>	<b>59,456</b>	<b>-25,199</b>
	<b>87. Marginal Tax Rate - Ordinary Income</b>	<b>33.0%</b>	<b>24.0%</b>	
	<b>88. Marginal Tax Rate - Capital Income</b>	<b>%</b>	<b>%</b>	
	<b>89. Effective Tax Rate</b>	<b>26.0%</b>	<b>20.0%</b>	



Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**

Specified service business .....

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. 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 worksheet.

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 service. .... 4. \_\_\_\_\_
- 5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified 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 Line 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 component.** Multiply line 8 by 50% (.50). .... 9. **20,000**
- 10. Multiply line 8 by 25% (.25) ..... 10. **10,000**
- 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). .... 12. **0**
- 13. **Wage and Capital component.** Add lines 10 and 12. .... 13. **10,000**
- 14. Enter the greater of line 9, Wage component or line 13, Wage and Capital component. .... 14. **20,000**
- 15. Enter the lesser of line 7 or line 14. .... 15. **20,000**

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**

- 16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxable income. .... 16. **11,000**
- 17. Divide line 16 by 50,000, or 100,000 (MFJ). .... 17. **0.1100**
- 18. Subtract Line 15 from Line 7. .... 18. **12,000**
- 19. Multiply line 18 by line 17. .... 19. **1,320**
- 20. **Qualified business income** for this activity. Subtract Line 19 from Line 7 and enter the amount on line 21. .... 20. **30,680**

**Business Income Deduction Calculation**

- 21. Qualified business income deduction for this activity. .... 21. **30,680**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

- 22. **Combined qualified business income.** Enter the total of all activities line 21. .... 22. **30,680**
- 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. **30,680**

**Taxable 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. **65,200**
- 29. Enter the lesser of Line 25 or Line 28. .... 29. **30,680**
- 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. **0**
- 33. Add lines 29 and 32. .... 33. **30,680**
- 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... 34. **30,680**

## 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:	<b>Married</b>
S Corp Wages:	<b>40,000</b> (might not be reasonable)
S Corp Net Income:	<b>160,000</b>
Specified Service:	<b>Yes</b>
Taxable Income:	<b>298,695</b> (before QBID)
Section 199A Deduction:	<b>27,305</b>

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial **Fred** Last name **Flintstone** Your social security number **\*\*\*-\*\*-6789**

If a joint return, spouse's first name and initial **Wilma** Last name **Flintstone** Spouse's social security number **\*\*\*-\*\*-4321**

Home address (number and street). If you have a P.O. box, see instructions. **301 Cobblestone Way** Apt. no. **P** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Bedrock LA 70777**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1  Single 4  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**  
 2  Married filing jointly (even if only one had income)  
 3  Married filing separately. Enter spouse's SSN above and full name here. **u** 5  Qualifying widow(er) (see instructions)

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a  
 b  Spouse } Boxes checked on 6a and 6b **2**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)	No. of children on 6c who: • lived with you _____ • did not live with you due to divorce or separation (see instructions) _____

d Total number of exemptions claimed **2** Add numbers on lines above **u**

<b>Income</b>	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>190,000</b>
8a	8a	Taxable interest. Attach Schedule B if required	8a	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule B if required	9a	
	b	Qualified dividends	9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	
If you did not get a W-2, see instructions.	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	IRA distributions	15a	
	b	Taxable amount	15b	
	16a	Pensions and annuities	16a	
	b	Taxable amount	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	<b>160,000</b>
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Social security benefits	20a	
	b	Taxable amount	20b	
	21	Other income. List type and amount	21	
	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income <b>u</b>	22	<b>350,000</b>

<b>Adjusted Gross Income</b>	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN <b>u</b>	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
	36	Add lines 23 through 35	36	
	37	Subtract line 36 from line 22. This is your adjusted gross income <b>u</b>	37	<b>350,000</b>

Table with 3 columns: Description, Amount, Total. Rows include Tax and Credits (38-56), Other Taxes (57-63), Payments (64-74), Refund (75-77), and Amount You Owe (78-79).

Third Party Designee: Do you want to allow another person to discuss this return with the IRS (see instructions)? [X] Yes. Complete below. [ ] No. Designee's name: Jason Watson, EA. Personal identification number (PIN): 40111. Phone no.: 719-387-9800.

Sign Here: 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, and accurately list all amounts and sources of income I received during the tax year. Signature: Business Owner. Spouse's signature: Accountant.

Paid: Jason Watson, EA. Preparer's signature: Jason Watson, EA. Date: 06/29/18. Preparer: Watson CPA Group. Firm's EIN: \*\*\*-\*\*-0847. Use Only: Firm's address: 9475 Briar Village Pt Ste 325, Colorado Springs, CO 80920-7907. Phone no.: 719-387-9800.

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences	
		MFJ	MFJ		
	<b>Filing Status</b> .....				
	<b>Dependents</b> .....				
I n c o m e	1. Salaries and wages .....	1. 190,000	190,000		
	2. Interest income .....	2.			
	3. Dividend income .....	3.			
	4. Taxable state/local refunds .....	4.			
	5. Alimony received .....	5.			
	6. Business income/loss .....	6.			
	7. Capital gain/loss .....	7.			
	8. Other gains/losses .....	8.			
	9. Taxable IRA distributions .....	9.			
	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. <b>Total income</b> .....	16. 350,000	350,000	
A d j u s t m e n t s	17. Moving expenses .....	17.			
	18. Deductible part of self-employment tax .....	18.			
	19. SEP/SIMPLE/Qualified plans deductions .....	19.			
	20. Self-employed health insurance deduction .....	20.			
	21. Penalty on early withdrawal of savings .....	21.			
	22. Alimony paid .....	22.			
	23. IRA deductions .....	23.			
	24. Student loan interest deduction .....	24.			
	25. Other adjustments .....	25.			
		26. <b>Adjusted gross income</b> .....	26. 350,000	350,000	
	D e d u c t i o n s	27. Medical .....	27.		
28. State and local or sales taxes .....		28. 1,768	1,768		
29. Real estate taxes .....		29.			
30. Personal property & other taxes .....		30.			
31. <b>Total Taxes Paid.</b> Add lines 28 - 30 .....		31. 1,768	1,768		
32. Maximum State and local tax deduction .....		32.	10,000	10,000	
33. <b>State/local tax deduction.</b> Lower of 31 or 32 .....		33. 1,768	1,768		
34. Interest .....		34.			
35. Contributions .....		35.			
36. Casualty losses (non-disaster) .....		36.			
37. Miscellaneous expenses (including qualified disaster loss) .....		37.			
38. <b>Allowable itemized deductions</b> .....		38. 682	1,768	1,086	
39. Standard deduction .....		39. 12,700	24,000	11,300	
		40. Deduction taken .....	40. Standard 12,700	Standard 24,000	11,300
41. Subtract line 40 from line 26 .....	41. 337,300	326,000	-11,300		
42. Exemptions .....	42. 5,670		-5,670		
43. Taxable inc before qualified business deduction .....	43. 331,630	326,000	-5,630		
44. Qualified business income deduction .....	44.	27,305	27,305		
45. <b>Taxable income</b> .....	45. 331,630	298,695	-32,935		

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

		2017	2018	Differences
Filing Status		MFJ	MFJ	
	46. Taxable income from TPW page 1, line 45	331,630	298,695	-32,935
	47. Tax on taxable income	84,655	60,266	-24,389
	48. Taxes from Forms 4972, 8814, and add'l taxes			
	49. Alternative minimum tax			
	50. Add lines 47, 48, and 49	84,655	60,266	-24,389
	51. Foreign tax credit			
T	52. Child and dependent care credit			
a	53. Education credits			
x	54. Retirement savings credit			
	55. Credit for the elderly			
C	56. Child tax credit			
o	57. Nonbusiness energy property credit			
m	58. Alternative motor vehicle credit (Form 8910)			
p	59. Qualified plug-in electric motor vehicle (Form 8936)			
u	60. Mortgage interest credit			
t	61. D.C. first-time homebuyer credit			
a	62. Residential energy efficient property credit			
t	63. Adoption credit			
i	64. General business credit			
o	65. Prior year minimum tax credit			
n	66. Other credits			
	67. <b>Total credits</b>			
	68. <b>Net tax liability</b>	84,655	60,266	-24,389
	69. Self-employment tax			
	70. Tax on unreported tips			
	71. Tax on IRA or qualified plans			
	72. Household employment taxes			
	73. First-time homebuyer credit repayment			
	74. Health care: individual responsibility			
	75. Additional Medicare Tax			
	76. Net Investment Income Tax			
	77. Other taxes			
	78. <b>Total tax</b>	84,655	60,266	-24,389
	79. Income tax withheld			
	80. Estimated tax payments			
	81. Earned income credit			
	82. Additional child tax credit			
	83. Reserved			
	84. Other payments			
	85. <b>Total payments</b>			
	86. <b>Net tax due/-refund</b>	84,655	60,266	-24,389
	87. <b>Marginal Tax Rate - Ordinary Income</b>	33.0%	24.0%	
	88. <b>Marginal Tax Rate - Capital Income</b>	%	%	
	89. <b>Effective Tax Rate</b>	26.0%	20.0%	

Name  
**Fred & Wilma Flintstone**

Taxpayer Identification Number  
**\*\*\*-\*\*-6789**

Description of Business ..... **Slate Rock and Gravel Company**  
 Specified service business ..... **X**  
 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. 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 worksheet.  
 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 service. .... **4. 11,000**  
 5. Divide Line 4 by \$50,000 (\$100,000 MFJ); complete only if specified service. .... **5. 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). .... **9. 17,800**  
 10. Multiply line 8 by 25% (.25) ..... **10. 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). .... **12. 0**  
 13. **Wage and Capital component.** Add lines 10 and 12. .... **13. 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 (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**

16. Subtract \$157,500, or \$315,000 (MFJ) from Line 3, Projected taxable income. .... **16. 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 line 21. .... **20. 27,305**

**Business Income Deduction Calculation**

21. Qualified business income deduction for this activity. .... **21. 27,305**

**Tentative Qualified Business Income Deduction**

\* **Complete Business Income Deduction Calculation on last worksheet only.**

22. **Combined qualified business income.** Enter the total of all activities line 21. .... **22. 27,305**  
 23. Qualified real estate investment trust dividends multiplied by 20% ..... **23. 0**  
 24. Qualified publicly traded partnership income multiplied by 20% ..... **24. 0**  
 25. Total combined qualified business income. Add lines 22 through 24 ..... **25. 27,305**

**Taxable Income Limitation**

26. Net capital gain ..... **26. 0**  
 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. 65,200**  
 29. Enter the lesser of Line 25 or Line 28. .... **29. 27,305**  
 30. Multiply Line 27, Qualified cooperative dividends by 20% (.20). .... **30. 0**  
 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. 0**  
 33. Add lines 29 and 32. .... **33. 27,305**  
 34. **Qualified Business Income Deduction.** Enter smaller of line 3 or line 33. Enter on TPW line 44 ..... **34. 27,305**