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**Limitation on Business Interest Expense  
 Under Section 163(j)**

▶ **Attach to your tax return.**

▶ **Go to [www.irs.gov/Form8990](http://www.irs.gov/Form8990) for instructions and the latest information.**

Taxpayer name(s) shown on tax return

Identification number

If Form 8990 relates to an information return for a foreign entity (for example, Form 5471), enter:

Name of foreign entity ▶ \_\_\_\_\_  
 Employer identification number, if any ▶ \_\_\_\_\_  
 Reference ID number ▶ \_\_\_\_\_

**Part I Computation of Allowable Business Interest Expense**

*Part I is completed by all taxpayers subject to section 163(j). Schedule A and Schedule B need to be completed before Part I when the taxpayer is a partner or shareholder of a pass-through entity subject to section 163(j).*

**Section I—Business Interest Expense**

|   |  |   |  |          |
|---|--|---|--|----------|
| 1 | Current year business interest expense (not including floor plan financing interest expense), before the section 163(j) limitation | 1 |  |          |
| 2 | Disallowed business interest expense carryforwards from prior years. (Does not apply to a partnership)                             | 2 |  |          |
| 3 | Partner's excess business interest expense treated as paid or accrued in current year (Schedule A, line 44, column (h))            | 3 |  |          |
| 4 | Floor plan financing interest expense. See instructions  | 4 |  |          |
| 5 | <b>Total business interest expense.</b> Add lines 1 through 4  |   |  | <b>5</b> |

**Section II—Adjusted Taxable Income**

**Taxable Income**

|   |   |   |  |
|---|---|---|--|
| 6 | <b>Taxable income.</b> See instructions | 6 |  |
|---|---|---|--|

**Additions** (adjustments to be made if amounts are taken into account on line 6)

|    |  |    |  |           |
|----|--|----|--|-----------|
| 7  | Any item of loss or deduction that is not properly allocable to a trade or business of the taxpayer. See instructions  | 7  |  |           |
| 8  | Any business interest expense not from a pass-through entity. See instructions   | 8  |  |           |
| 9  | Amount of any net operating loss deduction under section 172   | 9  |  |           |
| 10 | Amount of any qualified business income deduction allowed under section 199A   | 10 |  |           |
| 11 | Deduction allowable for depreciation, amortization, or depletion attributable to a trade or business. See instructions | 11 |  |           |
| 12 | Amount of any loss or deduction items from a pass-through entity. See instructions                                     | 12 |  |           |
| 13 | Other additions. See instructions  | 13 |  |           |
| 14 | Total current year partner's excess taxable income (Schedule A, line 44, column (f))                                   | 14 |  |           |
| 15 | Total current year S corporation shareholder's excess taxable income (Schedule B, line 46, column (c))                 | 15 |  |           |
| 16 | <b>Total.</b> Add lines 7 through 15   |    |  | <b>16</b> |

**Reductions** (adjustments to be made if amounts are taken into account on line 6)

|    |  |    |     |               |
|----|--|----|-----|---------------|
| 17 | Any item of income or gain that is not properly allocable to a trade or business of the taxpayer. See instructions | 17 | ( ) |               |
| 18 | Any business interest income not from a pass-through entity. See instructions                                      | 18 | ( ) |               |
| 19 | Amount of any income or gain items from a pass-through entity. See instructions                                    | 19 | ( ) |               |
| 20 | Other reductions. See instructions   | 20 | ( ) |               |
| 21 | <b>Total.</b> Combine lines 17 through 20  |    |     | <b>21</b> ( ) |
| 22 | <b>Adjusted taxable income.</b> Combine lines 6, 16, and 21. (If zero or less, enter -0-.)                         |    |     | <b>22</b>     |

**Section III—Business Interest Income**

|           |  |           |  |  |
|-----------|--|-----------|--|--|
| <b>23</b> | Current year business interest income. See instructions . . . . .  | <b>23</b> |  |  |
| <b>24</b> | Excess business interest income from pass-through entities (total of Schedule A, line 44, column (g), and Schedule B, line 46, column (d)) . . . . . | <b>24</b> |  |  |
| <b>25</b> | <b>Total.</b> Add lines 23 and 24 . . . . . ▶  | <b>25</b> |  |  |

**Section IV—163(j) Limitation Calculations**

**Limitation on Business Interest Expense**

|           |   |           |  |  |
|-----------|---|-----------|--|--|
| <b>26</b> | Multiply adjusted taxable income (line 22) by the applicable percentage. See instructions . . . . . | <b>26</b> |  |  |
| <b>27</b> | Business interest income (line 25) . . . . .  | <b>27</b> |  |  |
| <b>28</b> | Floor plan financing interest expense (line 4) . . . . .  | <b>28</b> |  |  |
| <b>29</b> | <b>Total.</b> Add lines 26, 27, and 28 . . . . . ▶  | <b>29</b> |  |  |

**Allowable Business Interest Expense**

|           |   |           |  |  |
|-----------|---|-----------|--|--|
| <b>30</b> | <b>Total current year business interest expense deduction.</b> See instructions . . . . . | <b>30</b> |  |  |
|-----------|---|-----------|--|--|

**Carryforward**

|           |  |           |  |  |
|-----------|--|-----------|--|--|
| <b>31</b> | <b>Disallowed business interest expense.</b> Subtract line 29 from line 5. (If zero or less, enter -0-.) . . . . . | <b>31</b> |  |  |
|-----------|--|-----------|--|--|

**Part II Partnership Pass-Through Items**

*Part II is only completed by a partnership that is subject to section 163(j). The partnership items below are allocated to the partners and are not carried forward by the partnership. See the instructions for more information.*

**Excess Business Interest Expense**

|           |  |           |  |  |
|-----------|--|-----------|--|--|
| <b>32</b> | <b>Excess business interest expense.</b> Enter amount from line 31 . . . . . | <b>32</b> |  |  |
|-----------|--|-----------|--|--|

**Excess Taxable Income** (If you entered an amount on line 32, skip lines 33 through 37.)

|           |  |           |  |  |
|-----------|--|-----------|--|--|
| <b>33</b> | Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.) . . . . .              | <b>33</b> |  |  |
| <b>34</b> | Subtract line 33 from line 26. (If zero or less, enter -0-.) . . . . .                               | <b>34</b> |  |  |
| <b>35</b> | Divide line 34 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.) . . . . . | <b>35</b> |  |  |
| <b>36</b> | <b>Excess taxable income.</b> Multiply line 35 by line 22 . . . . .                                  | <b>36</b> |  |  |

**Excess Business Interest Income**

|           |   |           |  |  |
|-----------|---|-----------|--|--|
| <b>37</b> | <b>Excess business interest income.</b> Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.) . . . . . | <b>37</b> |  |  |
|-----------|---|-----------|--|--|

**Part III S Corporation Pass-Through Items**

*Part III is only completed by S corporations that are subject to section 163(j). The S corporation items below are allocated to the shareholders. See the instructions for more information.*

**Excess Taxable Income**

|           |  |           |  |  |
|-----------|--|-----------|--|--|
| <b>38</b> | Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.) . . . . .              | <b>38</b> |  |  |
| <b>39</b> | Subtract line 38 from line 26. (If zero or less, enter -0-.) . . . . .                               | <b>39</b> |  |  |
| <b>40</b> | Divide line 39 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.) . . . . . | <b>40</b> |  |  |
| <b>41</b> | <b>Excess taxable income.</b> Multiply line 40 by line 22 . . . . .                                  | <b>41</b> |  |  |

**Excess Business Interest Income**

|           |   |           |  |  |
|-----------|---|-----------|--|--|
| <b>42</b> | <b>Excess business interest income.</b> Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.) . . . . . | <b>42</b> |  |  |
|-----------|---|-----------|--|--|

**SCHEDULE A Summary of Partner's Section 163(j) Excess Items**

Any taxpayer that owns an interest in a partnership subject to section 163(j) should complete Schedule A before completing Part I.

| (a) Name of partnership | (b) EIN | Excess Business Interest Expense |                             |                          | (f) Current year excess taxable income | (g) Current year excess business interest income | (h) Excess business interest expense treated as paid or accrued (see instructions) | (i) Current year excess business interest expense carryforward ((e) minus (h)) |
|-------------------------|---------|----------------------------------|-----------------------------|--------------------------|--|--|--|--|
|                         |         | (c) Current year                 | (d) Prior year carryforward | (e) Total ((c) plus (d)) |  |  |  |  |
| 43                      |         |                                  |                             |                          |  |  |  |  |
|                         |         |                                  |                             |                          |  |  |  |  |
|                         |         |                                  |                             |                          |  |  |  |  |
|                         |         |                                  |                             |                          |  |  |  |  |
|                         |         |                                  |                             |                          |  |  |  |  |
| <b>44 Total</b>         |         |                                  |                             |                          |  |  |  |  |

**SCHEDULE B Summary of S Corporation Shareholder's Excess Taxable Income and Excess Business Interest Income**

Any taxpayer that is required to complete Part I and is a shareholder in an S corporation that has excess taxable income or excess business interest income should complete Schedule B before completing Part I.

| (a) Name of S corporation | (b) EIN | (c) Current year excess taxable income | (d) Current year excess business interest income |
|---------------------------|---------|--|--|
| 45                        |         |  |  |
|                           |         |  |  |
|                           |         |  |  |
|                           |         |  |  |
| <b>46 Total</b>           |         |  |  |