



IRS Nationwide Tax Forum | 2020

Tax Cuts and Jobs Act (TCJA) Update:
Qualified Business Income Deduction

Objectives

During this presentation we will:

- Describe items to consider when calculating a qualified business income deduction (QBID)
- Locate information needed to calculate QBID
- Complete Form 8995 and report QBID on Form 1040.

Acronyms

- PTP – Publicly Traded Partnership
- QBI – Qualified Business Income
- QBID – Qualified Business Income Deduction
- QTB – Qualified Trade or Business
- REIT – Real Estate Investment Trust
- SSTB – Specified Service Trade or Business
- UBIA – Unadjusted Basis Immediately After Acquisition



IRS Nationwide

Tax Forum | 2020

Who is Eligible for the QBID?

- **Individuals**
- **Certain Trusts and Estates**

Who is not Eligible for the QBID?

- **C Corporations**
- **Passthrough entities cannot claim the deduction, but provide information to their owners, investors, or beneficiaries to use in calculating their QBID.**

How is the QBID Calculated?

Lesser of:

QBI Component plus REIT/PTP Component

OR

20% (Taxable income, before QBID, less net capital gain)

When do Limitations Apply?

2019

Taxable Income Thresholds

Single - \$160,700

Married Filing Separate - \$160,725

Married Filing Joint - \$321,400

Phase-in Ranges

Married filing joint + 100,000

All others + \$50,000

Limitations that are Applicable Above the Threshold:

- Specified service trade or business limitation
- W-2 wage and UBIA of qualified property limitation

Specified Service Trade or Business (SSTB) Limitation

For those with taxable income above the threshold, QBI from an SSTB may be limited or excluded.

SSTBs include trades or businesses involved in the performance of services in the fields of:

- Health
- Law
- Accounting
- Actuarial science
- Performing arts
- Consulting
- Athletics
- Financial services
- Brokerage services
- Investment or investment management, trading, or dealing in securities, partnership interests, or commodities
- Or a trade or business where the principal asset is the reputation or skill of one or more of its employees or owners

W-2 Wage and UBIA of Qualified Property Limitation

For those with taxable income above the threshold, the W-2 Wage and UBIA of qualified property limitation is either phased-in or fully applied.

Wage & UBIA of Qualified Property Limitation

For each trade or business, QBI is limited to the greater of:

- 50% of W-2 Wages or
- 25% of W-2 Wages plus 2.5% of UBIA of qualified property

What is QBI?

Net amount of income, gain, deduction, and loss from any qualified trade or business.

May be generated by:

- Sole proprietorships,
- S corporations,
- Partnerships,
- Trusts,
- Estates, and
- Rental real estate

What is QBI? (cont'd)

Net amount of income, gain, deduction, and loss from any qualified trade or business.

Includes deductible portions of:

- S/E tax
- S/E health insurance
- Contributions to qualified retirement plans
- Unreimbursed partnership expenses
- Business interest allocable to S corporation or partnership

What is not QBI?

Exclusions include, but are not limited to:

- Capital gains or losses
- Interest income not allocable to a trade or business
- Wage income, reasonable compensation from an S corporation, or guaranteed payments from a partnership
- Items not effectively connected with the conduct of a business within the United States
- Items not includible in taxable income

What are REIT Dividends and PTP Income?

Qualified REIT Dividends:

- Dividends received from a REIT that are not capital gain dividends under section 857(b)(3) or qualified dividends under section 1(h)(11).
- Reported on Form 1099-DIV, box 5

PTP Income:

- Qualified items of income, gain, deduction, and loss from a PTP, plus any ordinary gain or loss recognized on the disposition of the PTP interest.
- SSTB limitation applies to PTP Income

Taxable Income Limitation

20% (Taxable income less net capital gain)

- Taxable income is computed before the QBID, AGI less standard/itemized deductions
- Net capital gain is computed as follows:
 - Net long-term capital gain *less*
 - Net short-term capital loss (not below zero), *plus*
 - Qualified dividends

How is the Deduction Claimed?

2019:

- Form 8995, Qualified Business Income Deduction – Simplified Computation
 - Taxable income at or below the threshold and not a patron of a specified cooperative.
- Form 8995-A, Qualified Business Income Deduction
 - Taxable income above the threshold or a patron of a specified cooperative.
- Form 1040 filers claim the deduction on Line 10
- Form 1041 filers claim the deduction on Line 20

Meet Robin and Alder Pine

- Married taxpayers, filing jointly
- Earnings/losses from multiple sources in 2019:

Schedule C

Schedule F

Schedule E

Form 4797

Wages

Investments

- Taxable income, before the QBID, is \$157,735



Form **8995**

Department of the Treasury
Internal Revenue Service

**Qualified Business Income Deduction
Simplified Computation**

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form8995 for instructions and the latest information.

OMB No. 1545-0123

2019

Attachment
Sequence No. **55**

Name(s) shown on return **Robin and Alder Pine** Your taxpayer identification number **123-45-6789**

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

2	Total qualified business income or (loss). Combine lines 1i through 1v, column (c)	2	215,225	
3	Qualified business net (loss) carryforward from the prior year	3	()	
4	Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	4	215,225	
5	Qualified business income component. Multiply line 4 by 20% (0.20)	5		43,045
6	Qualified REIT dividends and publicly traded partnership (PTP) income or (loss) (see instructions)	6	750	
7	Qualified REIT dividends and qualified PTP (loss) carryforward from the prior year	7	()	
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	8	750	
9	REIT and PTP component. Multiply line 8 by 20% (0.20)	9		150
10	Qualified business income deduction before the income limitation. Add lines 5 and 9	10		43,195
11	Taxable income before qualified business income deduction	11	157,735	
12	Net capital gain (see instructions)	12	2,681	
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	155,054	
14	Income limitation. Multiply line 13 by 20% (0.20)	14		31,011
15	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on the applicable line of your return ▶	15		31,011
16	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-	16	()	0
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-	17	()	0

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 37806C

Form **8995** (2019)

Form **8995**

Department of the Treasury
Internal Revenue Service

Qualified Business Income Deduction Simplified Computation

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form8995 for instructions and the latest information.

OMB No. 1545-0123

2019

Attachment
Sequence No. **55**

Name(s) shown on return

Robin and Alder Pine

Your taxpayer identification number

123-45-6789

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

Form **8995**

Qualified

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0123

2019

Attachment
Sequence No. **55**

Name(s) shown on return

Robin and Alder Pine

identification number

123-45-6789

A. Pine, Inc.
QBI
\$198,436

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

671119
 OMB No. 1545-0123

Schedule K-1 (Form 1120-S) 2019
 Department of the Treasury
 Internal Revenue Service

For calendar year 2019, or tax year beginning / / 2019 ending / /

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

2	Net rental real estate income (loss)	198,436	
3	Other net rental income (loss)		
4	Interest income		
5	Dividend dividends	2,457	

Part I Information About the Corporation

A Corporation's employer identification number 04-1111111

B Corporation's name, address, city, state, and ZIP code

11 Section 179 deduction 16 Items affecting shareholder basis

12 Other deductions

17 Other information V *STMT

18 More than one activity for at-risk purposes*

19 More than one activity for passive activity purposes*

* See attached statement for additional information.

For Paperwork Reduction Act Notice, see the Instructions for Form 1120-S. www.irs.gov/Form1120S Cat. No. 11520D Schedule K-1 (Form 1120-S) 2019

Ordinary business income (loss)
 \$198,436

Interest income
 \$2,457

V *STMT

Statement A—QBI Pass-Through Entity Reporting

Pass-through entity's name: A. Pine, Inc.		Pass-through entity's EIN: 04-1111111		
Shareholder's name: Alder Pine		Shareholder's identifying number: 987-65-4321		
Shareholder's share of:	Trade or Business 1	Trade or Business 2	Trade or Business 3	
	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	<input type="checkbox"/> PTP <input type="checkbox"/> Aggregated <input type="checkbox"/> SSTB	
QBI or qualified PTP items subject to shareholder-specific determinations:				
Ordinary business income (loss)	198,436			
Rental income (loss)				
Royalty income (loss)				
Section 1231 gain (loss)				
Other income (loss)				
Section 179 deduction				
Charitable contributions				
Other deductions				
W-2 wages	279,154			
UBIA of qualified property	342,758			
Section 199A dividends				

Ordinary business
 income (loss)
 \$198,436

Name(s) shown on return. Do not enter name and social security number if shown on other side. **Your social security number**
 Robin and Alder Pine 123-45-6789

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations — **Note:** If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198** (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk passive activity (if that loss was not reported on Form 8582), or unallowed loss from a nonpassive activity? (see instructions before completing this section)

28 (a) Name		(b) Partnership for S corporation	(c) Other for partnership	(d) Other for S corporation	(e) Other for partnership	(f) Other for S corporation
A	A. Pine, Inc.		S			
B	PYA		S			
C						
D						

Passive Income and Loss			
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive income (see Schedule K-1)	(j) Other income from Schedule K-1
A		198,436	
B	64,526		
C			
D			
29a Totals		198,436	
b Totals	64,526		
30 Add columns (h) and (i) of line 29a.			198,436
31 Add columns (g), (i), and (j) of line 29b.			(64,526)
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31			133,910

A. Pine, Inc.
Passive income \$198,436

PYA
Passive loss (\$64,526)

Part III Income or Loss From Estates and Trusts

33 (a) Name		(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			35
36 Add columns (c) and (e) of line 34b			()
37 Total estate and trust income or (loss). Combine lines 35 and 36			37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) — Residual Holder

38 (a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41 Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040 or 1040-SR), line 5, or Form 1040-NR, line 18	41	141,794
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AC; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040, Form 1040-SR, or Form 1040-NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

Form **8995** | Qualified
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0123
2019
 Attachment
 Sequence No. 55

Name(s) shown on return
 Robin and Alder Pine
 Identification number
 123-45-6789

	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

A. Pine, Inc.
 QBI
 \$198,436

A. Pine, Inc.

Schedule K-1 QBI

\$198,436

No investor level
 adjustments required

Form **8995**
 Department of the Treasury
 Internal Revenue Service

Qualified Business Income
 Schedule C

OMB No. 1545-0123

2019

Attachment
 Sequence No. **55**

Identification number
5-6789

Qualified business
 income or (loss)

Go to www.irs.gov

Name(s) shown on return
Robin and Alder Pine

**Pine Health
 Center, LLC
 \$21,127**

1			
i	Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

SCHEDULE C
 (Form 1040 or 1040-SR)

Profit or Loss From Business
 (Sole Proprietorship)

OMB No. 1545-0074

2019
 Attachment
 Sequence No. **09**

Department of the Treasury
 Internal Revenue Service (509)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.
 ▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor
Robin Pine

A Principal business or profession, including product or service (see instructions)
Physician

C Business name. If no separate business name, leave blank.
Pine Health Center, LLC

E Business address (including suite or room no.) ▶ **123 Oak St**
 City, town or post office, state, and ZIP code **Portland, OR 97208**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2019, check here

I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) Yes No

J If "Yes," did you or will you file required Forms 1099? Yes No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	576,045
2	Returns and allowances	2	2,791
3	Subtract line 2 from line 1	3	574,154
4	Cost of goods sold (from Form 990-B, line 12)		86,471
5	Gross profit. Subtract line 4 from line 3		487,683
6	Other income, net of expenses		0
7	Gross income. Add lines 5 and 6		487,683

Part II Expenses

8	Advertising		24,564
9	Car and truck expenses (see instructions)		
10	Commissions and fees		16,543
11	Contract labor (see instructions)		37,500
12	Depletion		1,973
13	Depreciation and amortization expense (see instructions)		16,546
14	Employee benefit program expenses (other than on line 19)		
15	Insurance (other than health)	15	46,754
16	Interest (see instructions):	25	
16a	Mortgage (paid to banks, etc.)	26	6,564
16b	Other	27a	164,563
17	Legal and professional services	27a	6,447
		27b	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	436,705
29	Tentative profit or (loss). Subtract line 28 from line 7	29	50,978

Net profit or (loss) \$50,978

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).
Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30

31 Net profit or (loss). Subtract line 30 from line 29.
 • If a profit, enter on both **Schedule 1 (Form 1040 or 1040-SR), line 3** (or **Form 1040-NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
 • If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).
 • If you checked 32a, enter the loss on both **Schedule 1 (Form 1040 or 1040-SR), line 3** (or **Form 1040-NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.
 • If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a All investment is at risk.
32b Some investment is not at risk.

Form **8995**
 Department of the Treasury
 Internal Revenue Service

Qualified Business Income
 Schedule C
 ▶ Go to www.irs.gov

OMB No. 1545-0123

2019

Attachment
 Sequence No. **55**

Identification number
5-6789

Qualified business
 income or (loss)

Name(s) shown on return
Robin and Alder Pine

**Pine Health
 Center, LLC
 \$21,127**

1			
i	Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2019

Attachment
Sequence No. **27**

Name(s) shown on return Pine Health Center, LLC	Identifying number 123-45-6789
--	-----------------------------------

1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
	Equipment	03/15/2016	08/31/2019	5,000	2,750	10,000	(2,250)

3	Gain, if any, from Form	3	
4	Section 1231 gain from	4	
5	Section 1231 gain or (loss) from	5	
6	Gain, if any, from line 32,	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows	7	(2,250)

Ordinary gain or (loss)
(\$2,250)

(2,250)

SCHEDULE 1
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040 or 1040-SR.

▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2019
Attachment
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

Robin and Alder Pine

123-45-6789

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? Yes No

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶		
3	Business income or (loss). Attach Schedule C	3	50,978
4	Other gains or (losses). Attach Form 4797	4	(2,250)
5	Rental real estate	5	141,794
6	Farm income	6	(13,151)
7	Unemployment compensation	7	
8	Other income	8	
9	Combine lines 3 through 8	9	177,371

**Line 15 - SIMPLE:
\$8,000**
**Line 16 - SEHID:
\$16,000**

Part II Adjustments to Income

10	Educator expenses	10	
11	Certain business expenses. Attach Form 2106	11	
12	Health savings account deduction	12	
13	Moving expenses	13	
14	Deductible part of self-employment tax. Attach Schedule SE	14	2,250
15	Self-employed SEP, SIMPLE, and qualified plans	15	8,000
16	Self-employed health insurance deduction	16	16,000
17	Penalty on early withdrawal of savings	17	
18a	Alimony paid	18a	
b	Recipient's SSN		
c	Date of original divorce or separation agreement (see instructions) ▶		
19	IRA deduction	19	
20	Student loan interest deduction	20	
21	Tuition and fees. Attach Form 8917	21	
22	Add lines 10 through 21. These are your adjustments to income. Enter here and on Form 1040 or 1040-SR, line 8a	22	26,673

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040 or 1040-SR) 2019

SCHEDULE SE
 (Form 1040 or 1040-SR)

Self-Employment Tax

OMB No. 1545-0074

2019

Department of the Treasury
 Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleSE for instructions and the latest information.
 ▶ Attach to Form 1040, 1040-SR, or 1040-NR.

Attachment Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR)
Robin Pine

Social security number of person with self-employment income ▶ **123-45-6789**

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Section **1** Short Schedule SE.

1a	Net profit from Pine Health Center, LLC \$50,978	Schedule K-1 (Form 1065),	1a	(13,151)
b		the amount of Conservation Reserve Program payments on Schedule K-1 (Form 1065),	1b	()
2		code A (other conditions for type A)	2	50,978
3			3	
4	Multiply line 3 by 92.35% (0.9235). If less than \$400, you don't owe self-employment tax; don't file this schedule unless you have an amount on line 1b. ▶		4	34,933
5	Self-employment tax. If the amount on line 4 is: • \$132,900 or less, multiply line 4 by 15.3% (0.153). Enter the result here and on Schedule 2 (Form 1040 or 1040-SR), line 4, or Form 1040-NR, line 55. • More than \$132,900, multiply line 4 by 2.9% (0.029). Then, add \$16,479.60 to the result. Enter the total here and on Schedule 2 (Form 1040 or 1040-SR), line 4, or Form 1040-NR, line 55 .		5	5,345
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (0.50). Enter the result here and on Schedule 1 (Form 1040 or 1040-SR), line 14, or Form 1040-NR, line 27		6	2,673

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 11358Z Schedule SE (Form 1040 or 1040-SR) 2019

Deductible S/E Tax
 attributable to Pine Health
 Center, LLC

$\$50,978 * .9235 * .153 * .5 =$

\$3,601

SCHEDULE 1
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040 or 1040-SR.

▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2019

Attachment
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Robin and Alder Pine

Your social security number

123-45-6789

Part II Adjustments to Income

10	Educator expenses	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11	
12	Health	12	
13	Mov	13	
14	Dec	14	2,673
15	Self	15	8,000
16	Self	16	16,000
17	Pen	17	
18a	Alim	18a	
b	Rec		
c	Dat		
19	IRA	19	
20	Stuc	20	
21	Tuition	21	
22	Add lines 10 through 21. Enter here and on Form 1040 or 1040-SR, line 8a	22	26,673

Deductible S/E Tax
\$2,673

\$3,601
Attributable to Pine
Health Center, LLC

Form **8995** Qualified Business Income Statement

Department of the Treasury Internal Revenue Service [Go to www.irs.gov](http://www.irs.gov)

Name(s) shown on return: **Robin and Alder Pine**

OMB No. 1545-0123

2019

Attachment Sequence No. **55**

Identification number **5-6789**

Qualified business income or (loss)

1			
i	Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

Pine Health Center, LLC
\$21,127

- Sch. C Net Income \$50,978
- Ordinary loss on sale of business property \$(2,250)
- SIMPLE \$(8,000)
- Self-employed health insurance deduction \$(16,000)
- Deductible self-employment tax \$(3,601)
- \$21,127**

Form **8995**
 Department of the Treasury
 Internal Revenue Service

**Qualified Business Income Deduction
 Simplified Computation**

OMB No. 1545-0123

2019

Attachment
 Sequence No. **55**

Name(s) shown on return
Robin and Alder Pine

Use the latest information.

Your taxpayer identification number
123-45-6789

**Rental
 \$7,884**

		(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

SCHEDULE E
 (Form 1040 or 1040-SR)

Supplemental Income and Loss
 (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074
2019
 Attachment Sequence No. **13**

Department of the Treasury
 Internal Revenue Service (99)
 Name(s) shown on return

► Attach to Form 1040, 1040-SR, 1040-NR, or 1041.
 ► Go to www.irs.gov/ScheduleE for instructions and the latest information.

Your social security number
123-45-6789

Robin and Alder Pine

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) Yes No
B If "Yes," did you or will you file required Forms 1099? Yes No

1a Physical address of each property (street, city, state, ZIP code)
A 333 Eagle Ave. Portland, OR 97208
B
C

1b	Type of Property (from list below)	2	Fair Rental Days	Personal Use Days	QJV
A	4	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	A 365	B 0	<input type="checkbox"/>
B			B		<input type="checkbox"/>
C			C		<input type="checkbox"/>

Type of Property:
 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
 2 Multi-Family Properties 4 Royalties 6 Other (describe) 8 Other (describe)

Income:	A	B	C
3 Rents (including tax-exempt)	42,000		
4 Royalties			
Expenses:			
5 Advertising			
6 Auto and travel			
7 Cleaning			
8 Commissions			
9 Insurance			
10 Legal and professional fees			
11 Management fees			
12 Mortgage interest paid to banks, etc. (see instructions)	12,650		
13 Other interest			
14 Repairs	2,940		
15 Supplies			
16 Taxes	9,776		
17 Utilities			
18 Depreciation expense or depletion	8,750		
19 Other (list) ►			
20 Total expenses. Add lines 5 through 19	34,116		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	7,884		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)			
23a Total of all amounts reported on line 3 for all rental properties	42,000		
23b Total of all amounts reported on line 4 for all royalty properties			
23c Total of all amounts reported on line 12 for all properties	12,650		
23d Total of all amounts reported on line 18 for all properties	8,750		
23e Total of all amounts reported on line 20 for all properties	34,116		
24 Income. Add positive amounts shown on line 21. Do not include any losses		7,884	
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040 or 1040-SR), line 5, or Form 1040-NR, line 18. Otherwise, include this amount in the total on line 41 on page 2		7,884	

Net Income \$7,884

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11344L Schedule E (Form 1040 or 1040-SR) 2019

Form **8995** **Qualified Business Income Deduction Simplified Computation** OMB No. 1545-0123
 Department of the Treasury Internal Revenue Service **2019** Attachment Sequence No. 55
 Name(s) shown on return **Robin and Alder Pine** Your taxpayer identification number **123-45-6789**

Rental \$7,884

1	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i A. Pine, Inc.	04-1111111	198,436
ii Pine Health Center, LLC	04-1234567	21,127
iii Rental	123-45-6789	7,884
iv Peas and Carrots	123-45-6789	(12,222)
v		

Rental

Trade or business under 1.199A-1(b)(14) self-rent rule

\$7,884

Form **8995**
 Department of the Treasury
 Internal Revenue Service

Qualified Business Income Deduction Simplified Computation

OMB No. 1545-0123

2019

Attachment
 Sequence No. **55**

▶ Attach to your tax return.

▶ Go to [www.irs.gov](#)

ation.

Name(s) shown on return

Robin and Alder Pine

Your taxpayer identification number

123-45-6789

	(a) Trade name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
1			
i	A. Pine, Inc.	1111	198,436
ii	Pine Home Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

**Peas and Carrots
 (\$12,222)**

SCHEDULE F
 (Form 1040 or 1040-SR)

Profit or Loss From Farming

OMB No. 1545-0074

▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.

2019
 Attachment Sequence No. **14**

Name of proprietor: **Robin Pine** Social security number (SSN): **123-45-6789**

A Principal crop or activity: **Peas and Carrots** **B** Enter code from Part IV: **111210** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2019 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of livestock and other resale items (see instructions)	1a	
b	Cost or other basis of livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a	1c	
2	Sales of livestock, produce, grains, and other products you raised	2	12,876
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	
3b	Taxable amount	3b	
4a	Agricultural program payments (see instructions)	4a	
4b	Taxable amount	4b	
5a	Commodity Credit Corporation (CCC) loans reported under election	5a	
b	CCC loans forfeited	5b	
5c	Taxable amount	5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2019	6a	
6b	Taxable amount	6b	
c	If election to defer to 2020 is attached, check here <input type="checkbox"/>	6d	Amount deferred from 2018
7	Custom hire (machine work) income	7	
8	Other income, including	8	
9	Gross income. Add lines 2 through 8. If you use the accrual method, enter on line 9 the amount from line 2 of Form 1040-SS.	9	12,876

Part II Farm Expenses. See instructions.

10	Car and truck expenses (see instructions). Also, see instructions for depreciation on these items.	10	
11	Chemicals	11	
12	Conservation expenses	12	
13	Custom hire (machine work) income	13	
14	Depreciation and amortization (see instructions)	14	9,785
15	Employee benefit payments (see instructions) on line 23	15	4,950
16	Feed	16	
17	Fertilizers and lime	17	2,650
18	Freight and trucking	18	
19	Gasoline, fuel, and oil	19	
20	Insurance (other than health)	20	
21	Interest (see instructions):		
a	Mortgage (paid to banks, etc.)	21a	
b	Other	21b	
22	Labor hired (less employment credits)	22	
23	Other expenses (see instructions)	23	
24a	Other expenses (see instructions)	24a	
24b	Other expenses (see instructions)	24b	
25	Other expenses (see instructions)	25	
26	Other expenses (see instructions)	26	9,785
27	Other expenses (see instructions)	27	
28	Other expenses (see instructions)	28	4,950
29	Other expenses (see instructions)	29	
30	Other expenses (see instructions)	30	
31	Other expenses (see instructions)	31	
32	Other expenses (see instructions):		
a	Other expenses (see instructions)	32a	
b	Other expenses (see instructions)	32b	
c	Other expenses (see instructions)	32c	
d	Other expenses (see instructions)	32d	
e	Other expenses (see instructions)	32e	
f	Other expenses (see instructions)	32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions.	33	
34	Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.	34	(13,151)

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040 or 1040-SR) 2019

Net profit or (loss)
(\$13,151)

SCHEDULE SE
 (Form 1040 or 1040-SR)

Self-Employment Tax

OMB No. 1545-0074

2019

Department of the Treasury
 Internal Revenue Service (99)

► Go to www.irs.gov/ScheduleSE for instructions and the latest information.

► Attach to Form 1040, 1040-SR, or 1040-NR.

Attachment
 Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR)

Robin Pine

Social security number of person
 with self-employment income ►

123-45-6789

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Section A—Short Schedule SE. Caution: Read above to see if you can use Short Schedule SE.

1a	Net profit or loss from Schedule K-1 (Form 1065)	1a	(13,151)
b	Net profit or loss from Schedule K-1 (Form 1065), box 14, code A (other than for types of income to which self-employment tax does not apply)	1b	()
2	Self-employment tax (see instructions)	2	50,978
3	Conservation Reserve Program payments (see instructions)	3	37,827
4	Self-employment tax, don't file this schedule unless you have an amount on line 1b	4	34,933
5	Self-employment tax. If the amount on line 4 is: • \$132,900 or less, multiply line 4 by 15.3% (0.153). Enter the result here and on Schedule 2 (Form 1040 or 1040-SR), line 4, or Form 1040-NR, line 55. • More than \$132,900, multiply line 4 by 2.9% (0.029). Then, add \$16,479.60 to the result. Enter the total here and on Schedule 2 (Form 1040 or 1040-SR), line 4, or Form 1040-NR, line 55 .	5	5,345
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (0.50). Enter the result here and on Schedule 1 (Form 1040 or 1040-SR), line 14, or Form 1040-NR, line 27 .	6	2,673

Net loss from Peas
 and Carrots
 (\$13,151)

Deductible S/E Tax
 attributable to Peas and
 Carrots

$$(\$13,151) * .9235 * .153 * .5 =$$

$$(\$929)$$

SCHEDULE 1
(Form 1040 or 1040-SR)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040 or 1040-SR.

▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2019
Attachment
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

Robin and Alder Pine

123-45-6789

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? Yes No

Part I Additional Income

1		1	
2		2a	
		3	50,978
		4	(2,250)
		5	141,794
		6	(13,151)
		7	
		8	
		9	177,371
10		10	
11		11	
12		12	
13		13	
14	Deductible S/E Tax	14	2,673
15		15	
16		16	16,000
17		17	
18a		18a	
b			
c			
19		19	
20		20	
21		21	
22	Add lines 10 through 21. These are your adjustments to income. Enter here and on Form 1040 or 1040-SR, line 8a	22	26,673

Deductible S/E Tax
\$2,673

(\$929)
Attributable to Peas and Carrots

Form **8995** **Qualified Business Income Deduction Simplified Computation** OMB No. 1545-0123
 Department of the Treasury Internal Revenue Service **2019** Attachment Sequence No. **55**
 ▶ Attach to your tax return. ▶ Go to www.irs.gov for more information.

Name(s) shown on return: **Robin and Alder Pine** Your taxpayer identification number: **123-45-6789**

	(a) Trade or business name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	1111	198,436
ii	Pine Home Center, LLC	123-45-6789	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

**Peas and Carrots
 (\$12,222)**

Peas and Carrots

Sch. F Net Loss (\$13,151)
 Deductible self-employment tax \$929

(\$12,222)

Form	8995	Qualified Business Income Deduction		OMB No. 1545-0123
Department of the Treasury Internal Revenue Service		<div style="border: 2px solid red; border-radius: 50%; padding: 20px; text-align: center;"> <p>Total QBI = \$215,225</p> <p>20% = \$43,045</p> <p>QBI Component</p> </div>		2019
Name(s) shown on return Robin and Alder Pine				Attachment Reference No. 55 Identification number 89 Qualified business income or (loss)
1				
i	A. Pine, Inc.			198,436
ii	Pine Health Center, LLC			21,127
iii	Rental			7,884
iv	Peas and Carrots	123-45-6789		(12,222)
v				
2	Total qualified business income or (loss). Combine lines 1i through 1v, column (c)	2	215,225	
3	Qualified business net (loss) carryforward from the prior year	3	()	
4	Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	4	215,225	
5	Qualified business income component. Multiply line 4 by 20% (0.20)			5 43,045
6	Qualified REIT dividends and publicly traded partnership (PTP) income or (loss) (see instructions)	6	750	
7	Qualified REIT dividends and qualified PTP (loss) carryforward from the prior year	7	()	
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	8	750	
9	REIT and PTP component. Multiply line 8 by 20% (0.20)			9 150
10	Qualified business income deduction before the income limitation. Add lines 5 and 9			10 43,195
11	Taxable income before qualified business income deduction	11	157,735	
12	Net capital gain (see instructions)	12	2,681	
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	155,054	
14	Income limitation. Multiply line 13 by 20% (0.20)			14 31,011
15	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on the applicable line of your return			15 31,011
16	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-	16	(0)	
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-	17	(0)	

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 37806C Form 8995 (2019)

VOID CORRECTED

PAYER'S name, street address, or foreign postal code, and tax identification number Pear Properties REIT		Ordinary dividends 750	OMB No. 1545-0110 2019 Form 1099-DIV	Dividends and Distributions
PAYER'S TIN 04-333221		Dividends	Form 1099-DIV	
RECIPIENT'S TIN 987-65-4321		Capital gain distr.	2b Unrecap. Sec. 1250 gain \$	Copy 1 For State Tax Department
RECIPIENT'S name Alder Pine		Section 1202 gain \$	2d Collectibles (28%) gain \$	
Street address (including apt. no.) 2468 Hawk Hill		3 Nondividend distributions \$	4 Federal income tax withheld \$	
City or town, state or province, country, and ZIP or foreign postal code Portland, OR 97208		5 Section 199A dividends \$ 750	6 Investment expenses \$	
FATCA filing requirement <input type="checkbox"/>		7 Foreign tax paid \$	8 Foreign country or U.S. possession \$	
Account number (see instructions)		9 Cash liquidation distributions \$	10 Noncash liquidation distributions \$	
		11 Exempt-interest dividends \$	12 Specified private activity bond interest dividends \$	
		13 State	14 State identification no.	15 State tax withheld \$
				\$

**Section 199A
dividends
\$750**

**5 Section 199A dividends
\$ 750**

Form **8995** **Qualified Business Income Deduction Simplified Computation** OMB No. 1545-0123

Department of the Treasury Internal Revenue Service **2019** Attachment Sequence No. 55

▶ Attach to your tax return. ▶ Go to www.irs.gov/Form8995 for instructions and the latest information.

Name(s) shown on return: **Robin and Alder Pine** Your taxpayer identification number: **6789**

1	(a) Total qualified business income (loss)		
i	A. Pine, Inc.		198,436
ii	Pine Health Center, LLC		21,127
iii	Rental		7,884
iv	Peas and Carrots		(12,222)
v			

Total REIT/PTP = \$750

20% = \$150

REIT/PTP Component

2	Total qualified business income from lines 1i through 1v, column (c)	215,225	
3	Qualified business income carryforward from the prior year		
4	Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	215,225	
5	Qualified business income component. Multiply line 4 by 20% (0.20)		43,045
6	Qualified REIT dividends and publicly traded partnership (PTP) income or (loss) (see instructions)	750	
7	Qualified REIT dividends and qualified PTP (loss) carryforward from the prior year		
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	750	
9	REIT and PTP component. Multiply line 8 by 20% (0.20)		150

11	Taxable income before qualified business income deduction	157,735	
12	Net capital gain (see instructions)	2,681	
13	Subtract line 12 from line 11. If zero or less, enter -0-	155,054	
14	Income limitation. Multiply line 13 by 20% (0.20)		31,011
15	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on the applicable line of your return ▶		31,011
16	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-		0
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-		0

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 37806C Form **8995** (2019)

Form **8995** **Qualified Business Income Deduction Simplified Computation** OMB No. 1545-0123
 Department of the Treasury Internal Revenue Service **2019** Attachment Sequence No. 55
 ▶ Attach to your tax return. ▶ Go to www.irs.gov/Form8995 for instructions and the latest information.

Name(s) shown on return: **Robin and Alder Pine** Your taxpayer identification number: **123-45-6789**

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC		21,127
iii	Rental		7,884
iv	Peas and Carrots		12,222
v			
2	Total qualified business income from column (c)		43,045
3	Qualified business net (loss) carryforward from the prior year		
4	Total qualified business income		43,045
5	Qualified business income component		43,045
6	Qualified REIT dividends and publicly traded partnership (PTP) income (see instructions)	6	750
7	Qualified REIT dividends and PTP (loss) carryforward from the prior year	7	
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	8	750
9	REIT and PTP component. Multiply line 8 by 20% (0.20)	9	150
10	Qualified business income deduction before the income limitation. Add lines 5 and 9	10	43,195
11	Net capital gain (see instructions)	11	2,681
12	Subtract line 12 from line 11. If zero or less, enter -0-	12	2,681
13	Income limitation. Multiply line 13 by 20% (0.20)	13	155,054
14	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on the applicable line of your return	14	31,011
15	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-	15	31,011
16	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-	16	0
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-	17	0

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 37806C Form 8995 (2019)

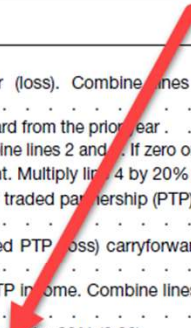
Qualified business
 income deduction before
 income limitation
\$43,195

Qualified business income deduction before taxable income minus net capital gain limitation

- QBI Component \$43,045
- REIT/PTP Component \$150

\$43,195

Form 8995 Department of the Treasury Internal Revenue Service	Qualified Business Income Deduction Simplified Computation ▶ Attach to your tax return. ▶ Go to www.irs.gov/Form8995 for instructions and the latest information.	OMB No. 1545-0123 2019 Attachment Sequence No. 55	
Name(s) shown on return Robin and Alder Pine		Your taxpayer identification number 123-45-6789	
1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			
2	Total qualified business income or (loss). Combine lines 1i through 1v, column (c)	215,225	
3	Qualified business net (loss) carryforward from the prior year	()	
4	Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	215,225	
5	Qualified business income component. Multiply line 4 by 20% (0.20)		43,045
6	Qualified REIT dividends and publicly traded partnership (PTP) income or (loss) (see instructions)	750	
7	Qualified REIT dividends and qualified PTP (loss) carryforward from the prior year	()	
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	750	
9	REIT and PTP component. Multiply line 8 by 20% (0.20)		150
10	Qualified business income deduction before the income limitation. Add lines 5 and 9		43,195
11	Taxable income before qualified business income deduction	157,735	
12	Net capital gain (see instructions)	2,681	
13	Subtract line 12 from line 11. If zero or less, enter -0-	155,054	
14	Income limitation. Multiply line 13 by 20% (0.20)		31,011
15	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on the applicable line of your return		31,011
16	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-	()	
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-	()	



For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Cat. No. 37806C

Form 8995 (2019)

Taxable income before
 qualified business income
 deduction
 \$157,735

10		43,195
11	Taxable income before qualified business income deduction	11 157,735
12	Net capital gain (see instructions)	12 2,681
13	Subtract line 12 from line 11. If zero or less, enter -0-	13 155,054
14	Income limitation. Multiply line 13 by 20% (0.20)	14 31,011

Taxable income before
 qualified business income
 deduction
 \$157,735

10		43,195
11	Taxable income before qualified business income deduction	11 157,735
12	Net capital gain (see instructions)	12 2,681
13	Subtract line 12 from line 11. If zero or less, enter -0-	13 155,054
14	Income limitation. Multiply line 13 by 20% (0.20)	14 31,011

Taxable income before qualified
 business income deduction

- AGI \$182,135
- Standard deduction (\$24,400)

\$157,735

Net capital gain
\$2,681

10	Qualified business income deduction before the income limitation. Add lines 5 and 9	10	43,195
11	Net capital gain (see instructions)	11	2,681
12	Net capital gain (see instructions)	12	2,681
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	155,054
14	Income limitation. Multiply line 13 by 20% (0.20)	14	31,011



Form **1040** Department of the Treasury—Internal Revenue Service (99) **2019** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial: **Robin** Last name: **Pine** Your social security number: **1 2 3 4 5 6 7 8 9**
 If joint return, spouse's first name and middle initial: **Alder** Last name: **Pine** Spouse's social security number: **1 2 3 4 5 6 7 8 9**

Home address (number and street). If you have a P.O. box, check this box **2468 Hawk Hill**
 City, town or post office, state, and ZIP code. If you use a ZIP code plus the last four digits, check this box **Portland, OR 97208**
 Foreign country name

Standard Deduction **Someone can claim:** You as filer Spouse itemizes on a separate return

Age/Blindness You: Were born before January 1, 1954

Dependents (see instructions):

(1) First name	Last name	Relationship	Age	Blind	Married	Other

Qualified dividends
\$150

1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	23,478
2a Tax-exempt interest	2a	
2b Taxable interest. Attach Sch. B if required	2b	2,862
3a Qualified dividends	3a	150
3b Ordinary dividends. Attach Sch. B if required	3b	900
4a Pensions and annuities	4a	
4b Taxable amount	4b	
4c Social security benefits	4c	
4d Taxable amount	4d	
5a Social security benefits	5a	
5b Taxable amount	5b	
6 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	6	4,197
7a Other income from Schedule 1, line 9	7a	177,371
7b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income	7b	208,808
8a Adjustments to income from Schedule 1, line 22	8a	26,673
8b Subtract line 8a from line 7b. This is your adjusted gross income	8b	182,135
9 Standard deduction or itemized deductions (from Schedule A)	9	24,400
10 Qualified business income deduction. Attach Form 8995 or Form 8995-A	10	31,011
11a Add lines 9 and 10	11a	55,411
11b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-	11b	126,724

SCHEDULE D (Form 1040 or 1040-SR)		Capital Gains and Losses		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (IRS)		▶ Attach to Form 1040, 1040-SR, or 1040-NR. ▶ Go to www.irs.gov/ScheduleD for instructions and the latest information. ▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.		2019 Attachment Sequence No. 12
Name(s) shown on return Robin and Alder Pine			Your social security number 123-45-6789	
Did you dispose of any investment(s) in a qualified opportunity fund during the tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.				
Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)				
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.				
	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a	Totals for all short-term transactions reported on Form 1099-B for which you have no adjustments. However, if you choose to report on Form 8949, see instructions.			
1b	Totals for all transactions reported on Form 8949, Box A checked.			1,666
2	Totals for all transactions reported on Form 8949, Box B checked.			
3	Totals for all transactions reported on Form 8949, Box C checked.			
4	Short-term gain from Form 1099-B, Form 1099-INT, Form 1099-DIV, Form 1099-MSB, and 8824.			4
5	Net short-term capital gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.			5
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover.			
7	Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back.			1,666
Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)				
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.				
	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a	Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments. However, if you choose to report on Form 8949, leave this line blank.			
8b	Totals for all transactions reported on Form 8949, Box D checked.			2,531
9	Totals for all transactions reported on Form 8949, Box E checked.			
10	Totals for all transactions reported on Form 8949, Box F checked.			
11	Gain from Form 4797, Part I, and Form 4797, Part II, and from Forms 4684, 6781, and 6782.			11
12	Net long-term capital gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.			12
13	Capital gain carryover. See the instructions.			13
14	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover.			
15	Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on the back.			2,531
Form 1040-SR (2019) Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 11338H Schedule D (Form 1040 or 1040-SR) 2019				

STCG
\$1,666

LTCG
\$2,531

Capital gain
 Net long term capital gain \$2,531
 LESS
 Net short term capital loss \$N/A
 BUT
 Not below zero \$N/A

\$2,531

Net capital gain
\$2,681

10	Qualified business income deduction before the income limitation. Add lines 5 and 9	10	43,195
12	Net capital gain (see instructions)	12	2,681
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	133,034
14	Income limitation. Multiply line 13 by 20% (0.20)	14	31,011

Net capital gain

Qualified dividends	\$150
Capital Gain	<u>\$2,531</u>
	<u>\$2,681</u>



IRS Nationwide

Tax Forum | 2020

10	Qualified business income deduction before the income limitation. Add lines 9 and 10	10		43,150
11	Taxable income before qualified business income deduction	11	157,735	
12	Net capital gain (see instructions)	12	2,681	
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	155,054	
14	Income limitation. Multiply line 13 by 20% (0.20)	14		31,011
15	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on			

Income limitation
\$31,011

Form **8995** **Qualified Business Income Deduction Simplified Computation** OMB No. 1545-0123

Department of the Treasury Internal Revenue Service **2019** Attachment Sequence No. 55

▶ Attach to your tax return.
▶ Go to www.irs.gov/Form8995 for instructions and the latest information.

Name(s) shown on return: **Robin and Alder Pine** Your taxpayer identification number: **123-45-6789**

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	A. Pine, Inc.	04-1111111	198,436
ii	Pine Health Center, LLC	04-1234567	21,127
iii	Rental	123-45-6789	7,884
iv	Peas and Carrots	123-45-6789	(12,222)
v			

2	Total qualified business income or (loss). Combine lines 1i through 1v, column (c)	215,225	
3	Qualified business net (loss)		
4	Total qualified business net (loss)	15,225	
5	Qualified business income		5
6	Qualified REIT dividends (see instructions)	750	43,045
7	Qualified REIT dividends per year		
8	Total qualified REIT dividends or less, enter -0-	750	
9	REIT and PTP carryforward		9
10	Qualified business income		10
11	Taxable income before qualified business income deduction	157,735	150
12	Net capital gain (see instructions)	2,681	43,195
13	Subtract line 12 from line 11. If zero or less, enter -0-	155,054	
14	Income limitation. Multiply line 13 by 20% (0.20)		14
15	Qualified business income deduction. Enter the lesser of line 10 or line 14. Also enter this amount on the applicable line of your return		15
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-		17

Qualified business income deduction \$31,011

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 37806C Form 8995 (2019)



Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial Robin	Last name Pine	Your social security number 1 2 3 4 5 6 7 8 9
If joint return, spouse's first name and middle initial Alder	Last name Pine	Spouse's social security number 9 8 7 6 5 4 3 2 1
Home address (number and street). If you have a P.O. box, see instructions. 2468 Hawk Hill		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. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Portland, OR 97208		
Foreign country name	Foreign province/state/county	Foreign postal code

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: Were born before January 2, 1955

Dependents (see instructions):

(1) First name	Last name	Other dependents
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

**Qualified business
income deduction
\$31,011**

1 Wages, salaries, tips, etc. Attach Form W-2, 1099-MISC, or 1099-NEC.		23,478
2a Tax-exempt interest		2,862
3a Qualified dividends		900
4a IRA distributions		
c Pensions and annuities		
5a Social security benefits		
6 Capital gain or (loss). Attach Schedule D. If you are a nonresident alien, check here <input type="checkbox"/>	6	4,197
7a Other income from Schedule 1	7a	177,371
b Add lines 1, 2b, 3b, 4b, 5b, 6, and 7a. This is your total income	7b	208,808
8a Adjustment to income from Schedule 1, line 22	8a	26,673
b Subtract line 8a from line 7b. This is your adjusted gross income	8b	182,135
10 Qualified business income deduction. Attach Form 8995 or Form 8995-A	10	31,011
11a Taxable income. Subtract line 10 from line 8b. If zero or less, enter -0-	11a	151,124
b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-	11b	126,724

Objectives

Today we have:

- Described items to consider when calculating a qualified business income deduction (QBID)
- Located information needed to calculate QBID
- Completed Form 8995 and report QBID on Form 1040.

SB/SE Focus Group Opportunities

Topic 1: Reaching Limited English Proficient Small Business Customers

Topic 2: Barriers for Timely and Accurate Tax Return Filing

Topic 3: Improving the Collection Customer Experience and Payment Options

Resources

- Treas. Reg. 1.199A-1 through 1.199A-6
- Prop. Treas. Reg. 1.19A-7 through 1.199A-12
- Rev. Proc. 2019-11 (Determination of W-2 Wages)
- Notice 2019-38 (Rental Real Estate Safe Harbor)
- Instructions for Form 8995
- Instructions for Form 8995-A
- IRS.gov

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Online Payment Agreement (OPA)	OPA
Payment Options	pay
Taxpayer First Act (TFA)	TFA
Tax Pro News and Resources	tax pro news