

**ATS Test Scenario 16**  
**Taxpayer: John J Smith and Sally S Smith**  
**SSN: 123-00-7777**

Test Scenario 16 includes the following forms:

- Form 1040
- Form 1040 Schedule 1
- Form 1040 Schedule 3
- Form W-2
- Form 1040 Schedule B
- Form 1040 Schedule D
- Form 1040 Schedule E
- Form 8995-A
- Form 8995-A Schedule A
- Form 8995-A Schedule B
- Form 8995-A Schedule C

**Additional Information for Form 8995-A:**

**John and Sally received qualified REIT dividends of \$2,000. Their taxable income including the REIT dividend, before QBID, is \$325,200.**

**John owns 50% of three S corporations; an accounting firm, car wash and gas station. He received Schedules K-1 reporting the following:**

- **Accounting firm; ordinary loss of \$38,000, QBI of \$(38,000), W-2 wages of \$950,000, and UBIA of qualified property of \$20,000.**
- **Car wash: ordinary income of \$100,600, Net Long-Term Capital Gain \$5,000, QBI \$100,000, W-2 wages of \$45,000, UBIA of qualified property of \$150,000.**
- **Gas station: ordinary income of \$205,000, QBI \$205,000, W-2 wages of \$60,000, UBIA of qualified property of \$500,000.**

**Assume John has basis, is at-risk, and materially participates in each activity.**

**The car wash and the gas station meet all the requirements for aggregation as specified in the regulations as follows:**

- a. **John owns 50% or more of both the car wash and the gas station S corporations.**

**b. Neither business is an SSTB.**

**c. The businesses meet two of the required factors:**

- i. They provide products and services that are customarily offered together.**
- ii. They share facilities and employees.**

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.

Personal information section including names, social security numbers, and addresses for the filer and spouse.

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 Are blind Spouse: Was born before January 2, 1955 Is blind

Dependents (see instructions):

Table with columns for dependent name, social security number, relationship, and tax credits.

Standard Deduction for— Single or Married filing separately, \$12,200 Married filing jointly or Qualifying widow(er), \$24,400 Head of household, \$18,350 If you checked any box under Standard Deduction, see instructions.

Main income and deduction table with rows 1 through 11b, including taxable income calculation.

<b>12a</b>	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	<b>12a</b>	
<b>b</b>	Add Schedule 2, line 3, and line 12a and enter the total		<b>12b</b>
<b>13a</b>	Child tax credit or credit for other dependents	<b>13a</b>	
<b>b</b>	Add Schedule 3, line 7, and line 13a and enter the total		<b>13b</b>
<b>14</b>	Subtract line 13b from line 12b. If zero or less, enter -0-		<b>14</b>
<b>15</b>	Other taxes, including self-employment tax, from Schedule 2, line 10		<b>15</b>
<b>16</b>	Add lines 14 and 15. This is your <b>total tax</b>		<b>16</b>
<b>17</b>	Federal income tax withheld from Forms W-2 and 1099		<b>17</b>
<b>18</b>	Other payments and refundable credits:		
<b>a</b>	Earned income credit (EIC)	<b>18a</b>	
<b>b</b>	Additional child tax credit. Attach Schedule 8812	<b>18b</b>	
<b>c</b>	American opportunity credit from Form 8863, line 8	<b>18c</b>	
<b>d</b>	Schedule 3, line 14	<b>18d</b>	
<b>e</b>	Add lines 18a through 18d. These are your <b>total other payments and refundable credits</b>		<b>18e</b>
<b>19</b>	Add lines 17 and 18e. These are your <b>total payments</b>		<b>19</b>

• If you have a qualifying child, attach Sch. EIC.  
 • If you have nontaxable combat pay, see instructions.

**Refund**

Direct deposit? See instructions.

<b>20</b>	If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you <b>overpaid</b>	<b>20</b>
<b>21a</b>	Amount of line 20 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>21a</b>
<b>b</b>	Routing number	<b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b>	Account number	
<b>22</b>	Amount of line 20 you want <b>applied to your 2020 estimated tax</b>	<b>22</b>

**Amount You Owe**

<b>23</b>	<b>Amount you owe.</b> Subtract line 19 from line 16. For details on how to pay, see instructions	<b>23</b>
<b>24</b>	Estimated tax penalty (see instructions)	<b>24</b>

**Third Party Designee**

(Other than paid preparer)

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions.  **Yes.** Complete below.  **No**

Designee's name  Phone no.  Personal identification number (PIN)

**Sign Here**

Joint return? See instructions. Keep a copy for your records.

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 complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
John J Smith	4/10/20	business owners	<input type="text"/>
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Sally S Smith	4/10/20	clerk	<input type="text"/>
Phone no.	Email address		

**Paid Preparer Use Only**

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name	Phone no.		Firm's EIN	
Firm's address				

**SCHEDULE 1**  
**(Form 1040 or 1040-SR)**

**Additional Income and Adjustments to Income**

OMB No. 1545-0074

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1040 or 1040-SR.**

**2019**  
Attachment  
Sequence No. **01**

▶ **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

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

John J Smith and Sally S Smith

Your social security number

123-00-7777

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**

<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes	<b>1</b>
<b>2a</b>	Alimony received	<b>2a</b>
<b>b</b>	Date of original divorce or separation agreement (see instructions) ▶	
<b>3</b>	Business income or (loss). Attach Schedule C	<b>3</b>
<b>4</b>	Other gains or (losses). Attach Form 4797	<b>4</b>
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	<b>5</b>
<b>6</b>	Farm income or (loss). Attach Schedule F	<b>6</b>
<b>7</b>	Unemployment compensation	<b>7</b>
<b>8</b>	Other income. List type and amount ▶	<b>8</b>
<b>9</b>	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a	<b>9</b>

**Part II Adjustments to Income**

<b>10</b>	Educator expenses	<b>10</b>
<b>11</b>	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	<b>11</b>
<b>12</b>	Health savings account deduction. Attach Form 8889	<b>12</b>
<b>13</b>	Moving expenses for members of the Armed Forces. Attach Form 3903	<b>13</b>
<b>14</b>	Deductible part of self-employment tax. Attach Schedule SE	<b>14</b>
<b>15</b>	Self-employed SEP, SIMPLE, and qualified plans	<b>15</b>
<b>16</b>	Self-employed health insurance deduction	<b>16</b>
<b>17</b>	Penalty on early withdrawal of savings	<b>17</b>
<b>18a</b>	Alimony paid	<b>18a</b>
<b>b</b>	Recipient's SSN ▶	
<b>c</b>	Date of original divorce or separation agreement (see instructions) ▶	
<b>19</b>	IRA deduction	<b>19</b>
<b>20</b>	Student loan interest deduction	<b>20</b>
<b>21</b>	Reserved for future use	<b>21</b>
<b>22</b>	Add lines 10 through 21. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 8a	<b>22</b>

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

Cat. No. 71479F

Schedule 1 (Form 1040 or 1040-SR) 2019

**SCHEDULE 3**  
**(Form 1040 or 1040-SR)**

Department of the Treasury  
Internal Revenue Service

**Additional Credits and Payments**

▶ **Attach to Form 1040 or 1040-SR.**  
▶ **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

OMB No. 1545-0074

**2019**  
Attachment  
Sequence No. **03**

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

John J Smith and Sally S Smith

Your social security number

123-00-7777

**Part I Nonrefundable Credits**

1	Foreign tax credit. Attach Form 1116 if required	1	
2	Credit for child and dependent care expenses. Attach Form 2441	2	
3	Education credits from Form 8863, line 19	3	
4	Retirement savings contributions credit. Attach Form 8880	4	
5	Residential energy credit. Attach Form 5695	5	
6	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	6	
7	Add lines 1 through 6. Enter here and include on Form 1040 or 1040-SR, line 13b	7	


**Part II Other Payments and Refundable Credits**

8	2019 estimated tax payments and amount applied from 2018 return	8	46,796
9	Net premium tax credit. Attach Form 8962	9	
10	Amount paid with request for extension to file (see instructions)	10	
11	Excess social security and tier 1 RRTA tax withheld	11	
12	Credit for federal tax on fuels. Attach Form 4136	12	
13	Credits from Form: a <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	13	
14	Add lines 8 through 13. Enter here and on Form 1040 or 1040-SR, line 18d	14	

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

Cat. No. 71480G

Schedule 3 (Form 1040 or 1040-SR) 2019

<b>a</b> Employee's social security number 123-00-7778		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
<b>b</b> Employer identification number (EIN) 00-2314542				<b>1</b> Wages, tips, other compensation 75000		<b>2</b> Federal income tax withheld 6000			
<b>c</b> Employer's name, address, and ZIP code IRS 30 State Street Denver, CO 80219				<b>3</b> Social security wages 75000		<b>4</b> Social security tax withheld 4650			
				<b>5</b> Medicare wages and tips 75000		<b>6</b> Medicare tax withheld 1088			
				<b>7</b> Social security tips		<b>8</b> Allocated tips			
<b>d</b> Control number				<b>9</b>		<b>10</b> Dependent care benefits			
<b>e</b> Employee's first name and initial Sally S		Last name Smith		Suff.		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12	
<b>f</b> Employee's address and ZIP code 54 Maple St Denver, CO 80219				<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		<b>12b</b>			
				<b>14</b> Other		<b>12c</b>			
						<b>12d</b>			
<b>15</b> State CO		Employer's state ID number		<b>16</b> State wages, tips, etc. 75000		<b>17</b> State income tax 3500		<b>18</b> Local wages, tips, etc.	
								<b>19</b> Local income tax	
								<b>20</b> Locality name	

Form **W-2** Wage and Tax Statement

2019

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

**SCHEDULE B**  
**(Form 1040 or 1040-SR)**

**Interest and Ordinary Dividends**

OMB No. 1545-0074

**2019**  
Attachment  
Sequence No. **08**

Department of the Treasury  
Internal Revenue Service (99)

► Go to [www.irs.gov/ScheduleB](http://www.irs.gov/ScheduleB) for instructions and the latest information.  
► Attach to Form 1040 or 1040-SR.

Name(s) shown on return  
John J and Sally S Smith

Your social security number  
123-00-7777

**Part I**  
**Interest**

**1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►

(See instructions and the instructions for Forms 1040 and 1040-SR, line 2b.)

**Note:** If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

**2** Add the amounts on line 1 . . . . . **2**  
**3** Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815 . . . . . **3**  
**4** Subtract line 3 from line 2. Enter the result here and on Form 1040 or 1040-SR, line 2b . . . . . **4**

**Note:** If line 4 is over \$1,500, you must complete Part III.

**Amount**

**1**

**2**

**3**

**4**

**Amount**

**Part II**  
**Ordinary Dividends**

**5** List name of payer ► mutual fund

(See instructions and the instructions for Forms 1040 and 1040-SR, line 3b.)

**Note:** If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

**6** Add the amounts on line 5. Enter the total here and on Form 1040 or 1040-SR, line 3b . . . . . **6**

**Note:** If line 6 is over \$1,500, you must complete Part III.

2,000

**5**

**Part III**

You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

**Yes No**

**Foreign Accounts and Trusts**

**7a** At any time during 2019, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions . . . . .

If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements . . . . .

**b** If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►

**8** During 2019, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions . . . . .

**Caution:** If required, failure to file FinCEN Form 114 may result in substantial penalties. See instructions.



**SCHEDULE D**  
**(Form 1040 or 1040-SR)**

**Capital Gains and Losses**

OMB No. 1545-0074

**2019**

Attachment  
Sequence No. **12**

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to Form 1040, 1040-SR, or 1040-NR.**  
▶ **Go to [www.irs.gov/ScheduleD](http://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.**

Name(s) shown on return  
**John J and Sally S Smith**

Your social security number  
**123-00-7777**

Did you dispose of any investment(s) in a qualified opportunity fund during the tax year?  **Yes**  **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)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b . . . . .				
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked . . . . .				
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked . . . . .				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked . . . . .				
<b>4</b> Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 . . . . .				<b>4</b>
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 . . . . .				<b>5</b>
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions . . . . .				<b>6</b> ( )
<b>7 Net short-term capital gain or (loss).</b> 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 . . . . .				<b>7</b>

**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)
<b>8a</b> 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 (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b . . . . .				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked . . . . .				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked . . . . .				
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked . . . . .				
<b>11</b> Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 . . . . .				<b>11</b>
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 . . . . .				<b>12</b> 5,000
<b>13</b> Capital gain distributions. See the instructions . . . . .				<b>13</b>
<b>14</b> Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions . . . . .				<b>14</b> ( )
<b>15 Net long-term capital gain or (loss).</b> Combine lines 8a through 14 in column (h). Then go to Part III on the back . . . . .				<b>15</b>

**Part III Summary**

**16** Combine lines 7 and 15 and enter the result . . . . .

**16**

- If line 16 is a **gain**, enter the amount from line 16 on Form 1040 or 1040-SR, line 6; or Form 1040-NR, line 14. Then go to line 17 below.
- If line 16 is a **loss**, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
- If line 16 is **zero**, skip lines 17 through 21 below and enter -0- on Form 1040 or 1040-SR, line 6; or Form 1040-NR, line 14. Then go to line 22.

**17** Are lines 15 and 16 **both** gains?

- Yes.** Go to line 18.
- No.** Skip lines 18 through 21, and go to line 22.

**18** If you are required to complete the **28% Rate Gain Worksheet** (see instructions), enter the amount, if any, from line 7 of that worksheet . . . . . ▶

**18**

**19** If you are required to complete the **Unrecaptured Section 1250 Gain Worksheet** (see instructions), enter the amount, if any, from line 18 of that worksheet . . . . . ▶

**19**

**20** Are lines 18 and 19 **both** zero or blank?

- Yes.** Complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the instructions for Forms 1040 and 1040-SR, line 12a (or in the instructions for Form 1040-NR, line 42). **Don't** complete lines 21 and 22 below.
- No.** Complete the **Schedule D Tax Worksheet** in the instructions. **Don't** complete lines 21 and 22 below.

**21** If line 16 is a loss, enter here and on Form 1040 or 1040-SR, line 6; or Form 1040-NR, line 14, the **smaller** of:

- The loss on line 16; or
- (\$3,000), or if married filing separately, (\$1,500) } . . . . .

**21** ( )

**Note:** When figuring which amount is smaller, treat both amounts as positive numbers.

**22** Do you have qualified dividends on Form 1040 or 1040-SR, line 3a; or Form 1040-NR, line 10b?

- Yes.** Complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the instructions for Forms 1040 and 1040-SR, line 12a (or in the instructions for Form 1040-NR, line 42).
- No.** Complete the rest of Form 1040, 1040-SR, or 1040-NR.

**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)

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

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

Name(s) shown on return

John J and Sally S Smith

Your social security number

123-00-7777

**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

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

**Type of Property:**

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

<b>Income:</b>	<b>Properties:</b>	<b>A</b>	<b>B</b>	<b>C</b>
<b>3</b> Rents received	<b>3</b>			
<b>4</b> Royalties received	<b>4</b>			

**Expenses:**

<b>5</b> Advertising	<b>5</b>			
<b>6</b> Auto and travel (see instructions)	<b>6</b>			
<b>7</b> Cleaning and maintenance	<b>7</b>			
<b>8</b> Commissions	<b>8</b>			
<b>9</b> Insurance	<b>9</b>			
<b>10</b> Legal and other professional fees	<b>10</b>			
<b>11</b> Management fees	<b>11</b>			
<b>12</b> Mortgage interest paid to banks, etc. (see instructions)	<b>12</b>			
<b>13</b> Other interest	<b>13</b>			
<b>14</b> Repairs	<b>14</b>			
<b>15</b> Supplies	<b>15</b>			
<b>16</b> Taxes	<b>16</b>			
<b>17</b> Utilities	<b>17</b>			
<b>18</b> Depreciation expense or depletion	<b>18</b>			
<b>19</b> Other (list) ▶	<b>19</b>			
<b>20</b> Total expenses. Add lines 5 through 19	<b>20</b>			

**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**

**22** Deductible rental real estate loss after limitation, if any, on **Form 8582** (see instructions)

<b>23a</b> Total of all amounts reported on line 3 for all rental properties	<b>23a</b>	
<b>b</b> Total of all amounts reported on line 4 for all royalty properties	<b>23b</b>	
<b>c</b> Total of all amounts reported on line 12 for all properties	<b>23c</b>	
<b>d</b> Total of all amounts reported on line 18 for all properties	<b>23d</b>	
<b>e</b> Total of all amounts reported on line 20 for all properties	<b>23e</b>	

**24** **Income.** Add positive amounts shown on line 21. **Do not** include any losses

**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

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

John J and Sally S Smith

123-00-7777

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 or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 6 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if basis computation is required, (f) Check if any amount is not at risk. Rows include Accounting Firm, Car Wash, Gas Station.

Table for Passive Income and Loss vs Nonpassive Income and Loss. Columns: (g) Passive loss allowed, (h) Passive income from Schedule K-1, (i) Nonpassive loss allowed, (j) Section 179 expense deduction from Form 4562, (k) Nonpassive income from Schedule K-1. Includes totals and summary rows 29a, 29b, 30, 31, 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer identification number. Rows A and B.

Table for Passive Income and Loss vs Nonpassive Income and Loss. Columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Includes totals and summary rows 34a, 34b, 35, 36, 37.

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

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Includes summary row 39.

Part V Summary

Summary table with 2 columns: Description, Amount. Rows 40 (Net farm rental income), 41 (Total income or loss), 42 (Reconciliation of farming and fishing income), 43 (Reconciliation for real estate professionals).

**Qualified Business Income Deduction**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to your tax return.**

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

**2019**  
Attachment  
Sequence No. **55A**

Name(s) shown on return

John J and Sally S Smith

Your taxpayer identification number

123-00-7777

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

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

1	(a) Trade, business, or aggregation name	(b) Check if specified service	(c) Check if aggregation	(d) Taxpayer identification number	(e) Check if patron
A	Accounting Firm	<input checked="" type="checkbox"/>	<input type="checkbox"/>	00-3445564	<input type="checkbox"/>
B	Aggregation	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
C		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>

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

	A	B	C
2 Qualified business income from the trade, business, or aggregation. See instructions . . . . .			
3 Multiply line 2 by 20% (0.20). If your taxable income is \$160,700 or less (\$160,725 if married filing separately; \$321,400 if married filing jointly), skip lines 4 through 12 and enter the amount from line 3 on line 13 . . . . .			
4 Allocable share of W-2 wages from the trade, business, or aggregation . . . . .			
5 Multiply line 4 by 50% (0.50) . . . . .			
6 Multiply line 4 by 25% (0.25) . . . . .			
7 Allocable share of the unadjusted basis immediately after acquisition (UBIA) of all qualified property . . . . .			
8 Multiply line 7 by 2.5% (0.025) . . . . .			
9 Add lines 6 and 8 . . . . .			
10 Enter the greater of line 5 or line 9 . . . . .			
11 W-2 wage and qualified property limitation. Enter the smaller of line 3 or line 10 . . . . .			
12 Phased-in reduction. Enter amount from line 26, if any. See instructions . . . . .			
13 Qualified business income deduction before patron reduction. Enter the greater of line 11 or line 12 . . . . .			
14 Patron reduction. Enter the amount from Schedule D (Form 8995-A), line 6, if any . . . . .			
15 Qualified business income component. Subtract line 14 from line 13 . . . . .			
16 Total qualified business income component. Add all amounts reported on line 15 . . . . . ▶			

**Part III Phased-in Reduction**

Complete Part III only if your taxable income is more than \$160,700 but not \$210,700 (\$160,725 and \$210,725 if married filing separately; \$321,400 and \$421,400 if married filing jointly) and line 10 is less than line 3. Otherwise, skip Part III.

		A	B	C
17	Enter amounts from line 3 . . . . .	17		
18	Enter the amounts from line 10 . . . . .	18		
19	Subtract line 18 from line 17 . . . . .	19		
20	Taxable income before qualified business income deduction . . . . .	20		
21	Threshold. Enter \$160,700 (\$160,725 if married filing separately; \$321,400 if married filing jointly) . . . . .	21		
22	Subtract line 21 from line 20 . . . . .	22		
23	Phase-in range. Enter \$50,000 (\$100,000 if married filing jointly) . . . . .	23		
24	Phase-in percentage. Divide line 22 by line 23 . . . . .	24	%	
25	Total phase-in reduction. Multiply line 19 by line 24 . . . . .	25		
26	Qualified business income after phase-in reduction. Subtract line 25 from line 17. Enter this amount here and on line 12, for the corresponding trade or business . . . . .	26		

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

27	Total qualified business income component from all qualified trades, businesses, or aggregations. Enter the amount from line 16 . . . . .	27		
28	Qualified REIT dividends and publicly traded partnership (PTP) income or (loss). See instructions . . . . .	28	2,000	
29	Qualified REIT dividends and PTP (loss) carryforward from prior years . . . . .	29	( 0 )	
30	Total qualified REIT dividends and PTP income. Combine lines 28 and 29. If less than zero, enter -0- . . . . .	30		
31	REIT and PTP component. Multiply line 30 by 20% (0.20) . . . . .	31		
32	Qualified business income deduction before the income limitation. Add lines 27 and 31 . . . . . ▶	32		
33	Taxable income before qualified business income deduction . . . . .	33		
34	Net capital gain. See instructions . . . . .	34		
35	Subtract line 34 from line 33. If zero or less, enter -0- . . . . .	35		
36	Income limitation. Multiply line 35 by 20% (0.20) . . . . .	36		
37	Qualified business income deduction before the domestic production activities deduction (DPAD) under section 199A(g). Enter the smaller of line 32 or line 36 . . . . . ▶	37		
38	DPAD under section 199A(g) allocated from an agricultural or horticultural cooperative. Don't enter more than line 33 minus line 37 . . . . .	38		
39	Total qualified business income deduction. Add lines 37 and 38 . . . . . ▶	39		
40	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 28 and 29. If zero or greater, enter -0- . . . . .	40	( )	

**SCHEDULE A  
(Form 8995-A)**

**Specified Service Trades or Businesses**

OMB No. XXXX-XXXX

**2019**  
Attachment  
Sequence No. **55B**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 8995-A.

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

Name(s) shown on return

John J and Sally S Smith

Your taxpayer identification number

123-00-7777

Complete Schedule A only if your trade or business is a specified service trade or business (see instructions) and your taxable income is more than \$160,700 but not \$210,700 (\$160,725 but not \$210,725 if married filing separately; \$321,400 and \$421,400 if married filing jointly). If your taxable income isn't more than \$160,700 (\$160,725 if married filing separately; \$321,400 if married filing jointly) and you're not a patron of an agricultural or horticultural cooperative, don't file this form; instead, file Form 8995, Qualified Business Income Deduction Simplified Computation. Otherwise, complete Schedule D (Form 8995-A) before beginning Schedule A. If your taxable income is more than \$210,700 (\$210,725 if married filing separately; \$421,400 if married filing jointly), your specified service trade or business doesn't qualify for the deduction. If you have more than three trades or businesses, attach as many Schedules A as needed. See instructions.

**Part I Other Than Publicly Traded Partnerships (PTP)**

		A	B	C
<b>1a</b> Trade or business name . . . . .	<b>1a</b>	Accounting Firm		
<b>b</b> Taxpayer identification number . . . . .	<b>1b</b>			
<b>2</b> Qualified business income or (loss) from the trade or business . . . . .	<b>2</b>	-38,000		
<b>3</b> Allocable share of W-2 wages from the trade or business . . . . .	<b>3</b>	950,000		
<b>4</b> Allocable share of the unadjusted basis immediately after acquisition (UBIA) of all qualified property . . . . .	<b>4</b>	20,000		
<b>5</b> Taxable income before qualified business income deduction . . . . .	<b>5</b>			
<b>6</b> Threshold. Enter \$160,700 (\$160,725 if married filing separately; \$321,400 if married filing jointly) . . . . .	<b>6</b>			
<b>7</b> Subtract line 6 from line 5 . . . . .	<b>7</b>			
<b>8</b> Phase-in range. Enter \$50,000 (\$100,000 if married filing jointly) . . . . .	<b>8</b>			
<b>9</b> Divide line 7 by line 8 . . . . .	<b>9</b>			
<b>10</b> Applicable percentage. Subtract line 9 from 100% . . . . .	<b>10</b>			
<b>11</b> Applicable percentage of qualified business income or (loss). Multiply line 2 by line 10. Enter this amount on Schedule C (Form 8995-A) or on Form 8995-A, line 2, for the corresponding trade or business, as appropriate. See instructions . . . . .	<b>11</b>			
<b>12</b> Applicable percentage of W-2 wages. Multiply line 3 by line 10. Enter this amount on Form 8995-A, line 4, for the corresponding trade or business, as appropriate. See instructions . . . . .	<b>12</b>			
<b>13</b> Applicable percentage of the UBIA of qualified property. Multiply line 4 by line 10. Enter this amount on Form 8995-A, line 7, for the corresponding trade or business, as appropriate. See instructions . . . . .	<b>13</b>			

**Part II Publicly Traded Partnership**

		A	B	C
<b>14</b> Trade or business name . . . . .	<b>14</b>			
<b>15</b> Taxpayer identification number . . . . .	<b>15</b>			
<b>16</b> Qualified PTP income or (loss) . . . . .	<b>16</b>			
<b>17</b> Total PTP specified service trade or business (SSTB) income or (loss). Combine all amounts on line 16 . . . . .	<b>17</b>			
<b>18</b> Taxable income before qualified business income deduction . . . . .	<b>18</b>			
<b>19</b> Threshold. Enter \$160,700 (\$160,725 if married filing separately; \$321,400 if married filing jointly) . . . . .	<b>19</b>			
<b>20</b> Subtract line 19 from line 18 . . . . .	<b>20</b>			
<b>21</b> Phase-in range. Enter \$50,000 (\$100,000 if married filing jointly) . . . . .	<b>21</b>			
<b>22</b> Divide line 20 by line 21 . . . . .	<b>22</b>			
<b>23</b> Applicable percentage. Subtract line 22 from 100% . . . . .	<b>23</b>			%
<b>24</b> Applicable percentage of qualified PTP income or (loss). Multiply line 17 by line 23. Include this amount on Form 8995-A, line 28 . . . . .	<b>24</b>			

**SCHEDULE B  
(Form 8995-A)**

Department of the Treasury  
Internal Revenue Service

**Aggregation of Business Operations**

▶ Attach to Form 8995-A.

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

OMB No. XXXX-XXXX

**2019**  
Attachment  
Sequence No. **55C**

Name(s) shown on return

John J and Sally S Smith

Your taxpayer identification number

123-00-7777

If you have more than one aggregated group, complete and attach as many Schedules B as needed. Number the first aggregation "1" and any additional aggregations in numerical order (2, 3, 4, etc.). See instructions.

Aggregation No.: 1

**1** Provide a description of the aggregated trade or business and an explanation of the factors met that allow the aggregation in accordance with Regulations section 1.199A-4. In addition, if you hold a direct or indirect interest in a relevant pass-through entity (RPE) that aggregates multiple trades or businesses, you must attach a copy of the RPE's aggregations.

**2** Has this trade or business aggregation changed from the prior year? This includes changes in the aggregation due to a trade or business being formed, acquired, disposed of, or ceasing operations. If "Yes," explain. If "No," skip line 2 and go to line 3.

<b>3</b>	<b>(a)</b> Name of trade or business	<b>(b)</b> Taxpayer identification number	<b>(c)</b> Qualified business income/(loss)	<b>(d)</b> W-2 wages	<b>(e)</b> Unadjusted basis immediately after acquisition
	Car Wash	00-2223456	100,000	45,000	150,000
	Gas Station	00-2214478	205,000	60,000	500,000
<b>4</b>	<b>Totals.</b> Total columns (c), (d), and (e). Enter the total amounts on Schedule C (Form 8995-A) or on Form 8995-A, Part II, for the corresponding aggregation, as appropriate. See instructions . . . .				

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

Cat. No. 72685V

Schedule B (Form 8995-A) 2019



**SCHEDULE C  
(Form 8995-A)**

Department of the Treasury  
Internal Revenue Service

**Loss Netting and Carryforward**

▶ **Attach to Form 8995-A.**

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

OMB No. XXXX-XXXX

**2019**  
Attachment  
Sequence No. **55D**

Name(s) shown on return  
John J and Sally S Smith

Your taxpayer identification number  
123-00-7777

*If you have more than three trades, businesses, or aggregations, complete and attach as many Schedules C as needed. See instructions.*

1	(a) Qualified business income/(loss)	(b) Reduction for loss netting (see instructions)	(c) Adjusted qualified business income (Combine (a) and (b). If zero or less, enter -0-.)
Accounting Firm			
Aggregation 1			
2	Qualified business net (loss) carryforward from prior years. See instructions . . . . .		2 ( 0 )
3	Total of the trades, businesses, or aggregations losses. Combine the negative amounts on lines 1, column (a), and 2 for all trades, businesses, or aggregations . . . . .		3 ( )
4	Total of the trades, businesses, or aggregations income. Add the positive amounts on line 1, column (a), for all trades, businesses, or aggregations . . . . .		4
5	Losses netted with income of other trades, businesses, or aggregations. Enter in the parentheses on line 5, the smaller of the absolute value of line 3 or line 4. Allocate this amount to each of the trades, businesses, or aggregations on line 1, column (b). See instructions . . . . .		5 ( )
6	Qualified business net (loss) carryforward. Subtract line 5 from line 3. If zero or more, enter -0- . . . . .		6 ( )

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

Cat. No. 72684K

Schedule C (Form 8995-A) 2019