

**Illustration of Qualified Business Income Deduction in 2018
For Married Taxpayers with Taxable Income less than \$315,000**

	Item		Married Filing Joint
	Gross Self Employed Income	\$65,000	
	Less: Business Expenses	(\$15,000)	
	Equals: Net Self-employed Income	\$50,000	A \$50,000
	(Net Self-Employed Income is QBI)		
	Other Income	Spouse	\$50,000
	Total Gross Income Federal 1040		\$100,000
	1/2 Self-Employment Tax Deduction		(\$3,575)
	Adjusted Gross Income	AGI	\$96,425
	Standard Deduction		(\$24,000)
	Sub-Total Taxable Income		\$72,425
A	20% QBI of \$50,000 =	A \$10,000	
B	20% Taxable Income of \$34,425 =	B \$14,485	
	Subtract the Lessor of A or B		A (\$10,000)
	Net Taxable Income		\$62,425
	Regular Federal Income Tax		\$7,110
	Self-Employment Tax @ 14.3 %		\$7,150
	Credits		\$0
	Total Federal Tax Liability		\$14,260

NOTE:

Taxpayers are not Itemizing and have no Dependents