

A GREAT WIN FOR REALTORS®!

Example of How the Qualified Business Income Deduction of Section 199A Affects Real Estate Professionals

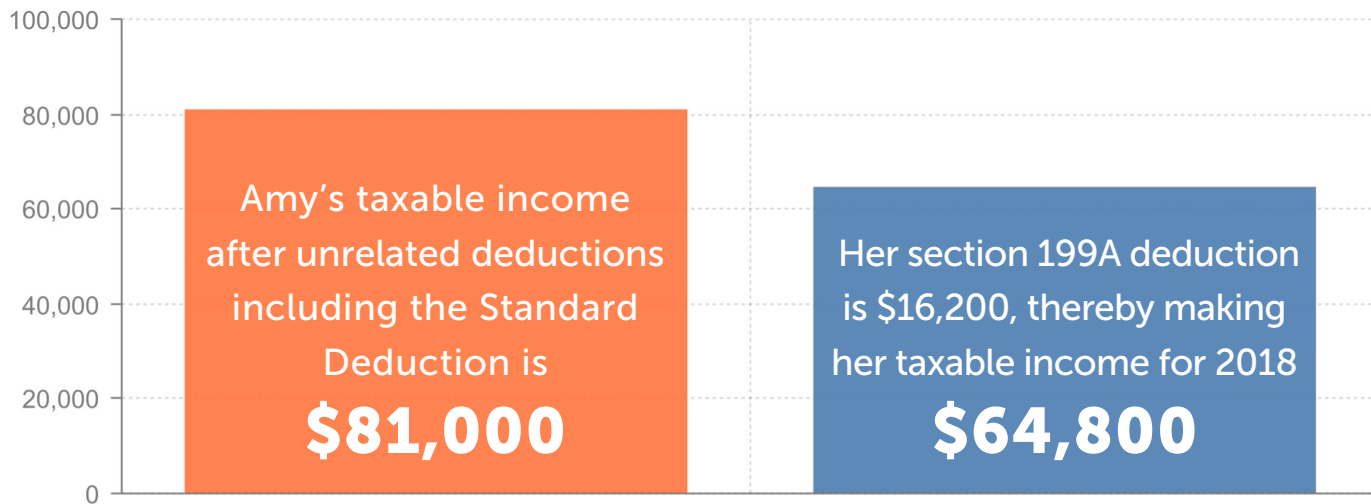
Source: NAR



MEET AMY.

She's a single REALTOR® who operates as a sole proprietor and independent contractor. She received \$100,000 in net commission income in 2018.

Taxable Income with or without the Section 199A Deduction



A BRIEF HISTORY ON SECTION 199A

When Congress was debating the **Tax Cuts and Jobs Act** of 2017 it was unclear whether someone like Amy would receive much, if any, deductions for their business income. Congress was encouraged by NAR and other organizations to make this deduction available to a wider group of small businesses and proprietors.

As a result, sole-proprietors and pass-through business owners below the taxable income thresholds of **\$157,500** for single filers and **\$315,000** for joint returns have been made eligible for the deduction.