



The 20% Small Business Deduction

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, 1956 Are blind **Spouse:** Was born before January 2, 1956 Is blind

Dependents (see instructions):

| If more than four dependents, see instructions and check here <input type="checkbox"/> | (1) First name | | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for (see instructions): | |
|----------------------------------------------------------------------------------------|----------------|--|----------------------------|-------------------------|------------------------------------------------------------------------------|-----------------------------|
| | Last name | | | | Child tax credit | Credit for other dependents |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------|--|
| Attach Sch. B if required. | 1 | Wages, salaries, tips, etc. Attach Form(s) W-2 | 1 | |
| | 2a | Tax-exempt interest | 2a | |
| | 3a | Qualified dividends | 3a | |
| | 4a | IRA distributions | 4a | |
| | 5a | Pensions and annuities | 5a | |
| | 6a | Social security benefits | 6a | |
| Standard Deduction for— <ul style="list-style-type: none"> • Single or Married filing separately, \$12,400 • Married filing jointly or Qualifying widow(er), \$24,800 • Head of household, \$18,650 • If you checked any box under Standard Deduction, see instructions. | 7 | Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | 7 | |
| | 8 | Other income from Schedule 1, line 9 | 8 | |
| | 9 | Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income | 9 | |
| | 10 | Adjustments to income: | | |
| | a | From Schedule 1, line 22 | 10a | |
| | b | Charitable contributions if you take the standard deduction. See instructions | 10b | |
| | c | Add lines 10a and 10b. These are your total adjustments to income | 10c | |
| | 11 | Subtract line 10c from line 9. This is your adjusted gross income | 11 | |
| | 12 | Standard deduction or itemized deductions (from Schedule A) | 12 | |
| | 13 | Qualified business income deduction. Attach Form 8995 or Form 8995-A | 13 | |
| 14 | Add lines 12 and 13 | 14 | | |
| 15 | Taxable income. Subtract line 14 from line 11. If zero or less, enter -0- | 15 | | |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2020)

WHO BENEFITS?

Owners of pass-through entities, regardless of industry, are eligible for up to 20 percent small business deduction up to \$163,300 individual/\$326,600 joint in taxable income for tax year 2020. For tax year 2021, these thresholds will increase to \$164,900 individual/\$329,800 joint. For incomes above these thresholds, businesses may also be eligible for a deduction.

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