

# Partner's Adjusted Basis Worksheet

Name of Partner Jerry Taxit      TIN 359-00-0000      Tax Year Ending 12/31/19  
 Name of Partnership Shout and Jump      EIN 41-1234567

1) Adjusted basis from preceding year (enter zero if this is the first tax year in which the taxpayer is a member of the partnership). (Line 1 cannot be less than zero.) ..... 1) 0

2) Gain (if any) recognized this year on contribution of property to partnership (other than gain from transfer of liabilities)..... 2) \_\_\_\_\_

3) Cash contributed during the year ..... 3) 69,000

4) Adjusted basis of property contributed during the year (reduced by the amount of liabilities to which the property is subject, but not below zero) ..... 4) \_\_\_\_\_

5) Items of income or gain this year including tax-exempt income:

a) Ordinary Income                      a) 76,934

b) Interest Income                      b) 190

c) \_\_\_\_\_                              c) \_\_\_\_\_

d) \_\_\_\_\_                              d) \_\_\_\_\_

Add lines 5a through 5d..... 5) 77,124

6) Partner's share of partnership liabilities (current-year item K, Schedule K-1) ..... 6) 80,390

7) Liabilities from prior year included in line 1 above—enter as a negative number ... 7) \_\_\_\_\_

8) Other increases to basis including excess depletion deductions over basis of depletable property (list) ..... 8) \_\_\_\_\_

9) Add lines 1 through 8 (if less than zero, enter zero)..... 9) 226,514

10) Withdrawals and distributions during the year (for property other than money, enter adjusted basis of the property). If amount is greater than line 9, enter amount on line 9. Excess may be taxable. See *Partnership Distributions* on Page B-13. .... 10) 12,000

11) Items of deduction this year including nondeductible expenses and any deduction for oil and gas percentage depletion (also include carryforward amounts from prior years):

a) Section 179 Deduction              a) 15,000

b) Meals                                      b) 168

c) \_\_\_\_\_                              c) \_\_\_\_\_

d) \_\_\_\_\_                              d) \_\_\_\_\_

Add lines 11a through 11d ..... 11) 15,168

12) Add lines 10 and 11 ..... 12) 27,168

13) Subtract line 12 from line 9. (If less than zero, enter zero.)..... 13) 199,346

14) Items of loss this year (also include losses not deducted in prior years due to the partnership interest basis limitation):

a) \_\_\_\_\_                              a) \_\_\_\_\_

b) \_\_\_\_\_                              b) \_\_\_\_\_

c) \_\_\_\_\_                              c) \_\_\_\_\_

d) \_\_\_\_\_                              d) \_\_\_\_\_

Add lines 14a through 14d..... 14) \_\_\_\_\_

15) **Adjusted basis** of partnership interest (line 13 minus line 14). (If less than zero, enter zero.) The deductible loss for the year is equal to the lesser of line 13 or line 14 ..... 15) 199,346

16) Allocation of loss to be carried forward—allocate amounts from line 11 and line 14 that must be carried to next year:

a) \_\_\_\_\_                              a) \_\_\_\_\_

b) \_\_\_\_\_                              b) \_\_\_\_\_

c) \_\_\_\_\_                              c) \_\_\_\_\_

d) \_\_\_\_\_                              d) \_\_\_\_\_

Add lines 16a through 16d. **Carry this amount to next year**..... 16) \_\_\_\_\_

17) **At-risk adjustment:** Combine lines 1, 2, 3, 4, 6 and 7 ..... 17) \_\_\_\_\_

18) Enter line 10 as a negative number..... 18) \_\_\_\_\_

19) Enter as a negative number any nonrecourse loans, amounts protected against loss by guarantee or stop-loss agreements and nonrecourse liabilities on property contributed to the partnership. Do not include "qualified" nonrecourse financing as defined in IRC Sec. 465(b)(6)..... 19) \_\_\_\_\_

20) Enter as a positive number the fair market value (FMV) of partner's personal property not used in the partnership that secures a nonrecourse loan taken as a negative on line 19 ..... 20) \_\_\_\_\_

21) **Combine lines 17 through 20.** If negative, no current-year loss can be deducted. See Form 6198. If line 21 is less than line 5 of Form 6198, losses on line 5 (Form 6198) must be allocated and carried to next year.  
**Note:** Form 6198 must be completed if there is an entry on line 19 above..... 21) \_\_\_\_\_

option is selected, make sure line 11 of Schedule M-3, Part I equals line 1 of Schedule M-1.

## Partner's Basis

Every partner must keep track of his adjusted basis in the partnership. See Tab A for a blank worksheet. Do not attach the worksheet to Form 1065 or Form 1040.

The partner's adjusted basis is used to determine the amount of loss deductible by the partner. A partner cannot deduct a loss in excess of his adjusted basis.

A loss may further be limited by the amount the partner is at risk. For example, a partner's at-risk basis is reduced by his share of any partnership liabilities for which no partner is personally liable (nonrecourse loans). See Tab 8 in the *1040 Quickfinder® Handbook* for a discussion of these limitations.

### Notes:

- Jerry's adjusted basis is not the same as his ending capital account on Schedule K-1. The capital account does not include his share of the partnership liabilities.
- The guaranteed payment and health insurance are not included in the adjusted basis computation because the amounts are treated as payments to nonpartners. The following page illustrates how Jerry uses the information on his Schedule K-1 to complete his personal tax return.

## Personal Tax Forms

**Schedule E.** Ordinary income and guaranteed payments are reported on line 28A, column (j), as nonpassive income. The Section 179 deduction is first entered on Form 4562, and then carried to line 28A in column (j) of Schedule E (Part II).

In this example, Jerry spent \$1,000 for trade publications and education and was not reimbursed by the partnership. As the partnership agreement states that Jerry is to pay for these expenses, they are deducted on Schedule E labeled "UPE." Any expenses that Jerry had a right to have reimbursed but chose not to are not deductible.

**Schedule SE.** The earned income from Schedule K-1 is netted against the Schedule E Section 179 deduction and UPE.

**Form 1040.** 100% of the health insurance amount from line 13 of Schedule K-1 is entered on page 1 of Form 1040.

**QBI deduction.** The Taxits are eligible for the QBI deduction for their pass-through income from Shout and Jump. Since their AGI is less than \$321,400, the MFJ threshold, their deduction is not limited. Based on Jerry's allocation of QBI, W-2 wages, and qualified property, his QBI deduction is **\$10,467** (20% of income allocated from Shout and Jump less items shown below). This amount is reported on Form 1040, line 10. Form 8995 must be attached.

QBI is computed as follows:

Jerry's QBI from K-1 .....	\$	61,934
Jerry's Sch 1 SE tax deduction.....	(	6,997)
Jerry's Sch 1 SE health insurance....	(	1,600)
Jerry's Sch E UPE .....	(	1,000)
Jerry's QBI.....	\$	<b>52,337</b>

Jerry's QBI deduction is \$52,337 × 20%.

**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: **Jerry** Last name: **Taxit** Your social security number: **359 00 0000**  
 If joint return, spouse's first name and middle initial: **Susie** Last name: **Taxit** Spouse's social security number: **456 00 0000**  
 Home address (number and street), if you have a P.O. box, see instructions. Apt. no.: **007 Like-Kind Ave.** **Phase-Out, AZ 55555**  
 City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).  
 Foreign country name: Foreign province/state/county: Foreign postal code: If more than four dependents, see instructions and ✓ here

**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):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see instructions):	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"/>	<input type="checkbox"/>

<b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2	<b>1</b>	
<b>2a</b> Tax-exempt interest	<b>2a</b>	
<b>3a</b> Qualified dividends	<b>3a</b>	
<b>4a</b> IRA distributions	<b>4a</b>	
<b>5a</b> Social security benefits	<b>5a</b>	
<b>6</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	<b>6</b>	
<b>7a</b> Other income from Schedule 1, line 9	<b>7a</b>	99,034
<b>b</b> Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your <b>total income</b>	<b>7b</b>	99,224
<b>8a</b> Adjustments to income from Schedule 1, line 22	<b>8a</b>	8,597
<b>b</b> Subtract line 8a from line 7b. This is your <b>adjusted gross income</b>	<b>8b</b>	90,627
<b>9</b> <b>Standard deduction or itemized deductions</b> (from Schedule A)	<b>9</b>	24,400
<b>10</b> Qualified business income deduction. Attach Form 8995 or Form 8995-A	<b>10</b>	10,467
<b>11a</b> Add lines 9 and 10	<b>11a</b>	34,867
<b>b</b> <b>Taxable income.</b> Subtract line 11a from line 8b. If zero or less, enter -0-	<b>11b</b>	55,760

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2019)

<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>	6,305
<b>b</b> Add Schedule 2, line 3, and line 12a and enter the total	<b>12b</b>	6,305
<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>	6,305
<b>15</b> Other taxes, including self-employment tax, from Schedule 2, line 10	<b>15</b>	13,993
<b>16</b> Add lines 14 and 15. This is your <b>total tax</b>	<b>16</b>	20,298
<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> Subtract line 18e from line 16. Enter the result here	<b>19</b>	
<b>20</b> Amount you owe. Subtract line 19 from line 16. If zero or less, enter -0- If you have a refund, enter the amount you were refunded to you on Form 8879 attached, check here <input type="checkbox"/>	<b>20</b>	
<b>a</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 applied to your 2020 estimated tax	<b>22</b>	

**Amount You Owe** **23** **Amount you owe.** Subtract line 19 from line 16. For details on how to pay, see instructions **23** 20,298  
**24** Estimated tax penalty (see instructions) **24**

**Third Party Designee** 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** 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.)

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

**Additional Income and Adjustments to Income**

OMB No. 1545-0074

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

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1040 or 1040-SR.**  
▶ **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  
**Jerry Taxit**

Your social security number  
**359-00-0000**

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>	99,034
<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>	99,034

**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>	6,997
<b>15</b>	Self-employed SEP, SIMPLE, and qualified plans	<b>15</b>	
<b>16</b>	Self-employed health insurance deduction	<b>16</b>	1,600
<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>	8,597

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040 or 1040-SR) 2019

**SCHEDULE 2**  
**(Form 1040 or 1040-SR)**

**Additional Taxes**

OMB No. 1545-0074

**2019**  
Attachment  
Sequence No. **02**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1040 or 1040-SR.**  
▶ **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  
**Jerry Taxit**

Your social security number  
**359-00-0000**

**Part I Tax**

<b>1</b>	Alternative minimum tax. Attach Form 6251	<b>1</b>	
<b>2</b>	Excess advance premium tax credit repayment. Attach Form 8962	<b>2</b>	
<b>3</b>	Add lines 1 and 2. Enter here and include on Form 1040 or 1040-SR, line 12b	<b>3</b>	

**Part II Other Taxes**

<b>4</b>	Self-employment tax. Attach Schedule SE	<b>4</b>	13,993
<b>5</b>	Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919	<b>5</b>	
<b>6</b>	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	<b>6</b>	
<b>7a</b>	Household employment taxes. Attach Schedule H	<b>7a</b>	
<b>b</b>	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	<b>7b</b>	
<b>8</b>	Taxes from: <b>a</b> <input type="checkbox"/> Form 8959 <b>b</b> <input type="checkbox"/> Form 8960 <b>c</b> <input type="checkbox"/> Instructions; enter code(s)	<b>8</b>	
<b>9</b>	Section 965 net tax liability installment from Form 965-A	<b>9</b>	
<b>10</b>	Add lines 4 through 8. These are your <b>total other taxes</b> . Enter here and on Form 1040 or 1040-SR, line 15	<b>10</b>	13,993

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71478U Schedule 2 (Form 1040 or 1040-SR) 2019

**1040 U.S. Individual Income Tax Return 2019** 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: **Jerry**  
 Last name: **Taxit**  
 Social security number: **359-00-0000**

Home address (street, apt. no., city, town or post office, state, and ZIP code): **007 Like-Kind Ave, Phase-Out, AZ 85555**  
 Foreign province/state/county: Foreign postal code: Foreign country name:

**Standard Deduction**  Someone can claim you as a dependent  You are 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): (2) Social security number (3) Relationship to you (4) ✓ If qualifies for (see instructions): Child tax credit (5) For other dependents

1	Wages, salaries, tips, etc. (Attach Form(s) W-2)	38,100
2a	Tax-exempt interest	190
3a	Qualified dividends	
3b	Ordinary dividends (Attach Sch. B if required)	
4a	IRA distributions	
4b	Taxable amount	
4c	Pensions and annuities	
4d	Taxable amount	
5a	Social security benefits	
5b	Taxable amount	
6	Capital gain or (loss) (Attach Schedule D if required. If not required, check here)	
7a	Other income from Schedule 1, line 9	58,342
7b	Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your <b>total income</b>	96,632
8a	Adjustments to income from Schedule 1, line 22	1,600
8b	Subtract line 8a from line 7b. This is your <b>adjusted gross income</b>	95,032
9	Standard deduction or itemized deductions (from Schedule A)	24,400
10	Qualified business income (loss) (from Schedule E)	11,348
11a	Add lines 9 and 10	35,748
11b	Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-	59,284

**For Disclosure, Privacy Act, and Paperwork Reduction Act Notices, see separate instructions.** Cat. No. 113298 Form 1040 (2019)

**SCHEDULE 1 (Form 1040 or 1040-SR)** OMB No. 1545-0074  
 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.  
 Name(s) shown on Form 1040 or 1040-SR: **Jerry Taxit** Your social security number: **359-00-0000**

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
3	Date of original divorce or separation agreement (see instructions) ▶	3
4	Business income or (loss). Attach Schedule C	4
5	Other gains or (losses). Attach Form 4797	5
6	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	6
7	Farm income or (loss). Attach Schedule F	7
8	Unemployment compensation	8
9	Other income. List type and amount ▶	9
10	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a	10

**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 savings account deduction. Attach Form 8889	12
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13
14	Deductible part of self-employment tax. Attach Schedule SE	14
15	Self-employed SEP, SIMPLE, and qualified plans	15
16	Self-employed health insurance deduction	16
17	Penalty on early withdrawal of savings	17
18a	Alimony paid	18a
b	Recipient's SSN	
19	Date of original divorce or separation agreement (see instructions) ▶	19
20	IRA deduction	20
21	Student loan interest deduction	21
22	Reserved for future use	22
23	Add lines 10 through 21. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 8a	23
24	Combine lines 10 through 23. Enter here and on Form 1040 or 1040-SR, line 8b	24

**For Paperwork Reduction Act Notice, see your tax return instructions.** Cat. No. 71479F Schedule 1 (Form 1040 or 1040-SR) 2019

**SCHEDULE 2 (Form 1040 or 1040-SR) 2019** Attachment Sequence No. 13 Page 2  
 Name(s) shown on return: Do not enter name and social security number if shown on other side.  
**Jerry Taxit** Your social security number: **359-00-0000**

**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 un reimbursed partnership expenses? If you answered "Yes," see instructions before completing this section.	Yes	No
28	(a) Name (b) Enter P for partnership or S for S corporation (c) Check if partnership (d) Employer identification number (e) Check if basis computation is required (f) Check if loss is not at risk	S	41-1234567
A	Shout and Jump, Inc.		
B			
C			
D			

**Passive Income and Loss**

(g) Passive loss allowed (attach Form 6882 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss allowed (see Schedule K-1)	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1
	15,000			73,342
A				
B				
C				
D				
29a	Totals		15,000	
30	Add columns (h) and (k) of line 29a.			73,342
31	Add columns (g), (i), and (j) of line 29b.			15,000
32	<b>Total partnership and S corporation income or (loss)</b> . Combine lines 30 and 31			58,342

**Form 1040:** Jerry's health insurance included in box 1 of Form W-2 is also identified on line 14 of the W-2 as health insurance paid by the company. Jerry deducts 100% on line 16 of Form 1040, Schedule 1. **Note:** Relevant pages of 2019 Form 1040 for Jerry and Susie Taxit are presented for example.

**QBI deduction:** The Taxits are eligible for the QBI deduction for their pass-through income from Shout and Jump, Inc. Since their AGI is less than \$321,400, the MFJ threshold, their deduction is not limited. Based on Jerry's allocation of QBI, W-2 wages and qualified property, his QBI deduction is \$11,348 (20% of income allocated from Shout and Jump, Inc. less SE health insurance) on Form 1040, line 10. Jerry's QBI deduction is \$56,742 x 20%.