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Certified Public Accountants and Consultants



Can Physicians Benefit from the Qualified Business Income Deduction?

The rules are complicated, but certain physicians may be able to take advantage of the QBI deduction

The Qualified Business Income (QBI) deduction was introduced in the Tax Cuts and Jobs Act to ensure the average business owner receives a similar tax benefit to larger corporate taxpayers. The QBI allows the owner of a business (eligible only to those taxpayers with ownership in flow-through entities taxed as a sole proprietorship, partnership, LLC or S corporation) to receive a 20% tax deduction on qualified business income if they meet certain restrictions.

In general, the QBI deduction is only applicable to service fields, such as health, law, accounting, or any business whose principal asset is the reputation or skill of an owner or employee, **if the taxpayers' taxable income is under a certain income threshold**. The 20% QBI deduction will result in a tax benefit for a physician-owned medical practice with individual taxable income below the \$315,000 (married joint returns) threshold. Physicians with individual taxable income higher than \$315,000 (married joint returns) will either receive no benefit or a reduced deduction. [Click here](#) to read the full article.

There are many rules and exceptions when it comes to the QBI deduction. It's a complicated formula, but our CG Healthcare Experts are here to help you identify ways to potentially benefit from the QBI. [Contact Mike Lewis, MBA, FACMPE and Deb Mathis, CPA, CHBC today.](#)



Have concerns about your medical practice?
CG Healthcare Experts [Mike Lewis](#), MBA, FACMPE and [Deb Mathis](#), CPA, CHBC can analyze the impacts of healthcare industry changes on your practice.

[Contact them today.](#)

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