



THE SMALL BUSINESS DEDUCTION

Income	1a	Total amount from Form(s) W-2, box 1 (see instructions)	1a	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	b	Household employee wages not reported on Form(s) W-2	1b	
	c	Tip income not reported on line 1a (see instructions)	1c	
	d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
	e	Taxable dependent care benefits from Form 2441, line 26	1e	
	f	Employer-provided adoption benefits from Form 8839, line 31	1f	
	g	Wages from Form 8919, line 6	1g	
	h	Other earned income (see instructions). Enter type and amount:	1h	
	i	Nontaxable combat pay election (see instructions)	1i	
	z	Add lines 1a through 1h	1z	
	Attach Sch. B if required.	2a	Tax-exempt interest	2a
3a		Qualified dividends	3a	
c		Check if your child's dividends are included in ☐ Line 3a	b	Taxable interest
4a		IRA distributions	2	Ordinary dividends
c		Check if (see instructions)	2	Line 3b
5a		Pensions and annuities	b	Taxable amount
c		Check if (see instructions)	2	QCD
6a		Social security benefits	3	
c		If you elect to use the lump-sum election method, check here (see instructions)	b	Taxable amount
d		If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here	2	PSO
7a	Capital gain or (loss). Attach Schedule D if required	3		
b	Check if: ☐ Schedule D not required ☐ Includes child's capital gain or (loss)	b	Taxable amount	
8	Additional income from Schedule 1, line 10	2		
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income	3		
10	Adjustments to income from Schedule 1, line 26	b	Taxable amount	
11a	Subtract line 10 from line 9. This is your adjusted gross income	2		
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2025) Created 9/5/25				
Tax and Credits	11b	Amount from line 11a (adjusted gross income)	11b	
Standard deduction for— • Single or Married filing separately, \$15,750 • Married filing jointly or Qualifying surviving spouse, \$31,500 • Head of household, \$23,625 • If you checked a box on line 12a, 12b, 12c, or 12d, see inst.	12a	Someone can claim ☐ You as a dependent ☐ Your spouse as a dependent		
	b	☐ Spouse itemizes on a separate return	c	☐ You were a dual-status alien
	d	You: ☐ Were born before January 2, 1961 ☐ Are blind		
	Spouse: ☐ Was born before January 2, 1961 ☐ Is blind			
	e	Standard deduction or itemized deductions (from Schedule A)	12e	
	13a	Qualified business income deduction from Form 8995 or Form 8995-A	13a	
	b	Additional deductions from Schedule 1-A, line 38	13b	
	14	Add lines 12e, 13a, and 13b	14	
	15	Subtract line 14 from line 11b. If zero or less, enter -0-. This is your taxable income	15	
	16	Tax (see instructions). Check if any from Form(s): ☐ 8814 ☐ 4972 ☐	16	
17	Amount from Schedule 2, line 3	17		
18	Add lines 16 and 17	18		
19	Child tax credit or credit for other dependents from Schedule 8812	19		
20	Amount from Schedule 3, line 8	20		
21	Add lines 19 and 20	21		
22	Subtract line 21 from line 18. If zero or less, enter -0-	22		
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23		
24	Add lines 22 and 23. This is your total tax	24		

WHO BENEFITS?

Creates a Small Business Deduction for all businesses organized as sole proprietorships, S-Corps, and partnerships with taxable income up to \$197,300 individual/\$394,600 for tax year 2025. For tax year 2026, the threshold amounts are \$201,750 individual/\$403,500 joint. Eligible businesses above the thresholds can still benefit from the deduction if they are employee-intensive or make capital expenditures.

Learn More and Take Action At

SmallBusinessDeduction.com