

## IRS Releases Final Regulations on Passthroughs

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Earlier today, the IRS released [final regulations](#) on passthrough deductions under Section 199A. According to the guidance, owners of partnerships, S corporations and limited liability companies to deduct up to 20 percent from their business income.

The agency simultaneously released guidance [explaining](#) that rental real estate owners can accept the deduction if they spend 250 hours on undertakings related to leasing the property.

In yet another [agency release](#), shareholders in mutual funds that contain real estate investment trusts can also qualify for the deduction.

Rev. Proc. 2019-11, on methods for calculating W-2 wages, was also released by the IRS.

The regulations were originally expected to be released by the end of last year, but due to the partial government shutdown, the publication was delayed. Early estimates gauge that 10 million taxpayers will be impacted by the rules, which will require a projected 25 million hours of compliance.

The documents are attached.