

Specified Service Trades or Businesses (SSTBs)

For Purposes of the QBI Deduction (Reg. 1.199A-5; Prop. Reg. 1.199A-5 and preamble)

Field	Include	Exclude
Health	Physicians, pharmacists, nurses, dentists, veterinarians, physical therapists, psychologists and other similar professionals performing services in their capacity as such	Health clubs or spas, payment processing, research, testing and manufacture and/or sales of pharmaceuticals or medical devices
Law	Lawyers, paralegals, legal arbitrators, mediators and similar professionals performing services in their capacity as such	Services not requiring skills unique to legal field such as printers, delivery services or stenography services
Accounting	Accountants, enrolled agents, return preparers, financial auditors and similar professionals performing services in their capacity as such (CPA not required)	Payment processing and billing analysis
Actuarial Science	Actuaries and similar professionals performing services in their capacity as such	Analysts, economists, mathematicians and statisticians not engaged in analyzing or assessing the financial costs of risk or uncertainty of events
Performing Arts	Actors, singers, musicians, entertainers, directors and similar professionals performing services in their capacity as such	Maintenance and operation of performing arts equipment or facilities and persons who broadcast or otherwise disseminate performing arts video or audio
Consulting	Providing professional advice and counsel to clients to assist the client in achieving goals and solving problems and government lobbyists	Sales, providing training and educational courses and consulting services ancillary to the sale of goods in a business that isn't a SSTB if no separate payment for such services
Athletics	Sports athletes, coaches and team managers	Maintenance and operation of athletic equipment or facilities and persons who broadcast or otherwise disseminate athletic event video or

		audio
Financial Services	Financial advisors, investment bankers, wealth planners, retirement advisors and similar professionals performing services in their capacity as such	Banking (taking deposits or making loans)
Brokerage Services	Arranging transactions between a buyer and seller with respect to securities for a commission or fee (stock broker)	Real estate agents and brokers and insurance agents and brokers
Investing and Investment Management	Receiving fees for investing, asset management or investment management services and providing advice on buying and selling investments	Directly managing real property
Trading	Trading in securities, commodities or partnership interests	Engaging in hedging transactions as part of a manufacturing or farming business
Dealing	Regularly purchasing securities, commodities or partnership interests from and selling such to customers or regularly offering to enter into, assume, offset, assign or otherwise terminate such positions with customers	Originating loans in the ordinary course of a trade or business of making loans but engages in no more than negligible sales of the loans

Business where the principal asset is the reputation or skill of one or more of its owners or employees. A trade or business that consists of any of the following (or combination thereof):

- 1) Receiving fees, compensation or other income for endorsing products or services.
- 2) Licensing or receiving fees, compensation or other income for the use of an individual's image, likeness, name, signature, voice, trademark or other symbols associated with the individual's identity.
- 3) Receiving fees, compensation or other income for appearing at an event or on radio, television or other media format.

Observation: Many tax professionals thought this category of service providers would be broad but instead, the IRS provided this narrow definition in Reg. 1.199A-5(b)(2).