

# Anchin Alert

**Anchin, Block & Anchin LLP**  
**Accountants and Advisors**

February 18, 2020

## **How PR, Marketing and Advertising Firms Define “Consulting” Will Impact Their Eligibility for the Valuable 20% Pass-Through Entity Tax Deduction**

In 2017, Congress enacted the Tax Cuts and Jobs Act (TCJA). The legislation created new Section 199A, Pass-through Entity Deduction, allowing non-corporate taxpayers a 20% deduction on Qualifying Business Income (QBI). However, the definition of income eligible for this tax benefit for public relations, marketing and advertising firms is not straightforward.

Rather than identifying types of businesses that do qualify, the legislation provides a list of 13 Specified Service Trades or Businesses (SSTB) that may not qualify for the deduction. While public relations, marketing and advertising businesses are not specifically identified, “consulting” is one of the services considered an SSTB and may be excluded from QBI and therefore, the deduction.

Receiving the deduction may depend on the income your business identifies as “consulting”. When performing services for your clients, there is a broad range of activities associated with those defined as “consulting.” However, with proper planning and a thorough analysis of your business operations, Anchin can help determine what portion of your business activity is not consulting and can qualify for this deduction.

If you have any questions, please contact Michael Belfer, Steven Lando, or your Anchin Relationship Partner.



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