

Section IV—163(j) Limitation Calculations

Limitation on Business Interest Expense

26	Multiply adjusted taxable income (line 22) by 30% (0.30). See instructions	26		
27	Business interest income (line 25)	27		
28	Floor plan financing interest expense (line 4)	28		
29	Total. Add lines 26, 27, and 28 ▶	29		

Allowable Business Interest Expense

30	Total current year business interest expense deduction. See instructions	30		
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Carryforward

31	Disallowed business interest expense. Subtract line 29 from line 5. (If zero or less, enter -0-.)	31		
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Part II Partnership Pass-Through Items

Part II is only completed by a partnership that is subject to section 163(j). The partnership items below are allocated to the partners and are not carried forward by the partnership. See the instructions for more information.

Excess Business Interest Expense

32	Excess business interest expense. Enter amount from line 31	32		
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Excess Taxable Income (If you entered an amount on line 32, skip lines 33 through 37.)

33	Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.)	33		
34	Subtract line 33 from line 26. (If zero or less, enter -0-.)	34		
35	Divide line 34 by line 26. Enter the result as a decimal. (If line 26 is zero, then enter -0-.)	35		
36	Excess Taxable Income. Multiply line 35 by line 22	36		

Excess Business Interest Income

37	Excess business interest income. Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.)	37		
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Part III S Corporation Pass-Through Items

Part III is only completed by S corporations that are subject to section 163(j). The S corporation items below are allocated to the shareholders. See the instructions for more information.

Excess Taxable Income

38	Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.)	38		
39	Subtract line 38 from line 26. (If zero or less, enter -0-.)	39		
40	Divide line 39 by line 26. Enter the result as a decimal. (If line 26 is zero, then enter -0-.)	40		
41	Excess Taxable Income. Multiply line 40 by line 22	41		

Excess Business Interest Income

42	Excess business interest income. Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.)	42		
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