

[Your Name]  
[Your Address]  
[City, State, Zip Code]  
[Email Address]  
[Date]  
[Recipient's Name]  
[Recipient's Title]  
[Company's Name]  
[Company's Address]  
[City, State, Zip Code]

Dear [Recipient's Name],

I hope this letter finds you well. I am writing to provide an explanation regarding the Qualified Business Income (QBI) deduction as it pertains to my recent tax filing.

The QBI deduction, established under the Tax Cuts and Jobs Act, allows eligible taxpayers to deduct up to 20% of their qualified business income from their taxable income. This deduction is available to individuals, partnerships, S corporations, and some trusts and estates that earn income from qualified trades or businesses.

For the tax year [insert year], I have determined my QBI to be [insert amount] from my business which operates under the [insert type of business structure]. This income is derived from activities that qualify under the regulations set forth by the IRS.

In calculating my QBI deduction, I have also taken into account any relevant limitations based on my total income and the nature of my business activities. Given my income level, I am eligible for the full 20% deduction, resulting in a deduction amount of [insert deduction amount].

Please find attached the relevant documentation supporting my QBI calculation, including [insert list of documents, e.g., profit and loss statements, tax returns, etc.].

If you have any further questions or require additional information, please do not hesitate to contact me at [your phone number] or via email at [your email address].

Thank you for your attention to this matter.

Sincerely,

[Your Name]  
[Your Title/Position]  
[Your Business Name]