

Section 199A Activity Chart for Specified Service, Trade or Businesses

Adapted from proposed regulations issued August 8, 2018

ACTIVITY	INCLUDES	DOES NOT INCLUDE
HEALTH	Medical services by physicians, pharmacists, nurses, dentists, veterinarians, physical therapists, psychologists and other similar healthcare professionals who provide medical services directly to a patient.	Services not directly related to a medical field, even though the services may purportedly relate to the health of the service recipient. For example, the performance of services in the field of health does not include the operation of health clubs or health spas that provide physical exercise or conditioning to their customers, payment processing, or research, testing and manufacture and/or sales of pharmaceuticals or medical devices.
LAW	Services by lawyers, paralegals, legal arbitrators, mediators, and similar professionals in their capacity as such.	Services that do not require skills unique to the field of law, for example, the provision of services in the field of law does not include the provision of services by printers, delivery services, or stenography services.
ACCOUNTING	Services by accountants, enrolled agents, return preparers, financial auditors, and similar professionals in their capacity as such. Provision of services in the field of accounting is not limited to services requiring state licensure as a certified public accountant (CPA). Tax return and bookkeeping services, even though the provision of such services may not require the same education, training, or mastery of accounting principles as a CPA.	Payment processing and billing analysis.
ACTUARIAL SCIENCE	Services by actuaries and similar professionals in their capacity as such.	Services by analysts, economists, mathematicians, and statisticians not engaged in analyzing or assessing the financial costs of risk or uncertainty of events.
PERFORMING ARTS	Services by individuals who participate in the creation of performing arts, such as actors, singers, musicians, entertainers, directors, and similar professionals performing services in their capacity as such.	Services that do not require skills unique to the creation of performing arts, such as maintenance and operation of equipment or facilities for use in the performing arts. Services by persons who broadcast or otherwise disseminate video or audio of performing arts to the public.



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CONSULTING	<p>Professional advice and counsel to clients to assist the client in achieving goals and solving problems.</p> <p>Providing advice and counsel regarding advocacy with the intention of influencing decisions made by a government or governmental agency and all attempts to influence legislators and other government officials on behalf of a client by lobbyists and other similar professionals performing services in their capacity as such.</p>	<p>Services other than advice and counsel. This determination is made based on all the facts and circumstances of a person's business.</p> <p>Consulting that is embedded in, or ancillary to, the sale of goods if there is no separate payment for the consulting services.</p>
ATHLETICS	<p>Services by individuals who participate in athletic competition such as athletes, coaches, and team managers in sports such as baseball, basketball, football, soccer, hockey, martial arts, boxing, bowling, tennis, golf, skiing, snowboarding, track and field, billiards and racing.</p>	<p>Services that do not require skills unique to athletic competition, such as the maintenance and operation of equipment or facilities for use in athletic events.</p> <p>Services by persons who broadcast or otherwise disseminate video or audio of athletic events to the public.</p>
FINANCIAL SERVICES	<p>Services provided by financial advisors, investment bankers, wealth planners, and retirement advisors and other similar professionals.</p> <p>Financial services to clients including managing wealth, advising clients with respect to finances, developing retirement plans, developing wealth transition plans, the provision of advisory and other similar services regarding valuations, mergers, acquisitions, dispositions, restructurings (including in title 11 or similar cases), and raising financial capital by underwriting, or acting as the client's agent in the issuance of securities and similar services.</p>	<p>Taking deposits or making loans.</p>
BROKERAGE SERVICES	<p>Services in which a person arranges transactions between a buyer and a seller with respect to securities (as defined in section 475(c)(2)) for a commission or fee.</p> <p>Services provided by stock brokers and other similar professionals.</p>	<p>Services provided by real estate agents and brokers, or insurance agents and brokers.</p>

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INVESTING AND INVESTMENT MANAGEMENT	<p>A trade or business that earns fees for investment, asset management services, or investment management services including providing advice with respect to buying and selling investments.</p> <p>A trade or business that receives either a commission, a flat fee, or an investment management fee calculated as a percentage of assets under management.</p>	Directly managing real property.
TRADING SERVICES	A trade or business of trading in securities, commodities, or partnership interests. Whether a person is a trader is determined by taking into account the relevant facts and circumstances. Factors that have been considered relevant to determining whether a person is a trader include the source and type of profit generally sought from engaging in the activity regardless of whether the activity is being provided on behalf of customers or for a taxpayer's own account.	A taxpayer whose sole trading activities consists of engaging in hedging transactions as part of their overall trade or business. For example, a farmer who trades futures contracts to hedge price fluctuations would not be considered a trader for these purposes.
DEALING IN SECURITIES, PARTNERSHIP INTERESTS, AND COMMODITIES	Regularly purchasing securities, partnership interests, and/or commodities from and selling them to customers in the ordinary course of a trade or business or regularly offering to enter into, assume, offset, assign, or otherwise terminate positions in securities, partnership interests, and/or commodities with customers in the ordinary course of a trade or business.	A taxpayer that regularly originates loans in the ordinary course of a trade or business of making loans but engages in no more than negligible sales of the loans is not dealing in securities.



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