

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedule SE (Form 1040).**

OMB No. 1545-0074

2004

Attachment
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040)

Social security number of person
with **self-employment** income ▶

Who Must File Schedule SE

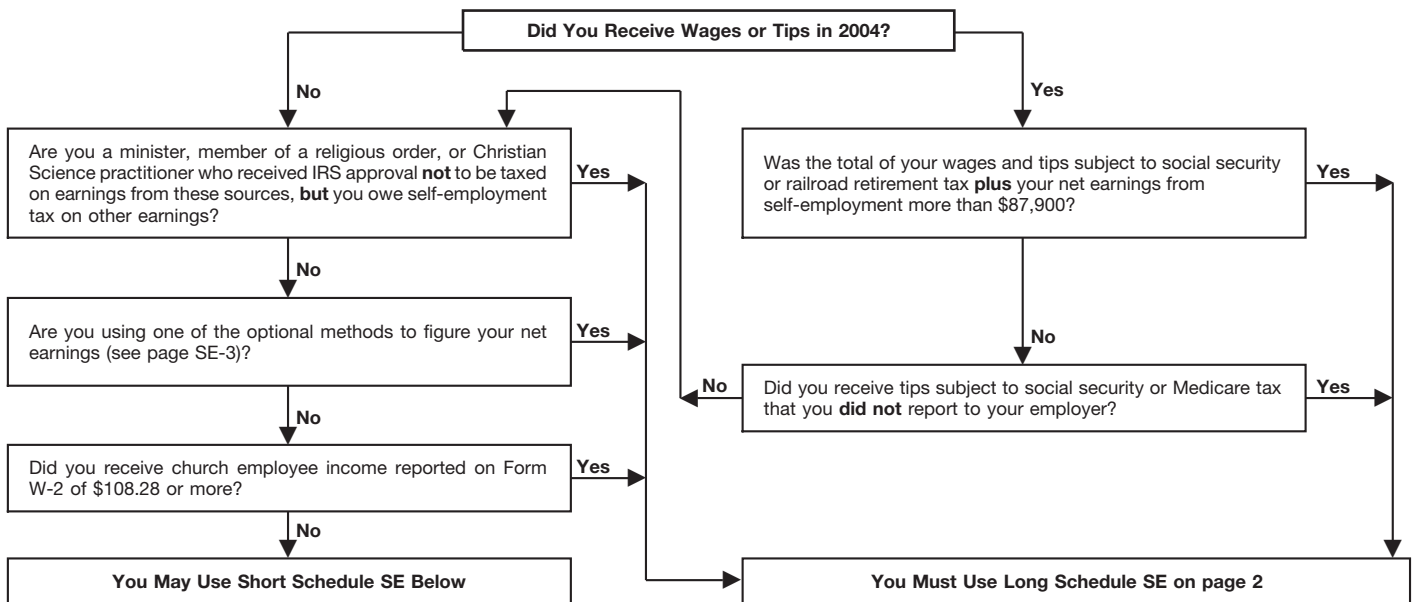
You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 57.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

| | | | |
|---|--|---|--|
| 1 | Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A | | |
| 2 | Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report | | |
| 3 | Combine lines 1 and 2 | | |
| 4 | Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶ | | |
| 5 | Self-employment tax. If the amount on line 4 is: • \$87,900 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57. • More than \$87,900, multiply line 4 by 2.9% (.029). Then, add \$10,899.60 to the result. Enter the total here and on Form 1040, line 57. | | |
| 6 | Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 30 | 6 | |

| | |
|---|---|
| Name of person with self-employment income (as shown on Form 1040) | Social security number of person with self-employment income ▶ |
|---|---|

Section B—Long Schedule SE

Part I Self-Employment Tax

Note. If your only income subject to self-employment tax is **church employee income**, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order **is not** church employee income. See page SE-1.

| | | | | |
|-----------|---|-----------|--------|----|
| A | If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I. ▶ <input type="checkbox"/> | | | |
| 1 | Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note. Skip this line if you use the farm optional method (see page SE-4) | | | |
| 2 | Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report. Note. Skip this line if you use the nonfarm optional method (see page SE-4) | | | |
| 3 | Combine lines 1 and 2 | | | |
| 4a | If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3 | | | |
| 4b | If you elect one or both of the optional methods, enter the total of lines 15 and 17 here | | | |
| 4c | Combine lines 4a and 4b. If less than \$400, stop ; you do not owe self-employment tax. Exception. If less than \$400 and you had church employee income , enter -0- and continue. ▶ | | | |
| 5a | Enter your church employee income from Form W-2. See page SE-1 for definition of church employee income | 5a | | |
| 5b | Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0- | | | |
| 6 | Net earnings from self-employment. Add lines 4c and 5b | | | |
| 7 | Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2004 | | 87,900 | 00 |
| 8a | Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$87,900 or more, skip lines 8b through 10, and go to line 11 | 8a | | |
| 8b | Unreported tips subject to social security tax (from Form 4137, line 9) | 8b | | |
| 8c | Add lines 8a and 8b | | | |
| 9 | Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶ | | | |
| 10 | Multiply the smaller of line 6 or line 9 by 12.4% (.124) | | | |
| 11 | Multiply line 6 by 2.9% (.029) | | | |
| 12 | Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 57 | | | |
| 13 | Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on Form 1040, line 30 | 13 | | |

Part II Optional Methods To Figure Net Earnings (see page SE-3)

| | | | | |
|-----------|--|--|-------|----|
| | <p>Farm Optional Method. You may use this method only if (a) your gross farm income¹ was not more than \$2,400 or (b) your net farm profits² were less than \$1,733.</p> | | | |
| 14 | Maximum income for optional methods | | 1,600 | 00 |
| 15 | Enter the smaller of: two-thirds (2/3) of gross farm income ¹ (not less than zero) or \$1,600. Also include this amount on line 4b above | | | |
| | <p>Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits³ were less than \$1,733 and also less than 72.189% of your gross nonfarm income⁴ and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.</p> | | | |
| | <p>Caution. You may use this method no more than five times.</p> | | | |
| 16 | Subtract line 15 from line 14 | | | |
| 17 | Enter the smaller of: two-thirds (2/3) of gross nonfarm income ⁴ (not less than zero) or the amount on line 16. Also include this amount on line 4b above | | | |

¹ From Sch. F, line 11, and Sch. K-1 (Form 1065), box 14, code B.

³ From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9.

² From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A.

⁴ From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9.