

CORRECTED
2009 Schedule C (Form 1040), Profit or Loss From Business

Purpose: This is the first circulated draft of the 2009 Schedule C (Form 1040) for your review and comments.

TPCC Meeting: None, but one can be arranged if requested.

Prior Revisions: The 2008 Schedule C (Form 1040) can be viewed by clicking on the following link: <http://www.irs.gov/pub/irs-pdf/f1040sc.pdf>

Instructions: The 2009 Instructions for Schedule C will be circulated at a later date. The 2008 instructions can be viewed by clicking on the following link:
<http://www.irs.gov/pub/irs-pdf/i1040sc.pdf>

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: <http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments by **June 5, 2009**.

Changes to 2009 Schedule C (Form 1040)

All years were update appropriately

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**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Name of proprietor

Profit or Loss From Business

(Sole Proprietorship)

► **Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.**

► **Attach to Form 1040, 1040NR, or 1041.**

► **See Instructions for Schedule C (Form 1040).**

OMB No. 1545-0074

2009

Attachment
Sequence No. **09**

A Principal business or profession, including product or service (see page C-3 of the instructions)

Social security number (SSN)

B Enter code from pages C-9, 10, & 11

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you "materially participate" in the operation of this business during 2009? If "No," see page C-4 for limit on losses ☐ Yes ☐ No

H If you started or acquired this business during 2009, check here ☐ **Yes** ☐ **No**

Part I Income

1 Gross receipts or sales. **Caution.** See page C-4 and check the box if:

- This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or
- You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-4 for limit on losses.

☐

2 Returns and allowances

3 Subtract line 2 from line 1

4 Cost of goods sold (from line 42 on page 2)

5 **Gross profit.** Subtract line 4 from line 3

6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4)

7 **Gross income.** Add lines 5 and 6

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising

9 Car and truck expenses (see page C-5)

10 Commissions and fees

11 Contract labor (see page C-5)

12 Depletion

13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-5)

14 Employee benefit programs (other than on line 19)

15 Insurance (other than health)

16 Interest:

a Mortgage (paid to banks, etc.)

b Other

17 Legal and professional services

18 Office expense

19 Pension and profit-sharing plans

20 Rent or lease (see page C-6):

a Vehicles, machinery, and equipment

b Other business property

21 Repairs and maintenance

22 Supplies (not included in Part III)

23 Taxes and licenses

24 Travel, meals, and entertainment:

a Travel

b Deductible meals and entertainment (see page C-7)

25 Utilities

26 Wages (less employment credits)

27 Other expenses (from line 48 on page 2)

28 **Total expenses** before expenses for business use of home. Add lines 8 through 27

29 Tentative profit or (loss). Subtract line 28 from line 7

30 Expenses for business use of your home. Attach **Form 8829**

31 **Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13** (if you checked the box on line 1, see page C-7). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see page C-8).

- If you checked 32a, enter the loss on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13** (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on **Form 1041, line 3**.
- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see page C-8)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)		
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36	Purchases less cost of items withdrawn for personal use	36	
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs	39	
40	Add lines 35 through 39	40	
41	Inventory at end of year	41	
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-5 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year) ► ____ / ____ / ____
44	Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:
a	Business _____
b	Commuting (see instructions) _____
c	Other _____
45	Was your vehicle available for personal use during off-duty hours? <input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?. <input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction? <input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

48	Total other expenses. Enter here and on page 1, line 27	48