

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

2007
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 ▶	: : :
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Who Must File Schedule SE

You must file Schedule SE if:

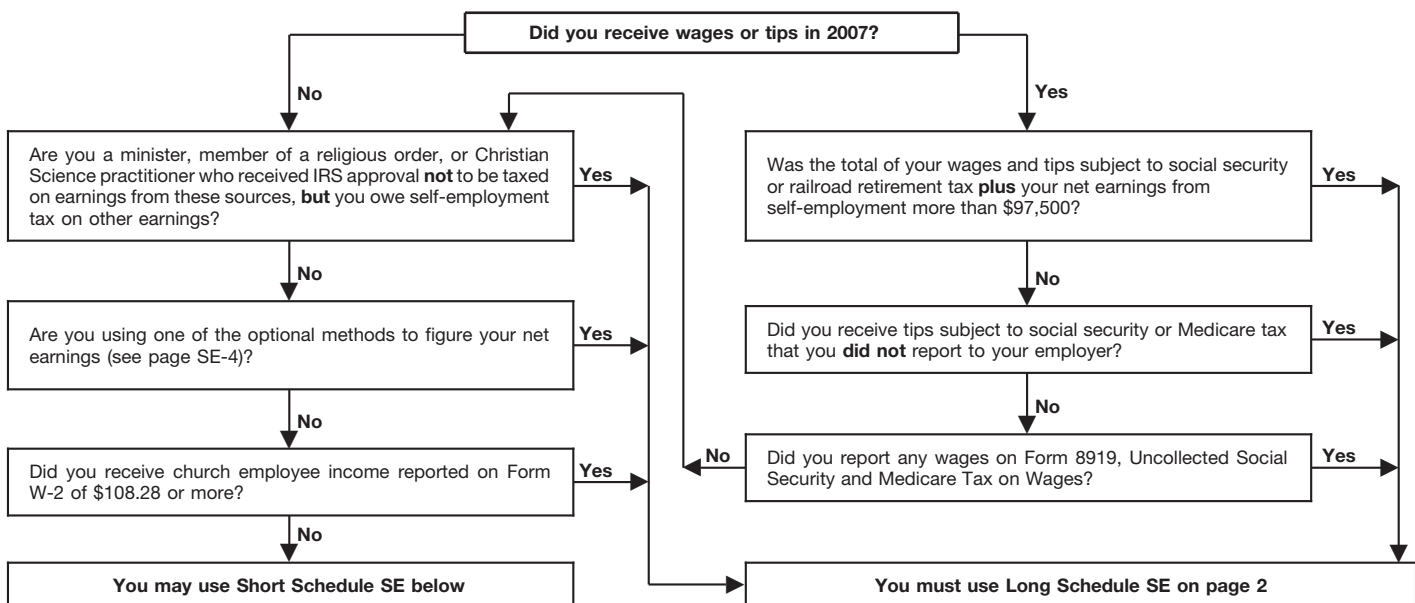
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious 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-4).

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 58.

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

Note. Use this flowchart **only** if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



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	1		
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, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report	2		
3 Combine lines 1 and 2	3		
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 ▶	4		
5 Self-employment tax. If the amount on line 4 is: ● \$97,500 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. ● More than \$97,500, multiply line 4 by 2.9% (.029). Then, add \$12,090 to the result. Enter the total here and on Form 1040, line 58	5		
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	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.

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, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 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

b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here

c 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** | |

b Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0- **5b** | |

6 Net earnings from self-employment. Add lines 4c and 5b **6** | |

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 2007 **7** | 97,500 | 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 \$97,500 or more, skip lines 8b through 10, and go to line 11 **8a** | |

b Unreported tips subject to social security tax (from Form 4137, line 10) **8b** | |

c Wages subject to social security tax (from Form 8919, line 10) **8c** | |

d Add lines 8a, 8b, and 8c **8d** | |

9 Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶ **9** | |

10 Multiply the **smaller** of line 6 or line 9 by 12.4% (.124) **10** | |

11 Multiply line 6 by 2.9% (.029) **11** | |

12 Self-employment tax. Add lines 10 and 11. Enter here and on **Form 1040, line 58** **12** | |

13 Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on **Form 1040, line 27** **13** | |

Part II Optional Methods To Figure Net Earnings (see page SE-4)

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.

14 Maximum income for optional methods **14** | 1,600 | 00

15 Enter the **smaller** of: two-thirds (⅔) of gross farm income¹ (not less than zero) **or** \$1,600. Also include this amount on line 4b above **15** | |

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 income,⁴ **and (b)** you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.

Caution. You may use this method no more than five times.

16 Subtract line 15 from line 14 **16** | |

17 Enter the **smaller** of: two-thirds (⅔) of gross nonfarm income⁴ (not less than zero) **or** the amount on line 16. Also include this amount on line 4b above **17** | |

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

³From 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, code J1.

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

⁴From 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, code J2.