

U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)

Department of the Treasury
Internal Revenue Service

Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), or Puerto Rico. For the year Jan. 1–Dec. 31, 2004, or other tax year beginning , 2004, and ending , 20 .

2004

Please type or print	Your first name and initial	Last name	Your social security number
	If a joint return, spouse's first name and initial	Last name	Spouse's social security number
	Present home address (number, street, and apt. no., or rural route)		
	City, town or post office, commonwealth or territory, and ZIP code		

Part I Total Tax and Credits

- 1 Filing status.** Check the box for your filing status. See page 3 of the instructions.
- Single
- Married filing jointly
- Married filing separately. Enter spouse's social security no. above and full name here. ▶ _____
- 2 Qualifying children.** Complete **only** if you are a bona fide resident of Puerto Rico and you are claiming the additional child tax credit (see page 4 of the instructions).

(a) First name	Last name	(b) Child's social security number	(c) Child's relationship to you

3 Self-employment tax from Part V, line 12		3
4 Household employment taxes. Attach Schedule H (Form 1040). See page 3 of the instructions		4
5 Total tax. Add lines 3 and 4		5
6 2004 estimated tax payments (see page 4 of the instructions)	6	
7 Excess social security tax withheld (see page 4 of the instructions)	7	
8 Additional child tax credit from Part II, line 3	8	
9 Health coverage tax credit. Attach Form 8885	9	
10 Total payments and credits. Add lines 6 through 9		10
11 If line 10 is more than line 5, subtract line 5 from line 10. This is the amount you overpaid .		11
12 Amount of line 11 to be refunded to you		12
13 Amount of line 11 to be applied to 2005 estimated tax	13	
14 Amount you owe. Subtract line 10 from line 5. For details on how to pay, see page 1 of the instructions		14

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see page 1)? **Yes.** Complete the following. **No**

Designee's name ▶ _____ Phone no. ▶ () _____ Personal identification number (PIN) ▶ _____

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature _____ Date _____ Daytime phone number () _____

Spouse's signature. If a joint return, **both** must sign. _____ Date _____

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed Preparer's SSN or PTIN _____

Firm's name (or yours if self-employed), address, and ZIP code ▶ _____ EIN _____

Phone no. () _____

Part II Bona Fide Residents of Puerto Rico Claiming Additional Child Tax Credit—See page 4 of the instructions.

1	Income derived from sources within Puerto Rico	1		
2	Withheld social security and Medicare taxes from Forms 499R-2/W-2PR (attach copy of form(s))	2		
3	Additional child tax credit. See the worksheet on page 5 of the instructions for the amount to enter here and on page 1, line 8	3		

Part III Profit or Loss From Farming

Name of proprietor	Social security number
	: : :

Note: If you are filing a joint return and both you and your spouse had a profit or loss from farming, you must **each** complete and attach a **separate** Part III (see **Joint returns** on page 3 of the instructions).

Section A—Farm Income—Cash Method—Complete Sections A and B
(Accrual method taxpayers, complete Sections B and C, and line 11 of Section A.)
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes.

1	Sales of livestock and other items you bought for resale	1		
2	Cost or other basis of livestock and other items reported on line 1	2		
3	Subtract line 2 from line 1	3		
4	Sales of livestock, produce, grains, and other products you raised	4		
5a	Total cooperative distributions (Form(s) 1099-PATR).	5a		5b Taxable amount
6	Agricultural program payments received	6		
7	Commodity Credit Corporation loans reported under election (or forfeited).	7		
8	Crop insurance proceeds	8		
9	Custom hire (machine work) income	9		
10	Other income	10		
11	Gross farm income. Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from Section C, line 49 ▶	11		

Section B—Farm Expenses—Cash and Accrual Method

Do not include personal or living expenses (such as taxes, insurance, repairs, etc., on your home) that did not produce farm income. Reduce the amount of your farm expenses by any reimbursements before entering the expenses below.

12	Car and truck expenses (attach Form 4562)	12			24	Labor hired	24		
13	Chemicals	13			25	Pension and profit-sharing plans	25		
14	Conservation expenses	14			26	Rent or lease:			
15	Custom hire (machine work)	15			a	Vehicles, machinery, and equipment	26a		
16	Depreciation and section 179 expense deduction not claimed elsewhere (attach Form 4562 if required)	16			b	Other (land, animals, etc.)	26b		
17	Employee benefit programs other than on line 25.	17			27	Repairs and maintenance	27		
18	Feed purchased	18			28	Seeds and plants purchased	28		
19	Fertilizers and lime	19			29	Storage and warehousing	29		
20	Freight and trucking	20			30	Supplies purchased	30		
21	Gasoline, fuel, and oil	21			31	Taxes.	31		
22	Insurance (other than health)	22			32	Utilities	32		
23	Interest:				33	Veterinary, breeding, and medicine	33		
a	Mortgage (paid to banks, etc.)	23a			34	Other expenses (specify):			
b	Other	23b			a	.....	34a		
					b	.....	34b		
					c	.....	34c		
					d	.....	34d		
					e	.....	34e		
35	Total expenses. Add lines 12 through 34e ▶	35			35		35		
36	Net farm profit or (loss). Subtract line 35 from line 11. Enter the result here and in Part V, line 1	36			36		36		

Section C—Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes on any of the lines below.

37	Sales of livestock, produce, grains, and other products during the year			37	
38a	Total cooperative distributions (Form(s) 1099-PATR) 38a | | |			38b	38b Taxable amount
39	Agricultural program payments received			39	
40	Commodity Credit Corporation loans reported under election (or forfeited).			40	
41	Custom hire (machine work) income			41	
42	Other farm income (specify).....			42	
43	Add the amounts in the right column for lines 37 through 42			43	
44	Inventory of livestock, produce, grains, and other products at the beginning of the year	44			
45	Cost of livestock, produce, grains, and other products purchased during the year	45			
46	Add lines 44 and 45	46			
47	Inventory of livestock, produce, grains, and other products at the end of the year	47			
48	Cost of livestock, produce, grains, and other products sold. Subtract line 47 from line 46*			48	
49	Gross farm income. Subtract line 48 from line 43. Enter the result here and on page 2, Part III, line 11 ▶			49	

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 47 is larger than the amount on line 46, subtract line 46 from line 47. Enter the result on line 48. Add lines 43 and 48. Enter the total on line 49.

Part IV Profit or Loss From Business (Sole Proprietorship)

Name of proprietor	Social security number
--------------------	------------------------

Note: If you are filing a joint return and both you and your spouse had a profit or loss from a business, you must **each** complete and attach a **separate** Part IV (see **Joint returns** on page 3 of the instructions).

Section A—Income

1	Gross receipts \$ Less returns and allowances \$ Balance ▶			1	
2a	Inventory at beginning of year	2a			
b	Purchases less cost of items withdrawn for personal use	2b			
c	Cost of labor. Do not include any amounts paid to yourself	2c			
d	Materials and supplies	2d			
e	Other costs (attach statement)	2e			
f	Add lines 2a through 2e	2f			
g	Inventory at end of year	2g			
h	Cost of goods sold. Subtract line 2g from line 2f			2h	
3	Gross profit. Subtract line 2h from line 1			3	
4	Other income			4	
5	Gross income. Add lines 3 and 4 ▶			5	

Section B—Expenses

6	Advertising	6		19	Repairs and maintenance	19	
7	Car and truck expenses (attach Form 4562)	7		20	Supplies (not included in Section A)	20	
8	Commissions and fees	8		21	Taxes and licenses	21	
9	Contract labor	9		22	Travel, meals, and entertainment:		
10	Depletion	10		a	Travel	22a	
11	Depreciation and section 179 expense deduction (not included in Section A). (Attach Form 4562 if required.)	11		b	Meals and entertainment		
12	Employee benefit programs (other than on line 17)	12		c	Enter nondeductible amount included on line 22b		
13	Insurance (other than health)	13		d	Subtract line 22c from line 22b	22d	
14	Interest on business indebtedness	14		23	Utilities	23	
15	Legal and professional services	15		24	Wages not included on line 2c	24	
16	Office expense	16		25a	Other expenses (list type and amount):		
17	Pension and profit-sharing plans	17			.....	
18	Rent or lease:				.....	
a	Vehicles, machinery, and equipment	18a			.....	
b	Other business property	18b		25b	Total other expenses	25b	
26	Total expenses. Add lines 6 through 25b ▶			26		26	
27	Net profit or (loss). Subtract line 26 from line 5. Enter the result here and in Part V, line 2			27		27	

Part V Self-Employment Tax—If you had **church employee income**, see page 2 of the instructions before you begin.

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

Note: If you are filing a joint return and both you and your spouse had self-employment income, you must **each** complete a **separate** Part V.

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 V <input type="checkbox"/>			
1	Net farm profit or (loss) from Part III, line 36, and your distributive share from farm partnerships. Note: Skip this line if you use the farm optional method (see page 7 of the instructions)			
2	Net nonfarm profit or (loss) from Part IV, line 27, and your distributive share from nonfarm partnerships. Ministers and members of religious orders, see page 2 for amounts to report on this line. Note: Skip this line if you use the nonfarm optional method (see page 7 of the instructions)			
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 elected one or both of the optional methods, enter the total of lines 2 and 4 of Part VI 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, or you owe tax on tips or group-term life insurance, enter -0- and continue ▶			
5a	Enter your church employee income from Form(s) W-2, W-2AS, W-2CM, W-2GU, W-2VI, or 499R-2/W-2PR	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 ▶	6		
7	Maximum amount of combined wages and self-employment earnings subject to social security tax for 2004	7	87,900	00
8a	Total social security wages and tips from Form(s) W-2, W-2AS, W-2CM, W-2GU, W-2VI, or 499R-2/W-2PR. 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 (see page 7 of the instructions)	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 ▶	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 line 3 of Part I	12		

Part VI Optional Methods To Figure Net Earnings. See page 7 of the instructions for limitations.

Note: If you are filing a joint return and both you and your spouse choose to use an optional method to figure net earnings, you must **each** complete and attach a **separate** Part VI.

Farm Optional Method				
1	Maximum income for optional methods	1	\$1,600	00
2	Enter the smaller of: two-thirds (2/3) of gross farm income from Part III, line 11, and your distributive share from farm partnerships (not less than zero), or \$1,600. Include this amount on Part V, line 4b, above	2		
Nonfarm Optional Method				
3	Subtract line 2 from line 1	3		
4	Enter the smaller of: two-thirds (2/3) of gross nonfarm income from Part IV, line 5, and your distributive share from nonfarm partnerships (not less than zero), or the amount on Part VI, line 3, above. Also, include this amount on Part V, line 4b, above	4		