

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

Department of the Treasury
Internal Revenue Service

Name of self-employed person (as shown on social security card)	Social security number of self-employed person ▶
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Part I Regular Computation of Net Earnings From Self-Employment

Note: If you performed services for certain churches or church-controlled organizations and you are not a minister or a member of a religious order, see the instructions.

- 1 Net farm profit or (loss) from Schedule F (Form 1040), line 39, and farm partnerships, Schedule K-1 (Form 1065), line 13a
- 2 Net profit or (loss) from Schedule C (Form 1040), line 33, Schedule K-1 (Form 1065), line 13a (other than farming), and Form W-2 wages of \$100 or more from an electing church or church-controlled organization. (See instructions for other income to report.)

Note: Check here if you are **exempt** from self-employment tax on your earnings as a minister, member of a religious order, or Christian Science practitioner because you filed **Form 4361**. See instructions for kinds of income to report. If you have other earnings of \$400 or more that are subject to self-employment tax, include those earnings on line 2.

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**Part II Optional Computation of Net Earnings From Self-Employment
(See "Who Can Use Schedule SE")**

Generally, this part may be used **only** if you meet any of the following tests:

- A** Your gross farm income (Schedule F (Form 1040), line 12) was not more than \$2,400; or
 - B** Your gross farm income (Schedule F (Form 1040), line 12) was more than \$2,400 and your net farm profits (Schedule F (Form 1040), line 39) were less than \$1,600; or
 - C** Your net nonfarm profits (Schedule C (Form 1040), line 33) were less than \$1,600 and also less than two-thirds (2/3) of your gross nonfarm income (Schedule C (Form 1040), line 5).
- See instructions for other limitations.

3 Maximum income for optional methods	3	\$1,600	00
4 Farm Optional Method—If you meet test A or B above, enter: the smaller of two-thirds (2/3) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 13b; or \$1,600	4		
5 Subtract line 4 from line 3	5		
6 Nonfarm Optional Method—If you meet test C above, enter: the smallest of two-thirds (2/3) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 13c (other than farming); or \$1,600; or, if you elected the farm optional method, the amount on line 5	6		

Part III Computation of Social Security Self-Employment Tax

7 Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4	7		
8 Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6	8		
9 Add lines 7 and 8. If less than \$400, do not fill in the rest of the schedule because you are not subject to self-employment tax. (Exception: If this line is less than \$400 and you are an employee of an electing church or church-controlled organization, complete the schedule unless this line is a loss. See instructions.)	9		
10 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (Tier 1) for 1985 is	10	\$39,600	00
11 a Total social security wages and tips from Forms W-2 and railroad retirement compensation (Tier 1). Note: U.S. Government employees whose wages are only subject to the 1.35% hospital insurance benefits tax (Medicare) and employees of certain church or church-controlled organizations should not include those wages on this line (see instructions)	11a		
b Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (Tier 1)	11b		
c Add lines 11a and 11b	11c		
12 a Subtract line 11c from line 10	12a		
b Enter your "qualified" U.S. Government wages if you are required to use the worksheet in Part III of the instructions. 12b _____	12b		
c Enter your Form W-2 wages from an electing church or church-controlled organization. 12c _____	12c		
13 Enter the smaller of line 9 or line 12a	13		
If line 13 is \$39,600, fill in \$4,672.80 on line 14. Otherwise, multiply line 13 by .118 and enter the result on line 14	14	.118	
14 Self-employment tax. Enter this amount on Form 1040, line 51	14		