

**SCHEDULE SE  
(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

**1996**

Attachment  
Sequence No. **17**

Department of the Treasury  
Internal Revenue Service (99)

▶ See Instructions for Schedule SE (Form 1040).

▶ Attach to Form 1040.

Name of person with <b>self-employment</b> income (as shown on Form 1040)	Social security number of person with <b>self-employment</b> income ▶
---	---

**Who Must File Schedule SE**

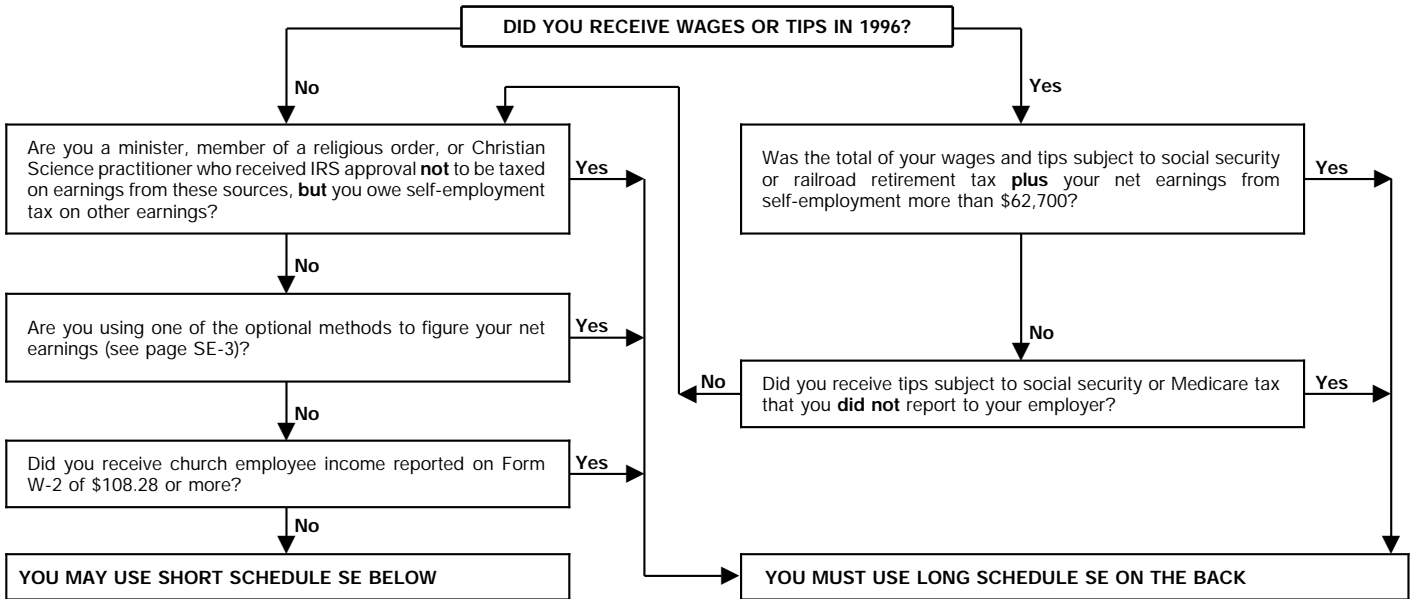
You must file Schedule SE if:

- 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 45.

**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), line 15a . . . . .	1		
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; and Schedule K-1 (Form 1065), line 15a (other than farming). 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 . . . . .	2		
3 Combine lines 1 and 2 . . . . .	3		
4 <b>Net earnings from self-employment.</b> Multiply line 3 by 92.35% (.9235). If less than \$400, <b>do not</b> file this schedule; you do not owe self-employment tax . . . . . ▶	4		
5 <b>Self-employment tax.</b> If the amount on line 4 is: <ul style="list-style-type: none"> <li>• \$62,700 or less, multiply line 4 by 15.3% (.153). Enter the result here and on <b>Form 1040, line 45.</b></li> <li>• More than \$62,700, multiply line 4 by 2.9% (.029). Then, add \$7,774.80 to the result. Enter the total here and on <b>Form 1040, line 45.</b></li> </ul>	5		
6 <b>Deduction for one-half of self-employment tax.</b> Multiply line 5 by 50% (.5). Enter the result here and on <b>Form 1040, line 25</b> . . . . .	6		

Name of person with <b>self-employment</b> income (as shown on Form 1040)	Social security number of person with <b>self-employment</b> 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.

<p><b>A</b> If you are a minister, member of a religious order, or Christian Science practitioner <b>and</b> you filed Form 4361, but you had \$400 or more of <b>other</b> net earnings from self-employment, check here and continue with Part I. <span style="float:right"><input type="checkbox"/></span></p>																																																																									
<p><b>1</b> Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a. <b>Note:</b> Skip this line if you use the farm optional method. See page SE-3 . . . . .</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%; text-align:center;"><b>1</b></td><td style="width:15%;"></td><td style="width:15%;"></td><td style="width:15%;"></td></tr> <tr><td style="text-align:center;"><b>2</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>3</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>4a</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>4b</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>4c</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>5a</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>5b</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>6</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>7</b></td><td style="text-align:right;">62,700</td><td style="text-align:right;">00</td><td></td></tr> <tr><td style="text-align:center;"><b>8a</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>8b</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>8c</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>9</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>10</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>11</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>12</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>13</b></td><td></td><td></td><td></td></tr> </table>	<b>1</b>				<b>2</b>				<b>3</b>				<b>4a</b>				<b>4b</b>				<b>4c</b>				<b>5a</b>				<b>5b</b>				<b>6</b>				<b>7</b>	62,700	00		<b>8a</b>				<b>8b</b>				<b>8c</b>				<b>9</b>				<b>10</b>				<b>11</b>				<b>12</b>				<b>13</b>			
<b>1</b>																																																																									
<b>2</b>																																																																									
<b>3</b>																																																																									
<b>4a</b>																																																																									
<b>4b</b>																																																																									
<b>4c</b>																																																																									
<b>5a</b>																																																																									
<b>5b</b>																																																																									
<b>6</b>																																																																									
<b>7</b>	62,700	00																																																																							
<b>8a</b>																																																																									
<b>8b</b>																																																																									
<b>8c</b>																																																																									
<b>9</b>																																																																									
<b>10</b>																																																																									
<b>11</b>																																																																									
<b>12</b>																																																																									
<b>13</b>																																																																									
<p><b>2</b> Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; and Schedule K-1 (Form 1065), line 15a (other than farming). 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. <b>Note:</b> Skip this line if you use the nonfarm optional method. See page SE-3. . . . .</p>																																																																									
<p><b>3</b> Combine lines 1 and 2 . . . . .</p>																																																																									
<p><b>4a</b> If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3</p>																																																																									
<p><b>4b</b> If you elected one or both of the optional methods, enter the total of lines 15 and 17 here . . . . .</p>																																																																									
<p><b>4c</b> Combine lines 4a and 4b. If less than \$400, <b>do not</b> file this schedule; you do not owe self-employment tax. <b>Exception.</b> If less than \$400 and you had <b>church employee income</b>, enter -0- and continue ▶</p>																																																																									
<p><b>5a</b> Enter your <b>church employee income</b> from Form W-2. <b>Caution:</b> See page SE-1 for definition of church employee income . . . . .</p>																																																																									
<p><b>5b</b> Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0- . . . . .</p>																																																																									
<p><b>6</b> <b>Net earnings from self-employment.</b> Add lines 4c and 5b . . . . .</p>																																																																									
<p><b>7</b> 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 1996 . . . . .</p>																																																																									
<p><b>8a</b> Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation . . . . .</p>																																																																									
<p><b>8b</b> Unreported tips subject to social security tax (from Form 4137, line 9) . . . . .</p>																																																																									
<p><b>8c</b> Add lines 8a and 8b . . . . .</p>																																																																									
<p><b>9</b> Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 . ▶</p>																																																																									
<p><b>10</b> Multiply the <b>smaller</b> of line 6 or line 9 by 12.4% (.124) . . . . .</p>																																																																									
<p><b>11</b> Multiply line 6 by 2.9% (.029). . . . .</p>																																																																									
<p><b>12</b> <b>Self-employment tax.</b> Add lines 10 and 11. Enter here and on <b>Form 1040, line 45</b> . . . . .</p>																																																																									
<p><b>13</b> <b>Deduction for one-half of self-employment tax.</b> Multiply line 12 by 50% (.5). Enter the result here and on <b>Form 1040, line 25</b> . . . . .</p>																																																																									

**Part II Optional Methods To Figure Net Earnings** (See page SE-3.)

<p><b>Farm Optional Method.</b> You may use this method <b>only</b> if:</p> <ul style="list-style-type: none"> <li>• Your gross farm income<sup>1</sup> was not more than \$2,400, <b>or</b></li> <li>• Your gross farm income<sup>1</sup> was more than \$2,400 and your net farm profits<sup>2</sup> were less than \$1,733.</li> </ul>																	
<p><b>14</b> Maximum income for optional methods . . . . .</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%; text-align:center;"><b>14</b></td><td style="width:15%;"></td><td style="width:15%; text-align:right;">1,600</td><td style="width:15%; text-align:right;">00</td></tr> <tr><td style="text-align:center;"><b>15</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>16</b></td><td></td><td></td><td></td></tr> <tr><td style="text-align:center;"><b>17</b></td><td></td><td></td><td></td></tr> </table>	<b>14</b>		1,600	00	<b>15</b>				<b>16</b>				<b>17</b>			
<b>14</b>		1,600	00														
<b>15</b>																	
<b>16</b>																	
<b>17</b>																	
<p><b>15</b> Enter the <b>smaller</b> of: two-thirds (2/3) of gross farm income<sup>1</sup> (not less than zero) <b>or</b> \$1,600. Also, include this amount on line 4b above . . . . .</p>																	
<p><b>Nonfarm Optional Method.</b> You may use this method <b>only</b> if:</p> <ul style="list-style-type: none"> <li>• Your net nonfarm profits<sup>3</sup> were less than \$1,733 and also less than 72.189% of your gross nonfarm income,<sup>4</sup> <b>and</b></li> <li>• You had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.</li> </ul> <p><b>Caution:</b> You may use this method no more than five times.</p>																	
<p><b>16</b> Subtract line 15 from line 14 . . . . .</p>																	
<p><b>17</b> Enter the <b>smaller</b> of: two-thirds (2/3) of gross nonfarm income<sup>4</sup> (not less than zero) <b>or</b> the amount on line 16. Also, include this amount on line 4b above . . . . .</p>																	

<sup>1</sup>From Schedule F, line 11, and Schedule K-1 (Form 1065), line 15b. <sup>3</sup>From Schedule C, line 31; Schedule C-EZ, line 3; and Schedule K-1 (Form 1065), line 15a.  
<sup>2</sup>From Schedule F, line 36, and Schedule K-1 (Form 1065), line 15a. <sup>4</sup>From Schedule C, line 7; Schedule C-EZ, line 1; and Schedule K-1 (Form 1065), line 15c.

