SCHEDULE SE (Form 1040)

Self-Employment Tax

OMB No. 1545-0074

2003

Attachment
Sequence No. 17

Department of the Treasury Internal Revenue Service (99)

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

Social security number of person with **self-employment** income ►

Who Must File Schedule SE

Name of person with self-employment income (as shown on Form 1040)

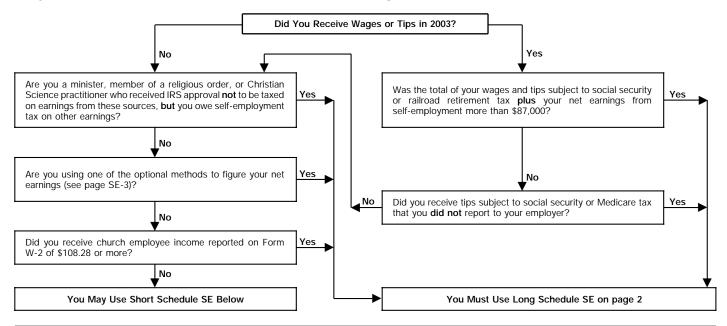
You must file Schedule SE if:

- 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 55.

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; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9. 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	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:		
	• \$87,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 55.	5	
	 More than \$87,000, multiply line 4 by 2.9% (.029). Then, add \$10,788.00 to the result. Enter the total here and on Form 1040, line 55. 		
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 28 6		

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Schedule 3E (1 0111 1040) 2003	Attachment Sequence No. 17	rage
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

	nd go to line 5a. Income from services you performed as a minister or a member of a religious or me. See page SE-1.	der is r	not church emp	oloye
Α	If you are a minister, member of a religious order, or Christian Science practitioner and you filed had \$400 or more of other net earnings from self-employment, check here and continue with Pa			
1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), line 15a. Note . Skip this line if you use the farm optional method (see page SE-4)	1		
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9. 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. Note. Skip this line if you use the nonfarm optional method (see page SE-4)	2		
3	Combine lines 1 and 2	3		
	If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3	4a		
	If you elect one or both of the optional methods, enter the total of lines 15 and 17 here	4b		
	Combine lines 4a and 4b. If less than \$400, do not file this schedule; you do not owe self-employment tax. Exception . If less than \$400 and you had church employee income , enter -0- and continue	4c		
5a	Enter your church employee income from W-2. See page SE-1 for definition of church employee income			
	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 2003	7	87,000	00
Q۵	Total social security wages and tips (total of boxes 3 and 7 on Form(s)			
oa	W-2) and railroad retirement (tier 1) compensation. If \$87,000 or more,			
	skip lines 8b through 10, and go to line 11			
b	Unreported tips subject to social security tax (from Form 4137, line 9)			
С	Add lines 8a and 8b	8c		
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 13	Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 55 Deduction for one-half of self-employment tax. Multiply line 12 by	12		
13	50% (.5). Enter the result here and on Form 1040 , line 28 13			
Par	t II Optional Methods To Figure Net Earnings (see page SE-3)			
arn	n Optional Method. You may use this method only if:			
	ur gross farm income ¹ was not more than \$2,400 or			
Yo	ur net farm profits² were less than \$1,733.			
14	Maximum income for optional methods	14	1,600	0.0
15	Enter the smaller of: two-thirds (%) of gross farm income (not less than zero) or \$1,600. Also include this amount on line 4b above	15		
	farm Optional Method. You may use this method only if:			
	ur net nonfarm profits³ were less than \$1,733 and also less than 72.189% of your gross nonfarm			
	me ⁴ and			
	u had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.			
Jau 16	tion. You may use this method no more than five times. Subtract line 15 from line 14	16		
10 17	Enter the smaller of: two-thirds (%) of gross nonfarm income ⁴ (not less than zero) or the amount		-	
.,	on line 16. Also include this amount on line 4b above	17		

 $^1\mathrm{From}$ Sch. F, line 11, and Sch. K-1 (Form 1065), line 15b. $^2\mathrm{From}$ Sch. F, line 36, and Sch. K-1 (Form 1065), line 15a.

 3 From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), line 15a; and Sch. K-1 (Form 1065-B), box 9. 4 From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), line 15c; and Sch. K-1 (Form 1065-B), box 9.

