

SCHEDULE SE
(Form 1040)

Self-Employment Tax

OMB No. 1545-0074

1997

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 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

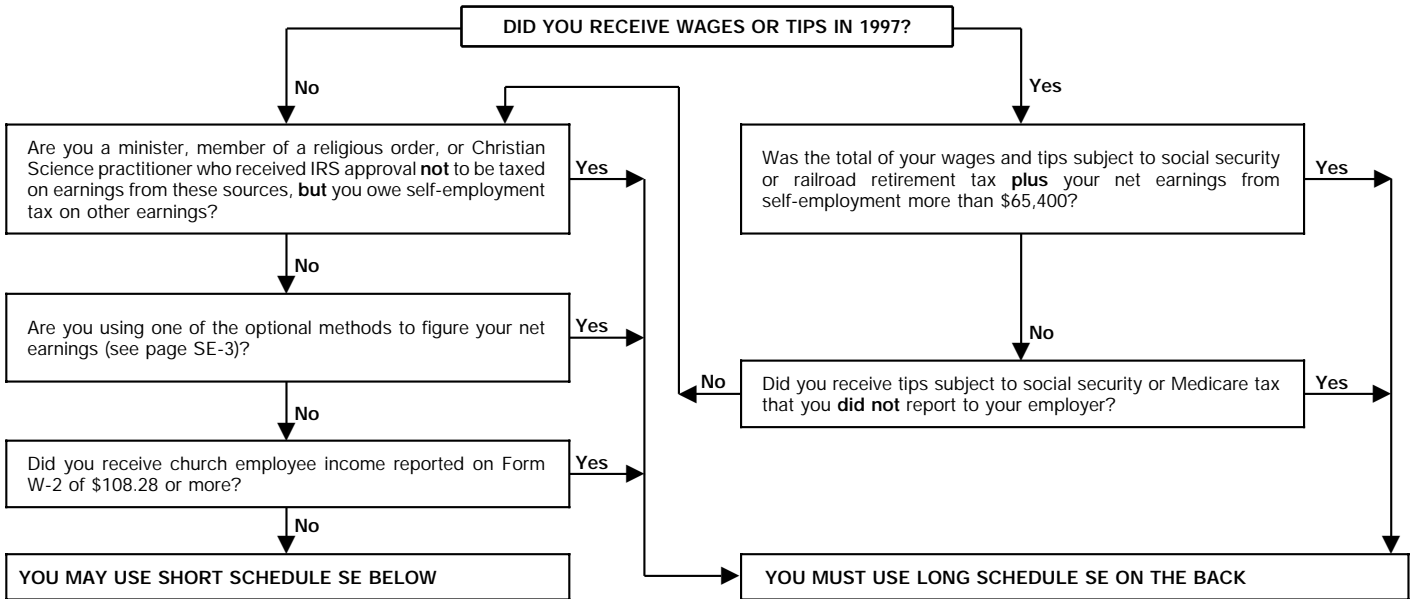
You must file Schedule SE if:

- 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-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 47.

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 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:	5		
<ul style="list-style-type: none"> • \$65,400 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 47. • More than \$65,400, multiply line 4 by 2.9% (.029). Then, add \$8,109.60 to the result. Enter the total here and on Form 1040, line 47. 			
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 26	6		

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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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>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. <input type="checkbox"/></p>			
<p>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-3</p>	1		
<p>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. Note: Skip this line if you use the nonfarm optional method. See page SE-3.</p>	2		
<p>3 Combine lines 1 and 2</p>	3		
<p>4a If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3</p>	4a		
<p>b If you elected one or both of the optional methods, enter the total of lines 15 and 17 here</p>	4b		
<p>c 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 ▶</p>	4c		
<p>5a Enter your church employee income from Form W-2. Caution: See page SE-1 for definition of church employee income</p>	5a		
<p>b Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-</p>	5b		
<p>6 Net earnings from self-employment. Add lines 4c and 5b</p>	6		
<p>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 1997</p>	7	65,400	00
<p>8a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation</p>	8a		
<p>b Unreported tips subject to social security tax (from Form 4137, line 9)</p>	8b		
<p>c Add lines 8a and 8b</p>	8c		
<p>9 Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 . ▶</p>	9		
<p>10 Multiply the smaller of line 6 or line 9 by 12.4% (.124)</p>	10		
<p>11 Multiply line 6 by 2.9% (.029).</p>	11		
<p>12 Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 47</p>	12		
<p>13 Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on Form 1040, line 26</p>	13		

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

<p>Farm Optional Method. You may use this method only if:</p> <ul style="list-style-type: none"> • Your gross farm income¹ was not more than \$2,400, or • Your gross farm income¹ was more than \$2,400 and your net farm profits² were less than \$1,733. 			
<p>14 Maximum income for optional methods</p>	14	1,600	00
<p>15 Enter the smaller of: two-thirds (2/3) of gross farm income¹ (not less than zero) or \$1,600. Also, include this amount on line 4b above</p>	15		
<p>Nonfarm Optional Method. You may use this method only if:</p> <ul style="list-style-type: none"> • Your net nonfarm profits³ were less than \$1,733 and also less than 72.189% of your gross nonfarm income,⁴ and • You had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. <p>Caution: You may use this method no more than five times.</p>			
<p>16 Subtract line 15 from line 14</p>	16		
<p>17 Enter the smaller of: two-thirds (2/3) of gross nonfarm income⁴ (not less than zero) or the amount on line 16. Also, include this amount on line 4b above</p>	17		

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

