**ATS Test Scenario 6**
**Taxpayer: Juan Torres**
**SSN: 400-00-1041**

Test Scenario 6 includes the following forms:

- Form 1040-SS
- Form 499R-2/W-2PR
- Schedule C
- Schedule SE

Additional Information:

- Taxpayer's Date of Birth is February 7, 1987.
- 1st Dependent's Date of Birth is April 16, 2015.
- 2nd Dependent's Date of Birth is August 19, 2016.
- 3rd Dependent's Date of Birth is June 22, 2017.
- Taxpayer paid $3,000.00 in estimated tax payments in 2025 (applied from 2024 return)

TREASURY/IRS AND OMB USE ONLY DRAFT

Version A, Cycle 12

Form **1040-SS**

Department of the Treasury
Internal Revenue Service

# U.S. Self-Employment Tax Return

**(Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)**

**U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or Puerto Rico**

**For the year Jan. 1–Dec. 31, 2025, or other tax year beginning _____, 2025, and ending _____, 20 ___**

OMB No. 1545-0074

**2025**

☐ Filed pursuant to section 301.9100-2 ☐ Deceased MM / DD / YYYY Spouse MM / DD / YYYY

☐ Other

| Your first name and middle initial | Last name | **Your social security number** |
|---|---|---|
| Juan | Torres | 400 00 1041 |
| If a joint return, spouse's first name and middle initial | Last name | **Spouse's social security number** |
| | | |

| Home address (number and street). If you have a P.O. box, see instructions. | Apt. no. |
|---|---|
| 1225 Calle Aurora | |

| City, town, or post office. If you have a foreign address, also complete spaces below. | Commonwealth or territory | ZIP code |
|---|---|---|
| Mayaguez, PR | | 00680-1225 |
| **Foreign country name** | **Foreign province/state/county** | **Foreign postal code** |
| | | |

At any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) . . . ☐ **Yes** ☑ **No**

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## Part I Total Tax and Credits (see instructions)

**1 Filing status.**

☑ Single
☐ Married filing jointly
☐ Married filing separately (MFS). Enter spouse's SSN above and full name here: _____
☐ Head of household (HOH)
☐ Qualifying surviving spouse (QSS)
If you checked the HOH box, and will **not** complete line 2, enter the child's name: _____

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____

**2 Qualifying children.** Complete **only** if you are a bona fide resident of Puerto Rico and you are claiming the additional child tax credit (ACTC). If more than four qualifying children, see instructions and check here . . . . . ☐

| | Qualifying child 1 | Qualifying child 2 | Qualifying child 3 | Qualifying child 4 |
|---|---|---|---|---|
| **(a)** First name | Juan | Carmen | Miguel | |
| **(b)** Last name | Torres Jr | Torres | Torres | |
| **(c)** SSN | 400 00 1074 | 400 00 1072 | 400 00 1073 | |
| **(d)** Relationship | Son | Daughter | Son | |

| | | | | | |
|---|---|---|---|---|---|
| **3** | Self-employment tax from Schedule SE (Form 1040), line 12. Attach Schedule SE (Form 1040) and applicable schedules . . . . . | | **3** | | |
| **4** | Household employment taxes. Attach Schedule H (Form 1040) . . . . . | | **4** | | |
| **5** | Additional Medicare Tax. Attach Form 8959 . . . . . | | **5** | | |
| **6a** | Employee social security and Medicare tax on tips not reported to employer. Attach Form 4137 . . . . | **6a** | | | |
| **b** | Uncollected employee social security and Medicare tax on tips . . . . . | **6b** | | | |
| **c** | Uncollected employee social security and Medicare tax on wages. Attach Form 8919 . . . . . | **6c** | | | |
| **d** | Uncollected employee social security and Medicare tax on group-term life insurance . . . . . | **6d** | | | |
| **e** | Total other taxes. Add lines 6a through 6d . . . . . | | **6e** | | |
| **7** | **Total tax.** Add lines 3, 4, 5, and 6e . . . . . | | | | **7** |
| **8** | 2025 estimated tax payments and amount applied from 2024 return . . . | | **8** | | |
| | If you made estimated tax payments with your former spouse in 2025, enter their SSN (see instructions): ___ ___ ___ | | | | |
| **9** | Amount paid with request for extension of time to file . . . . . | | **9** | | |
| **10** | Additional child tax credit from Part II, line 19 . . . . . | | **10** | | |
| **11a** | Additional Medicare Tax withheld. Attach Form 8959 . . . . . | | **11a** | | |
| **b** | Excess social security tax withheld . . . . . | | **11b** | | |
| **12** | **Total payments and credits.** Add lines 8 through 11b . . . . . | | | | **12** |

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**Part I** **Total Tax and Credits** (see instructions) *(continued)*

| | | | |
|---|---|---|---|
| **13** | If line 12 is more than line 7, subtract line 7 from line 12. This is the amount you **overpaid** . . . . | **13** | |
| **14a** | Amount of line 13 you want **refunded to you**. If Form 8888 is attached, check here . . . . . ☐ | **14a** | |
| **b** | Routing number ☐☐☐☐☐☐☐☐☐ **c** Type: ☐ Checking ☐ Savings | | |
| **d** | Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐ | | |
| **15** | Amount of line 13 you want **applied to 2026 estimated tax** . . . . . | **15** | |
| **16** | If line 7 is more than line 12, subtract line 12 from line 7. This is the **amount you owe**. For details on how to pay, go to *www.irs.gov/Payments* or see instructions . . . . . | **16** | |

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS? See instructions. ☐ **Yes.** Complete the following. ☐ **No**

Designee's name | Phone no. | Personal identification number (PIN) ☐☐☐☐☐

**Sign Here**

Joint return? See instructions. Keep a copy for your records.

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 | If the IRS sent you an Identity Protection PIN, enter it here (see instructions) ☐☐☐☐☐☐ |
|---|---|---|---|
| Spouse's signature. If a joint return, **both** must sign. | | Date | If the IRS sent your spouse an Identity Protection PIN, enter it here (see instructions) ☐☐☐☐☐☐ |

**Paid Preparer Use Only**

| Preparer's name | Preparer's signature | Date | PTIN | Check if: ☐ Self-employed |
|---|---|---|---|---|
| Firm's name | | | Phone no. | |
| Firm's address | | | Firm's EIN | |



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**Part II Bona Fide Residents of Puerto Rico Claiming Additional Child Tax Credit** (see instructions)

**1** Do you have one or more qualifying children under age 17 with the required social security number?
- ☐ **No.** Stop. You can't claim the credit.
- ☑ **Yes.** Go to line 2.

**2** Number of qualifying children under age 17 with the required social security number:
3 x $1,700 . . . . . **2**

**3** Enter your modified adjusted gross income . . . . . **3**

**4** Enter the amount shown below for your filing status . . . . . **4**
- • Married filing jointly – $400,000
- • All other filing statuses – $200,000

**5** Is the amount on line 3 more than the amount on line 4?
- ☑ **No.** Leave line 5 blank. Enter the amount from line 2 on line 11, and go to line 12.
- ☐ **Yes.** Subtract line 4 from line 3. If the result isn't a multiple of $1,000, increase it to the next multiple of $1,000 (for example, increase $425 to $1,000, increase $1,025 to $2,000, etc.) . . . . . **5**

**6** Multiply the amount on line 5 by 5% (0.05) . . . . . **6**

**7** Number of qualifying children from line 2 x $2,200 . . . . . **7**

**8** Number of other dependents, including children who are not under age 17:
_____ x $500. See instructions . . . . . **8**

**9** Add lines 7 and 8 . . . . . **9**

**10** Is the amount on line 9 more than the amount on line 6?
- ☐ **No.** Stop. You can't claim the credit.
- ☐ **Yes.** Subtract line 6 from line 9 . . . . . **10**

**11** Enter the **smaller** of line 2 or line 10 . . . . . **11**

**12a** Enter one-half of self-employment tax from Part I, line 3 . . . . . **12a**

**b** Enter one-half of the Additional Medicare Tax on self-employment income from Form 8959, line 13 . . . . . **12b**

**c** Add lines 12a and 12b . . . . . **12c**

**13a** Enter the amount, if any, of withheld social security, Medicare, and Additional Medicare taxes from Puerto Rico Form(s) 499R-2/W-2PR (**attach copy of form(s)**). If married filing jointly, include your spouse's amounts with yours . **13a**

**b** Enter the amount reported on Part I, line 6a, if any, of employee social security and Medicare tax on tips not reported to employer from Form 4137 . . . **13b**

**c** Enter the amount reported on Part I, line 6c, if any, of uncollected employee social security and Medicare tax on wages from Form 8919 . . . . . **13c**

**d** Enter the amounts reported on Part I, lines 6b and 6d, if any, of uncollected employee social security tax and Medicare tax on tips and group-term life insurance . . . . . **13d**

**e** Enter the amount, if any, of Additional Medicare Tax on Medicare wages from Form 8959, line 7 . . . . . **13e**

**f** Add lines 13a through 13e . . . . . **13f**

**14** Add lines 12c and 13f . . . . . **14**

**15** Enter the amount, if any, of Additional Medicare Tax withheld from Form 8959, line 22 . . . . . **15**

**16** Subtract line 15 from line 14 . . . . . **16**

**17** Enter the amount, if any, from Part I, line 11b . . . . . **17**

**18** Is the amount on line 16 more than the amount on line 17?
- ☐ **No.** Stop. You can't claim the credit.
- ☑ **Yes.** Subtract line 17 from line 16 . . . . . **18**

**19** **Additional child tax credit.** Enter the **smaller** of line 11 or line 18 here and on Part I, line 10 . . . **19**



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Formulario
Form **499R-2/W-2PR**
Rev. 05.25

GOBIERNO DE PUERTO RICO - GOVERNMENT OF PUERTO RICO
DEPARTAMENTO DE HACIENDA - DEPARTMENT OF THE TREASURY

222

## COMPROBANTE DE RETENCIÓN - WITHHOLDING STATEMENT

1. Nombre - First Name
Juan

Apellido(s) - Last Name(s)
Torres

Dirección Postal del Empleado - Employee's Mailing Address
1225 Calle Aurora
Mayaguez, PR 00680-1225

Fecha de Nacimiento: Día 7 Mes 2 Año 1987
Date of Birth: Day Month Year

2. Nombre y Dirección Postal del Patrono
Employer's Name and Mailing Address
Torres Electrical
101 Habacuc, Bo Paris
Mayaguez Pueblo, PR 00680

Número de Teléfono del Patrono
Employer's Telephone Number

Correo Electrónico del Patrono
Employer's E-mail

Fecha Cese de Operaciones: Día Mes Año
Cease of Operations Date: Day Month Year

Número Confirmación de Radicación Electrónica
Electronic Filing Confirmation Number
W1234567890

Número Control - Control Number

**Fecha de radicación: 31 de enero**
**Filing date: January 31**

Año: Year: **2025**

3. Núm. Seguro Social
Social Security No.
400-00-1041

4. Núm. de Ident. Patronal
Employer Ident. No. (EIN)
00-0000055

5. Costo de cubierta de salud auspiciada por el patrono - Cost of employer-sponsored health coverage
0

6. Donativos
Charitable Contributions
0

Indique si la remuneración incluye pagos al empleado por: - Indicate if the remuneration includes payments to the employee for:

**A-** ☐ Médico cualificado (Ver instrucciones) Qualified physician (See instructions)
**B-** ☐ Servicios domésticos Domestic services
**C-** ☐ Trabajo agrícola Agricultural labor
**D-** ☐ Ministro de una iglesia o miembro de una orden religiosa - Minister of a church or member of a religious order
**E-** ☐ Profesionales de la salud (Ver instrucciones) Health professionals (See instructions)
**F-** ☐ Empleo directo (Ver instrucciones) Direct employment (See instructions)
(i) Horas trabajadas Hours worked _____
(ii) EIN _____
**G-** ☐ Otros - Others: _____

**INFORMACIÓN PARA EL DEPARTAMENTO DE HACIENDA - DEPARTMENT OF THE TREASURY INFORMATION**

7. Sueldos - Wages
42,980

8. Comisiones - Commissions
0

9. Concesiones - Allowances
0

10. Propinas - Tips
0

11. Total = 7 + 8 + 9 + 10
42,980

12. Gastos Reemb. y Beneficios Marginales Reimb. Expenses and Fringe Benefits

13. Cont. Retenida - Tax Withheld
3,625

14. Fondo de Retiro Gubernamental Governmental Retirement Fund
0

15. Aportaciones a Planes Calificados Contributions to CODA PLANS
0

Salarios Exentos (Ver instrucciones) Exempt Salaries (See instructions)
Código/Code
16.
Código/Code
17.
Código/Code
18.

19. Aportaciones al Programa Ahorra y Duplica tu Dinero - Contributions to the Save and Double your Money Program

**INFORMACIÓN PARA EL SEGURO SOCIAL**
**SOCIAL SECURITY INFORMATION**

20. Total Sueldos Seguro Social
Social Security Wages
42,980

21. Seguro Social Retenido
Social Security Tax Withheld
2,665

22. Total Sueldos y Pro. Medicare
Medicare Wages and Tips
42,980

23. Contrib. Medicare Retenida
Medicare Tax Withheld
623

24. Propinas Seguro Social
Social Security Tips
0

25. Seguro Social no Retenido en Propinas - Uncollected Social Security Tax on Tips
0

26. Contrib. Medicare no Retenida en Propinas - Uncollected Medicare Tax on Tips
0

TREASURY/IRS AND OMB USE ONLY DRAFT

**SCHEDULE C (Form 1040)**

Department of the Treasury
Internal Revenue Service

# Profit or Loss From Business

**(Sole Proprietorship)**

**Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065.**

**Go to *www.irs.gov/ScheduleC* for instructions and the latest information.**

OMB No. 1545-0074

**2025**

Attachment Sequence No. **09**

Name of proprietor: Juan Torres

**Social security number (SSN):** 400-00-1041

**A** Principal business or profession, including product or service (see instructions): Electrical Contractor

**B** Enter code from instructions: 2 3 8 2 1 0

**C** Business name. If no separate business name, leave blank.

**D** Employer ID number (EIN) (see instr.)

**E** Business address (including suite or room no.)

City, town or post office, state, and ZIP code

**F** Accounting method: **(1)** ☑ Cash **(2)** ☐ Accrual **(3)** ☐ Other (specify)

**G** Did you "materially participate" in the operation of this business during 2025? If "No," see instructions for limit on losses . ☐ Yes ☐ No

**H** If you started or acquired this business during 2025, check here . . . ☐

**I** Did you make any payments in 2025 that would require you to file Form(s) 1099? See instructions . ☐ Yes ☐ No

**J** If "Yes," did you or will you file required Form(s) 1099? . ☐ Yes ☐ No

## Part I Income

| | | | |
|---|---|---|---|
| 1 | Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ☐ | 1 | |
| 2 | Returns and allowances | 2 | |
| 3 | Subtract line 2 from line 1 | 3 | |
| 4 | Cost of goods sold (from line 42) | 4 | |
| 5 | **Gross profit.** Subtract line 4 from line 3 | 5 | |
| 6 | Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) | 6 | 0 |
| 7 | **Gross income.** Add lines 5 and 6 | 7 | |

## Part II Expenses. Enter expenses for business use of your home **only** on line 30.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 8 | Advertising | 8 | 2,352 | 18 | Office expense (see instructions) | 18 | 1,725 |
| 9 | Car and truck expenses (see instructions) | 9 | | 19 | Pension and profit-sharing plans | 19 | |
| 10 | Commissions and fees | 10 | | 20 | Rent or lease (see instructions): | | |
| 11 | Contract labor (see instructions) | 11 | 3,560 | a | Vehicles, machinery, and equipment | 20a | |
| 12 | Depletion | 12 | | b | Other business property | 20b | |
| 13 | Depreciation and section 179 expense deduction (not included in Part III) (see instructions) | 13 | | 21 | Repairs and maintenance | 21 | 560 |
| 14 | Employee benefit programs (other than on line 19) | 14 | | 22 | Supplies (not included in Part III) | 22 | |
| 15 | Insurance (other than health) | 15 | | 23 | Taxes and licenses | 23 | |
| 16 | Interest (see instructions): | | | 24 | Travel and meals: | | |
| a | Mortgage (paid to banks, etc.) | 16a | | a | Travel | 24a | |
| b | Other | 16b | | b | Deductible meals (see instructions) | 24b | |
| 17 | Legal and professional services | 17 | | 25 | Utilities | 25 | |
| | | | | 26 | Wages (less employment credits) | 26 | |
| | | | | 27a | Energy efficient commercial bldgs deduction (attach Form 7205) | 27a | |
| | | | | b | Other expenses (from line 48) | 27b | |

| | | | |
|---|---|---|---|
| 28 | **Total expenses** before expenses for business use of home. Add lines 8 through 27b | 28 | |
| 29 | Tentative profit or (loss). Subtract line 28 from line 7 | 29 | |
| 30 | Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. **Simplified method filers only:** Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 | 30 | |
| 31 | **Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on both **Schedule 1 (Form 1040), line 3,** and on **Schedule SE, line 2.** (If you checked the box on line 1, see instructions.) Estates and trusts, enter on **Form 1041, line 3.** • If a loss, you **must** go to line 32. | 31 | |
| 32 | If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 3,** and on **Schedule SE, line 2.** (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on **Form 1041, line 3.** • If you checked 32b, you **must** attach **Form 6198.** Your loss may be limited. | 32a ☐ All investment is at risk. 32b ☐ Some investment is not at risk. | |



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## Part III Cost of Goods Sold (see instructions)

**33** Method(s) used to value closing inventory: **a** ☐ Cost **b** ☐ Lower of cost or market **c** ☐ Other (attach explanation)

**34** Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☐ No

| | | | |
|---|---|---|---|
| **35** | Inventory at beginning of year. If different from last year's closing inventory, attach explanation | **35** | 7,650 |
| **36** | Purchases less cost of items withdrawn for personal use | **36** | 8,550 |
| **37** | Cost of labor. Do not include any amounts paid to yourself | **37** | 11,900 |
| **38** | Materials and supplies | **38** | 16,300 |
| **39** | Other costs | **39** | |
| **40** | Add lines 35 through 39 | **40** | |
| **41** | Inventory at end of year | **41** | 21,450 |
| **42** | **Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on line 4 | **42** | |

## Part IV Information on Your Vehicle.

Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

**43** When did you place your vehicle in service for business purposes? (month/day/year) ____/____/____

**44** Of the total number of miles you drove your vehicle during 2025, enter the number of miles you used your vehicle for:

**a** Business _____ **b** Commuting (see instructions) _____ **c** Other _____

**45** Was your vehicle available for personal use during off-duty hours? . . . . . ☐ Yes ☐ No

**46** Do you (or your spouse) have another vehicle available for personal use? . . . . . ☐ Yes ☐ No

**47a** Do you have evidence to support your deduction? . . . . . ☐ Yes ☐ No

**b** If "Yes," is the evidence written? . . . . . ☐ Yes ☐ No

## Part V Other Expenses.

List below business expenses not included on lines 8-27a, or line 30.

| | | |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| **48** | **Total other expenses.** Enter here and on line 27b | **48** |



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TREASURY/IRS AND OMB USE ONLY DRAFT



**SCHEDULE SE (Form 1040)**

Department of the Treasury
Internal Revenue Service

# Self-Employment Tax

**Attach to Form 1040, 1040-SR, 1040-SS, or 1040-NR.**
**Go to *www.irs.gov/ScheduleSE* for instructions and the latest information.**

OMB No. 1545-0074

**2025**

Attachment Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, 1040-SS, or 1040-NR)
Juan Torres

Social security number of person with **self-employment** income 400-00-1041

## Part I Self-Employment Tax

**Note:** If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

**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 . . . . . ☐

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

| | | | | |
|---|---|---|---|---|
| **1a** | Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A | | **1a** | |
| **b** | If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AQ | | **1b** | ( ) |

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

| | | | | |
|---|---|---|---|---|
| **2** | Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order | | **2** | |
| **3** | Combine lines 1a, 1b, and 2 | | **3** | |
| **4a** | If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3<br>**Note:** If line 4a is less than $400 due to Conservation Reserve Program payments on line 1b, see instructions. | | **4a** | |
| **b** | If you elect one or both of the optional methods, enter the total of lines 15 and 17 here | | **4b** | |
| **c** | Combine lines 4a and 4b. If less than $400, **stop**; you don't 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 Form W-2. See instructions for definition of church employee income | **5a** | | |
| **b** | Multiply line 5a by 92.35% (0.9235). If less than $100, enter -0- | | **5b** | 0 |
| **6** | 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 2025 | | **7** | $176,100 |
| **8a** | Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If $176,100 or more, skip lines 8b through 10, and go to line 11 | **8a** | | |
| **b** | Unreported tips subject to social security tax from Form 4137, line 10 | **8b** | 0 | |
| **c** | Wages subject to social security tax from Form 8919, line 10 | **8c** | 0 | |
| **d** | Add lines 8a, 8b, and 8c | | **8d** | |
| **9** | Subtract line 8d 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% (0.124) | | **10** | |
| **11** | Multiply line 6 by 2.9% (0.029) | | **11** | |
| **12** | **Self-employment tax.** Add lines 10 and 11. Enter here and on **Schedule 2 (Form 1040), line 4**, or **Form 1040-SS, Part I, line 3** | | **12** | |
| **13** | **Deduction for one-half of self-employment tax.**<br>Multiply line 12 by 50% (0.50). Enter here and on **Schedule 1 (Form 1040), line 15** | **13** | | |

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**Part II Optional Methods To Figure Net Earnings** (see instructions)

**Farm Optional Method.** You may use this method **only** if **(a)** your gross farm income[1] wasn't more than $10,860, **or (b)** your net farm profits[2] were less than $7,840.

| | | | |
|---|---|---|---|
| **14** | Maximum income for optional methods | **14** | $7,240 |
| **15** | Enter the **smaller** of: two-thirds (2/3) of gross farm income[1] (not less than zero) **or** $7,240. Also, include this amount on line 4b above | **15** | |

**Nonfarm Optional Method.** You may use this method **only** if **(a)** your net nonfarm profits[3] were less than $7,840 and also less than 72.189% of your gross nonfarm income,[4] **and (b)** you had net earnings from self-employment of at least $400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

| | | | |
|---|---|---|---|
| **16** | Subtract line 15 from line 14 | **16** | |
| **17** | Enter the **smaller** of: two-thirds (2/3) 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] From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

[2] From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A—minus the amount you would have entered on line 1b had you not used the optional method.

[3] From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

[4] From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.



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