Name as shown on page 1, Form 1040

If you had more than one business, or husband and wife had separate businesses, a separate page 1 of Schedule C must be completed for each business.

A. Principal business activity: 
   (Retail trade, wholesale trade, lawyer, etc.)
   (Principal product or service)

B. Business name: 

C. Employer's Identification Number: 

D. Business location: 
   (Number and street or rural route)
   (City or post office)
   (State)

1. Total receipts $____________, less allowances, rebates, and returns $____________ $__________
2. Inventory at beginning of year $____________
3. Merchandise purchased $____________, less any items withdrawn from business for personal use $____________
4. Cost of labor (do not include salary paid to yourself) $____________
5. Material and supplies $____________
6. Other costs (explain in Schedule C-2) $____________
7. Total of lines 2 through 6 $____________
8. Inventory at end of year $____________
9. Cost of goods sold (line 7 less line 8) $____________
10. Gross profit (line 1 less line 9) $____________

**OTHER BUSINESS DEDUCTIONS**

11. Salaries and wages not included on line 4 (exclude any paid to yourself) $____________
12. Rent on business property $____________
13. Interest on business indebtedness $____________
14. Taxes on business and business property $____________
15. Losses of business property (attach statement) $____________
16. Bad debts arising from sales or services $____________
17. Depreciation (explain in Schedule C-1) $____________
18. Repairs (explain in Schedule C-2) $____________
19. Depletion of mines, oil and gas wells, timber, etc. (attach schedule) $____________
20. Amortization (attach statement) $____________
21. Other business expenses (explain in Schedule C-2) $____________
22. Total of lines 11 through 21 $____________
23. Net profit (or loss) (line 10 less line 22). Enter here: on line 24, page 3; and on line 8, page 1, Form 1040 $____________

### Schedule C-1. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 17

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Kind of property (if buildings, state material of which constructed), Exclude land and other nondepreciable property</th>
<th>2. Date acquired</th>
<th>3. Cost or other basis</th>
<th>4. Depreciation allowed (or allowable) in prior years</th>
<th>5. Method of computing depreciation</th>
<th>6. Rate (%) or life (years)</th>
<th>7. Depreciation for this year</th>
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</tbody>
</table>

### Schedule C-2. EXPLANATION OF LINES 6, 18, AND 21

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Explanation</th>
<th>Amount $</th>
<th>Line No.</th>
<th>Explanation</th>
<th>Amount $</th>
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</tbody>
</table>
INSTRUCTIONS

If you owned a business, or practiced a profession, you must fill in separate Schedule C on other side and enter the net profit (or loss) on line 8, page 1, Form 1040.

Separate Schedule C should include income from (1) sale of merchandise, or products of manufacturing, mining, and construction; (2) business service; and (3) professional service. In general, you should report any income in the earning of which you have incurred expenses for material, labor, supplies, and the like.

All farmers should use separate Schedule F (Form 1040) to report their farm income whether reporting on the cash or accrual method.

Income from any trade or business is subject to the social security self-employment tax, unless specifically excluded. See page 4.

Item A—Business Activity.—State the general classification of business activity, as well as the principal product or service. For example, "Wholesale food," "Retail men’s apparel," "Manufacture of upholstered wooden household furniture," "Transportation by truck," "Broker, real estate," "Contractor—carpenter work," "Physicians, etc.," "Stockholder, partnership, owner," "Student," etc. The "principal business activity" is the one which accounts for the largest percentage of your total receipts.

Item B—Business Location.—Do not use home address as business address unless business is actually conducted from home. Enter street address rather than box numbers.

Line 1—Total Receipts.—Include all income derived from your trade or business. Enter in the spaces provided such items as return sales, rebates, and allowances from the sale price or service charge.

If you have dividend income from stocks held by you in the ordinary course of carrying on your trade or business, such dividends should be considered together with your dividends from stocks regularly held for investment purposes. Deduct your dividend exclusion and credit on pages 3 and 4, Form 1040.

Installment Sales.—If you use the installment method of reporting income from sales, you must attach to your return a copy of the installments showing the amounts paid in 1958, 1957, 1956, and 1955 the following: (a) Gross sales; (b) cost of goods sold; (c) gross profit; (d) percentage of profits to gross sales; (e) amounts collected; and (f) gross profits on amounts collected.

COST OF GOODS SOLD

Lines 2—9.—If you are engaged in a trade or business in which the production, purchase, or sale of merchandise is an income producing factor, you must take inventories of merchandise and materials on hand at the beginning and end of the taxable year in order to reflect the gross profits correctly. The usual methods of valuing inventory are (a) cost or (b) cost or market whichever is lower. The method properly adopted for the first year in which inventory is taken must be continued unless permission to change is granted (Reg. 250, D. C.). Application for permission to change the method of valuing inventories must be made in writing and filed with the Commissioner within 90 days after the beginning of the taxable year in which it is desired to effect a change. You should enter the letters "C" or "M" immediately before the amount column if inventories are valued either at cost, or at cost or market whichever is lower.

Other methods of valuing inventories of material or merchandise are provided for dealers in securities, for farmers, for miners, for manufacturers who produce more than one product from a single process, and for retail merchants using the "retail method."

A special method based on cost, LIFO, is allowable only if you file an application on Form 970 with your return for the first year used. The requirement for adopting and using the LIFO method are set out on Form 970. Thereafter, you must attach a separate schedule showing: (a) a summary of all inventories; (b) with respect to inventories computed under the LIFO method, the computation of quantities and cost by acquisition levels.

OTHER BUSINESS DEDUCTIONS

Line 11—Salaries and Wages.—Enter all salaries and wages not included as cost of labor. "Cash Good Code Sold." Do not deduct regular salaries paid to your own officers or employees, or the salaries of others not performed in connection with your business.

Line 12—Rent on Business Property.—Rents paid or accrued on business premises which you own are not deductible. Do not include rent for a building, or any part thereof, which you occupy solely for residential purposes.

Line 13—Interest on Business Indebtedness.—Interest on business indebtedness to others is deductible. Do not include interest to yourself on capital invested in or advanced to the business.

Line 14—Taxes on Business and Property.—Include taxes paid or accrued on business property or incurred in carrying on your business. Federal import duties and Federal excise and stamp taxes are deductible if paid or incurred in carrying on a trade or business. Do not include taxes assessed against local improvements to increase the value of the property assessed, as for paving, sewers, front foot benefits, etc.

Line 15—Losses of Business Property.—You may deduct losses of business property by fire, storm, or other casualty, or theft, to the extent not compensated by insurance or otherwise and not made good by repairs claimed as a deduction. Attach a statement showing a description of the property, date acquired, cost, subsequent improvements, depreciation allowed or allowable since acquisition, insurance, salvage value, and deductible loss.

Line 16—Bad Debts Arising From Sales or Services.—Include debts or portions thereof, arising from sales or professional services that have been included in income, which have been definitely ascertained to be worthless; or such reasonable amount as has been added within the taxable year to a reserve for bad debts. A debt which is deducted as bad and which reduces your tax must, if subsequently collected, be returned as income for the year in which it was collected.

Line 17—Depreciation and Obsolescence.—You may deduct a reasonable allowance for exhaustion, wear and tear, and obsolescence of the property used in your trade or business. For additional information regarding depreciation, especially on new property acquired or constructed after December 31, 1953, and additional first year depreciation, see depreciation section in the instructions for Form 1040.

If a deduction is claimed on account of depreciation, fill in Schedule C-1. In case obsolescence is included, state separately amount claimed, and basis upon which it is computed, if any. If the property is subject to amortization, add the amortization, if any, to depreciation claimed. If the property is subject to depreciation and amortization, add the two. Expenditures for new buildings, machinery, and equipment, or for permanent improvements or betterments which increase the value of the property are chargeable to capital accounts. Expenditures for restoring or replacing property are not deductible, since such expenditures are chargeable to capital accounts. Expenditures for exploration and development of mineral properties.

Line 18—Repairs.—You may deduct the cost of incidental repairs, including labor, supplies, and other items, which do not constitute portion or a depreciable prolonging the life of the property.

Expenditures for repairs which constitute portion or a depreciable prolonging the life of the property.

Line 19—Depletion of Mines, Oil and Gas Wells, Timber, Etc.—If a deduction is claimed on account of depletion, procure from your District Director Form M (mines and other natural deposits), Form O (oil and gas), or Form T (timber), fill in and file with return. If complete valuation data have been filed with questionnaire in previous years, then file with your return information showing depletion for the current year. If Form O has been filed in previous years, do not file further. If full statement of all transactions bearing on depletions or additions to value of physical assets during the taxable year should be filed with your return. (See sections 615 and 616 of the Internal Revenue Code.)

Line 20—Amortization.—If you elect the deduction with respect to the amortization of the adjusted basis of (a) any emergency facility with respect to which the Government has issued a certificate of necessity, or (b) a grain storage facility, a statement of the pertinent facts should be filed with your return. (See sections 168 and 169 of the Internal Revenue Code.)

For the election to amortize research or experimental expenditures not subject to depreciation or depletion, see section 174 of the Code.

For the election to amortize trademark or trade name expenditures, see section 177 of the Code.

Line 21—Other Business Expenses.—Include all ordinary and necessary business expenses for which no space is provided in the schedule. Any deduction claimed should be explained in Schedule C-2. Do not include cost of business equipment or furniture, except as allowed for improvement of property, personal living and family expenses.

Net Operating Loss Deduction.—Any net operating loss deduction should be applied as an adjustment of the amount entered on line 11, page 1, Form 1040. See instructions for Form 1040 and submit computation.
COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX  
(See Instructions—Page 4)

If you had wages of $4,800 or more which were subject to the deduction for social security, do not fill in this page. 
Complete only one page; if you had more than one business, combine profits (or losses) from all of your businesses on this page. 
Each self-employed person must file a separate schedule. See instructions, page 4, for joint returns and partnerships.

NAME OF SELF-EMPLOYED PERSON (as shown on social security card)

| 24. Net profit (or loss) shown on line 23, page 1 (Enter combined amount if more than one business). | $....................... |
| 25. Add to net profit (or subtract from net loss) losses of business property shown on line 18, page 1 | $....................... |
| 26. Total (or difference) | $....................... |
| 27. Net income (or loss) from excluded services or sources included on line 26 (See "Exclusions," page 4). Specify excluded services or sources. | $....................... |
| 28. Net earnings (or loss) from self-employment— | $....................... |
  (a) From business (line 26 less any amount on line 27). | $....................... |
  (b) From partnerships, joint ventures, etc. (other than farming) | $....................... |
  (c) From service as a minister, member of a religious order, or a Christian Science practitioner | $....................... |
  Enter only if you elect Social Security coverage by filing Form 2031 (See instructions, page 4). |
  (d) From farming reported on line 12 or 13, separate Schedule F (Form 1040) | $....................... |
| 29. Total net earnings (or loss) from self-employment reported on line 28. Enter here and on line 6 below. (If line 29 is under $400, you are not subject to self-employment tax. Do not fill in rest of page.) | $....................... |
| 30. The largest amount of combined wages and self-employment earnings subject to social security tax is | $4,800 00 |
| 31. Total wages, covered by social security, paid to you during the taxable year. (For "Covered" wages see "F. I. C. A. Wages" box on Form W-2.) Enter here and on line 7, below | $....................... |
| 32. Balance (line 30 less line 31) | $....................... |
| 33. Self-employment income—line 29 or 32, whichever is smaller. Enter here and on line 8, below. | $....................... |
| 34. Self-employment tax—take 3 3/4% of the amount on line 33. (You can do this by multiplying the amount on line 33 by 0.0375.) Enter this amount here and on line 15, page 1, Form 1040 | $....................... |

Important.—The amounts reported on the form below are for your social security account. This account is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely, but do not detach.

SCHEDULE SE (Form 1040)  
U. S. Treasury Department  
Internal Revenue Service

U. S. REPORT OF SELF-EMPLOYMENT INCOME  
For Crediting to Your Social Security Account  
1959

PLEASE DO NOT WRITE IN THIS SPACE

| ENTER TOTAL EARNINGS FROM SELF-EMPLOYMENT SHOWN ON LINE 29 ABOVE. | $....................... |
| ENTER WAGES, IF ANY, SHOWN ON LINE 31 ABOVE. | $....................... |
| ENTER AMOUNT SHOWN ON LINE 33 ABOVE. | $....................... |
INSTRUCTIONS FOR SELF-EMPLOYMENT TAX

Page 4

In general, every individual deriving self-employment income during the taxable year of $400 or more, from a trade or business carried on by him or from a partnership of which he is a member is subject to the self-employment tax. This computation is made on lines 24 through 34. This tax must be paid regardless of the individual’s receiving social security benefits.

Ministers, Members of Religious Orders, and Christian Science Practitioners.—Duly ordained, commissioned, or licensed ministers of churches, members of religious orders (who have not taken a vow of poverty), and Christian Science practitioners are not automatically covered by the Social Security Act, in which case they are covered by filing Form 2031. Copies are available in the office of any district director of Internal Revenue. The instructions on the form set out the provisions of the law which permit these forms under certain conditions to be filed to cover ministers, and others mentioned above. Do not delay filing your income tax return or your self-employment tax return on any account. The deadline for filing the return was extended to March 15, 2010, by H.R. 2758. For more information, see Publication 525, “Tax Guide for Persons Subject to the Self-Employment Tax.”

No deductions for personal exemptions.—The deductions for personal exemptions are not allowable in determining net earnings from self-employment.

Farm income.—Farmers report farm income and net earnings from farm self-employment on separate Schedule F (Form 1040).

EXCLUSIONS

Income (or losses) from the following sources and deductions attributable to them are not taken into account in figuring net earnings from self-employment. Use line 27 to exclude any such amounts reported on page 1 that should not be taken into account in figuring your self-employment income.

Doctors of medicine.—Income from the performance of service as a doctor of medicine or income from the performance of such service by a partner.

Christian Science practitioners.—Income from the performance of service as a Christian Science practitioner, unless such Christian Science practitioner elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Religious services.—Income from the performance of service by a duly ordained or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order, unless such minister or member of a religious order elects by filing Form 2031 to be covered by the Social Security Act, as explained above.

Employees and public officials.—Income from the performance of service as:
(a) a public official, including a notary public;
(b) an employee or employee representative under the railroad retirement system;
(c) an employee.

The income of an employee over the age of 18 from the sale of newspapers or magazines to an ultimate consumer is subject to the self-employment tax if the income consists of retained profits from such sales.

Real estate rentals.—Rentals from real estate, except rentals received in the course of a trade or business as a real estate dealer. The income from rentals is included on Schedule F (Form 1040). These amounts should be reported in Schedule G of Form 1040. However, rental income from a farm is not included if the rental arrangement provides for material participation by the landlord and he does participate materially in the production or in the management of the rental property or is a material income beneficiary under the lease or rental agreement.

Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as rooms in hotels, boarding houses, apartment houses, furnished hotel rooms, tourist camps, or homes, or space in parking lots, warehouses, or storage garages do not constitute rentals from real estate and are included in determining net earnings from self-employment on Schedule C.

Interest and dividends.—Dividends on shares of stock, and interest on bonds, debentures, notes, certificates, or other evidences of indebtedness, issued with interest coupons or in registered form by a corporation, or by a government or political subdivision thereof, unless received in the course of a trade or business as a dealer in stocks or securities. These amounts should be reported in Schedules A and E (Form 1040), as appropriate.

Property gains and losses.—Gain or loss: (a) from the sale or exchange of a capital asset; (b) to which sections 631 and 1231 are applicable; or (c) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (1) stock in trade or other property of a kind which would properly be included in other business property, nor (2) property held primarily for sale to customers in the ordinary course of the trade or business. These amounts should be reported on separate Schedule D (Form 1040).

Net operating losses.—No deduction for net operating losses of other years shall be allowed in determining the net earnings from self-employment income. However, any loss sustained in one trade or business will operate to reduce the income derived from another trade or business. An individual shall fill in and file only one page 3 of this form, including Schedule SE, for any one year.

JOINING RETURNS

Where husband and wife file a joint income tax return, page 3 of Schedule C (Form 1040) should show the name of the one with self-employment income. Where husband and wife each have self-employment income, a separate Schedule C must be attached for each. In such cases the total of amounts shown on line 23 of each Schedule C must be equal to the total of the amounts shown on line 23 of Schedule SE (Form 1040), and the aggregate self-employment tax (line 34) should be entered on page 15, page 1, Form 1040.

COMMUNITY INCOME

For the purpose of computing net earnings from self-employment, if any of the income from a trade or business is community income, all the income from such trade or business is considered the income of the husband unless the wife exercises substantially all the management and control over the trade or business. Community income includes income earned by a partner in such a trade or business or by a partner’s family member. Such income need not be included in the partner’s self-employment income, however, if the partner is not engaged in the trade or business. Community income is included on such a schedule must be allocated between the two returns (on line 8, page 1, Form 1040). If separate income tax returns are filed by husband and wife, a complete Schedule C should be attached to the return of the one with self-employment income. Community income included in such a Schedule C must be allocated between the two returns (on line 8, page 1, Form 1040) on the basis of the community property laws.

PARTNERSHIPS

In computing his combined net earnings from self-employment, a partner should include his entire share of such earnings from a partnership including any guaranteed payments. No part of that share may be allocated to the partner’s spouse, unless the spouse exercises substantially all the management and control over the trade or business. In the case of a husband and wife partnership, like other partnerships, the distributive share of each should be entered in Schedule H, page 3 of Form 1040, for income tax purposes. For self-employment tax purposes the distributive share of each partner should be entered in Schedule E (Form 1040). If the partnership earnings are to be reported on line 11(b), separate Schedule F (Form 1040) rather than on line 28(b) of this schedule.

Note.—If a member of a continuing partnership dies, a portion of the deceased partner’s distributive share of the partnership’s ordinary income, long-term capital gain, or capital loss for the taxable year in which he died must be included in the partner’s net earnings from self-employment. In such cases consult your nearest Internal Revenue Service office as to how to report.

Schedule SE (Form 1040).

Schedule SE, which is the lower portion of page 3 of Schedule C, provides the Social Security Administration with the information on self-employment income necessary for computing benefits. To assure proper credit to your social security account number on Schedule SE (Form 1040) exactly as they are shown on your social security card. If you do not have a social security account number, you must get one. These account numbers are obtainable from any Social Security district office. Your local post office will give you the address.

Regardless of whether joint or separate returns, Form 1040, are filed by husband and wife, Schedule SE (Form 1040) must show only the name of the one with the self-employment income. However, if both had net earnings from self-employment, a separate Schedule SE must be filed by each.