

COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT FROM FARMING BY TAXPAYERS FILING SCHEDULE F (FORM 1040)

- ▶ If you report on the cash basis and your gross income from farming was not more than \$1,800, you may elect to use the optional method on line 14 (a). If you so elect, you need not complete lines 11 through 13. The optional method works to your advantage if your actual net income is less than 50 percent of your gross income.
- ▶ If you had wages of \$4,200 or more which were subject to the deduction for Social Security, do not complete this page.
- ▶ If you had net earnings from self-employment from both farm and nonfarm sources, complete only lines 11 through 13 (line 14, if applicable), and use separate Schedule C to compute your self-employment tax. Net earnings from self-employment from farming should be entered on line 28 (d) of separate Schedule C (Form 1040).
- ▶ If Schedule F (Form 1040) is used by a partnership to compute farm income, this page should not be completed. Partnership net earnings from self-employment must be computed on Form 1065.

11. Net farm profit (or loss) (line 10, page 1, cash method, or line 10, page 2, accrual method)	\$	
12. Adjustments (see "Exclusions from Self-Employment," page 3)		
13. Net earnings from self-employment from farming. Total or difference between lines 11 and 12	\$	

Computation Under Optional Method

Farmers who report their income on the cash receipts and disbursements basis have a choice of reporting as net earnings from self-employment from farming the amount on line 13 OR the amount computed on line 14.

14. If gross profits on line 5, page 1, less the exclusions from gross profits (see page 3) are:		
(a) Not more than \$1,800, enter 50 percent of such amount	\$	
(b) More than \$1,800 and the amount on line 13 above is less than \$900, enter \$900		

If the amount on line 13 (or line 14 if you report under the optional method) is under \$400, do not make any entries below.

Computation of Self-Employment Tax (For old-age and survivors insurance)

15. Maximum amount subject to self-employment tax	\$	4,200	00	
16. Less: Total F. I. C. A. wages paid to you during the taxable year (see your Withholding Statements, Form W-2). (If such wages exceed \$4,200, enter \$4,200) ..				
17. Maximum amount subject to self-employment tax after adjustment for wages	\$			
18. Self-employment income subject to tax—line 13 or line 17, whichever is smaller (or if you choose under the optional method to use line 14 instead of line 13, enter line 14 or line 17, whichever is smaller)	\$			
19. Self-employment tax—3% of amount on line 18. Enter here and on line 15, page 1, Form 1040	\$			

IMPORTANT—FILL IN ITEMS BELOW COMPLETELY BUT DO NOT DETACH

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

U. S. REPORT OF SELF-EMPLOYMENT INCOME
(For Federal Old-Age and Survivors Insurance)

1955

1. CHECK Calendar Year 1955
 Other Taxable Year Beginning, 1955, and Ending, 1955

2. Business Activity Subject to Self-Employment Tax

PLEASE DO NOT WRITE IN THIS SPACE

3. Business Address (Number and Street, City or Town, Postal Zone Number, State)

PLEASE DO NOT WRITE IN THIS SPACE

4. PRINT BELOW NAME AND HOME ADDRESS OF SELF-EMPLOYED PERSON

Name as shown on Social Security Account Number Card

HOME ADDRESS (Number and Street, or Rural Route)

(City or Town, Postal Zone Number, State)

5. ENTER HERE THE SOCIAL SECURITY ACCOUNT NUMBER OF THE PERSON NAMED IN LINE 4



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6. Enter Total Earnings From Self-Employment Shown on { Line 13 above .. \$

{ Line 14 above .. \$

7. Enter Wages Shown on Line 16 above .. \$

8. Enter Self-Employment Income Shown on Line 18 above .. \$