**FARM INCOME FOR TAXABLE PERIOD—CASH RECEIPTS AND DISBURSEMENTS METHOD**

(Do not include sales of livestock held for draft, breeding, or dairy purposes; report such sales on Schedule D (Form 1040).
Report sales of other livestock in the applicable column below.)

<table>
<thead>
<tr>
<th>Kind</th>
<th>Quantity</th>
<th>1. Amount</th>
<th>Kind</th>
<th>Quantity</th>
<th>2. Amount</th>
<th>Items</th>
<th>3. Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td></td>
<td>$.........</td>
<td>Dairy products</td>
<td>$.........</td>
<td></td>
<td>Mule, rec'd for produce</td>
<td>$.........</td>
</tr>
<tr>
<td>Horses</td>
<td></td>
<td></td>
<td>Eggs</td>
<td>$.........</td>
<td></td>
<td>Machine work</td>
<td>$.........</td>
</tr>
<tr>
<td>Mules</td>
<td></td>
<td></td>
<td>Meat products</td>
<td>$.........</td>
<td></td>
<td>Breeding fees</td>
<td>$.........</td>
</tr>
<tr>
<td>Sheep</td>
<td></td>
<td></td>
<td>Poultry, dressed</td>
<td>$.........</td>
<td></td>
<td>Wood and lumber</td>
<td>$.........</td>
</tr>
<tr>
<td>Swine</td>
<td></td>
<td></td>
<td>Wool</td>
<td>$.........</td>
<td></td>
<td>Other forest products</td>
<td>$.........</td>
</tr>
<tr>
<td>Poultry</td>
<td></td>
<td></td>
<td>Honey</td>
<td>$.........</td>
<td></td>
<td>Agricultural program payments</td>
<td>$.........</td>
</tr>
<tr>
<td>Bees</td>
<td></td>
<td></td>
<td>Syrup and sugar</td>
<td>$.........</td>
<td></td>
<td>Patronage dividends, rebates or refunds</td>
<td>$.........</td>
</tr>
<tr>
<td>Grain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Other (specify):</td>
<td>$.........</td>
</tr>
<tr>
<td>Hay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$.........</td>
</tr>
<tr>
<td>Cotton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$.........</td>
</tr>
<tr>
<td>Tobacco</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$.........</td>
</tr>
<tr>
<td>Vegetables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$.........</td>
</tr>
<tr>
<td>Fruits and nuts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$.........</td>
</tr>
</tbody>
</table>

Total of Columns 1, 2, and 3. Enter here and on line 1 of summary below............................................... $

**SALES OF PURCHASED LIVESTOCK AND OTHER PURCHASED ITEMS**

<table>
<thead>
<tr>
<th>a. Description</th>
<th>b. Date acquired</th>
<th>c. Gross sales price</th>
<th>d. Cost or other basis</th>
<th>e. Profit (or loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$...........</td>
<td>$...........</td>
<td>$...........</td>
</tr>
</tbody>
</table>

Total (enter on line 2 of summary below)................................................................. $

**FARM EXPENSES FOR TAXABLE YEAR (See Instructions)**

(Do not include personal or living expenses or expenses not attributable to production of farm income, such as taxes, insurance, repairs, etc., on your dwelling)

<table>
<thead>
<tr>
<th>Items</th>
<th>1. Amount</th>
<th>Items</th>
<th>2. Amount</th>
<th>Items</th>
<th>3. Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor hired</td>
<td>$.........</td>
<td>Veterinary, medicine</td>
<td>$.........</td>
<td>Freight, trucking</td>
<td>$.........</td>
</tr>
<tr>
<td>Feed purchased</td>
<td></td>
<td>Gasoline, fuel, oil</td>
<td>$.........</td>
<td>Automobile upkeep</td>
<td>$.........</td>
</tr>
<tr>
<td>Seed, plants purchased</td>
<td></td>
<td>Storage, warehousing</td>
<td>$.........</td>
<td>Amortization</td>
<td>$.........</td>
</tr>
<tr>
<td>Machine hire</td>
<td></td>
<td>Taxes</td>
<td>$.........</td>
<td>Conservation expenses</td>
<td>$.........</td>
</tr>
<tr>
<td>Supplies purchased</td>
<td></td>
<td>Insurance</td>
<td>$.........</td>
<td>Other farm expenses</td>
<td>$.........</td>
</tr>
<tr>
<td>Repairs, maintenance</td>
<td></td>
<td>Farm interest</td>
<td>$.........</td>
<td>(specify):</td>
<td>$.........</td>
</tr>
<tr>
<td>Breeding fees</td>
<td></td>
<td>Utilities</td>
<td>$.........</td>
<td></td>
<td>$.........</td>
</tr>
<tr>
<td>Fertilizers, lime</td>
<td></td>
<td>Rent of farm, pasturage</td>
<td>$.........</td>
<td></td>
<td>$.........</td>
</tr>
</tbody>
</table>

Total of Columns 1, 2, and 3. Enter here and on line 4 of summary below (cash method) or line 6, page 2 (accrual method)................................................................. $

**SUMMARY OF INCOME AND DEDUCTIONS—CASH RECEIPTS AND DISBURSEMENTS METHOD**

1. Sale of livestock and produce raised $................................................................. $
2. Profit (or less) on sale of purchased livestock and other purchased items ................................................................. $
3. Gross Profits* $................................................................. $
4. Farm expenses (from above) ................................................................. $
5. Depreciation (from page 2) ................................................................. $
6. Other farm deductions (specify): ................................................................. $
7. Total Deductions ................................................................. $
8. Net farm profit (or loss) (line 3 minus line 7). Enter here, on line 11, page 3 of this schedule, and on line 9, page 1, Form 1040 $................................................................. $

* Use this amount for optional method of computing net earnings from self-employment. (See line 12, page 3.)

---

{09-16-74554-1}
DEPRECIATION (See Instructions)

<table>
<thead>
<tr>
<th>1. 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>
</tr>
</thead>
</table>

Total (enter on line 5 of summary on page 1 (cash method) or line 7, below (accrual method)). $...

FARM INVENTORY—ACCRUAL METHOD
(Do not include sales of livestock held for draft, breeding, or dairy purposes; report such sales on Schedule D (Form 1040), and omit them from "On hand at beginning of year" column)

<table>
<thead>
<tr>
<th>Description (Kind of livestock, crops, or other products)</th>
<th>On hand at beginning of year</th>
<th>Purchased during year</th>
<th>Raised during year</th>
<th>Consumed or lost during year</th>
<th>Sold during year</th>
<th>On hand at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td>Inventory value</td>
<td>Quantity</td>
<td>Amount paid</td>
<td>Quantity</td>
<td>Quantity</td>
<td>Amount received</td>
</tr>
</tbody>
</table>

Totals (Enter on line 3) $ (Enter on line 4) $ (Enter on line 5) $ (Enter on line 6) $ (Enter on line 7) $ |

SUMMARY OF INCOME AND DEDUCTIONS—ACCRUAL METHOD

1(a). Inventory of livestock, crops, and products at end of year $...
1(b). Sales of livestock, crops, and products during year $...
1(c). Other farm income (specify): $...

2. Total $...

3. Inventory of livestock, crops, and products at beginning of year $...

4. Cost of livestock and products purchased during year $...

5. Gross profits (line 2 minus the sum of lines 3 and 4)* $...

6. Farm expenses (from page 1) $...

7. Depreciation (from above) $...

8. Other farm deductions (specify): $...

9. Total Deductions $...

10. Net farm profit (or loss) (line 5 minus line 9). Enter here, on line 11, page 3 of this schedule, and on line 9, page 1, Form 1040 $...

*Use this amount for optional method of computing net earnings from self-employment. (See line 13, page 3)
**COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX ON FARM EARNINGS**

(For social security)

(See instructions—Page 4)

- If you had wages of $4,200 or more which were subject to the deduction for social security, do not fill in this page.
- Each self-employed person must file a separate schedule. See instructions, page 4, for joint returns and partnerships.
- If you had net earnings from self-employment from both farm and nonfarm sources, fill in only lines 11 and 12 (line 13, if applicable), and use separate Schedule C to compute your self-employment tax. Net farm earnings from self-employment should be entered on line 28(d) of separate Schedule C (Form 1040).

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

**CHOICE OF METHODS.**—A farmer must report his net farm earnings for self-employment tax purposes. Net earnings may be computed under the optional method (line 13, below) by a farmer whose GROSS profits are $1,800 or less, or whose GROSS profits are more than $1,800 and NET earnings are less than $1,200. If your GROSS profits from farming are not more than $1,800 and you elect to use the optional method, you need not complete lines 11 and 12.

**11. Net farm profit (or loss) from:**
   - (a) Line 8, page 1 (cash method), or line 10, page 2 (accrual method)  
   - (b) Farm partnerships

**12. Net earnings from self-employment from farming. Total of line 11 (a) and (b). Enter here and on line 6 below**

**Computation Under Optional Method**

**13. If gross profits from farming (see note below) are:**
   - (a) Not more than $1,800, enter two-thirds of the gross profits
   - (b) More than $1,800 and the amount on line 12 above is less than $1,200, enter $1,200

**NOTE.**—Gross profits from farming are the total of the gross profits on line 3, page 1 (cash method), or line 5, page 2 (accrual method), plus the distributive share of gross profit from farm partnerships as explained on page 4.

If line 12 (or line 13, if used) is under $400, do not fill in rest of page.

**Computation of Social Security Self-Employment Tax**

- The largest amount subject to social security self-employment tax is $4,200

- Less: Total wages, subject to deduction for social security, paid to you during the taxable year. (For wages reported on Form W-2, see 'F. I. C. A. Wages' box.) Enter here and on line 7, below.

- Balance (line 14 less line 15)

- Self-employment income. Enter here your choice of:
   - EITHER (1) the smaller of line 12 or 16 OR (2) the smaller of line 13 or 16. Enter here and on line 8 below.

- Self-employment tax—take 3½% of the amount on line 17. (You can do this by multiplying the amount on line 17 by .03375.) 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.

**U. S. REPORT OF SELF-EMPLOYMENT INCOME**

For Crediting to Your Social Security Account

1958

**PLEASE DO NOT WRITE IN THIS SPACE**

| ENTER AMOUNTS, IF ANY, SHOWN ON |
| LINE 12 ABOVE. $ |
| LINE 13 ABOVE. $ |
| ENTER WAGES, IF ANY, SHOWN ON |
| LINE 15 ABOVE. $ |
| ENTER AMOUNT SHOWN ON |
| LINE 17 ABOVE. $ |

**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.
SOCIAL SECURITY SELF-EMPLOYMENT TAX INSTRUCTIONS

Individuals deriving income from farming operations are subject to self-employment tax. See page 3 for computation of earnings from self-employment and self-employment tax. This tax must be paid regardless of age and even though the individual is receiving social security benefits.

Optional method for computing net earnings from self-employment from farming.—If a farmer’s gross income for the year from farming is not more than $1,800, he may report two-thirds of his gross farm income instead of his actual net earnings from farming. If his gross income from farm self-employment is more than $1,800 and his actual net earnings from farming are less than $1,200, he may report $1,200. For the purpose of the optional method, a partner should compute his share of gross profits from a farm partnership in accordance with the partnership agreement. In the case of guaranteed payments, his share is his guaranteed payments plus his share of the gross profits after such gross profits are reduced by all guaranteed payments of the partnership.

SHARE-FARMING ARRANGEMENTS

An individual who undertakes to produce a crop or livestock on land belonging to another for a proportionate share of the crop or livestock produced, or the proceeds thereof, is considered to be an independent contractor and a self-employed person rather than an employee. His net earnings should be reported on Schedule F (Form 1040) for income tax and self-employment tax purposes.

Farm rentals.—Rental income from a farm counts for social security purposes if the arrangement provides for material participation by the landlord and he does participate materially in the production of the crop or livestock or in the management of the production of the farm products. Such rental income is farm earnings and should be reported on page 1 or 2 of this schedule. “Material participation” means the taking of an important part in the actual production or in the making of management decisions.

MORE THAN ONE TRADE OR BUSINESS

If an individual is engaged in farming and in one or more other trades or businesses, his net earnings from self-employment are the combined net earnings from self-employment of all his trades or businesses. Thus, the loss sustained in one trade or business will operate to reduce the income derived from another trade or business. In such cases, use both Schedule F (Form 1040) and Schedule C (Form 1040) to determine net profit from the farm and nonfarm activities, respectively. Make the combined computation of self-employment tax on page 3 of Schedule C. Fill in only lines 11 through 13 on page 3 of Schedule F.

JOINT RETURNS

Where husband and wife file a joint income tax return, page 3 of this schedule should show the name of the one with self-employment income from farming. Where husband and wife each had self-employment income, a separate Schedule F, or a separate Schedule C, whichever is appropriate, must be filed by each. However, the total of the amounts shown as profit (or loss) from all businesses should, for income tax purposes, be reported on line 8 or 9, on page 1, Form 1040, and the combined self-employment tax should be entered on line 15, page 1, of Form 1040.

COMMUNITY INCOME

For the purpose of computing net earnings from self-employment (but not for income tax), 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 of the trade or business, in which case all of such income is considered the income of the wife. (Also see instructions on partnerships below.)

If separate income tax returns are filed by husband and wife, a complete Schedule F or Schedule C, whichever is appropriate, must be attached to the return of the one with self-employment income. Community income included on such a schedule must, however, be allocated, for income tax purposes between the two returns (on line 8 or line 9, 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 wife (or husband) even though the income may, under State law, be community income. However, in the case of a husband and wife farm partnership, like other partnerships, the distributive share of each must be entered as partnership income in Schedule H, page 3, of Form 1040 for income tax purposes, and on line 11 (b), page 3, of separate Schedules F for self-employment tax purposes. (Use separate Schedule C, page 3, to report nonfarm income for social security purposes.)

Note: If a member of a continuing partnership dies after August 28, 1958, a pro rata share of the partnership’s ordinary income (or loss) for its current year must be included in the partner’s net earnings from self-employment. The rule may also apply for deaths occurring after 1955 and before August 29, 1958. In such cases consult your nearest Internal Revenue Service office as to how to report.

EXCLUSIONS FROM SELF-EMPLOYMENT

In determining the amount of net farm earnings from self-employment the following items should be excluded:

Real estate rentals.—Rentals from real estate, including any personal property that is leased with the land. This includes rentals received in cash or crop shares. These amounts should be reported in Schedule G of Form 1040. See, however, “Farm Rentals” under “Share-Farming Arrangements” on this page.

Property gains and losses.—Gains and losses from the sale, exchange, or involuntary conversion of capital assets and other property which is not held primarily for sale to customers. These amounts should be reported on separate Schedule D.

Net operating losses.—In determining the net earnings from self-employment, no deduction for net operating losses of other years shall be allowed. Such deduction should be applied as an adjustment of the amount shown on line 11, page 1, Form 1040.

Other items.—Any other item of income or expense which was included in line 12 and which does not enter into the computation of net farm earnings from self-employment should be eliminated from line 12 and an explanation attached.

SCHEDULE SE (FORM 1040)

Schedule SE, which is the lower portion of page 3 of Schedule F, provides the Social Security Administration with the information on self-employment income necessary for computing benefits under the social security program.

To assure proper credit to your account, enter your name and 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. Do not delay filing your return beyond its due date.

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 self-employment income. However, if both had net earnings from self-employment, a separate Schedule SE must be filed by each.