### PART I.—Regular Computation of Net Earnings from Self-Employment

1. Net profit or (loss) from Schedule F (Form 1040), line 56 or line 89, and farm partnerships, Schedule K-1 (Form 1065), line 18b

2. Net profit or (loss) from Schedule C (Form 1040), line 32, and Schedule K-1 (Form 1065), line 18b (other than farming).

   **Note:** If you are exempt from self-employment tax on your earnings as a minister, member of a religious order, or Christian Science practitioner because you filed Form 4361, check here ![]. If you have other earnings of $400 or more that are subject to self-employment tax, include those earnings on this line.

### PART II.—Optional Computation of Net Earnings from Self-Employment

Generally, this part may be used only if you meet any of the following tests:
- **A** Your gross farm profits (Schedule F (Form 1040), line 31 or line 87) were not more than $2,400, or
- **B** Your gross farm profits (Schedule F (Form 1040), line 31 or line 87) were more than $2,400 and your net farm profits (Schedule F (Form 1040), line 56 or line 89) were less than $1,600, or
- **C** Your net nonfarm profits (Schedule C (Form 1040), line 32) were less than $1,600 and also less than two-thirds (%) of your gross nonfarm income (Schedule C (Form 1040), line 5).

See instructions for other limitations.

3. Maximum income for optional methods

4. Farm Optional Method—If you meet test A or B above, enter: two-thirds (%) of gross profits from Schedule F (Form 1040), line 31 or line 87, and farm partnerships, Schedule K-1 (Form 1065), line 18a, or $1,600, whichever is smaller

5. Subtract line 4 from line 3

6. Nonfarm Optional Method—If you meet test C, enter: the smaller of two-thirds (%) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 18c (other than farming), or $1,600, or, if you elected the farm optional method, the amount on line 5

### PART III.—Computation of Social Security Self-Employment Tax

7. Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4

8. Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6

9. Add lines 7 and 8. If less than $400, you are not subject to self-employment tax. Do not fill in the rest of the schedule.

10. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (Tier I) for 1983 is

11a. Total social security wages from Forms W-2 and railroad retirement compensation (Tier I). **Note:** U.S. Government employees whose wages are only subject to the 1.3% hospital benefits tax (Medicare) should not include those wages on this line (see instructions)

11b. Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (Tier I)

11c. Add lines 11a and 11b

12. Subtract line 11c from line 10

13. Enter the smaller of line 9 or line 12

   If line 13 is $35,700 or more, fill in $3,337.95 on line 14. Otherwise, multiply line 13 by .0935 and enter the result on line 14

14. Self-employment tax. Enter this amount on Form 1040, line 50