

**SCHEDULE SE
(Form 1040)**

Computation of Social Security Self-Employment Tax

OMB No. 1545-0074

1987
Attachment
Sequence No. **18**

Department of the Treasury
Internal Revenue Service

▶ See Instructions for Schedule SE (Form 1040).

▶ Attach to Form 1040.

Name of person with self-employment income (as shown on social security card)	Social security number of person with self-employment income ▶	: : : :
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- A** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner, AND you filed Form 4361, then DO NOT file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 48. However, if you filed Form 4361, but have \$400 or more of other earnings subject to self-employment tax, continue with Part I and check here ▶
- B** If you filed Form 4029 and have received IRS approval, DO NOT file Schedule SE. Write "Exempt-Form 4029" on Form 1040, line 48.
- C** If your only earnings subject to self-employment tax are wages from an electing church or church-controlled organization that is exempt from employer social security taxes and you are not a minister or a member of a religious order, skip lines 1-8. Enter zero on line 9. Continue with line 11a.

Part I Regular Computation of Net Earnings From Self-Employment

1 Net farm profit (or loss) from Schedule F (Form 1040), line 37, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1	
2 Net profit (or loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming). (See Instructions for other income to report.) Employees of an electing church or church-controlled organization DO NOT enter your Form W-2 wages on line 2. See the Instructions	2	

Part II Optional Computation of Net Earnings From Self-Employment (See "Who Can Use Schedule SE" in the Instructions.)

See Instructions for limitations. Generally, this part may be used **only** if you meet any of the following tests:

- A** Your **gross** farm income¹ was not more than \$2,400; **or**
- B** Your **gross** farm income¹ was more than \$2,400 and your **net** farm profits² were **less** than \$1,600; **or**
- C** Your **net** nonfarm profits³ were less than \$1,600 and your **net** nonfarm profits³ were also **less** than two-thirds (2/3) of your **gross** nonfarm income.⁴

Note: If line 2 above is two-thirds (2/3) or more of your gross nonfarm income⁴, or, if line 2 is \$1,600 or more, you may **not** use the optional method.

¹From Schedule F (Form 1040), line 12, and Schedule K-1 (Form 1065), line 14b. ³From Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a.

²From Schedule F (Form 1040), line 37, and Schedule K-1 (Form 1065), line 14a. ⁴From Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c.

3 Maximum income for optional methods	3	\$1,600 00
4 Farm Optional Method—If you meet test A or B above, enter the smaller of: two-thirds (2/3) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 14b; or \$1,600	4	
5 Subtract line 4 from line 3	5	
6 Nonfarm Optional Method—If you meet test C above, enter the smallest of: two-thirds (2/3) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c (other than farming); or \$1,600; or , if you elected the farm optional method, the amount on line 5	6	

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	7	
8 Enter the amount from Part I, line 2, or , if you elected the nonfarm optional method, Part II, line 6	8	
9 Add lines 7 and 8. If less than \$400, do not file this schedule. (Exception: If you are an employee of an electing church or church-controlled organization and the total of lines 7 and 8 is less than \$400, enter zero and complete the rest of this schedule.)	9	
10 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1987 is	10	\$43,800 00
11a Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1). Note: Medicare qualified government employees whose wages are only subject to the 1.45% medicare (hospital insurance benefits) tax and employees of certain church or church-controlled organizations should not include those wages on this line. (See Instructions.)	11a	
b Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (tier 1)	11b	
c Add lines 11a and 11b	11c	
12a Subtract line 11c from line 10. (If zero or less, enter zero.)	12a	
b Enter your medicare qualified government wages if you are required to use the worksheet in Part III of the Instructions 12b	12b	
c Enter your Form W-2 wages of \$100 or more from an electing church or church-controlled organization 12c	12c	
d Add lines 9 and 12c	12d	
13 Enter the smaller of line 12a or line 12d. If line 13 is \$43,800, enter \$5,387.40 on line 14. Otherwise, multiply line 13 by .123 and enter the result on line 14	13	
14 Self-employment tax. Enter this amount on Form 1040, line 48	14	x .123