

**SCHEDULE SE
(Form 1040)**

Social Security Self-Employment Tax

OMB No. 1545-0074

1988

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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Who Must File Schedule SE

You must file Schedule SE if:

- Your net earnings from self-employment were \$400 or more (or you had wages of \$100 or more from an electing church or church organization); AND
- You did not have wages (subject to social security or railroad retirement tax) of \$45,000 or more.

For more information about Schedule SE, see the Instructions.

Note: Most taxpayers can now use the new short Schedule SE on this page. But, you may have to use the longer Schedule SE that is on the back.

Who MUST Use the Long Schedule SE (Section B)

You must use Section B if ANY of the following applies:

- You choose the "optional method" to figure your self-employment tax. See Section B, Part II;
- You are a minister, member of a religious order, or Christian Science practitioner and received IRS approval (from **Form 4361**) not to be taxed on your earnings from these sources, but you owe self-employment tax on other earnings;
- You are an employee of a church or church organization that chose by law not to pay employer social security taxes;
- You have tip income that is subject to social security tax, but you did not report those tips to your employer; OR
- You are a government employee with wages subject ONLY to the 1.45% medicare part of the social security tax.

Section A—Short Schedule SE

(Read above to see if you must use the long Schedule SE on the back (Section B).)

1 Net farm profit or (loss) from Schedule F (Form 1040), line 39, 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 the Instructions for other income to report	2		
3 Add lines 1 and 2. Enter the total. If the total is less than \$400, do not file this schedule	3		
4 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1988 is	4	\$45,000	00
5 Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1)	5		
6 Subtract line 5 from line 4. Enter the result. (If the result is zero or less, do not file this schedule.)	6		
7 Enter the smaller of line 3 or line 6	7		
If line 7 is \$45,000, enter \$5,859 on line 8. Otherwise, multiply line 7 by .1302 and enter the result on line 8	8	x .1302	
8 Self-employment tax. Enter this amount on Form 1040, line 48	8		

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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Section B—Long Schedule SE

(Before completing, see if you can use the short Schedule SE on the other side (Section A).)

- 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 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 1–3b. Enter zero on line 3c and go on to line 5a.

Part I Figure Social Security Self-Employment Tax

1 Net farm profit or (loss) from Schedule F (Form 1040), line 39, 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			
3a Enter the amount from line 1 (or, if you elected the farm optional method, Part II, line 10)	3a			
b Enter the amount from line 2 (or, if you elected the nonfarm optional method, Part II, line 12)	3b			
c Add lines 3a and 3b. Enter the total. If the total is 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 3a and 3b is less than \$400, enter zero and complete the rest of this schedule.)	3c			
4 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1988 is	4	\$45,000	00	
5a Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1). Note: Government employees whose wages are subject only to the 1.45% medicare tax and employees of certain church or church-controlled organizations should not include those wages on this line. See Instructions	5a			
b Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (tier 1)	5b			
c Add lines 5a and 5b. Enter the total	5c			
6a Subtract line 5c from line 4. Enter the result. (If the result is zero or less, enter zero.)	6a			
b Enter your medicare qualified government wages if you are required to use the worksheet in the Instructions	6b			
c Enter your Form W-2 wages of \$100 or more from an electing church or church-controlled organization	6c			
d Add lines 3c and 6c. Enter the total	6d			
7 Enter the smaller of line 6a or line 6d	7			
If line 7 is \$45,000, enter \$5,859 on line 8. Otherwise, multiply line 7 by .1302 and enter the result on line 8	8		× .1302	
8 Self-employment tax. Enter this amount on Form 1040, line 48	8			

Part II Optional Method To Figure Net Earnings (See "Who Can File Schedule SE" in the Instructions.)

See Instructions for limitations. Generally, you may use this part **only** if:

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

9 Maximum income for optional methods	9	\$1,600	00	
10 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. Also enter this amount on line 3a above	10			
11 Subtract line 10 from line 9. Enter the result	11			
12 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 11. Also enter this amount on line 3b above	12			