

Schedule SE (Form 1040) Self-Employment Tax

After figuring his net farm profit on page 1 of Schedule F (1040), Mr. Rosso figures his self-employment tax. To do this, he figures his net earnings from farm self-employment on Short Schedule SE (1040), Section A. He is not required to use Long Schedule SE (1040), Section B. First he prints his name (as shown on his Form 1040) and his social security number at the top of Schedule SE (1040). Only his name and social security number go on Schedule SE (1040). His wife does not have self-employment income. If she had self-employment income, she would file her own Schedule SE (1040).

Line items. He figures his self-employment tax on the following lines.

Line 1a. He enters his net farm profit, \$63,792. All the income, losses, and deductions listed on Schedule F (Form 1040) are included in determining net earnings from farm self-employment. Consequently, he did not have to adjust his net profit to determine his self-employment net earnings from farming.

Line 2 If he were engaged in one or more other businesses in addition to farming, he would enter them on Line 2.

Line 3. He then combines his net profits from all his trades or businesses on line 3 of this schedule. However, because farming was his only business, he enters his net profit from farming (the amount shown on line 1a).

Line 4. He multiplies line 3 by .9235 to get his net earnings from self-employment and enters \$58,912 on line 4.

Lines 5 and 6. He completes the calculations on line 5 and enters \$7,835 on line 5. This is his self-employment tax for 2011. He also enters \$7,835 on line 56 of Form 1040. He enters \$4,506 on line 6 and also on Form 1040, line 27 (the deduction for 51.57% of his self-employment tax).

