

SELF-EMPLOYMENT INCOME WORKSHEET - Sole Proprietor Farm and Other Business

Tax Year Filing		Case Number	
Case Name	Worker Name	Worker ID	Date Completed

For FARM SELF-EMPLOYMENT, begin with Section I (use Schedule F, Form 1040)

For OTHER SELF-EMPLOYMENT, skip Section I and begin with Section II.

Section I: INCOME FROM FARM OPERATIONS

From Schedule F,
IRS Form 1040

(1) Enter net profit or loss	from line 34	(1) \$
(2) Add depreciation back in (Enter zero if negative.)	from line 14	(2) + \$
(3) Add amortization back in (Enter zero if negative.)	As specified on line 32a-f	(3) + \$
(4) Equals IM-Income from farm operations (add (1), (2), and (3))		(4) = \$

Section II: INCOME FROM OTHER SELF-EMPLOYMENT OPERATIONS.*

From Schedule C,
IRS Form 1040

If there is self-employment income other than farm, complete Section II.
 If not, go on to Section III.

(1) Enter net profit or loss	from line 31	(1) \$
(2) Add depletion back in (Enter zero if negative.)	from line 12	(2) + \$
(3) Add depreciation back in (Enter zero if negative.)	from line 13	(3) + \$
(4) Add amortization back in (Enter zero if negative.)	if specified on line 27	(4) + \$
(5) Add at risk loss deduction (Enter zero if negative.)	if specified on line 27	(5) + \$
(6) Equals IM-Income from other self-employment operations (add Section II (1) through (5))		(6) = \$

Section III: CAPITAL AND ORDINARY GAINS

From IRS Form 4797

If there are capital or ordinary gains or losses, complete Section III.
 If not, go to Section IV.

(1) Enter long-term capital gain (do not enter loss)*	from line 7 (only if gain)	(1) \$
(2) Add ordinary gain, OR subtract ordinary loss	from line 17 or 18b	(2) + \$
(3) Equals total sole-proprietary gain or (loss) (add (1) and (2))		(3) = \$

* Losses should be indicated on the tax form by enclosing the amount in parentheses [e.g., (\$100.00) indicates a \$100 loss rather than a gain.]

MORE 

Section IV: RENTAL AND ROYALTY INCOME (unearned income)

If there is any rental or royalty income, complete Section IV.
 If not, go to Section V.

From Schedule E,
 IRS Form 1040

(1) Enter total rental and royalty income	From line 26	(1) \$
(2) Add depreciation and depletion back in (Enter zero if negative.)	From line 18	(2) + \$
(3) Equals IM-Income rental and royalties (add (1) and (2))		(3) = \$
(4) Subtract any amount identified as unearned* (enter unearned amount)		(4) - \$
(5) Equals earned IM-Income from rental income (add (3) and (4))		(5) = \$

Section V: TOTAL INCOMES FROM ABOVE

To total incomes from above, complete Section V using results from Section I through Section IV.

(1) Enter IM-Income from farm operations	from Section I line (4)	(1) \$
(2) Add IM-Income from other self-employment operations or subtract (loss)	from Section II line (6)	(2) + \$
(3) Add total sole proprietary gains or subtract (loss)	from Section III line (3)	(3) + \$
(4) Add earned IM-Income from rental or subtract (loss)	from Section IV line (5)	(4) + \$
(5) Equals total sole-proprietary earned IM-Income (add (1) through (4))		(5) = \$
(6) Divide line (5) by the number of months in operation to get the monthly average.		(6) = \$

* All royalty income is unearned. Rental income is also unearned when the participant works less than 20 hours per week on average. The worker must ask the customer about income on Schedule E (Form 1040) to make this determination. Any unearned income [shown on Section IV, line (4)] must be entered as such on the combined application form. If the participant works 20 or more hours per week earning rental income use Schedule C to calculate self-employment earned income.

NOTE: THE TOTAL IM-INCOME RECORDED HERE ON Section V, LINE (5), [and/or Section IV, line (4)], MUST BE DIVIDED BY THE NUMBER OF MONTHS THE BUSINESS WAS "IN OPERATION" TO ARRIVE AT THE MONTHLY AVERAGE.

RETAIN COMPLETED WORKSHEET IN CASE RECORD