

SELF EMPLOYMENT FORMS

Sole Proprietorship

- Form 1040 - Individual Income Tax Return
- Schedule C
- Form 4562 - Depreciation – only needed if there is depreciation listed on line 13 of Schedule C

Sole Proprietorship (Joint Venture for Husband and Wife)

- Form 1040 - Joint Income Tax Return
- Schedule C for each proprietor based on % of business
- Form 4562 Depreciation – only needed if there is depreciation listed on line 13 of Schedule C

Sole Proprietorship Farming

- Form 1040 - Individual Income Tax Return
- Schedule F
- Form 4562 Depreciation – only needed if there is depreciation listed on line 14 of Schedule F

Sole Proprietorship Farming (Joint Venture for Husband and Wife)

- Form 1040 - Joint Income Tax Return
- Schedule F for each proprietor based on % of business or Form 1065
- Form 4562 Depreciation - only needed if there is depreciation listed on line 14 of Schedule F

S Corp

- Form 1040 - Individual Income Tax Return
- Form 1120S - Income Tax Return for an S Corporation
- Schedule K-1
- Schedule E
- Form 4562 Depreciation – only needed if there is income on line 14 of S Corp taxes
- Verification of income if parent/guardian receives wages or compensation as an officer - ask the question if there is income listed on lines 7 of S Corp taxes

Partnership

- Form 1040 - Individual Income Tax Return
- Form 1065 - US Partnership taxes
- Schedule K-1
- Schedule E
- Form 4562 Depreciation – only if income is listed on line 16a of Partnership taxes

Rental Income

- Form 1040 - Individual Income Tax Return
- Schedule E (Supplemental Income and Loss)
- Rental Income is usually not a service need, just a source of income

Corporation

- Individual Income Tax Return (1040)
- Corporation Income Tax Return

*If this is a service need for a family, please contact your grant monitor

SELF-EMPLOYMENT WORKSHEET

Sole Proprietorship (Schedule C)

Required Forms

- Form 1040 - Individual Income Taxes
- Schedule C
- Form 4562 – **only needed if there is depreciation listed on line 13 of Schedule C**

Form 1040

A. Enter dollar amount from line 12 \$ _____

This amount should be the same as line 31 of schedule C – If amount does not match, please check for additional businesses.

Schedule C

B. Enter dollar amount from line 31 (profit or loss) \$ _____

C. Enter dollar amount from line 13 (depreciation) \$ _____

Form 4562 (Depreciation)

D. Enter dollar amount from line 12 (section 179) \$ _____

Countable Depreciation

E. Subtract line **D** from line **C** \$ _____

Total Self-Employment Income

F. Add the amount from line **B** and line **E** \$ _____

Divide the amount on line F by the number of months in business for the tax year submitted.

Monthly Self-Employment Income \$ _____

Divide the amount of monthly income by 4.3 and then divide by the current minimum wage. This will determine the total number of child care hours.

✓ **Check for all other income sources, i.e. wages, interest, rental income, etc.**

SELF-EMPLOYMENT WORKSHEET

Sole Proprietorship (Schedule F - Farming)

Required Forms

- Form 1040 – Individual Income Taxes
- Schedule F
- Form 4562 – **only needed if there is depreciation listed on line 16 of Schedule F**

Form 1040

A. Enter dollar amount from line 18 \$ _____

This amount should be the same as line 34 of schedule F – If amount does not match, please check for additional businesses.

Schedule F

B. Enter dollar amount from line 34 \$ _____

C. Enter dollar amount from line 14 (depreciation) \$ _____

Form 4562 (Depreciation)

D. Enter dollar amount from line 12 (section 179) \$ _____

Countable Depreciation

E. Subtract line **D** from line **C** \$ _____

Total Self-Employment Income

F. Add the amount from line **B** and line **E** \$ _____

Divide the amount on line F by the number of months in business for the tax year submitted.

Monthly Self-Employment Income \$ _____

Divide the amount of monthly income by 4.3 and then divide by the current minimum wage. This will determine the total number of child care hours.

✓ **Check for all other income sources, i.e. wages, interest, rental income, etc.**

SELF-EMPLOYMENT WORKSHEET

Partnership

Required Forms

- Form 1040 Individual Income Taxes
- Form 1065 - US Return of Partnership Income
- Schedule K-1 (form 1065)
- Depreciation (4562) – **only needed if income is listed on line 16a of Partnership taxes**

Form 1040

A. Enter dollar amount from line 17 \$ _____

This amount should match line 1 of the client's K-1 form. If amount does not match, please check for additional business, royalty, or rental income.

Form 1065

B. Enter dollar amount from line 22 \$ _____

C. Enter dollar amount from line 16c \$ _____

Form 4562

D. Enter dollar amount from line 12 (section 179) \$ _____

Countable Depreciation

E. Subtract line **D** from line **C** \$ _____

Total Business Income

F. Add the amount from line **B** and line **E** \$ _____

Schedule K-1

G. On Schedule K-1 Line J, use % to determine partner's share of profit/loss. \$ _____

Divide the amount on line G by the number of months in business for the tax year submitted.

Monthly Partnership Income \$ _____

Divide the amount of monthly income by 4.3 and then divide by the current minimum wage. This will determine the total number of child care hours.

Check for Guaranteed Payments on Line 4 of the K-1 form. If there is an amount listed, it must be included as annual income and may be used to calculate child care hours.

SELF-EMPLOYMENT WORKSHEET

S Corporation

Required Forms

- Form 1040 - Individual Income Taxes
- Form 1120S - S Corporation tax return
- Schedule K-1 (form 1120S)
- Form 4562 – **only needed if there is income on line 14 of S Corp taxes**

Form 1040

A. Enter dollar amount from line 17 \$ _____

This amount should match line 1 of the client's K-1 form. If amount does not match, please check for additional business, royalty, or rental income.

Form 1120S

B. Enter dollar amount from line 21 \$ _____

C. Enter dollar amount from line 14 \$ _____

Form 4562

D. Enter dollar amount from line 12 (section 179) \$ _____

Countable Depreciation

E. Subtract line **D** from line **C** \$ _____

Total Business Income

F. Add the amount from line **B** and line **E** \$ _____

Schedule K-1

G. On Schedule K-1 Line F, use the % to determine partner's share of profit/loss \$ _____

Divide the amount on line G by the number of months in business for the tax year submitted.

Monthly S Corp Income \$ _____

Divide the amount of monthly income by 4.3 and then divide by the current minimum wage. This will determine the total number of child care hours.

Check for Compensation of Officers on line 7 of form 1120S. If client is receiving compensation, the amount may be listed on Line 10 of the K-1, Line 7 of the 1040 form or Line 21 of the 1040 form. If an amount is listed, it must be included as annual income and may be used to calculate child care hours.