

Instructions:

This form is to record income and expenses for self-employment only. Self-employment is the process of actively earning income directly from one's own business, trade or profession. Persons are considered self-employed if all of the following are true:

- responsible for obtaining or providing a service or product **and**
- earn income directly from their own business **and**
- are not required to have federal income tax and FICA payments withheld from their earnings **and**
- are not required to complete an IRS W4 form for an employer **and**
- are not covered by workers' compensation.

Use this form only when federal taxes have not been filed or are not reflective of current income. Use a separate form for each type of self-employment and for each person in the household who has self-employment income. You must answer all questions and sign and date at the bottom. Use additional sheets of paper if you need to. Sign and date each sheet. Remember, this is your sworn statement.

Income:

This is any money that you earn working for yourself. It is not money that you earn working for someone else. See instructions above. If you are in doubt, ask. Do not list it by the date the work was completed, list it as the date the income was received. List the gross amount before any deductions.

EXAMPLES:

- Cash receipts
- Cooperative Distributions
- Commission
- Sales of livestock or products you raised
- Price support or government payments
- Leases

Expenses:

This is direct costs of doing business. List by date the expense was incurred. Expenses are non-personal costs that are directly related to producing the income.

EXAMPLES:

- Supplies such as paper, postage
- Raw materials used to make a product
- Rent for office space
- Stock and inventory
- Business insurance premiums
- Legal and accounting fees, licenses and permits
- Payments on principal and interest of loans for income-producing purposes
- Capital asset purchases such as equipment and machinery
- Advertising
- Mileage at the current federal rate or actual expenses for trips between business sites (the mileage rate includes expenses such as gas, oil etc.)
- Service, maintenance and repair of your business property and equipment
- Wages you pay to other employees or sub-contractors that are not part of your household

Expenses that cannot be claimed:

Only expenses for your business can be claimed. Do not include personal expenses or normal living expenses.

EXAMPLES:

- Depreciation
- Net business loss from a prior year
- Costs of goods that you use for personal reasons
- Personal portion of rent, mortgage or vehicle costs
- Mileage expenses from your home to and from the work location
- Wages that you pay to yourself or someone in your household
- Federal, state and local income taxes