A blue and gold logo

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In class, we reviewed IRS Form SE – to calculate Self-Employment tax.

This is a necessary form and calculation for anyone with Schedule C business income.

**EXERCISE**

Using form SE - CALCULATE Maria’s Self-Employment tax on Form SE, assuming her income is as follows.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | | --- | --- | | SCHEDULE C – LINE 31 Net Business Profit | $ 6,848 | | W-2 – BOX 3 Social Security Taxable Wages | $ 37,587 | | TOTAL | $ 44,435 | |

1. How much is Maria’s total Self Employment Tax? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. How much of Maria s self-employment tax is tax deductible? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Form SE Line 13)

Using form SE - CALCULATE Sally’s Self-Employment tax on Form SE, assuming her income is as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | | --- | --- | | SCHEDULE C – LINE 31 Net Business Profit | $ 68,250 | | W-2 – BOX 3 Social Security Taxable Wages | $ 105,000 | | TOTAL | $ 173,250 | |  |  |  |

1. How much is Sally’s total Self Employment Tax? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. How much of Sally’s self-employment tax is tax deductible? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Form SE Line 13)