

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.

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

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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:

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

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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)