

CORRECTED
2009 Schedule C (Form 1040), Profit or Loss From Business

Purpose: This is the first circulated draft of the 2009 Schedule C (Form 1040) for your review and comments.

TPCC Meeting: None, but one can be arranged if requested.

Prior Revisions: The 2008 Schedule C (Form 1040) can be viewed by clicking on the following link: <http://www.irs.gov/pub/irs-pdf/f1040sc.pdf>

Instructions: The 2009 Instructions for Schedule C will be circulated at a later date. The 2008 instructions can be viewed by clicking on the following link: <http://www.irs.gov/pub/irs-pdf/i1040sc.pdf>

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: <http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments by **June 5, 2009**.

Changes to 2009 Schedule C (Form 1040)

All years were update appropriately

FROM: Robyn Magruder-Matthews	Email: robyn.t.magruder-matthews@irs.gov	Phone: 202-283-3725 Fax: 202-283-4544	Room: NCFB C-347	Date: 05/13/2009
---	--	--	-------------------------------	----------------------------

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2009

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ **Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.**
▶ **Attach to Form 1040, 1040NR, or 1041.** ▶ **See Instructions for Schedule C (Form 1040).**

Name of proprietor

Social security number (SSN)

A Principal business or profession, including product or service (see page C-3 of the instructions)

B Enter code from pages C-9, 10, & 11

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.) ▶

City, town or post office, state, and ZIP code

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2009? If "No," see page C-4 for limit on losses Yes No

H If you started or acquired this business during 2009, check here ▶

Part I Income

1	Gross receipts or sales. Caution. See page C-4 and check the box if: <ul style="list-style-type: none"> This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-4 for limit on losses. 	<input type="checkbox"/>	1		
2	Returns and allowances		2		
3	Subtract line 2 from line 1		3		
4	Cost of goods sold (from line 42 on page 2)		4		
5	Gross profit. Subtract line 4 from line 3		5		
6	Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4)		6		
7	Gross income. Add lines 5 and 6		7		

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8		18	Office expense	18		
9	Car and truck expenses (see page C-5)	9		19	Pension and profit-sharing plans	19		
10	Commissions and fees	10		20	Rent or lease (see page C-6):			
11	Contract labor (see page C-5)	11		a	Vehicles, machinery, and equipment	20a		
12	Depletion	12		b	Other business property	20b		
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-5)	13		21	Repairs and maintenance	21		
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22		
15	Insurance (other than health)	15		23	Taxes and licenses	23		
16	Interest:			24	Travel, meals, and entertainment:			
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a		
b	Other	16b		b	Deductible meals and entertainment (see page C-7)	24b		
17	Legal and professional services	17		25	Utilities	25		
				26	Wages (less employment credits)	26		
				27	Other expenses (from line 48 on page 2)	27		

28 **Total expenses** before expenses for business use of home. Add lines 8 through 27 ▶ **28**

29 Tentative profit or (loss). Subtract line 28 from line 7 **29**

30 Expenses for business use of your home. Attach **Form 8829** **30**

31 **Net profit or (loss).** Subtract line 30 from line 29.

• If a profit, enter on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13** (if you checked the box on line 1, see page C-7). Estates and trusts, enter on **Form 1041, line 3**.

• If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see page C-8).

• If you checked 32a, enter the loss on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13** (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a All investment is at risk.

32b Some investment is not at risk.

