

Part II Bona Fide Residents of Puerto Rico Claiming Additional Child Tax Credit—See instructions.

Caution. You must have three or more qualifying children to claim the additional child tax credit.

Table with 3 columns: Line number, Description, and Amount. Lines 1-3: Income derived from sources within Puerto Rico, Withheld social security and Medicare taxes, and Additional child tax credit.

Part III Profit or Loss From Farming—See the instructions for Schedule F (Form 1040).

Table with 2 columns: Name of proprietor and Social security number.

Note. If you are filing a joint return and both you and your spouse had a profit or loss from a farming business, see Joint returns and Husband-Wife Business in the instructions for more information.

Section A—Farm Income—Cash Method

Complete Sections A and B. (Accrual method taxpayers, complete Sections B and C, and Section A, line 11.) Do not include sales of livestock held for draft, breeding, sport, or dairy purposes (see instructions).

Table for Section A with 11 rows. Lines 1-11: Sales of livestock, cost of livestock, sales of produce, cooperative distributions, agricultural program payments, CCC loans, crop insurance proceeds, custom hire income, other income, and Gross farm income.

Section B—Farm Expenses—Cash and Accrual Method

Do not include personal or living expenses (such as taxes, insurance, or repairs on your home) that did not produce farm income. Reduce the amount of your farm expenses by any reimbursements before entering the expenses below.

Table for Section B with 36 rows. Lines 12-36: Car and truck expenses, chemicals, conservation expenses, depreciation, employee benefit programs, feed, fertilizers, freight, gasoline, insurance, interest, labor hired, pension and profit-sharing plans, rent or lease, repairs and maintenance, seeds and plants, storage and warehousing, supplies, taxes, utilities, veterinary expenses, and total expenses.

Section C—Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes on any of the lines below (see page instruction).

Table with 3 columns: Description, Amount, and Total. Rows include Sales of livestock (37), Total cooperative distributions (38a), Agricultural program payments (39), Commodity Credit Corporation (CCC) loans (40), Crop insurance proceeds (41), Custom hire (42), Other farm income (43), Inventory at beginning (45), Cost of purchases (46), Inventory at end (48), and Gross farm income (50).

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and in Part III, line 11.

Part IV Profit or Loss From Business (Sole Proprietorship)—See the instructions for Schedule C (Form 1040).

Table with 2 columns: Name of proprietor and Social security number.

Note. If you are filing a joint return and both you and your spouse had a profit or loss from a business, see Joint returns and Husband-Wife Business in the instructions for more information.

Section A—Income

Table with 3 columns: Description, Amount, and Total. Rows include Gross receipts (1), Inventory at beginning (2a), Purchases (2b), Cost of labor (2c), Materials (2d), Other costs (2e), Inventory at end (2g), Cost of goods sold (2h), Gross profit (3), Other income (4), and Gross income (5).

Section B—Expenses

Table with 3 columns: Description, Amount, and Total. Rows include Advertising (6), Car and truck expenses (7), Commissions (8), Contract labor (9), Depreciation (11), Employee benefit programs (12), Insurance (13), Interest (14), Legal services (15), Office expense (16), Pension (17), Rent or lease (18), Repairs (19), Supplies (20), Taxes (21), Travel (22), Utilities (23), Wages (24), and Total other expenses (25b).

Part V Self-Employment Tax—If you had **church employee income**, see instructions before you begin.

Name of person with self-employment income	Social security number of person with self-employment income ▶
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Note. If you are filing a joint return and both you and your spouse had self-employment income, you must **each** complete a **separate** Part V.

A	If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part V <input type="checkbox"/>			
1a	Net farm profit or (loss) from Part III, line 36, and your distributive share from farm partnerships. Note. Skip lines 1a and 1b if you use the farm optional method (see instructions)	1a		
b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included in Part III, line 6, plus your distributive share of these payments from farm partnerships	1b	()
2	Net nonfarm profit or (loss) from Part IV, line 27, and your distributive share from nonfarm partnerships. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report. Note. Skip this line if you use the nonfarm optional method (see instructions)	2		
3	Combine lines 1a, 1b, and 2	3		
4a	If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter the amount from line 3	4a		
b	If you elect one or both of the optional methods, enter the total of lines 2 and 4 of Part VI here	4b		
c	Combine lines 4a and 4b. If less than \$400, stop ; you do not owe self-employment tax. Exception. If less than \$400 and you had church employee income , enter -0- and continue . ▶	4c		
5a	Enter your church employee income from Form(s) W-2, W-2AS, W-2CM, W-2GU, W-2VI, or 499R-2/W-2PR. See instructions for definition of church employee income.	5a		
b	Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-	5b		
6	Add lines 4c and 5b ▶	6		
7	Maximum amount of combined wages and self-employment earnings subject to social security tax for 2011	7	106,800	00
8a	Total social security wages and tips from Form(s) W-2, W-2AS, W-2CM, W-2GU, W-2VI, or 499R-2/W-2PR. If \$106,800 or more, skip lines 8b through 10, and go to line 11	8a		
b	Unreported tips subject to social security tax from Form 4137, line 10 (see instructions)	8b		
c	Wages subject to social security tax from Form 8919, line 10 (see instructions)	8c		
d	Add lines 8a, 8b, and 8c	8d		
9	Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 . . . ▶	9		
10	Multiply the smaller of line 6 or line 9 by 10.4% (.104)	10		
11	Multiply line 6 by 2.9% (.029)	11		
12	Self-employment tax. Add lines 10 and 11. Enter here and in Part I, line 3	12		

Part VI Optional Methods To Figure Net Earnings—See instructions for limitations.

Note. If you are filing a joint return and both you and your spouse choose to use an optional method to figure net earnings, you must **each** complete and attach a **separate** Part VI.

Farm Optional Method				
1	Maximum income for optional methods	1	4,480	00
2	Enter the smaller of: two-thirds (² / ₃) of gross farm income (Part III, line 11, plus your distributive share from farm partnerships), but not less than zero; or \$4,480. Also include this amount in Part V, line 4b, above.	2		
Nonfarm Optional Method				
3	Subtract line 2 from line 1.	3		
4	Enter the smaller of: two-thirds (² / ₃) of gross nonfarm income (Part IV, line 5, plus your distributive share from nonfarm partnerships), but not less than zero; or the amount in Part VI, line 3, above. Also include this amount in Part V, line 4b, above	4		