



**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.

|          |  |          |  |  |
|----------|--|----------|--|--|
| <b>1</b> | Income derived from sources within Puerto Rico . . . . .   | <b>1</b> |  |  |
| <b>2</b> | Withheld social security and Medicare taxes from Forms 499R-2/W-2PR (attach copy of form(s)) . . . . .                                       | <b>2</b> |  |  |
| <b>3</b> | <b>Additional child tax credit.</b> Use the worksheet in the instructions to figure the amount to enter here and in Part I, line 8 . . . . . | <b>3</b> |  |  |

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

|                    |  |  |                        |  |
|--------------------|--|--|------------------------|--|
| Name of proprietor |  |  | 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).

|           |  |           |    |                |  |
|-----------|--|-----------|----|----------------|--|
| <b>1</b>  | Sales of livestock and other items you bought for resale . . . . .   | <b>1</b>  |    |                |  |
| <b>2</b>  | Cost or other basis of livestock and other items reported on line 1 . . . . .  | <b>2</b>  |    |                |  |
| <b>3</b>  | Subtract line 2 from line 1. . . . .   | <b>3</b>  |    |                |  |
| <b>4</b>  | Sales of livestock, produce, grains, and other products you raised . . . . .   | <b>4</b>  |    |                |  |
| <b>5a</b> | Total cooperative distributions (Form(s) 1099-PATR) . . . . .  | <b>5a</b> |    |                |  |
|           |  | <b>5b</b> | 5b | Taxable amount |  |
| <b>6</b>  | Agricultural program payments received . . . . .   | <b>6</b>  |    |                |  |
| <b>7</b>  | Commodity Credit Corporation (CCC) loans reported under election (or forfeited) . . . . .  | <b>7</b>  |    |                |  |
| <b>8</b>  | Crop insurance proceeds . . . . .  | <b>8</b>  |    |                |  |
| <b>9</b>  | Custom hire (machine work) income . . . . .  | <b>9</b>  |    |                |  |
| <b>10</b> | Other income. . . . .  | <b>10</b> |    |                |  |
| <b>11</b> | <b>Gross farm income.</b> Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from Section C, line 50 . . . . . | <b>11</b> |    |                |  |

**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.

|           |   |            |  |  |  |           |  |            |  |  |
|-----------|---|------------|--|--|--|-----------|--|------------|--|--|
| <b>12</b> | Car and truck expenses (see instructions) . . . . .   | <b>12</b>  |  |  |  | <b>25</b> | Pension and profit-sharing plans . . . . .   | <b>25</b>  |  |  |
| <b>13</b> | Chemicals. . . . .  | <b>13</b>  |  |  |  | <b>26</b> | Rent or lease:                               |            |  |  |
| <b>14</b> | Conservation expenses . . . . .   | <b>14</b>  |  |  |  | <b>a</b>  | Vehicles, machinery, and equipment . . . . . | <b>26a</b> |  |  |
| <b>15</b> | Custom hire (machine work) . . . . .  | <b>15</b>  |  |  |  | <b>b</b>  | Other (land, animals, etc.) . . . . .        | <b>26b</b> |  |  |
| <b>16</b> | Depreciation and section 179 expense deduction not claimed elsewhere (attach <b>Form 4562</b> if required). . . . .     | <b>16</b>  |  |  |  | <b>27</b> | Repairs and maintenance . . . . .            | <b>27</b>  |  |  |
| <b>17</b> | Employee benefit programs other than on line 25 . . . . .   | <b>17</b>  |  |  |  | <b>28</b> | Seeds and plants purchased . . . . .         | <b>28</b>  |  |  |
| <b>18</b> | Feed purchased . . . . .  | <b>18</b>  |  |  |  | <b>29</b> | Storage and warehousing . . . . .            | <b>29</b>  |  |  |
| <b>19</b> | Fertilizers and lime . . . . .  | <b>19</b>  |  |  |  | <b>30</b> | Supplies purchased . . . . .                 | <b>30</b>  |  |  |
| <b>20</b> | Freight and trucking . . . . .  | <b>20</b>  |  |  |  | <b>31</b> | Taxes . . . . .                              | <b>31</b>  |  |  |
| <b>21</b> | Gasoline, fuel, and oil . . . . .   | <b>21</b>  |  |  |  | <b>32</b> | Utilities . . . . .                          | <b>32</b>  |  |  |
| <b>22</b> | Insurance (other than health) . . . . .   | <b>22</b>  |  |  |  | <b>33</b> | Veterinary, breeding, and medicine . . . . . | <b>33</b>  |  |  |
| <b>23</b> | Interest:   |            |  |  |  | <b>34</b> | Other expenses (specify):                    |            |  |  |
| <b>a</b>  | Mortgage (paid to banks, etc.) . . . . .  | <b>23a</b> |  |  |  | <b>a</b>  | -----  | <b>34a</b> |  |  |
| <b>b</b>  | Other . . . . .   | <b>23b</b> |  |  |  | <b>b</b>  | -----  | <b>34b</b> |  |  |
| <b>24</b> | Labor hired . . . . .   | <b>24</b>  |  |  |  | <b>c</b>  | -----  | <b>34c</b> |  |  |
|           |   |            |  |  |  | <b>d</b>  | -----  | <b>34d</b> |  |  |
|           |   |            |  |  |  | <b>e</b>  | -----  | <b>34e</b> |  |  |
| <b>35</b> | <b>Total expenses.</b> Add lines 12 through 34e . . . . .   | <b>35</b>  |  |  |  | <b>35</b> |  | <b>35</b>  |  |  |
| <b>36</b> | <b>Net farm profit or (loss).</b> Subtract line 35 from line 11. Enter the result here and in Part V, line 1a . . . . . | <b>36</b>  |  |  |  | <b>36</b> |  | <b>36</b>  |  |  |

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 expenses (26).

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

|   |   |
|---|---|
| Name of person with <b>self-employment</b> income | Social security number of person with <b>self-employment</b> income ▶ |
|---|---|

**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.

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

**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.

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