



# Instructions for Form 7202

## Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 7202 and its instructions, such as legislation enacted after they are published, go to [IRS.gov/Form7202](https://www.irs.gov/Form7202).

## General Instructions

### Purpose of Form 7202

These instructions give you some background information about Form 7202. They tell you who may file Form 7202. For the latest information about coronavirus (COVID-19) tax relief, go to [IRS.gov/Coronavirus](https://www.irs.gov/Coronavirus).

The Families First Coronavirus Response Act (FFCRA), as amended by the COVID-related Tax Relief Act of 2020, is intended to help the United States combat COVID-19 by providing small and midsize employers refundable tax credits that reimburse them, dollar-for-dollar, for the cost of providing paid sick and family leave wages to their employees for leave related to COVID-19. The FFCRA extends to self-employed individuals equivalent refundable tax credits against net income tax.

These credits are equivalent to the amount of qualified sick leave wages or qualified family leave wages the self-employed individual could receive under the Emergency Paid Sick Leave Act or the Emergency Family and Medical Leave Expansion Act, two separate provisions of the FFCRA, if the individual were an employee of an employer (other than himself or herself).

Use Form 7202 to figure the amount to claim for qualified sick and family leave equivalent credits under the FFCRA and attach it to your tax return. If you are filing a joint return, show the name of the spouse with self-employment income on Form 7202. If both spouses are eligible self-employed individuals, each must file a separate Form 7202.

### Who May File Form 7202?

Eligible self-employed individuals are entitled to claim qualified sick and family leave equivalent credits. To be an eligible self-employed person, both the following must be true.

1. You regularly carried on a trade or business within the meaning of section 1402.
2. You would have been:
  - a. Eligible to receive qualified sick leave wages under the Emergency Paid Sick Leave Act if you had been an employee of an employer (other than yourself), and/or
  - b. Eligible to receive qualified family leave wages under the Emergency Family and Medical Leave Expansion Act if you had been an employee of an employer (other than yourself).

Each eligible self-employed individual must file a separate Form 7202. If filing a joint tax return and both spouses are eligible self-employed individuals, each must attach a separate Form 7202 to the joint tax return.

You must maintain appropriate documentation to show that you are an eligible self-employed individual.

**Regularly carried on a trade or business.** An individual regularly carries on a trade or business for purposes of being an eligible self-employed person if he or she carries on a trade or business within the meaning of section 1402, or is a partner in a partnership carrying on a trade or business, within the meaning of section 1402. For more information, see sections 1402(c) and 1402(h).

## Specific Instructions

### Part I—Credit for Sick Leave for Certain Self-Employed Individuals

#### Line 1

Enter the number of days in the period from April 1, 2020, through December 31, 2020, that you were unable to perform services as a self-employed individual because of one or more of the following reasons.

- You were subject to a federal, state, or local quarantine or isolation order related to COVID-19.
- You were advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- You were experiencing symptoms of COVID-19 and seeking a medical diagnosis.

If a day meets the requirements for both the Credit for Sick Leave for Certain Self-Employed Individuals in Part I and the Credit for Family Leave for Certain Self-Employed Individuals in Part II, you can only count the day once. Don't include the same day for both credits.

#### Line 2

Enter the number of days in the period from April 1, 2020, through December 31, 2020, that you were unable to perform services as a self-employed individual because of one or more of the following reasons.

- You were caring for an individual who was subject to a federal, state, or local quarantine or isolation order related to COVID-19.
- You were caring for an individual who was advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- You were caring for a son or daughter because the school or place of care for that child was closed or the childcare provider for that child was unavailable due to COVID-19 precautions.

If a day meets the requirements for both the Credit for Sick Leave for Certain Self-Employed Individuals in Part I and the

Credit for Family Leave for Certain Self-Employed Individuals in Part II, you can only count the day once. Don't include the same day for both credits. Also, don't include days that you included on line 1.

**Son or daughter.** A son or daughter must generally be under 18 years of age or incapable of self-care because of a mental or physical disability. For more information about who is a son or daughter under the FFCRA, see [DOL.gov/agencies/whd/pandemic/ffcra-questions#40](https://www.dol.gov/agencies/whd/pandemic/ffcra-questions#40).

### Line 3

The number of days taken into account for determining the qualified sick leave equivalent amount cannot exceed 10 days over all tax years.

If you attach Form 7202 to a tax return for a tax year ending in 2020, enter on line 3 the smaller of the following two items.

1. 10 days.
2. The number of days in your tax year that are after March 31, 2020.

If you attach Form 7202 to a tax return for a tax year ending in 2021, enter on line 3 the smallest of the following three items.

1. 10 days.
2. The number of days in your tax year that are after March 31, 2020, and before April 1, 2021.
3. 10 days reduced by the number of days you included on lines 4 and 6 of a Form 7202 that you filed with a prior-year tax return.

### Line 7

Enter your net earnings from self-employment. In most cases, this is the amount from line 6 of Schedule SE (Form 1040).

When determining your net earnings from self-employment for purposes of this credit, do not follow the line instructions to enter zero on line 4c or line 5b of Schedule SE if the amount would be less than \$400 or \$100, respectively; instead, figure the amount that would be on line 6 of a worksheet Schedule SE using the following substitute line instructions.

- Line 4a: If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter the amount from line 3.
- Line 4c: Combine lines 4a and 4b. If zero or less, enter -0-.
- Line 5b: Multiply line 5a by 92.35% (0.9235).

Don't attach this worksheet version of Schedule SE to your tax return; instead, keep a copy of it for your records.



*Make sure you only include net earnings from your own Schedule SE. Don't include your spouse's net earnings from self-employment.*

**Election to use prior-year net earnings from self-employment.** You may be able to use your prior-year net earnings from self-employment on line 7 to figure your credit for sick leave for certain self-employed individuals. You can make this election if your prior-year net earnings from self-employment were greater than your current year net earnings from self-employment.

For a 2020 tax return, compare the amount on your 2020 Schedule SE, line 6, with the amount on your 2019 Schedule SE, line 4 (if you used the Short Schedule SE) or

line 6 (if you used the Long Schedule SE), and enter the larger amount on line 7 of your 2020 Form 7202.

### Line 15

Enter the amount of qualified sick leave wages subject to the \$511 per-day limit you received from an employer. If you received wages as an employee in addition to your self-employment income and received qualified sick leave wages from your employer because of the reasons described earlier under *Line 1*, your Form(s) W-2 should show the qualified sick leave wages subject to the \$511 per-day limit. This amount will either be reported separately in box 14 of your Form(s) W-2 or on a separate attached statement.

For more information on the W-2 reporting of qualified sick leave wages, see Notice 2020-54, available at [IRS.gov/irb/2020-31\\_IRB#NOT-2020-54](https://www.irs.gov/irb/2020-31_IRB#NOT-2020-54).

### Line 16

Enter the amount of qualified sick leave wages subject to the \$200 per-day limit you received from an employer. If you received wages as an employee in addition to your self-employment income and received qualified sick leave wages from your employer because of the reasons described earlier under *Line 2*, your Form(s) W-2 should show the qualified sick leave wages subject to the \$200 per-day limit. This amount will either be reported separately in box 14 of your Form(s) W-2 or on a separate attached statement.

For more information on the W-2 reporting of qualified sick leave wages, see Notice 2020-54, available at [IRS.gov/irb/2020-31\\_IRB#NOT-2020-54](https://www.irs.gov/irb/2020-31_IRB#NOT-2020-54).

### Line 24

**Credit for sick leave for certain self-employed individuals.** Subtract line 23 from line 14. If zero or less, enter -0-. Enter here and on Schedule 3 (Form 1040), line 12b.

## Part II—Credit for Family Leave for Certain Self-Employed Individuals

### Line 25

Enter the number of days you were unable to perform services as a self-employed individual because of certain coronavirus-related care you provided to a son or daughter whose school or place of care is closed or whose childcare provider is unavailable for reasons related to COVID-19. You can count days occurring in the period from April 1, 2020, through December 31, 2020, but do not enter more than 50 days.

If a day meets the requirements for both the Credit for Sick Leave for Certain Self-Employed Individuals in Part I and the Credit for Family Leave for Certain Self-Employed Individuals in Part II, you can only count the day once. Don't include the same day for both credits.

**Son or daughter.** A son or daughter must generally be under 18 years of age or incapable of self-care because of a mental or physical disability. For more information about who is a son or daughter under the FFCRA, see [DOL.gov/agencies/whd/pandemic/ffcra-questions#40](https://www.dol.gov/agencies/whd/pandemic/ffcra-questions#40).

**More information.** For more information and other definitions related to the Emergency Family and Medical Leave Expansion Act, see the Families First Coronavirus

## Line 26

Enter your net earnings from self-employment. In most cases, this is the amount from line 6 of Schedule SE (Form 1040).

When determining your net earnings from self-employment for purposes of this credit, do not follow the line instructions to enter zero on line 4c or line 5b of Schedule SE if the amount would be less than \$400 or \$100, respectively; instead, figure the amount that would be on line 6 of a worksheet Schedule SE using the following substitute line instructions.

- Line 4a: If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter the amount from line 3.
- Line 4c: Combine lines 4a and 4b. If zero or less, enter -0-.
- Line 5b: Multiply line 5a by 92.35% (0.9235).

Don't attach this worksheet version of Schedule SE to your tax return; instead, keep a copy of it for your records.



*Make sure you only include net earnings from your own Schedule SE. Don't include your spouse's net earnings from self-employment.*

**Election to use prior-year net earnings from self-employment.** You may be able to use your prior-year net earnings from self-employment on line 26 to figure your credit for family leave for certain self-employed individuals. You can

make this election if your prior-year net earnings from self-employment were greater than your current year net earnings from self-employment.

For a 2020 tax return, compare the amount on your 2020 Schedule SE, line 6, with the amount on your 2019 Schedule SE, line 4 (if you used the Short Schedule SE) or line 6 (if you used the Long Schedule SE), and enter the larger amount on line 26 of your 2020 Form 7202.

## Line 31

Enter the amount of qualified family leave wages subject to the \$200 per-day limit you received from an employer. If you received wages as an employee in addition to your self-employment income and received qualified family leave wages from your employer because of the reason described earlier under *Line 25*, your Form(s) W-2 should show the qualified family leave wages subject to the \$200 per-day limit. This amount will either be reported separately in box 14 of your Form(s) W-2 or on a separate attached statement.

For more information on the W-2 reporting of qualified family leave wages, see Notice 2020-54, available at [IRS.gov/irb/2020-31\\_IRB#NOT-2020-54](https://www.irs.gov/irb/2020-31_IRB#NOT-2020-54).

## Line 35

**Credit for family leave for certain self-employed individuals.** Subtract line 34 from line 30. If zero or less, enter -0-. Enter here and include on Schedule 3 (Form 1040), line 12b.