

2018 Farmer's Tax Guide Publication 225

<https://www.irs.gov/pub/irs-prior/p225--2018.pdf>

Schedule F - Profit / Loss from Farming as shown in a tax return Form 1040

<https://www.irs.gov/pub/irs-pdf/f1040sf.pdf>

Instructions for schedule F

<https://www.irs.gov/pub/irs-pdf/i1040sf.pdf>

Form 4835 Farm Rental Income/Expense

<https://www.irs.gov/pub/irs-pdf/f4835.pdf>

CRP Annual Rental Payments

<https://www.irs.gov/businesses/small-businesses-self-employed/conservation-reserve-program-annual-rental-payments-and-self-employment-tax>

Links to the following topics:

<https://www.irs.gov/businesses/small-businesses-self-employed/self-employed-individuals-tax-center>

## **What are My Self-Employed Tax Obligations?**

As a self-employed individual, generally you are required to file an annual return and pay estimated tax quarterly.

Self-employed individuals generally must pay self-employment tax (SE tax) as well as income tax. SE tax is a Social Security and Medicare tax primarily for individuals who work for themselves. It is similar to the Social Security and Medicare taxes withheld from the pay of most wage earners. In general, anytime the wording "self-employment tax" is used, it only refers to Social Security and Medicare taxes and not any other tax (like income tax).

Before you can determine if you are subject to self-employment tax and income tax, you must figure your net profit or net loss from your business. You do this by subtracting your business expenses from your business income. If your expenses are less than your income, the difference is net profit and becomes part of your income on page 1 of Form 1040. If your expenses are more than your income, the difference is a net loss. You usually can deduct your loss from gross income on page 1 of Form 1040. But in some situations your loss is limited. See [Pub. 334, Tax Guide for Small Business \(For Individuals Who Use Schedule C or C-EZ\)](#) for more information.

You have to file an income tax return if your net earnings from self-employment were \$400 or more. If your net earnings from self-employment were less than \$400, you still have to file an

income tax return if you meet any other filing requirement listed in the [Form 1040 instructions](#) (PDF).

<https://www.irs.gov/businesses/small-businesses-self-employed/business-structures>

## Business Structures

When beginning a business, you must decide what form of business entity to establish. Your form of business determines which income tax return form you have to file. The most common forms of business are the sole proprietorship, partnership, corporation, and S corporation. A Limited Liability Company (LLC) is a relatively new business structure allowed by state statute. Visit the [Business Structures](#) page to learn more about each type of entity and what forms to file.

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- [Sole Proprietorships](#)
- [Partnerships](#)
- [Corporations](#)
- [S Corporations](#)
- [Limited Liability Company \(LLC\)](#)

For additional information, refer to Small Business Administration's [Choose a business structure](#) web page.