

# Schedule C—Required for Business Owners

**SCHEDULE C  
(Form 1040)**

## Profit or Loss From Business

(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.

OMB No. 1545-0074

20XX

Attachment  
Sequence No. **09**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See instructions for Schedule C (Form 1040).

Name of proprietor	Social security number (SSN)
<b>A</b> Principal business or profession, including product or service (see page C-3 of the instructions)	<b>B</b> Enter code from pages C-9, 10, & 11
<b>C</b> Business name. If no separate business name, leave blank.	<b>D</b> Employer ID number (EIN), if any
<b>E</b> Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code	
<b>F</b> Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶	
<b>G</b> Did you "materially participate" in the operation of this business during 2006? If "No," see page C-4 for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>H</b> If you started or acquired this business during 2006, check here <input type="checkbox"/>	

**Part I Income**

<b>1</b> Gross receipts or sales. <b>Caution.</b> See page C-4 and check the box if: • 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		
<b>2</b> Returns and allowances		2		
<b>3</b> Subtract line 2 from line 1		3		
<b>4</b> Cost of goods sold (from line 42 on page 2)		4		
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3.		5		
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4).		6		
<b>7</b> <b>Gross income.</b> Add lines 5 and 6		7		

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

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

<b>28</b> Total expenses before expenses for business use of home. Add lines 8 through 27	▶	28		
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7		29		
<b>30</b> Expenses for business use of your home. Attach Form 8829		30		
<b>31</b> Net profit or (loss). Subtract line 30 from line 29.		31		
• 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 as a statutory employee, see page C-7). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.				
<b>32</b> If you have a loss, check the box that describes your investment in this activity (see page C-6).				
• 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 as a statutory employee, 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 <input type="checkbox"/> All investment is at risk.	
			32b <input type="checkbox"/> Some investment is not at risk.	