

Figure 5.7.—IRS Form 1040, Schedule C: Profit or Loss From Business.

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2010
Attachment
Sequence No. 09

Name of proprietor: (Your Name)		Social security number (SSN) XXX-XX-XXXX
A Principal business or profession, including product or service (see instructions) Timber management for profit		B Enter code from pages C-9, 10, & 11 ► 1 1 3 0 0 0
C Business name. If no separate business name, leave blank.		D Employer ID number (EIN), if any
E Business address (including suite or room no.) ► (Your address) City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2010? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2010, check here ► <input type="checkbox"/>		

Part I Income

1 Gross receipts or sales. Caution. See instructions 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 instructions for limit on losses.	1	18,000
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	18,000
4 Cost of goods sold (from line 42 on page 2)	4	17,400
5 Gross profit. Subtract line 4 from line 3	5	600
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	600

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

8 Advertising	8		18 Office expense	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals and entertainment (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	
			26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	
28 Total expenses before expenses for business use of home. Add lines 8 through 27	28				
29 Tentative profit or (loss). Subtract line 28 from line 7	29	600			
30 Expenses for business use of your home. Attach Form 8829	30				
31 Net profit or (loss). Subtract line 30 from line 29. • 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, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	600			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • 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, see the line 31 instructions). 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.		