

South Beach Tax & Financial Services

Clergy (including Retirees) Work Sheet

Name _____ Tax Year _____

| DEFINITION | PART D-EMPLOYEE PROFESSIONAL EXPENSES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------------|----------------|---|----|-----------------------------|---|---------------------|----|--------------------------------|-----------|----------------|---|--------------------------------|-------------------------------------|--|--|------------------------------------|------|-----|--------------------------------------|----------------------------------|------|-------------------------|-----|--------------------|------------------------|-----|--|-----------------------------------|------------|-----|---------------------------------|-----|--|---|-----|--|---|-----|--|---|--------------------------|-----|--|--|-----|-----|--|--|--|----------------------------|-----|--|
| <ul style="list-style-type: none"> • Must be compensated by a religious organization (as described in 501 (c)(3) for services as a minister, priest, rabbi, cantor, Christian Science Reader, etc., ordained, commissioned, or licensed to conduct religious worship or ministrations of pastoral functions. • Retired clergy persons qualify if pension paid by church. Omit Part D. • Persons performing voluntary services and ministerial students do NOT qualify. | <ul style="list-style-type: none"> • List expenses of transportation (A-32) and travel, entertainment, and meals (A-20) ON IRS FORM 2106. List other expenses (regardless of effect of 2% limit) on lines 23 thru 34 below. The total (Line 35) will be carried to Form 2106 via W/S A-99. • Enter reimbursement from an accountable plan only on Form 2106. • The expenses below are reduced if there is exempt income (parsonage allowance). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • If Self-Employed: The Business/Activity Code is 813000 (Sch. C, item B) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Educational expenses</td> <td style="width: 10%; text-align: center;">A-16</td> <td style="width: 10%; text-align: center;">23.</td> <td style="width: 20%;"></td> </tr> <tr> <td>Employment seeking expenses</td> <td style="text-align: center;">A-17</td> <td style="text-align: center;">24.</td> <td></td> </tr> <tr> <td>Meetings & Conventions</td> <td style="text-align: center;">M-1</td> <td style="text-align: center;">25.</td> <td></td> </tr> <tr> <td>Professional dues and expenses</td> <td></td> <td style="text-align: center;">26.</td> <td></td> </tr> <tr> <td>Robes, Vestments, Uniforms</td> <td style="text-align: center;">A-11</td> <td style="text-align: center;">27.</td> <td></td> </tr> <tr> <td>Supplies, Books and Publications</td> <td style="text-align: center;">A-10</td> <td style="text-align: center;">28.</td> <td></td> </tr> <tr> <td>Telecommunications</td> <td style="text-align: center;">A-9</td> <td style="text-align: center;">29.</td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td style="text-align: center;">30.</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">31.</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">32.</td> <td></td> </tr> <tr> <td>Subtotal - Lines 23 thru 32</td> <td></td> <td style="text-align: center;">33.</td> <td></td> </tr> <tr> <td>Reduction - Line 19 divided by line 4x line 33</td> <td></td> <td style="text-align: center;">34.</td> <td style="text-align: center;">()</td> </tr> <tr> <td>Total - Line 33 less 34 (to W/s A-99, "C-6")</td> <td></td> <td style="text-align: center;">35.</td> <td></td> </tr> </table> | Educational expenses | A-16 | 23. | | Employment seeking expenses | A-17 | 24. | | Meetings & Conventions | M-1 | 25. | | Professional dues and expenses | | 26. | | Robes, Vestments, Uniforms | A-11 | 27. | | Supplies, Books and Publications | A-10 | 28. | | Telecommunications | A-9 | 29. | | Other | | 30. | | | | 31. | | | | 32. | | Subtotal - Lines 23 thru 32 | | 33. | | Reduction - Line 19 divided by line 4x line 33 | | 34. | () | Total - Line 33 less 34 (to W/s A-99, "C-6") | | 35. | | |
| Educational expenses | A-16 | 23. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employment seeking expenses | A-17 | 24. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Meetings & Conventions | M-1 | 25. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional dues and expenses | | 26. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Robes, Vestments, Uniforms | A-11 | 27. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Supplies, Books and Publications | A-10 | 28. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telecommunications | A-9 | 29. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other | | 30. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 31. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 32. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subtotal - Lines 23 thru 32 | | 33. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reduction - Line 19 divided by line 4x line 33 | | 34. | () | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total - Line 33 less 34 (to W/s A-99, "C-6") | | 35. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PART A - CLERGY INCOME | PART E - SELF EMPLOYMENT TAX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Taxable base compensation</td> <td style="width: 10%; text-align: center;">1.</td> <td style="width: 30%;"></td> </tr> <tr> <td>Amt. designated & paid as housing allowance</td> <td style="text-align: center;">2.</td> <td></td> </tr> <tr> <td>Reimbursement for S.E. tax, auto, etc. (If taxable due to non-accountable plan)</td> <td style="text-align: center;">3.</td> <td></td> </tr> <tr> <td>Total of Lines 1 thru 3</td> <td style="text-align: center;">4.</td> <td></td> </tr> </table> <p>If an employee <input type="radio"/>, enter Line 4 on Form 1040, Line 7 ("wages") or if Pensioner <input type="radio"/>, on W/S 1-7 as a "pension". (If the common law employer/employee tests are met, compensation must be reported as wages regardless of whether Form W-2 or 1099 is furnished (Rev. Rul. 80-110). If self-employed <input type="radio"/>, carry line 4 plus line 5 to Schedule C, Line 1</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Speaking engagements, fees for Baptisms, Weddings, Funerals, other Honorarium</td> <td style="width: 10%; text-align: center;">5.</td> <td style="width: 30%;"></td> </tr> </table> <ul style="list-style-type: none"> • Enter Line 5 on IRS Schedule C, line 1 | Taxable base compensation | 1. | | Amt. designated & paid as housing allowance | 2. | | Reimbursement for S.E. tax, auto, etc. (If taxable due to non-accountable plan) | 3. | | Total of Lines 1 thru 3 | 4. | | Speaking engagements, fees for Baptisms, Weddings, Funerals, other Honorarium | 5. | | <p style="text-align: center;">Determine correct status by checking one of the Boxes U-Z</p> <p>U. <input type="checkbox"/> I am a retired clergy person ; income is a pension</p> <p>V. <input type="checkbox"/> I am a member of a religious order and have taken a vow of poverty</p> <p>W. <input type="checkbox"/> I have filed Form 4361 to elect out of Social Security (and have not revoked that election)</p> <p>X. <input type="checkbox"/> I have received an "approved" Form 4029 from IRS and have elected out of Social Security (and have not revoked it)</p> <p style="margin-left: 20px;">*If IRS has approved exemption from SE tax via Form 4361 or Form 4029 AND clergy person has no other income subject to SE tax (i.e., from nonclergy sources): *Omit Sch. SE and write "Exempt-Form 4361" OR "Exempt-Form 4029" (as applicable) on Form 1040, Line 57.</p> <p>Y. <input type="checkbox"/> This is my first or second year of services as a clergy person in which I have \$400 or more of net earnings from self-employment (any part of which were from the ministry). I have not yet elected out of Social Security.</p> <p>Z. <input type="checkbox"/> This is my third or later year of services as a clergy person and I have not elected out of Social Security</p> <p>* If Y or Z is checked, compute SE income adjustment below.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxable base compensation | 1. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amt. designated & paid as housing allowance | 2. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reimbursement for S.E. tax, auto, etc. (If taxable due to non-accountable plan) | 3. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total of Lines 1 thru 3 | 4. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Speaking engagements, fees for Baptisms, Weddings, Funerals, other Honorarium | 5. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PART B - HOUSING ALLOWANCE | <p>Revocation- For the period 1/1/2000 to 4/15/2002 (or extended due date of 2001 return) for a calendar year taxpayer, a member of the clergy, who had in effect an exemption</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • See the Pursuit of Excellence, chapter 15.4.5.7, for limitation re: Fair rental value, generally effective after 12-31-2001 <p>Actual current expenditures for Housing for Self & Family. Check if housing provided in kind by employing body <input type="checkbox"/></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Rental paid or FRV of housing provided</td> <td style="width: 10%; text-align: center;">6.</td> <td style="width: 30%;"></td> </tr> <tr> <td>Down payment on housing purchased, current</td> <td style="text-align: center;">7.</td> <td></td> </tr> <tr> <td rowspan="2">Monthly payments on housing purchased</td> <td style="text-align: center;">Principal reduction</td> <td style="text-align: center;">8.</td> </tr> <tr> <td style="text-align: center;">Interest</td> <td style="text-align: center;">9.</td> </tr> <tr> <td>Property taxes</td> <td style="text-align: center;">10.</td> <td></td> </tr> <tr> <td>Utility services and fuel purchased</td> <td style="text-align: center;">11.</td> <td></td> </tr> <tr> <td>Insurance on dwelling and contents</td> <td style="text-align: center;">12.</td> <td></td> </tr> <tr> <td>Furnishings and appliances purchased</td> <td style="text-align: center;">13.</td> <td></td> </tr> <tr> <td>Repairs and maintenance</td> <td style="text-align: center;">14.</td> <td></td> </tr> <tr> <td>Other costs of housing</td> <td style="text-align: center;">15.</td> <td></td> </tr> <tr> <td>Total of lines 6 thru 15 *</td> <td style="text-align: center;">16.</td> <td></td> </tr> <tr> <td>Housing allowance from Line 2 *</td> <td style="text-align: center;">17.</td> <td></td> </tr> <tr> <td>Fair rental value of Taxpayer's housing (include furnishings and appurtenances such as a garage) plus cost of utilities *</td> <td style="text-align: center;">18.</td> <td></td> </tr> <tr> <td>Housing Exclusion (IRC section 107) Smaller of Lines 16, 17 or 18</td> <td style="text-align: center;">19.</td> <td></td> </tr> </table> <ul style="list-style-type: none"> • If an employee or pensioner, carry Line 19 to W/S I-4. If self-employed, carry Line 19 to IRS Schedule C, Line 48 to deduct the excludable portion. See Part E of this W/S for S.E. tax. | Rental paid or FRV of housing provided | 6. | | Down payment on housing purchased, current | 7. | | Monthly payments on housing purchased | Principal reduction | 8. | Interest | 9. | Property taxes | 10. | | Utility services and fuel purchased | 11. | | Insurance on dwelling and contents | 12. | | Furnishings and appliances purchased | 13. | | Repairs and maintenance | 14. | | Other costs of housing | 15. | | Total of lines 6 thru 15 * | 16. | | Housing allowance from Line 2 * | 17. | | Fair rental value of Taxpayer's housing (include furnishings and appurtenances such as a garage) plus cost of utilities * | 18. | | Housing Exclusion (IRC section 107) Smaller of Lines 16, 17 or 18 | 19. | | <p style="text-align: center;">Employee (not exempt from SE tax)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Compensation from Line 4</td> <td style="width: 10%; text-align: center;">36.</td> <td style="width: 30%;"></td> </tr> <tr> <td>Depreciation (Form 4562 for this activity)</td> <td style="text-align: center;">37.</td> <td></td> </tr> <tr> <td>2106 expenses (before line 34 reduction)</td> <td style="text-align: center;">38.</td> <td></td> </tr> <tr> <td>Combine Lines 36, 37, & 38</td> <td style="text-align: center;">39.</td> <td></td> </tr> </table> <ul style="list-style-type: none"> • Enter Line 39 amount in IRS Sch. SE, Line 2. This is the total employee SE tax base. | Compensation from Line 4 | 36. | | Depreciation (Form 4562 for this activity) | 37. | | 2106 expenses (before line 34 reduction) | 38. | | Combine Lines 36, 37, & 38 | 39. | |
| Rental paid or FRV of housing provided | 6. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Down payment on housing purchased, current | 7. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Monthly payments on housing purchased | Principal reduction | 8. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Interest | 9. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property taxes | 10. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Utility services and fuel purchased | 11. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance on dwelling and contents | 12. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Furnishings and appliances purchased | 13. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Repairs and maintenance | 14. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other costs of housing | 15. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total of lines 6 thru 15 * | 16. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing allowance from Line 2 * | 17. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fair rental value of Taxpayer's housing (include furnishings and appurtenances such as a garage) plus cost of utilities * | 18. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Housing Exclusion (IRC section 107) Smaller of Lines 16, 17 or 18 | 19. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Compensation from Line 4 | 36. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation (Form 4562 for this activity) | 37. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2106 expenses (before line 34 reduction) | 38. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Combine Lines 36, 37, & 38 | 39. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PART C - LIMITATIONS ON INTEREST AND TAX DEDUCTIONS | Self-Employed (not exempt from SE tax) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>NOTE:</p> <p>* Congress retroactively repealed the limitations on the parsonage interest and tax deductions in the '86 Reform Act. There is now granted a full deduction of mortgage interest and property taxes even if a non-taxable parsonage allowance is received by the taxpayer.</p> | <ul style="list-style-type: none"> • Include amount on Line 19 (as positive amount) on IRS Sch. SE, Line 2 along with the net profit (loss) from the Sch. C. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |