

INTERNAL REVENUE SERVICE

FAX TRANSMISSION
Cover SheetDate: November 17, 2016**To:** David Eldridge

Address/Organization: _____

Fax Number: (435) 578-4982 Office Number: _____**From:** Krizovensky Thomas M

Address/Organization: _____

Fax Number: _____ Office Number: _____

Number of pages: *Including cover page***Subject:** Tax Law inquiry response

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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: November 17, 2016

David Eldridge
Fax: 435-654-2727

Dear Mr. David Eldridge:

Thank you for your inquiry. We apologize for the delay in our response.

Our Answer is based on the assumptions you are a United States (U.S.) citizen, you are asking what the individual U.S. Federal Income reporting obligations are for U.S. citizens, you are asking how to report self-employment income, and not asking about any specific tax year.

This answer will be referenced from 2015 and prior tax year publications and other filing information and Forms. Please be sure to refer to the forms, instructions and publications for any other tax years that you may be inquiring about.

As a U.S. citizen your gross worldwide income received during the entire tax year is reported on your individual U.S. Federal Income tax return and generally is subject to U.S. income tax, regardless of where you are living. For reference please see Publication 54, . Tax Guide for U.S. Citizens and Resident Aliens Abroad

U.S. citizens who are required to file a U.S. federal income tax return and who have income from a self-employment must use the Form 1040, U.S. Individual Income Tax Return, to file the U.S. federal income tax return.

Self-employment income or income earned from a sole proprietorship, whether it is earned in or outside of the U.S. is referred to as business income and can only be reported on Form 1040, U.S. Individual Income Tax Return, on line 12.

Complete and attach to the Form 1040 the Schedule C (Form 1040), Profit or Loss from Business or if appropriate a Form 1040 Schedule C-EZ, Net Profit from Business. Please refer the instructions both of these schedules for additional information. If the net income from self-employment or the sole proprietorship is at least \$400.00 complete and attach Form 1040 Schedule SE, Self-Employment Tax to your Form 1040. For information on completing Schedule SE please refer to the instructions for schedule SE.

You must express the amounts you report on your U.S. tax return in U.S. dollars. If you receive all or part of your income or pay some or all of your expenses in foreign currency, you must translate the foreign currency into U.S. dollars. For additional information on how to do this please visit our website (www.irs.gov) and key the words "currency exchange" in our search

box, click the search button and on the results page access the appropriate link for instructions on foreign currency and currency exchange rates.

You should File Form 1099-MISC, Miscellaneous Income, for each person to whom you have paid during the year at least \$600 in Services performed by someone who is not your employee. For more information see the instructions for Form 1099-MISC for additional reporting instructions and requirements.

If you need to obtain forms, instructions, and any publications for the current year or previous years you can immediately access and obtain them from our website at the internet address <http://www.irs.gov/Forms-&-Pubs>. The tab menu that is shown on the web page of the previous link shows the "current" tab is already selected, if you are needing previous years you will need to select the "prior year's tab, then click the button just slightly below the tab that says" find all current (or prior years as appropriate) year forms & pubs", and then simply enter the form or publication number in the "Find" box on the resulting page. . Please be sure to refer to the correct tax year's versions of the forms, instructions and publications for each year in question, as each year's versions of those items may vary from one year to the next.

We hope this information has been helpful. If our assumptions are incorrect you may resubmit your questions and provide additional information or if you have any further questions on U.S. federal taxes you may submit them via this service or call 267-941-1000 (toll charges may apply) Monday through Friday, 6:00am to 11:00pm Eastern Time.

Thank you for your cooperation,

Mr. Krizovensky
1000198859
Tax Law Specialist
Internal Revenue Service
Accounts Management
2970 Market Street BLN 3.E17.143
Philadelphia, PA 19104