

Schedule C - Questions About Your Business

Schedule C Questions

CANCEL **CONTINUE**

Questions about your Business

Accounting Method *

Cash

Accrual

Other

Method used to value closing inventory *

Cost

Lower of cost or market

Not Applicable

Check here if there were any changes in determining inventory.

Check here if this is the first Sch. C filed by you for this business.

Check here if you "materially participated" in the operation of this business during the tax year.

This box must be checked to allow a net loss on your return.

Prior year unallowed loss (ONLY enter an amount if current year's activity is a net profit.)

\$

Check here if you made any payments in 2020 that would require you to file Form(s) 1099.

Check here for Qualified Joint Venture. (Ownership between Taxpayer and Spouse must be 50/50. **If you are filing Business Use of Home deductions or using the Clergy Worksheet, you will need to file separate Schedule C forms, one for each spouse**)

Check here to Prorate Expenses for Minister/Clergy.

To be in scope, the Accounting Method must be Cash Method and there can be no inventory, no cost of goods sold, no employees, no business use of the home, and no depreciation (completing Form 4562, Depreciation and Amortization).

Select Not Applicable for the Inventory Method.

In most cases, the taxpayers do materially participate in the business. This means that the taxpayer ran the business and did the work.

If the taxpayer has a business loss carried over from another tax year or is required to file a Form 1099, the tax return is Out of Scope.