

# Self-Employment Tax Quick Reference

For every self-employed client: Rosa, DeShawn, Albert, Marcus, the Garcias.

## THE SE TAX CALCULATION

Step	What You Do	Example (Albert — \$58,000 profit)
1	Start with net profit from Schedule C	\$58,000
2	Multiply by 92.35% (IRS adjustment)	\$53,563
3	Multiply by 15.3% = SE Tax owed	\$8,195
4	Deduct half of SE tax from gross income (AGI)	\$4,097 off AGI
5	Report SE tax on Schedule 2, Line 4	Added to total tax

## SE TAX RATE BREAKDOWN

<b>Total SE Rate</b>	15.3% of net profit (adjusted). This covers both Social Security (12.4%) and Medicare (2.9%).
<b>Why 15.3%?</b>	Employees pay 7.65% and employers pay 7.65%. Self-employed pay BOTH sides — no employer to split with.
<b>High Earners</b>	Social Security portion (12.4%) only applies to first \$176,100 of net earnings in 2025. Medicare (2.9%) applies to all earnings — plus 0.9% additional Medicare tax above \$200,000.

## BUSINESS EXPENSES THAT REDUCE SE TAX

Expense Type	Common Examples	Notes
<b>Vehicle/Mileage</b>	Standard rate: 70¢/mile (2025)	Track every business mile
<b>Supplies &amp; Materials</b>	Paint, lumber, food inventory	Keep all receipts
<b>Equipment</b>	Tools, computers, machinery	May qualify for Section 179

<b>Home Office</b>	Dedicated workspace at home	Regular and exclusive use required
<b>Phone &amp; Internet</b>	Business portion only	Estimate business % use
<b>Insurance</b>	Business liability, health (self-employed)	Health ins. deductible above-the-line
<b>Professional Fees</b>	Accountant, attorney, software	Fully deductible

#### QUARTERLY PAYMENT DATES — 2025

Quarter	Income Covered	Payment Due
Q1	January 1 – March 31	April 15, 2025
Q2	April 1 – May 31	June 16, 2025
Q3	June 1 – August 31	September 15, 2025
Q4	September 1 – December 31	January 15, 2026

**Safe Harbor Rule:** Pay 100% of last year's tax OR 90% of this year's expected tax — whichever is smaller — to avoid the underpayment penalty.