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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2004

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service

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

Name of proprietor _____ Social security number (SSN) _____

A Principal business or profession, including product or service (see page C-2 of the instructions) _____ **B** Enter code from pages C-7, 8, & 9

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.) _____
City, town or post office, state, and ZIP code _____

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

G Did you "materially participate" in the operation of this business during 2004? If "No," see page C-3 for limit on losses Yes No

H If you started or acquired this business during 2004, check here

Part I Income

1	Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here <input type="checkbox"/>	1		
2	Returns and allowances	2		
3	Subtract line 2 from line 1	3		
4	Cost of goods sold (from line 42 on page 2)	4		
5	Gross profit. Subtract line 4 from line 3.	5		
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)	6		
7	Gross income. Add lines 5 and 6	7		

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

8	Advertising	8			19	Pension and profit-sharing plans	19		
9	Car and truck expenses (see page C-3)	9			20	Rent or lease (see page C-5):	20a		
10	Commissions and fees	10			a	Vehicles, machinery, and equipment	20b		
11	Contract labor (see page C-4)	11			b	Other business property	21		
12	Depletion	12			21	Repairs and maintenance	22		
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13			22	Supplies (not included in Part III)	23		
14	Employee benefit programs (other than on line 19)	14			23	Taxes and licenses	24		
15	Insurance (other than health)	15			24	Travel, meals, and entertainment:	24a		
16	Interest:				a	Travel			
a	Mortgage (paid to banks, etc.)	16a			b	Meals and entertainment			
b	Other	16b			c	Enter nondeductible amount included on line 24b (see page C-5)			
17	Legal and professional services	17			d	Subtract line 24c from line 24b	24d		
18	Office expense	18			25	Utilities	25		
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28			26	Wages (less employment credits)	26		
29	Tentative profit (loss). Subtract line 28 from line 7	29			27	Other expenses (from line 48 on page 2)	27		
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 Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31							
32	If you have a loss, check the box that describes your investment in this activity (see page C-6). • If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198 .				32a	<input type="checkbox"/> All investment is at risk.			
					32b	<input type="checkbox"/> Some investment is not at risk.			

