



CHESAPEAKE REGION VOLLEYBALL ASSOCIATION

REFEREE DEVELOPMENT PROGRAM



Self-Employment Tax Basics

Corny Galdones, July 1997

A volleyball official is considered to be a self-employed independent contractor. This article is for officials unfamiliar with the Internal Revenue Service (IRS) basics and requirements.

◆ **Publications.** Information may be obtained from the IRS at (800) 829-1040 or its Web site (www.irs.ustreas.gov). Several IRS tax guides are helpful for the self-employed. Publication 17, Your Federal Income Tax (For Individuals), is the most informative. Some others are:

- Publication 463: Travel, Entertainment, and Gift Expenses
- Publication 529: Depreciation on Computers or Cellular Telephones
- Publication 533: Self-Employment Tax
- Publication 535: Business Expenses
- Publication 560: Retirement Plans for the Self-Employed
- Publication 917: Business Use of a Car

◆ **Deductions.** Most unreimbursed expenses of officiating activities can be deducted. Retain documented proof of these expenses. Keep a log (date, time, place, purpose, amount) and worksheet of individual expenses and all income generated from officiating. The (not all inclusive) list below of deductions is subject to change by IRS.

• Local travel expenses (mileage, tolls, and parking fees) between residence and site of officiating duties. Record the starting and ending car odometer readings for each business trip, and also for the tax year. The standard mileage rate for business miles fluctuates yearly.

• Transportation, taxi, lodging, meals, and incidental expenses for officiating trips longer than a day or requiring rest during the trip. Record the departure and return times. You have the option of deducting actual costs for meals and incidental expenses, or taking the standard meal allowance (SMA) for a day (based on 6-hour quarters). See IRS Pub. 463 for higher-cost SMA areas.

- Uniform and gear required for officiating.
- Membership dues and fees to associations from which income is earned.
- Computer equipment for self-employed purposes.
- Officiating-related long distance phone calls.
- Contributions to a self-employed retirement plan.

◆ **IRS Reporting.** When filing your regular income tax return, you have two self-employed reporting options.

• Schedule C-EZ (Net Profit From Business) in which officiating income and gross deductions are reported.

• Schedule C (Profit or Loss From Business) in which officiating income and itemized deductions are reported. This form is supplemented by Form 4562 (Depreciation and Amortization) for purchased computer equipment.

• Both Schedule C-EZ and Schedule C require an additional Schedule SE (Self-Employment Tax) if your officiating net income is \$400 or more.

Disclaimer. This unofficial primer is for information only and must not be considered legal guidance.