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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.

Publication 535 Draft Worksheet

Worksheet 6-A. Self-Employed Health Insurance Deduction Worksheet

Keep for Your Records



This draft worksheet from Publication 535, Business Expenses, for tax year 2008, is only available on the Internet. Since it is a draft, it is subject to change. If this worksheet is revised, it will be reposted only if there is a change in the computation. When the final version of Publication 535 becomes available, this draft will be removed.

Generally, you can use Worksheet 6-A to figure your self-employed health insurance deduction.

Comments and suggestions. We welcome your comments about these worksheets.

You can write to us at the following address:

Internal Revenue Service
Business Forms and Publications Branch
SE:W:CAR:MP:T:B:C
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at taxforms@irs.gov. (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

1. Enter total payments made during the year for health insurance coverage established under your business for you, your spouse, and your dependents. **Do not include** payments for any month you were eligible to participate in a health plan subsidized by your or your spouse's employer or:
 - Any amounts paid from retirement plan distributions that were nontaxable because you are a retired public safety officer,
 - Any amounts you included on Form 8885, line 4,
 - Any qualified health insurance premiums you paid to "U.S. Treasury-HCTC," or
 - Any health coverage tax credit advance payments shown in box 1 of Form 1099-H.
 Also, do not include payments for qualified long-term care insurance. **1.** _____
2. For coverage under a qualified long-term care insurance contract, enter for each person covered the **smaller** of the following amounts.
 - a) Total payments made for that person during the year.
 - b) The amount shown below. Use the person's age at the end of the year.
 - \$310—if that person is age 40 or younger
 - \$580—if age 41 to 50
 - \$1,150—if age 51 to 60
 - \$3,080—if age 61 to 70
 - \$3,850—if age 71 or older**Do not include** payments for any month you were eligible to participate in a long-term care insurance plan subsidized by your or your spouse's employer. If more than one person is covered, figure separately the amount to enter for each person. Then enter the total of those amounts **2.** _____
3. Add the total of lines 1 and 2 **3.** _____
4. Enter your net profit* and any other earned income** from the trade or business under which the insurance plan is established. If the business is an S corporation, skip to line 11 **4.** _____
5. Enter the total of all net profits* from: Schedule C (Form 1040), line 31; Schedule C-EZ (Form 1040), line 3; Schedule F (Form 1040), line 36; or Schedule K-1 (Form 1065), box 14, code A; plus any other income allocable to the profitable businesses. See the instructions for Schedule SE (Form 1040). **Do not include** any net losses shown on these schedules. **5.** _____
6. Divide line 4 by line 5 **6.** _____
7. Multiply Form 1040, line 27, by the percentage on line 6 **7.** _____
8. Subtract line 7 from line 4 **8.** _____
9. Enter the amount, if any, from Form 1040, line 28, attributable to the same trade or business in which the insurance plan is established **9.** _____
10. Subtract line 9 from line 8 **10.** _____
11. Enter your Medicare wages (Form W-2, box 5) from an S corporation in which you are a more-than-2% shareholder and in which the insurance plan is established **11.** _____
12. Enter the amount from Form 2555, line 45, attributable to the amount entered on line 4 or 11 above, or the amount from Form 2555-EZ, line 18, attributable to the amount entered on line 11 above **12.** _____
13. Subtract line 12 from line 10 or 11, whichever applies **13.** _____
14. Compare the amounts on lines 3 and 13 above. Enter the **smaller** of the two amounts here and on Form 1040, line 29. **Do not include** this amount when figuring a medical expense deduction on Schedule A (Form 1040). **14.** _____

* If you used either optional method to figure your net earnings from self-employment from any business, do not enter your net profit from the business. Instead, enter the amount attributable to that business from Schedule SE (Form 1040), line 4b.
 ** **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. However, it does not include capital gain income.