

Self-Employment Tax – How to File in 2019, 2020

Date : Jul 3, 2019

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Traverse City, MI - There are so many benefits to being self-employed - making money on your own terms, being your own boss and living the life that you dream of. But when it comes to filing your taxes, there is just one little disadvantage to being self-employed and that is if you are already used to filing the [regular W-2 forms](#), there won't be a need for it any longer. You will need to file self-employment tax forms. So what is the self-employment tax and what are the rates for 2019. A tax information blog, National Tax report has just published a new guide to help self-employed people easily figure out what the self-employed tax is, what the rates are for the tax year 2019, as well as the [deductions that can be taken from the self-employment tax](#).

For the tax year 2019, the self-employment tax rate is set at 15.3% on the first \$132,900 of net income. And should the net income exceed \$132,900, there will be a charge of 2.9% on the excess. The self-employed tax rate is broken into two parts: Social Security tax and Medicare. Social security takes a majority part of the self-employed tax and is set at 12.4% while Medicare balances it up at 2.9%.

Self-employed taxpayers are expected to pay both the employee and employer parts of these taxes. But they will be able to claim back half of their self-employment tax contributions. One other deduction self-employed taxpayers will find useful is the Self-employed insurance. This offers full deductions on the cost of premiums on medical, dental, and long-term care insurance and can cover the taxpayer's spouse, dependents including adult children up to the age of 27. Other deductions available to self-employed taxpayers are home office, phone bills, Internet bills, business mileage, and meals.

To file the self-employment tax, taxpayers will need to use the Schedule SE, which is a part of [Form 1040](#). To help determine how much you need to pay in self-employment taxes and how much you™ll be able to claim in credits and deductions, it is best advised to [use a self-employed tax calculator](#) from TurboTax. This will ensure you get the most of your tax credit and deductions.

For more information, please read the full post from National Tax Report here, <https://nationaltaxreports.com/how-much-will-i-owe-self-employment-taxes/>

About Frank Ellis

Frank Ellis is a Traverse City Tax Preparation Planner and published author. He has written tax and finance related articles for eight years and has published over 900 articles on leading financial websites.

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