CHILD SUPPORT GUIDELINES
SCHEDULE B - SELF-EMPLOYMENT INCOME
(N.D. Admin. Code § 75-02-04.1-05)

OBLIGOR: ____
OBLIGEE: ____

This schedule is for use in determining net income from self-employment. Self-employment means employment in one or more related activities that results in an obligor earning income from any business organization or entity which the obligor is able to directly or indirectly control to a significant extent. It also includes any activity that generates income from rental property, royalties, business gains, partnerships, trusts, corporations, and any other organization or entity regardless of form and regardless of whether such activity would be considered self-employment activity under the Internal Revenue Code.

Name of business/description of self-employment activity to which this schedule relates:

____

TOTAL INCOME

Tax year from IRS 1040 form	____	____	____	____	____
1. Total income -05(1) (This amount is taken from either a tax return or from a profit and loss statement. If it is taken from a tax return, use the "total income" line on the IRS form 1040; i.e., line 9 of 2022 tax return.)	________	________	________	________	________
DEDUCTIONS					
2. Amount of total income that is not the obligor's income -05(1)(a)(1)	________	________	________	________	________
3. Amount of total income that does not come from this self-employment -05(1)(a)(1)	________	________	________	________	________
4. Amount of income from partnership or S corporation over which obligor does not have significant control that has not been distributed -05(1)(a)(2)	________	________	________	________	________
5. Total deductions (total of lines 2 through 4)	________	________	________	________	________

ADDITIONS

6. Business expenses attributable to the obligor or a member of the obligor's household for benefits, pensions, profit-sharing plans -05(1)(b)(1) ________ ________ ________ ________ ________
7. Payments to household member to extent payment exceeds fair market value of services -05(1)(b)(2) ________ ________ ________ ________ ________
8. Income from C corporation over which obligor has significant control -05(1)(b)(3):
   - 8a. C corporation taxable income ________ ________ ________ ________ ________
   - 8b. C corporation federal income tax ________ ________ ________ ________ ________
   - 8c. Line 8a less line 8b ________ ________ ________ ________ ________
   - 8d. Obligor's ownership interest x .70 ________ ________ ________ ________ ________
   - 8e. Line 8c x line 8d ________ ________ ________ ________ ________
9. Total additions (total of lines 6, 7, and 8e) ________ ________ ________ ________ ________

ANNUAL NET INCOME FROM SELF-EMPLOYMENT

10. Annual net income from self-employment ((line 1 - line 5) + line 9) ________ ________ ________ ________ ________

Note: When dealing with self-employment income, the guidelines contemplate a calculation of up to a 5-year average of self-employment income to account for the significant changes that may occur in the business.

Are multiple years being calculated: ____ yes ____ no

If yes, complete the following calculation:

1. Total net income from self-employment for all years being averaged i.e. total of line 10 amounts for all years being averaged.... __________
2. Number of years being averaged................................ __________
3. Average annual net income from self-employment (line 1 ÷ line 2) __________

If Line 3 is a positive number, enter the amount onto the worksheet, line 3.

Note: If there are multiple self-employment activities, income from each activity must be calculated and averaged separately. Thus, a separate Schedule B must be completed for each activity.

Treatment of self-employment losses
If the result of averaging the self-employment income is a loss, if the self-employment activity is not a hobby, and if there is other income not related to the self-employment activity that produced the loss, the self-employment loss may be used to reduce the other income in certain circumstances. If applicable, complete either Section 1 **or** Section 2 to determine if self-employment losses may be used to reduce other income.

If less than three years were averaged, complete Section 1 only. If three, four, or five years were averaged, complete Section 2 only.

Section 1: This section is for use if less than three years were averaged. -05(6)
1. Monthly gross income.. __________
2. One-twelfth of average annual self-employment loss............ __________
3. Line 1 less line 2.. __________

Self-employment loss may be used to reduce other income only if amount on line 3 equals or exceeds the greatest of:

a. 167 times federal minimum wage.................. __________
($7.25 per hour . . . . $1,211)

b. .6 times statewide average earnings for persons with similar work history and occupational qualifications ....__________

c. .8 times obligor's greatest average gross monthly earnings, calculated without using self-employment losses, in any 12 consecutive months included in the current calendar year and the two previous calendar years ....__________

If loss is allowable, enter amount from line 3 onto the worksheet, line 3.

Section 2: This section is for use if three, four, or five years were averaged. -05(7)
1. When three or more years were averaged, were losses calculated for more than 40% of those years?
_____ yes _____ no

If the answer to line 1 is yes, STOP. The self-employment loss may not be used to reduce other income. If the answer to line 1 is no, continue with analysis.

2. Monthly gross income.. __________
3. One-twelfth of average annual self-employment loss............ __________
4. Line 2 less line 3.. __________

Self-employment loss may be used to reduce other income only if amount on line 4 equals or exceeds the greatest of:

a. 167 times federal minimum wage.................... __________
($7.25 per hour . . . . $1,211)

b. .6 times statewide average earnings for persons with similar work history and occupational qualifications....................... __________

c. .9 times obligor's greatest average gross monthly earnings, calculated without using self-employment losses, in any 12 consecutive months included in the current calendar year and the two previous calendar years .... __________

If loss is allowable, enter amount from line 4 onto the worksheet, line 3.