

Name _____

Mastering Self-Employment Taxes: A Guide for Independent Contractors and Freelancers

Open-Ended Response Answer Key

1. Possible business expenses for a self-employed photographer might include camera equipment, travel expenses to photo shoots, and photography software.
2. Making estimated quarterly tax payments helps self-employed individuals avoid a large tax bill at the end of the year, spreads out their tax payments, and reduces the risk of penalties for underpayment.
3. Self-employed individuals may owe an Additional Medicare Tax if their income exceeds certain thresholds, such as \$200,000 for single filers or \$250,000 for married couples filing jointly.
4. Self-employed individuals pay both the employer and employee portions of Social Security and Medicare taxes for their self-employment income because they don't have an employer to share the tax burden.

