

Self-Employment Allowable Business Expenses

When a self-employed individual declares expenses for the business, they are entered in the **Income Expenses Related List** when data-entering income and expenses in the **Self-Employment Tab** in CBMS.

Below is a list of Allowable and Non-Allowable Business Expenses for all HLPGs in CBMS.

Y = Allowable N = Not Allowable

Income Expenses	MAGI	Non-MAGI	SNAP	CW	AF
Advertising	Y	Y	Y	Y	Y
Bad Debts	Y	Y	Y	N	N
Books and Supplies	Y	Y	Y	Y	Y
Bus Tickets	Y	N	Y	Y	Y
Business Expenses	Y	N	Y	Y	Y
Business Related Entertainment	Y	Y	N	N	N
Business Related Travel	Y	N	Y	Y	Y
Butane	Y	Y	N	Y	Y
Car Loan Payment (principal payment only)	N	N	Y	N	N
Car Loan Payment (interest only, not principle)	Y	N	N	Y	Y
Car Repairs	Y	N	Y	Y	Y
Clothing/Uniforms	Y	Y	Y	Y	Y
Cost of Goods Sold	Y	Y	Y	Y	Y



Income Expenses	MAGI	Non-MAGI	SNAP	CW	AF
Credit Card Interest	Y ¹	Y ¹	N	Y	Y
Cremation/Burial	N	N	Y	Y	Y
Deductible Part of Self Employment Tax	Y	Y	N	N	N
Deductibles	Y	N	Y	Y	Y
Depreciation of Equipment	Y	N	N	N	N
Education/Licensing/Certification	Y	N	Y	Y	Y
Educator Expenses	Y	N	N	N	N
Embalming	N	N	Y	Y	Y
Equipment	Y	N	Y	Y	Y
Equipment & Property Rental	Y	N	Y	Y	Y
Federal Tax	Y	Y	N	Y	Y
Fertilizer	Y	N	Y	Y	Y
Gasoline	Y	Y	Y	Y	Y
General Depreciation	Y	Y	N	N	N
Home Owner Assoc. Fee (HOA)	Y	Y	Y	N	N
Housing	Y	Y	N	N	N
Insurance Premiums	Y	Y	Y	Y	Y
Interest on Capital Asset/Durable Goods & Loan	Y	Y	Y	Y	Y

Credit Card Interest: ¹MA programs allow the deduction *if* it was being paid for an allowable business expense such as the cost of merchandise. This includes both MAGI and Non-MAGI.



Income Expenses	MAGI	Non-MAGI	SNAP	CW	AF
Labor/Employee Salaries	Y	Y	Y	Y	Y
Laundry	Y	Y	Y	Y	Y
Legal & Professional Fees	Y	Y	Y	Y	Y
Legal Conservator Fees	Y	Y	Y	Y	Y
Livestock Feed	Y	N	Y	Y	Y
Livestock Purchase	Y	N	Y	Y	Y
Loan Insurance Premium	Y	N	Y	Y	Y
Mandatory Fees	Y	N	Y	Y	Y
Meals	Y ²	Y ²	Y ³	Y ³	Y ³
Medical Expenses not covered by insurance	Y	Y	Y	N	N
Merchandise Wholesale - cost of 'inventory'	Y	N	Y	Y	Y
Miscellaneous Expenses	N	Y	Y	Y	Y
Mortgage	N	Y	Y	N	N
Mortgage Interest	Y	Y	Y	Y	Y
Moving Expenses	Y	Y	N	Y	Y
Non-mandatory fees	Y	Y	Y	Y	Y
Other necessary and required expenses	Y	N	Y	Y	Y

Meals: ²MA programs allow 50% meals in the calculation of Self-Employment income minus expenses.
³SNAP, CW and AF do not allow *personal* meals as a deduction, however meals as a business expense are allowable.



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Healthcare & Economic Security
Staff Development Division

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Income Expenses	MAGI	Non-MAGI	SNAP	CW	AF
Pension Plans	Y	Y	N	N	N
Phone	Y	Y	Y	Y	Y
Plane Tickets	Y	Y	N	N	N
Pre-tax retirement plan	Y	N	N	N	N
Preparation of body for placement in casket	--	--	Y	Y	Y
Prior crop losses	Y	Y	N	N	N
Professional Services	Y	N	Y	Y	Y
Propane	Y	Y	N	Y	Y
Property Taxes & Assessment	Y	Y	Y	Y	Y
Purchase/Rent of Casket Urn or Receptacle	N	N	Y	Y	Y
Reimbursement of Expenses	N	N	Y	Y	Y
Rent	Y	Y	Y	Y	Y
Self-Employment Adjustment	Y	N	Y	Y	Y
Self-employed health insurance deduction	Y	Y	N	N	N
Self-employed SEP Simple and qualified plans	Y	Y	N	N	N
Sewer	Y	Y	N	Y	Y



Income Expenses	MAGI	Non-MAGI	SNAP	CW	AF
State Tax (paid by the business for employee's state taxes)	Y	Y	Y	Y	Y
Storage of body prior to disposition	N	N	Y	Y	Y
Storage of cremated remains not > 120 days	N	N	Y	Y	Y
Supplies	Y	N	Y	Y	Y
Taxes Other	Y	Y	Y	Y	Y
Tips allocated but not received	N	N	Y	Y	Y
Train Fares	Y	Y	Y	Y	Y
Transportation	Y	Y	Y	Y	Y
Transportation of body	--	--	Y	Y	Y
Transportation of body and casket	N	N	Y	Y	Y
Travel	N	N	N	Y	Y
Trustee Fee	N	N	Y	Y	Y
Tuition Fee	N	N	N	N	N
Upkeep and Repairs	Y	N	Y	Y	Y
Upkeep of Equipment/Labor	Y	N	Y	Y	Y
Utility Costs	Y	Y	Y	Y	Y
Vendor Payment	Y	Y	N	N	N

Always use the appropriate expense frequency - CBMS will convert this amount to determine monthly Self-Employment income (e.g. if expense is incurred each month, use Monthly as the frequency)

View the following page for information on Special Circumstances.



Special Circumstances

All special circumstances must be documented in case comments

All HLPGs allow for expenses that are necessary for business. If the declared expense is not listed in the drop-down list, and it is determined a **necessary cost of doing business**, select the most appropriate **allowable** option and document in the case comments. If questionable or unclear, reach out to Program Area for guidance.

Personal Expenses that are not business related, are often not an allowable expense. If questionable or unclear, reach out to Program Area for guidance.

Mileage:

A common Self-Employment expense, is not a drop-down in the Income Expenses Related List. If the self-employed person declares business related mileage (*job to job, not home to job, or job to home*), use current IRS Employment Mileage rate, and select the most appropriate allowable drop-down option and document in case comments. If questionable or unclear, reach out to Program Area for guidance.

Home Based Businesses/# of Rooms:

For shelter expenses declared as business expenses, calculate the proportion used for the business and select the appropriate drop-down options. **SNAP:** It may be in the best interest of the client to use Shelter Expenses + SUA instead of Income Expenses, as only the remaining portion of the Shelter Expenses will be allowed when determining the SNAP Allotment if they are being used in income calculation. Document in case comments. If questionable or unclear, reach out to Program Area for guidance.

Licensed, Certified or Approved Daycare Providers: (MA, CW, AF only)

Self-Employed daycare providers have the option of using:

1. Standard amounts of \$55 for the 1st child, \$22 for each additional child [Enter the “Number of People Watched”- CBMS will calculate] **OR**
2. The actual expenses entered in the Income Expenses related list. Always document in case comments.

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