

CALCULATING FARM OR SELF-EMPLOYMENT INCOME

Persons engaged in farming or who operate other types of private business where cash flow varies throughout the year, making it impossible to predict income with any accuracy, may use their income tax records for the preceding calendar year and adjust for the current year. Any adjustments made for the current year must be substantiated with documents for verification purposes. The income to be reported is income derived from the business venture less operating costs incurred in the generation of that income.

ALSO, IF YOU HAVE ADDITIONAL INCOME FROM OTHER SOURCES, THIS INCOME MUST BE TREATED AS SEPARATE AND APART FROM THE INCOME GENERATED FROM YOUR BUSINESS OR FARM VENTURE.

The information for arriving at allowable income from a private business operation may be taken from the Income Tax Return – 1040 Form.

***FARMING INCOME:** Add together the amounts reported on the following lines of your 1040 Form, if the amounts relate to farm income.

Line 13	\$ _____	(capital gain or loss)	
Line 14	\$ _____	(other gains or losses)	
Line 17	\$ _____	(rent, royalties, etc.)	
Line 18	\$ _____	(farm income or loss)	Total \$ _____

(Transfer this total to the front of the application under EARNINGS FROM WORK BEFORE DEDUCTIONS. If the total is negative, it must be transferred to the front of this application as \$). **[A negative cannot be used to offset other income]**

***SELF-EMPLOYED OR BUSINESS INCOME:** Add together the amounts reported on the following lines of your 1040 Form, if related to business income.

Line 12	\$ _____	(business income or loss)	
Line 13	\$ _____	(capital gain or loss)	
Line 14	\$ _____	(other gains or losses)	
Line 17	\$ _____	(rent, royalties, etc.)	Total \$ _____

(Transfer this total to the front of the application under EARNINGS FROM WORK BEFORE DEDUCTIONS. If the total is negative, it must be transferred to the front of this application as \$0. **[A negative cannot be used to offset other income]**)

***NOTE:** THIS IS FOR THE CALCULATION OF FARM AND BUSINESS INCOME ONLY. ALL OTHER INCOME RECEIVED BY THE FAMILY MUST BE LISTED ON THE FRONT OF THIS FORM.