

Tax Form # and Name	Line/Section	Supplemental Nutrition Assistance Program (SNAP) Information Provided for Tax Year 2017
<p style="text-align: center;"><a href="#">1040</a></p> <p style="text-align: center;">U.S. Individual Income Tax Return</p>	Line 7	Income on this line is EML
	Lines 8, 9, 11, 15 and 16	If any reported here check to see if currently receiving
	Line 12	Self-employment business income; tax filing must include Schedule C or C-EZ
	Line 17	The client owns either a corporation, is in a partnership, or owns and rents real estate. Look at the Schedule E to determine the type. An 1120S ( <i>US Income Tax Return for S Corporations</i> ) and Schedule K-1 is needed for a corporation; a 1065 is needed for a Partnership. Note: Sometimes when a person owns a closely held corporation they will file a Schedule C instead of a 1120S. The IRS permits this.
	Line 27	This is self-employment tax which is social security tax, both employer and employee portions. This is not income to the filer.
	Lines 28, 29	The person is self-employed per IRS. They may meet the SNAP definition of self-employment. Amounts listed here are not income.
<p style="text-align: center;"><a href="#">Sched C</a></p> <p style="text-align: center;">Profit or Loss from Business (Sole Proprietorship)</p>	Line A	Type of business
	Line E	If this address is the same as the customer's address check to see if the business is paying any of the housing or utility costs.
	Line 3	Use this figure for gross self-employment income.
	Part II	Information on expenses. If there are expenses reported other than depreciation this business has costs (SEC).
<p style="text-align: center;"><a href="#">Sched C-EZ</a></p> <p style="text-align: center;">Net Profit from Business (Sole Proprietorship)</p>	Part I, Line A	Type of business
	Line E	If this address is the same as the customer's address check to see if the business is paying any of the housing or utility costs.
	Part II, Line 1	Gross receipts; use for SEC calculation
<p style="text-align: center;"><a href="#">Sched E</a></p> <p style="text-align: center;">Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)</p>	Part I, Lines 1a A-C	Type and address of rental properties
	Line 3	Rental income
	Line 4	Royalty income
	Part I, Expenses	If self-employment income this section shows costs to allow SEC coding. If PTY deduct only the current ongoing costs of the property ownership (any listed here on lines 5-19 except for line 18 (Depreciation)) to determine income.
	Part II, Line 28	Indicates P (partnership, SLF) or S (corporation, EML) status
	Parts II & III	If any income is listed as being from Schedule K-1, request a copy of the K-1.
<p style="text-align: center;"><a href="#">Sched F</a></p> <p style="text-align: center;">Profit or Loss from Farming</p>	Part I	Deduct crop insurance payments (line 6) and gasoline tax credit or refunds (line 8) from the amount on line 9 to determine gross farm income for the year. For more details see Schedule F attached below. <b><i>Special rules apply to farm income; see SNAP G.17. Special treatment of income.</i></b>
	Part II	Allow all these costs as costs of doing business except for line 14 (depreciation). Ensure housing and utility costs are not the same as the client's home already allowed as part of the excess shelter deduction.

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<a href="#">1065</a> U.S. Return of Partnership Income	Line 1c	Gross income for a partnership. Find the percentage owned by this client to determine how much of the gross belongs to this client. E.G. If the client owns 40% of the profit then 40% of line 1c is the client's gross annual income.
<a href="#">Sched K-1 (1065)</a> <i>Partner's</i> Share of Income, Deductions, Credits, etc.	Part II, Line J	Shows the client's partnership share.
	Part III	Add all positive income amounts to find the total income of this client. This section should only include this person's share (percentage) of the partnership. Any negative numbers are to be ignored. Do not add this to the amount determined from the 1065, Line 1c. If the only partners are a couple who are married filing jointly then they can report all partnership income on the 1065 without the K-1.
<a href="#">W-2</a> Wage and Tax Statement	Detail Listing	T in left-hand column indicates <i>taxpayer</i> ; S means wages to the <i>spouse</i> . If a self-employment business is paying wages to the spouse, do not count as EML. The income and the costs are already included in the SEC.
<a href="#">1120S</a> U.S. Income Tax Return for an S Corporation	Line 1c	Gross S corporation income. This tells you how much the business (not the participant) made in total. We cannot use this figure for SNAP. We need information on wages and expenses paid by the business to be counted as EML. Do not ask for this form – the corporation is not the SNAP client.
<a href="#">Sched K-1 (1120S)</a> <i>Shareholder's</i> Share of Income, Credits, Deductions, etc.	Line 19	If you have the 1120s, if there is an amount in this line, there should also be a Federal Supporting Statement attached. This statement may be used to indicate diverted income such as paying housing/utility costs or vehicle payments for the client.
	Part II, Line F	States the client's share of stock ownership in the corporation.
	Part III, Line 1	Any positive numbers are the client's share of the profits. The corporation may issue this as part of their pay or as dividends. If the losses are greater than the profits, there may not be any issued to the client. This form is a starting point for a discussion.
<b>Non-Profit Organizations – YOU DO NOT NEED THE FOLLOWING DOCUMENTS</b> Non-profit organizations must file one of the below annually. This is not income for the SNAP participant. To maintain non-profit status, the principals cannot be benefiting, however you should explore if the non-profit is paying any of the participants' costs. <i>The following information is merely for you to have a conversation with them about the type of business and clearly understand if it is a non-profit organization.</i>		
<a href="#">990</a> Return of Organization Exempt from Income Tax	For organizations with gross receipts of \$200,000 or more or with total assets of \$500,000 or more.	
<a href="#">990-EZ</a> Short Form Return of Organization Exempt from Income Tax	For organizations with gross receipts less than \$200,000 and with total assets less than \$500,000.	
<a href="#">990-N</a> Annual Electronic Filing Requirement	Can be filed if the organization's annual gross receipts are \$50,000 or less. This is filed only as an electronic postcard.	

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for Small Exempt Organizations		
<p data-bbox="207 352 302 386"><a href="#">990-PF</a></p> <p data-bbox="142 422 370 653">Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation</p>	<p data-bbox="407 275 516 308">Filed by:</p> <ul data-bbox="456 310 1479 716" style="list-style-type: none"> <li>• Exempt private foundations (section 6033(a), (b), and (c));</li> <li>• Taxable private foundations (section 6033(d));</li> <li>• Organizations that agree to private foundation status and whose applications for exempt status are pending on the due date for filing Form 990-PF;</li> <li>• Organizations that claim private foundation status, haven't yet applied for exempt status, and whose application isn't yet untimely under section 508(a) for retroactive recognition of exemption;</li> <li>• Organizations that made an election under section 41(e)(6)(D)(iv);</li> <li>• Private foundations that are making a section 507(b) termination; and</li> <li>• Section 4947(a)(1) nonexempt charitable trusts treated as private foundations (section 6033(d)).</li> </ul>	
<p data-bbox="207 737 302 770"><a href="#">990-BL</a></p> <p data-bbox="136 806 376 1003">Information and Initial Excise Tax Return for Black Lung Benefit Trusts and Certain Related Persons</p>	<p data-bbox="407 737 678 770">For Black Lung Trusts</p>	

## Schedule F - Profit or Loss from Farming Farm Income

Part I of the Schedule F. From Line 9 Gross Income exclude the following if applicable.

- *Line 5: Commodity credit corporation bans. If a loan, treat like a loan. If a commodity payment to not plant a crop, the proceeds are counted as self-employment.*
- *Line 6: Disaster assistance is excluded. However, payments made for crop failure that is not connected to a presidentially declared disaster are counted as self-employment income.*
- *Line 6: Crop insurance payments are a nonrecurring lump-sum income and counted as a resource.*
- *Line 8: Federal and state gasoline tax credit or refund is excluded.*

b	Cost or other basis of livestock or other items reported on line 1a . . . . .	1b				
c	Subtract line 1b from line 1a . . . . .			1c		
2	Sales of livestock, produce, grains, and other products you raised . . . . .			2		
3a	Cooperative distributions (Form(s) 1099-PATR) . . . . .	3a		3b	Taxable amount	3b
4a	Agricultural program payments (see instructions) . . . . .	4a		4b	Taxable amount	4b
5a	Commodity Credit Corporation (CCC) loans reported under election . . . . .			5a		
b	CCC loans forfeited . . . . .	5b		5c	Taxable amount	5c
6	Crop insurance proceeds and federal crop disaster payments (see instructions)					
a	Amount received in 2017 . . . . .	6a		6b	Taxable amount	6b
c	If election to defer to 2018 is attached, check here <input type="checkbox"/> . . . . .			6d	Amount deferred from 2016	6d
7	Custom hire (machine work) income . . . . .			7		
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) . . . . .			8		
9	<b>Gross income.</b> Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions . . . . .			9		

### Part II Farm Expenses – Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach Form 4562 . . . . .	10		23	Pension and profit-sharing plans . . . . .	23	
11	Chemicals . . . . .	11		24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions) . . . . .	12		a	Vehicles, machinery, equipment . . . . .	24a	
13	Custom hire (machine work) . . . . .	13		b	Other (land, animals, etc.) . . . . .	24b	
14	Depreciation and section 179 expense (see instructions) . . . . .	14		25	Repairs and maintenance . . . . .	25	
15	Employee benefit programs other than on line 23 . . . . .	15		26	Seeds and plants . . . . .	26	
16	Feed . . . . .	16		27	Storage and warehousing . . . . .	27	
17	Fertilizers and lime . . . . .	17		28	Supplies . . . . .	28	
18	Freight and trucking . . . . .	18		29	Taxes . . . . .	29	
19	Gasoline, fuel, and oil . . . . .	19		30	Utilities . . . . .	30	
20	Insurance (other than health) . . . . .	20		31	Veterinary, breeding, and medicine . . . . .	31	
21	Interest:			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.) . . . . .	21a		a		32a	
b	Other . . . . .	21b		b		32b	
22	Labor hired (less employment credits) . . . . .	22		c		32c	
				d		32d	
				e		32e	
				f		32f	
33	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions . . . . .					33	

34 **Net farm profit or (loss).** Subtract line 33 from line 9 . . . . .

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

- 35 Did you receive an applicable subsidy in 2017? See instructions . . . . .  Yes  No
- 36 Check the box that describes your investment in this activity and see instructions for where to report your loss.
- a  All investment is at risk.      b  Some investment is not at risk.

### Special Farm Credit (not used to determine Farm Income):

To have the special farm credit, they must show a net loss. If line 34 is **positive** (profit), we don't need to calculate any farther. When line 34 shows \$0 or a **negative** (loss), we need to make sure that all the costs they are showing are allowable costs (Counting Client Assets C.2). When line 34 is \$0.00 or a negative the special farm credit is calculated by taking the GROSS Farm Income you calculated from Part I of the Schedule F and subtracting allowable costs. If this balance is negative, the negative dollar amount should be subtracted from other filing group income to reduce it by the negative dollar amount. *This is a manual process because the computer does not have a code to allow for the Special Farm Credit.*

For examples of calculations and interview questions, go to the Farm Income section in SNAP-G.17.

## **References/Resources**

### **Family Services Manual (FSM)**

Chapter 11. Counting Client Assets (CCA)

A. General Information about Assets

B. Specific Types of Assets

C. Self-Employment and Microenterprise Income

Worker Guide CA-1: Identifying and Budgeting Self-Employment Income

Chapter 6. SNAP

G. Financial Eligibility