### Included in Household Income

*§ 59-2-1202(6)(a)(i) & (b)*

- Federal adjusted gross income (FAGI);
- The following non-taxable income:
  - Capital gains;
  - Loss carry forwards;
  - Depreciation claimed on the residence upon which relief is filed;
  - Support money;
  - Non-taxable strike benefits;
  - Cash public assistance or relief;
  - Gross amount of a pension or annuity;
  - Social Security payments;
  - State unemployment insurance amounts;
  - Non-taxable interest from any source;
  - Workers’ compensation;
  - Gross amount of “loss of time” insurance; and
  - Voluntary contributions to a tax-deferred retirement plan.

### NOT Included in Household Income

*§ 59-2-1202(6)(a)(ii)*

- Aid, assistance, or contributions from a tax-exempt nongovernmental source;
- Surplus food;
- Relief in kind provided by a public or private agency; and
- Property tax relief.

**R865-9I-34(C)**

- Federal child tax credit that *does not exceed* the taxpayer’s federal tax liability; and
- Federal earned income credit that *does not exceed* the taxpayer’s federal tax liability
- Federal tax refunds
- Payments received under a reverse mortgage
- Payments or reimbursements to federal senior program volunteers.

### What is income?

Questions arise if taxpayers submit complex federal tax returns as proof of income. **Consulting the Form 1040 instructions and schedules can help determine if income listed in supplementary evidence is part of, or deducted from the FAGI.**

**For example,** business losses are *deducted* from the FAGI and are listed on Schedule 1 after being calculated on Schedule C. HSA distributions from the 1099-SA are *included* in the FAGI and listed on Schedule 1 after being determined on Form 8889.

**If the IRS accepts a taxpayer’s FAGI as accurate, this decision should be deferred to.**

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**What is a household (for the homeowners credit)?**

Households [§ 59-2-1202(4)] are determined as of **Jan. 1 of the year the claim is filed** [R865-9I-34(A)(1)]. All income earned in the **previous year** by members of the household on **Jan. 1** is included, even if a member ceases to live in the household between **Jan. 1 and time of application**. A household for the renters refund is determined differently, please be aware of this when reading the Code to avoid confusion.