

**SELF-EMPLOYMENT INCOME WORKSHEET - Corporation**

Tax Year Filing		Case Number	
Case Name	Worker Name	Worker ID	Date Completed

If the participant is the sole owner of the corporation, or if the percent of the corporation the benefit group owns is known, skip STEP I, begin with STEP II and enter 1.00 or the percent owned if less than 100%, on line 6, STEP II. If the participant is not the sole owner and the percent of ownership is not known, begin with STEP I.<sup>1</sup>

**STEP I: CALCULATE THE PERCENT OF OWNERSHIP**

If ownership is divided into shares, complete (1) through (3).

If not, complete (4) through (6). Use owner's report to determine the percent of ownership.

(1) Enter number of shares owned by the participant	(1)
(2) Enter number of shares outstanding in the corporation	(2) ÷
(3) Divide (1) by (2) - equals owner's share of corporation	(3) =

**Alternate method**

(4) Enter total investment in the corporation by participant	(4) \$
(5) Enter total investment by all owners	(5) ÷ \$
(6) Divide (4) by (5) - equals owner's percentage of the corporation <sup>2</sup>	(6) = \$

**STEP II - CALCULATE OWNER'S SHARE OF CORPORATE IM-INCOME**

**From IRS Form 1120**

(1) Enter taxable income	from line 30	(1) \$
(2) For MAGI based assistance groups, divide line (1) by line (3) or (6) from above for the owner's annual income	from line 1	(2) \$
(3) For MAGI based assistance groups, divide line (2) by the number of months in operation to get the monthly income <b>***For MAGI AG's, stop here***</b>		(3) \$
(4) Add depreciation back in (Enter zero if negative.)	from line 20	(4) + \$
(5) Add depletion back in (Enter zero if negative.)	from line 21	(5) + \$
(6) Add net operating loss deduction (Enter zero if negative.)	from line 29a	(6) + \$
(7) Subtract total taxes	from line 31	(7) - \$
(8) Equals IM-Income for the corporation <b>(add (1) and (2) through (5))</b>		(8) = \$
(9) Enter owner's percentage of the corporation <b>(from STEP I (3) or (6))</b>		(9) x
(10) Equals owner's share of corporate income <b>(multiply (8) by (9))</b>		(10) = \$
(11) Subtract dividends received by client from this corporation during the period covered	enter dividends received from line 4	(11) - \$
(12) Equals owner's share corporate IM-Income <b>(add (10) and (11))</b>		(12) = \$
(13) Divide line (12) by the number of months in operation to get monthly average		(13) = \$

<sup>1</sup> If more than one owner is in the benefit group, perform STEP I for each owner in the group. Then total the individual owners' portions before entering on line (6), STEP II.

<sup>2</sup> If owner's share [line (3) or (6), STEPI] is .50 (50% or less), stop and consider the corporate income to be unavailable; thus, on line (9), STEP II, enter zero. Exception: If the total share owned by the Food Unit, BC+ Test Group, or EBD Fiscal Group is greater than 50%, the income is available; continue completing the worksheet for each member. For example, if a husband, owning 40%, and wife, owning 40%, apply for assistance and are part of the same AG, the corporate income is available and you will continue completing the worksheet for each owner.

**RETAIN COMPLETED WORKSHEET IN CASE RECORD**