

**F Capital Gains**

Capital gains are the profits from the sale or transfer of capital assets used in a self-employment business. Such capital assets are equipment, securities, real estate, or other real property held as an investment for a set period of time.

To figure capital gains, use the sale price of capital assets minus the purchase price and any cost of improvement, selling commission, etc. Count the capital gain using the same income budgeting option chosen by the self-employed participant as follows:

- In the month received or anticipated to be received.
- Annualized for the same period of time the self-employment income was averaged.

(See Example [Capital Gains](#))