

S Small Businesses

[For MA after 2013](#)
[See the EPM](#)

Income from a small business is COUNTABLE as self employment income.

Small businesses include, but are not limited to, the following:

- **Franchise**
A business that is owned and operated by one or more individuals. The business is under contract with another company.
- **Partnership**
A business that is owned and operated by more than one individual.
- **Independent Contractor**
An individual who provides goods and services to another person or business under terms specified in a contract. An independent contractor controls the hours and manner in which work is performed, and pays his or her own income taxes.

EXCEPTION

Income received by an independent contractor who does not control the hours and manner in which work is performed, and does not pay his or her own income taxes is NOT COUNTABLE as self employment income. (See [Contract Income](#))

- Limited Liability Corporation (LLC)
A business owned and operated by more than one individual. That business has the qualities of both a [corporation\(g\)](#) and partnership.

EXCEPTION

Income received from an LLC that files federal and state taxes as a corporation is NOT COUNTABLE as self employment. (See [Wages and Salaries](#))

WARNING

When money is withdrawn from an LLC business account to pay for personal expenses, the money is COUNTABLE as earned income. (See [LLC – personal expenses](#))

- Sole Proprietorship (Owner Operator)
A business that is owned and operated by one individual.

(See [Allowable Business Expenses](#) for additional policy)

Key small business income on SEEI using the OB Self Employment Income Code.