

A Allowable Self Employment Expenses

[REVISION 05](#)
(07/01/08 – 09/30/08)

The allowable costs of producing self employment income include, but are not limited to, the following:

- [Actual Transportation Costs](#) or the [Mileage Standard](#)
- Bills for cleaning costs and maintenance of business location and necessary equipment
- Business related insurance premiums
- Costs of operating machinery or equipment
- Costs of stocks or inventories
- Identifiable rent and utilities that cannot be allowed in the participant's shelter deduction, as they are associated with a business location

NOTE When rental property used in the business does not have a separate meter, utility expenses may be used to determine the cost of doing business.

- INTEREST paid on the purchase of any of the following:
 - Business property
 - Capital assets (See [Capital Gains](#))
 - Equipment
 - Income producing real estate property
 - Machinery
 - Other durable goods

NA EXCEPTION

The PRINCIPAL paid on the purchase of any of the following is an ALLOWABLE self employment expense:

- Business property
- Capital assets (See [Capital Gains](#))
- Equipment
- Income producing real estate
- Machinery
- Other durable goods

- Interest paid on income producing property
- Labor
- Livestock, raw material, seed, and fertilizer
- Rent or property taxes on the business property
- Other documented costs not listed in NOT ALLOWABLE Self [Employment Expenses](#)
- Salaries paid to employees, and employer paid benefits
- Taxes paid on income producing property
- Sales taxes collected and paid, when applicable

Use the [verification process](#) to verify the expense before ALLOWING the expense as a deduction.