



State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
Governor

January 11, 2019

Medi-Cal Eligibility Division Information Letter No.: I 19-03

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: UPDATED INCOME AND DEDUCTIONS CHART

The purpose of this letter is to inform counties of the updates to the “Modified Adjusted Gross Income (MAGI) Income and Deductions Types” chart, located in the [County Operations Support](#) portion of the Department of Health Care Services (DHCS) website.

This update is to reflect the changes in the tax law as a result of the Tax Cuts and Jobs Act and the Bipartisan Budget Act of 2018. Additionally, surrogacy income and the child care deduction were added to the chart per county requests.

The Tax Cuts and Jobs Act also changed the structure of the Internal Revenue Service form 1040. Based on the change, the Income and Deductions Types chart structure was updated to an alphabetical list for ease of use.

DHCS updated the following income and deduction types for MAGI Medi-Cal and Advance Premium Tax Credit (APTC)/ Cost Sharing Reduction (CCR):

The following deductions have been removed:

- Tuition and Fees
- Domestic Production Activities

The following deduction has been added:

- Child Care

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The following income type has been added:

- Surrogacy

The Following income and deductions have been modified:

- Moving Expenses
- Alimony

If you have any questions on this letter, please contact Eric Sweeney at 916-345-8065 or by email at [eric.sweeney@dhcs.ca.gov](mailto:eric.sweeney@dhcs.ca.gov)

Original Signed By

Karen Chang, Chief  
Policy Development Branch  
Medi-Cal Eligibility Division

# MAGI INCOME AND DEDUCTION TYPES

Confused about what income to include? This chart will help you check what income you need to include on your application. On the left are different types of income and deductions.

1. Find which income type you are wondering about. Then look under the columns “MAGI M/C” or “APTC/CSR” to see if you should include it on your application. MAGI M/C is for the Medi-Cal rules and APTC/CSR is for Covered California subsidies.
2. If it says “counted” in either one of the columns, you should put it on your application. You will see that for almost all income types the answer is the same in both columns.
3. If it says that your income type is “not counted” you don’t need to put it on your application.
4. “Lump sum” payments—money you get one time only. If you are putting in a “lump sum” payment of any type, please put down that you expect to get it as a “one-time payment.”

Remember, you do not have to file taxes to apply for Medi-Cal. The chart lists IRS forms next to some types of income just as a guide

INCOME TYPE	MAGI M/C	APTC/CSR
Accelerated death benefits/viatical settlements if the insured is chronically ill for costs of qualified long-term care or if the insured is terminally ill not in excess of limit	Not Counted	Not Counted
Accelerated death benefits/viatical settlements paid to persons with a financial interest in the insured’s business	Count Taxable Portion	Count Taxable Portion
Activity not for profit, Pub. 535	Count Taxable Portion	Count Taxable Portion
Adoption Assistance Payments	Not Counted	Not Counted
Alaska Permanent Fund dividends	Count Taxable Portion	Count Taxable Portion
Alimony Received: Income only if the divorce or separation instrument is executed on or before 12/31/18. Not countable income for any divorce or separation instrument modified on or after 01/01/2019	Count Taxable Portion	Count Taxable Portion
Allowances and reimbursements for travel, transportation, or other business expenses	Count Taxable Portion	Count Taxable Portion

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
AmeriCorps State/National Stipend and Education Award	Not Counted	Count Taxable Portion
AmeriCorps National Civilian Community Corps Stipend and Education Award	Not Counted	Count Taxable Portion
AmeriCorps Vista Stipend and Educational Award	Not Counted	Count Taxable Portion
Austrian general social insurance payments	Not Counted	Not Counted
Awards	Count Taxable Portion	Count Taxable Portion
Ball v. Swoap Payment	Not Counted	Not Counted
Bartering, 1099-B, Pub. 525	Count Taxable Portion	Count Taxable Portion
Black Lung benefit payments	Not Counted	Not Counted
Blood, plasma, sperm, egg, embryo or compensation received for body parts	Count Taxable Portion	Count Taxable Portion
Bonuses	Count Taxable Portion	Count Taxable Portion
Bribes	Count Taxable Portion	Count Taxable Portion
Business (or loss), Schedule C or C-EZ	Count Taxable Portion	Count Taxable Portion
CalFRESH benefits	Not Counted	Not Counted
California Work Opportunity and Responsibility to Kids (CalWORKs) cash grant	Not Counted	Not Counted
Cancellation of non-business debt <ul style="list-style-type: none"> <li>• intended as a gift,</li> <li>• amounts not in excess of insolvency, or amounts discharged in bankruptcy, or with regard to mortgage cancellation, not in excess of the cost of the principal residence plus improvements, 1099-C</li> </ul>	Not Counted	Not Counted
Cancellation of non-business debt, unless intended as a gift, that is in excess of: <ul style="list-style-type: none"> <li>• amounts of insolvency</li> <li>• amounts discharged in bankruptcy</li> <li>• with regard to mortgage cancellation, in excess of the cost of the principal residence plus improvements, 1099-C</li> </ul>	Count Taxable Portion	Count Taxable Portion

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Capital gain (or loss), Schedule E	Count Taxable Portion	Count Taxable Portion
Cash payments for stock appreciation rights	Count Taxable Portion	Count Taxable Portion
Child Support	Not Counted	Not Counted
Clergy housing and utility allowance <u>in excess</u> of market rate and actual cost respectively	Count Taxable Portion	Count Taxable Portion
Clergy housing and utility allowance <u>not in excess</u> of market rate and actual cost respectively	Not Counted	Not Counted
Clinical trial participation remuneration and amounts in excess of expenses minus \$2,000, 1099-Misc and 42 U.S.C. Section 1396a(e)(14)	Count Taxable Portion	Count Taxable Portion
Clinical trials participation to the extent of expenses incurred plus \$2,000	Not Counted	Not Counted
Commissions, advance commissions	Count Taxable Portion	Count Taxable Portion
County General Assistance cash grant	Not Counted	Not Counted
Court awards/judgments/settlements for compensation for lost wages/profits, breach of contract, pension rights, interest on awards, patent or copyright infringement and punitive damages	Count Taxable Portion	Count Taxable Portion
Court awards/judgments/settlements for personal injury or sickness/emotional distress and other compensatory property damages. This does not include compensation for lost wages/profits, breach of contract, pension rights, interest on awards, patent or copyright infringement, or punitive damages	Not Counted	Not Counted
Coverdale Education Savings Account (ESA)	Count Taxable Portion	Count Taxable Portion
Credit card insurance or disability payment	Count Taxable Portion	Count Taxable Portion
Disability income received for injuries resulting directly from a terrorist or military action, not including training exercises	Not Counted	Not Counted
Disability Income - <u>taxed</u> (taxed private disability insurance premiums paid for by employer) Pubs 525 and 907, 1099 and 1099-A	Count Taxable Portion	Count Taxable Portion

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Disability Income - <u>untaxed</u> (untaxed private disability income insurance - premiums not paid by employer) Pubs 525 and 907	Not Counted	Not Counted
Disability pension under a plan that is paid for by your employer	Count Taxable Portion	Count Taxable Portion
Disaster relief payments (qualified payments)	Not Counted	Not Counted
Diversion cash assistance	Not Counted	Not Counted
Down payment assistance	Not Counted	Not Counted
Earned income tax credit	Not Counted	Not Counted
Economic stimulus payments (federal)	Not Counted	Not Counted
Employer contributions to certain pretax benefits funded by an employee's elective salary reduction, such as amounts for a flexible spending account	Not Counted	Not Counted
Employer paid supplemental unemployment benefits from an employer financed fund	Count Taxable Portion	Count Taxable Portion
Employment – wages, salary, back pay, differential wage payments;	Count Taxable Portion	Count Taxable Portion
Endowment Contracts paid as a lump sum before <u>death in excess of costs</u> (veteran's endowment contract not applicable)	Count Taxable Portion	Count Taxable Portion
Endowment contracts paid as a lump sum before death <u>not in excess of costs</u> , or paid upon death to a beneficiary	Not Counted	Not Counted
Energy Conservation Subsidy	Not Counted	Not Counted
Farm income (or loss), Schedule F	Count Taxable Portion	Count Taxable Portion
Federal Income Tax Return State Tax Return– (if state taxes were deducted on prior year Federal Income Tax return, the state refund would be countable)	Not Counted	Not Counted
Fees received by clergy for services performed	Count Taxable Portion	Count Taxable Portion

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Foreign Earned Income (taxable and non-taxable) Form 2555	Count Gross	Count Gross
Foster care, maintaining a space in your home	Count Taxable Portion	Count Taxable Portion
Foster care or other Title IV-E payments and transitional housing	Not Counted	Not Counted
Fringe benefits <u>not provided</u> on a pre-tax basis (including non-clergy housing, meals and transportation)	Count Taxable Portion	Count Taxable Portion
Fringe benefits <u>provided</u> on a pre-tax basis by an employer, such as transportation benefits, parking, or moving expenses	Not Counted	Not Counted
Gambling winnings: gambling, lottery, raffles, Form W2-G Per-capita distributions of Indian gaming revenue	Count Taxable Portion	Count Taxable Portion
Gifts/cash contributions	Not Counted	Not Counted
Government cost-of-living allowances	Count Taxable Portion	Count Taxable Portion
Guaranteed annual wages paid during period of unemployment by employer under a union agreement	Count Taxable Portion	Count Taxable Portion
Health savings account	Count Taxable Portion	Count Taxable Portion
Hobby income, or from an activity you did not expect to see a profit	Count Taxable Portion	Count Taxable Portion
Holocaust Victims Restitution/Victims of Nazi Persecution/German Reparation Payment	Not Counted	Not Counted
Host or hostess gift or gratuity	Count Taxable Portion	Count Taxable Portion
Housing and Urban Development Section 8 rental vouchers or benefits	Not Counted	Not Counted
Income from illegal activities (Schedule C or Schedule C-EZ)	Count Taxable Portion	Count Taxable Portion
Income from the rental of personal property (not business income)	Count Taxable Portion	Count Taxable Portion
Income In-Kind (non-taxable fringe benefits) Pub. 525	Not Counted	Not Counted
Indian financing grants under title IV of the Indian Financing Act of 1974 to expand profit-making Indian-owned economic	Not Counted	Not Counted
Individual Retirement Account (IRA) distributions, 1099-R	Count Taxable Portion	Count Taxable Portion
Inheritance or taxable portion of inherited IRA or inherited pension	Not Counted	Not Counted

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
In-Home Supportive Services caregiver wages paid to an enrolled provider who, regardless of relationship, resides with the Medi-Cal beneficiary who receives those services from the: <ul style="list-style-type: none"> <li>• Advance Payments for Caregiver</li> <li>• In-Home Operations Waiver, or</li> <li>• Nursing Facility/Acute Hospital Waiver, or</li> <li>• Personal Care Services Program, or</li> <li>• In-Home Supportive Services Plus Option, or</li> <li>• Community First Choice Option, or</li> <li>• In-Home Supportive Services – Residual Program</li> <li>• Restaurant Meals Allowance</li> </ul>	Not Counted	Not Counted
Interest income (taxable and non-taxable), 1099-INT	Count Gross	Count Gross
Interest income not received because the interest charged was below the applicable federal rate	Count Taxable Portion	Count Taxable Portion
Japanese or Aleutian Reparation payment whether from the United States or Canada	Not Counted	Not Counted
Job Corps earnings/stipend	Count Taxable Portion	Count Taxable Portion
Jury duty pay in excess of costs	Count Taxable Portion	Count Taxable Portion
Kickbacks	Count Taxable Portion	Count Taxable Portion
KinGAP payments	Not Counted	Not Counted
Life insurance proceeds turned over for price, e.g. surrender in excess of the cost of the insurance	Count Taxable Portion	Count Taxable Portion
Life insurance proceeds upon death, including non-taxable annuity payments/proceeds	Not Counted	Not Counted
Loan proceeds	Not Counted	Not Counted
Long-Term Care benefits (LTC) – non-taxable amount, 1099 LTC	Not Counted	Not Counted
Long-term care benefits – taxable amount – 1099 LTC	Count Taxable Portion	Count Taxable Portion
Lost, stolen or damaged property payments	Not Counted	Not Counted
Manufacturer incentive payments	Count Taxable Portion	Count Taxable Portion
Medical Savings Account (Archer-Medicare), Pub. 969	Count Taxable Portion	Count Taxable Portion



## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Military allowances (BAH, BAS)	Not Counted	Not Counted
Military hostile fire/imminent danger pay	Not Counted	Not Counted
Mortgage assistance payments under Section 235 of the National Housing Act	Not Counted	Not Counted
Needs-based assistance	Not Counted	Not Counted
Net Operating Loss (NOL) carryover; subtract from other line 21 income, Pub. 536	Subtract Losses	Subtract Losses
Netherlands WUV victims of persecution	Not Counted	Not Counted
Nonqualified deferred compensation	Count Taxable Portion	Count Taxable Portion
Notes received for services	Count Taxable Portion	Count Taxable Portion
Nutrition benefits (Supplemental Nutrition Assistance Program, Nutrition Programs for the Elderly or Disabled)	Not Counted	Not Counted
Ordinary/qualified dividends, 1099-DIV	Count Taxable Portion	Count Taxable Portion
Other earned income, W-2	Count Taxable Portion	Count Taxable Portion
Other gains (or losses), Form 4797	Count Taxable Portion	Count Taxable Portion
Paid Family Leave, 1099-G	Count Taxable Portion	Count Taxable Portion
Pensions, Department of Defense Retirement Board military retirement, endowment contracts paid as annuities and taxable	Count Taxable Portion	Count Taxable Portion
Pension payments that were paid by the employee (such as premiums or contributions) that were previously subject to tax	Not Counted	Not Counted
Physical injury, illness or emotional distress payments	Not Counted	Not Counted
Principal payments on loans	Not Counted	Not Counted
Prizes and awards	Count Taxable Portion	Count Taxable Portion
Pulitzer, Noble or similar prize	Count Taxable Portion	Count Taxable Portion
Public assistance payments, general assistance, Bureau of Indian Affairs general assistance	Not Counted	Not Counted
Qualified Tuition Program, Pub. 970	Count Taxable Portion	Count Taxable Portion

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Qualified reservist distribution from health flexible spending account, W-2, Pub. 525	Count Taxable Portion	Count Taxable Portion
Radiation Exposure Compensation Payment	Not Counted	Not Counted
Railroad <u>Retirement</u> benefits (taxable and non-taxable), RRB-1099	Count Gross	Count Gross
Railroad <u>Unemployment</u> benefits, 1099-G	Count Taxable Portion	Count Taxable Portion
Recoveries of amounts deducted, or for which a credit was taken in an earlier year. Refunds/reimbursements/rebates of itemized deductions	Count Taxable Portion	Count Taxable Portion
Reemployment Trade Adjustment Assistance payments made by a state agency, 1099-G	Count Taxable Portion	Count Taxable Portion
Refugee cash assistance	Not Counted	Not Counted
Refugee reception and replacement program one-time payments by the Dept. of State or Dept. of Justice, such as Voluntary Agency (VOLAG) payments	Not Counted	Not Counted
Reimbursement for employment agency fee	Count Taxable Portion	Count Taxable Portion
Reimbursements not in excess of costs incurred	Not Counted	Not Counted
Relocation assistance payments	Not Counted	Not Counted
Relocation and Rehabilitation payments due to floods under the Housing and Community Development Act	Not Counted	Not Counted
Rental of personal property – not self-employment	Count Taxable Portion	Count Taxable Portion
Rental real estate, royalties, partnerships, S corporations, trusts, etc. (or loss), Schedule E	Count Taxable Portion	Count Taxable Portion
Renter's tax credit (California)	Not Counted	Not Counted
Repayment of bona fide loan not in excess of original loan	Not Counted	Not Counted
Replacement Housing payments under the Uniform Relocation Assistance and Real Property Acquisition Act	Not Counted	Not Counted
Reverse Annuity Mortgage	Not Counted	Not Counted

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Rewards	Count Taxable Portion	Count Taxable Portion
Ricky Ray Hemophilia Relief Fund	Not Counted	Not Counted
Roth IRA, 401K, 403(b), or 457(b) qualified distribution	Not Counted	Not Counted
Salary or wages from decedents' employer (received by a	Not Counted	Not Counted
Scholarships, awards, fellowship grants <u>not used</u> for living expenses, Pub. 970	Not Counted	Count Taxable Portion
Scholarships, awards, fellowship grants <u>used</u> for living expenses, Pub. 970	Count Taxable Portion	Count Taxable Portion
Self-employment (in excess of expenses), Schedule K-1, Schedule SE	Count Taxable Portion	Count Taxable Portion
Severance pay, sick pay, vacation, annual leave, and paid holidays	Count Taxable Portion	Count Taxable Portion
Social Security benefits (taxable and non-taxable), including Social Security Disability Income (SSDI)SSA-1099	Count Gross	Count Gross
Sponsor's income given to a sponsored immigrant	Not Counted	Not Counted
State Disability Insurance (SDI) - California, <u>that is not paid</u> as a substitute for unemployment insurance benefits	Not Counted	Not Counted
State Disability Insurance (SDI), <u>when paid</u> as a substitute for unemployment insurance benefits, 1099-G	Count Taxable Portion	Count Taxable Portion
State tax refund in excess of prior year state tax deducted	Count Taxable Portion	Count Taxable Portion
Stolen property received	Count Taxable Portion	Count Taxable Portion
Strike and lockout benefits	Count Taxable Portion	Count Taxable Portion
Supplemental Security Income/State Supplementary Payment (SSI/SSP) program benefits	Not Counted	Not Counted
Surrogacy	Count Taxable Portion	Count Taxable Portion
Taxable refunds, credits, or offsets of state/local income taxes	Count Taxable Portion	Count Taxable Portion
Tips	Count Taxable Portion	Count Taxable Portion
Trade Readjustment Allowance (TRA), 1099-G	Count Taxable Portion	Count Taxable Portion

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Unearned income in-kind/personal expenses paid by another, including a corporation	Count Taxable Portion	Count Taxable Portion
Unemployment assistance under the Airline Deregulation Act of 1974 Program, 1099-G	Count Taxable Portion	Count Taxable Portion
Unemployment assistance under the Disaster Relief and Emergency Assistance Act of 1974, 1099-G	Count Taxable Portion	Count Taxable Portion
Unemployment benefits paid by a union	Count Taxable Portion	Count Taxable Portion
Unemployment compensation (State or Federal), 1099-G	Count Taxable Portion	Count Taxable Portion
Utility rebates	Count Taxable Portion	Count Taxable Portion
Veteran's Administration (VA) aid and attendance benefits paid to the veteran or their families	Not Counted	Not Counted
Veteran's Administration agent orange benefits	Not Counted	Not Counted
Veteran's Administration benefits for children with certain birth defects	Not Counted	Not Counted
Veteran's Administration compensated work-therapy program payments	Not Counted	Not Counted
Veteran's Administration death gratuity paid to a survivor of a member of the Armed Forces who died after	Not Counted	Not Counted
Veteran's Administration dependent-care assistance program benefits	Not Counted	Not Counted
Veteran's Administration disability compensation paid either to the veteran or their families	Not Counted	Not Counted
Veteran's Administration education, training or subsistence allowances	Not Counted	Not Counted
Veteran's Administration grants for homes designed for wheelchair living	Not Counted	Not Counted
Veteran's Administration grants for motor vehicles for veterans who lost their sight or the use of their limbs	Not Counted	Not Counted
Veteran's Administration insurance proceeds and dividends paid either to veterans or their beneficiaries, including the	Not Counted	Not Counted
Veteran's Administration insurance interest left on deposit with the VA	Not Counted	Not Counted
Veteran's Administration Filipino Veterans Equity Compensation Trust Fund payments	Not Counted	Not Counted
Veteran's Administration POW/MIA benefits	Not Counted	Not Counted

## MAGI INCOME AND DEDUCTION TYPES

INCOME TYPES	MAGI M/C	APTC/CSR
Veteran's Administration pension benefits paid to the veteran or their families	Not Counted	Not Counted
Veteran's bonus payment paid by any state or political subdivision because of service in a combat zone	Not Counted	Not Counted
Victims of crimes payments	Not Counted	Not Counted
Vocational rehabilitation goods, services and cash received, not in return for services, but for training and rehabilitation due to disability	Not Counted	Not Counted
Volunteer Work amounts: <ul style="list-style-type: none"> <li>• Peace Corps living allowances for housing, utilities, household supplies, food and clothing</li> <li>• Nat'l Senior Service Corps supportive services or reimbursements for out- of-pocket expenses from the Retired Senior Volunteer Program (RSVP); Foster Grandparent Program; or Senior Companion Program</li> <li>• Service Corps of Retired Executives (SCORE) amounts for supportive services or out-of-pocket expenses</li> <li>• Volunteer tax counseling reimbursements for transportation, meals, and other expenses you have in training for, or actually providing tax counseling for the elderly</li> </ul>	Not Counted	Not Counted
Walker v. Bayer payment	Not Counted	Not Counted
Weatherization, home energy assistance, emergency repair or replacement of heating/cooling devices	Not Counted	Not Counted
Whistleblower's award	Count Taxable Portion	Count Taxable Portion
Withholding from a benefit to repay an overpayment from the same income source	Not Counted	Not Counted
Worker's Compensation paid to the worker or their survivors	Not Counted	Not Counted
Workforce Investment Act payments	Not Counted	Not Counted
Work training program payments – entire amount paid by a state welfare agency if greater than what would otherwise be paid for public welfare benefits	Count Taxable Portion	Count Taxable Portion
Work training program payments made by a state welfare agency if the total does not exceed what would have been paid in public welfare benefits	Not Counted	Not Counted

## MAGI INCOME AND DEDUCTION TYPES

<b>LUMP SUM PAYMENTS</b> – Any payment received one time, or any single payment paid retroactively that represents one or more past payment periods such as any of the following:	<b>MAGI-BASED M/C</b> <u>Do Not Include</u> in Annual Income	<b>APTC/CSR</b>
Cancellation of debt	Count in month received	Count as annual income
Education scholarships, awards, fellowship grants not used for living expenses	Not Counted	Count Taxable Portion
Education scholarships, awards, fellowship grants used for living expenses	Count in month received	Count Taxable Portion
Employee accrued vacation, annual leave or sick pay	Count taxable amount in month received	Count as annual income
Employee back pay awarded in a settlement	Count in month received	Count as annual income
Gambling winnings	Count in month received	Count as annual income
Insurance settlements due to death, personal injury, damage, or loss of property	Not Counted	Not Counted
Lottery winnings	Count in month received	Count as annual income
Prizes and awards	Count in month received	Count as annual income
Retroactive social security and railroad retirement benefits	Count in month received	Count as annual income
Retroactive unemployment insurance benefits	Count in month received	Count as annual income
Surviving spouse or beneficiary receives salary or wages from decedent's employer	Count in month received	Count as annual income
Surviving spouse or beneficiary receives lump sum qualified retirement plan distribution from decedent's employer	Count taxable amount in month received	Count taxable amount as annual income

## MAGI INCOME AND DEDUCTION TYPES

DEDUCTION – MONTHLY/ANNUALLY	MAGI-BASED M/C	APTC/CSR
Alimony Paid: Deduction only if the divorce or separation instrument is executed on or before 12/31/18. Not a deduction for any divorce or separation instrument modified on or after 01/01/2019	Monthly deduction	Annual deduction
Certain business expenses of reservists, performing artists, etc.	Monthly deduction	Annual deduction
Child Care	No deduction	No deduction
Child support paid	No deduction	No deduction
Deductible part of self-employment tax	Monthly deduction	Annual deduction
Educator expenses	Monthly deduction	Annual deduction
Health savings account deduction	Monthly deduction	Annual deduction
Hobby income expenses, or expenses from an activity from which a profit was not expected	Monthly deduction	Annual deduction
IRA deduction	Monthly deduction	Annual deduction
Moving expenses: Only if active duty military and moved due to permanent change of station	Monthly deduction	Annual deduction
Penalty on early withdrawal of savings	Monthly deduction	Annual deduction
Rental of personal property expenses	Monthly deduction	Annual deduction
Self-employed health insurance deduction	Monthly deduction	Annual deduction
Self-employed pension (SEP), Simple, and qualified plans	Monthly deduction	Annual deduction
Student loan interest deduction	Monthly deduction	Annual deduction

## MAGI INCOME AND DEDUCTION TYPES

AI/AN INCOME EXCEPTIONS	MAGI M/C	APTC/CSR
Distributions from Alaska Native corporations and settlement trusts	Not Counted	Count Taxable Portion
Distributions from any property held in trust, subject to federal restrictions, located within the most recent boundaries of a prior Federal reservation, or otherwise under the supervision of the Secretary of the Interior	Not Counted	Count Taxable Portion
Distributions and payments from rents, leases, rights of way, royalties, usage rights, or natural resource extraction and harvest from: <ul style="list-style-type: none"> <li>• Rights of ownership or possession in any lands located within the most recent boundaries of a prior Federal reservation, or otherwise under the supervision of the Secretary of the Interior</li> <li>• Federally protected rights regarding off-reservation hunting, fishing, gathering, or usage of natural resources</li> </ul>	Not Counted	Count Taxable Portion
Distributions resulting from real property ownership interests related to natural resources and improvements: <ul style="list-style-type: none"> <li>• Located on or near a reservation or within the most recent boundaries of a prior Federal reservation; or</li> <li>• Resulting from the exercise of federally-protected rights relating to such real property ownership interests</li> </ul>	Not Counted	Count Taxable Portion
Payments resulting from ownership interest in or usage rights to items that have a unique religious, spiritual, traditional, or cultural significance or rights that support subsistence or a traditional lifestyle according to applicable Tribal Law or custom	Not Counted	Count Taxable Portion
Student financial aid provided under the Bureau of Indian Affairs education programs	Not Counted	Count Taxable Portion