
Assets

- Step 1: Add together the equity value of all personal and real business properties used in one enterprise.
- Step 2: If the Step 1 amount is less than \$6,000, multiply that amount by .06. If the Step 1 amount is \$6,000 or greater, multiply \$6,000 by .06.
- Step 3: Compare the Step 2 amount to the net annual income. If the net annual income is equal to or greater than the amount in Step 2, subtract \$6,000 from total equity value of the property(s). The remainder is an asset. If the net annual income is less than the amount arrived at in Step 2, the total equity of the property(s) is an asset.

EXAMPLE: Mr. Patterson owns a mobile home, which is not his residence, that has a CMV and equity value of \$3,000. He owns other property that has a CMV and equity value of \$2,000. The mobile home produces a net annual rental income of \$750, and the other property produces less than \$50 a year. Since the mobile home produces more than a 6% return, its equity value is excluded. Since the other property produces less than a 6% return, its equity value is counted.

EXAMPLE: Sharon has a small business in her home making hand-woven rugs. The looms and other equipment used in the business have a CMV of \$7,000. Her equity is \$5,500 since she owes \$1,500 on the looms. Sharon's net earnings from self-employment are \$400. Since Sharon's equity in the looms and other equipment is under the \$6,000 limit for income-producing property, and her net income after expenses (\$400) is greater than 6% of the equity, her property is excluded from countable resources.

EXCEPTION: Property that represents the authority granted by a governmental agency to engage in an income-producing activity is excluded if it is:

- Used in a trade or business or non-business income-producing activity; or

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- Not used due to circumstances beyond the individual's control, such as illness, and there is a reasonable expectation that the use will resume.

EXAMPLE: John owns a commercial fishing permit granted by the State Commerce Commission, a boat, and fishing tackle. The boat and tackle have an equity value of \$6,500. Last year, John earned \$2,000 from his fishing business. The value of the fishing permit is not determined because the permit is excluded under the exception. The boat and tackle are producing in excess of a 6% return on the excluded equity value, so the equity is excluded, up to \$6,000. The \$500 excess value is counted toward the asset limit.

2. Non-Business Personal Property

a. Income Producing

FS	WVW, AFDC Groups	SSI Groups
No *	Yes	No *

Food Stamp Benefits: Property which is annually producing income consistent with its CMV is excluded. Vehicles, recreational vehicles/equipment and mobile homes are excluded regardless of use.

b. Necessary for Self-Support

FS	WVW, AFDC Groups	SSI Groups
No *	Yes	No *

Food Stamp Benefits: Vehicles, recreational vehicles/equipment and mobile homes are excluded regardless of use.

SSI-Related Medicaid, CDCS, PAC, QDWI, QMB, SLIMB, and QI-1: Non-business personal and real property is considered essential for an individual and/or his spouse's self-support, if it is used to produce goods or services necessary for his daily activities. This property includes real property, such as land, which is used to produce vegetables or livestock for personal consumption only, such as corn, tomatoes, chickens, cattle. This property also includes personal property necessary to perform daily functions, but not passenger cars, trucks, boats, or other special vehicles. Property used to produce goods or services or property necessary to perform daily functions is excluded, if the individual's equity in the property does not exceed \$6,000.