

## INCOME INCLUSIONS & EXCLUSIONS

According to the IRS Form 1040 Definition (AGI Calculation Method) the following are income inclusions and exclusions:

### Inclusions:

- 1) Wages, salaries, tips, etc.
- 2) Taxable interest.
- 3) Dividends.
- 4) Taxable refunds, credits or offsets of State and local income taxes. There are some exceptions - refer to Form 1040 instructions.
- 5) Alimony (or separate maintenance payments) received.
- 6) Business income (or loss).
- 7) Capital gain (or loss).
- 8) Other gains (or losses) (i.e., assets used in a trade or business that were exchanged or sold).
- 9) Taxable amount of individual retirement account (IRA) distributions. (Includes simplified employee pension [SEP] and savings incentive match plan for employees [SIMPLE] IRA.)
- 10) Taxable amount of pension and annuity payments.
- 11) Rental real estate, royalties, partnerships, S corporations, trusts, etc.
- 12) Farm income (or loss).
- 13) Unemployment compensation payments.
- 14) Taxable amount of Social Security benefits.
- 15) Other income. (Includes: prizes and awards; gambling, lottery or raffle winnings; jury duty fees; Alaska Permanent fund dividends; reimbursements for amounts deducted in previous years; income from the rental of property if not in the business of renting such property; and income from an activity not engaged in for profit).

### Exclusions

- 1) Child support.
- 2) Money or property that was inherited, willed or given as a gift.
- 3) Life insurance proceeds received as a result of someone's death