

## STATE OF VERMONT

## HUMAN SERVICES BOARD

In re ) Fair Hearing No. 12,631

)

Appeal of )

)

INTRODUCTION

The petitioner appeals the decision by the Department of Social Welfare reducing his ANFC and food stamps for the period July through December, 1993. The issue is whether certain expenses the petitioner's wife incurred in connection with her self-employment can be deducted from the household's gross income in determining its benefit amounts under these programs.

FINDINGS OF FACT

During the period in question the petitioner's wife owned and operated a trading card store. In calculating the household's ANFC and food stamps for this period the Department refused to allow as deductible business expenses premiums on a personal income disability policy the petitioner's wife maintained and car insurance premiums on his wife's car.<sup>(1)</sup> The petitioner admits that his wife used the car primarily to commute from her home to her place of

business, but that it was seldom used in the carrying on of the business itself.

ORDER

The Department's decision is affirmed.

REASONS

The pertinent ANFC and food stamp regulations provide that self-employment business expenses are limited to the actual costs of producing earned income. W.A.M. § 2253.2 and F.S.M. § 273.11(a)(4). Both regulations specifically exclude "personal transportation" as an allowable deduction. While neither regulation specifically mentions personal income disability policy premiums, the food stamp regulation

specifically excludes "money set aside for retirement purposes", and the ANFC regulation makes clear that only "costs necessary to produce cash receipts" can be considered deductible expenses. Both programs provide for a preset "standard deduction" that includes, at least in theory, taxes and "work-related personal expenses". The hearing officer could find nothing in the regulations under either program that would remotely indicate that the types of expenses claimed by the petitioner must be considered a "necessary business expense" subject to an allowable deduction from a household's self-employment income.

Inasmuch as the Department's decision in this matter is in accord with the applicable regulations it must be affirmed. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 19, and Food Stamp Fair Hearing Rule No. 17.

# # #

1. The petitioner's initial appeal (filed in February, 1994) involved several other issues, all of which were resolved to the petitioner's satisfaction over several months of negotiation during which this case was continued.