

Combined Disposable Income Worksheet

Income year:	
Are you required to file a federal income tax return?	Yes No
<u>Disposable income</u>	<u>Amount</u>
1. Federal adjusted gross income from Federal Form 1040	
2. Capital gains not reported on your federal income tax return	
3. Losses reported on your federal income tax return	
4. Depreciation reported on your federal income tax return	
5. Wage income: nontaxable and/or not reported on your federal income tax return	
6. Dividend or interest income: nontaxable and/or not reported on your federal income tax return	
7. Pension and annuity income: nontaxable and/or not reported on your federal income tax return	
8. Military pay and benefits: nontaxable and/or not reported on your federal income tax return	
9. Veterans pay and benefits: nontaxable and/or not reported on your federal income tax return	
10. Social security or railroad retirement benefits: nontaxable and/or not reported on your federal income tax return	
11. Business, rental, or farming income not reported on your federal income tax return	
12. Other income not included in amounts on Lines 1-11, provide the source, type and amount	
13. Add lines 1-12 This is your total disposable income:	
<u>Deductions</u>	
14. Nursing home, assisted living or adult family home	
15. Home health care	
16. Prescription drugs	
17. Medicare parts A,B,C, D insurance premiums	
18. Medicare supplemental/Medigap insurance premiums	
19. Durable medical and mobility enhancing equipment and prosthetic devices	
20. Medically prescribed oxygen	
21. Long-term care insurance	
22. Cost-sharing amounts	
23. Nebulizers	
24. Medicines of mineral, animal and botanical origin prescribed, administered, dispensed, by a naturopath licensed under Washington law	
25. Ostomic items	
26. Insulin for human use	
27. Kidney dialysis devices	
28. Disposable devices used to deliver drugs for human use	
29. Adjustments to income	
30. Add lines 14-29 This is your total deductions:	
31. Subtract line 30 from line 13 This is your total combined disposable income:	

Income Example #10

Documentation provided: Schedule E (pg 2 only) and 4 Schedule K-1's

We are going to get creative with this one and use the total income found on line 41 of the Schedule E as the AGI \$20,947.00

**Note: Line 41 is made up of the total of lines 26, 32, 37, 39 & 40. We don't see line 26. We see line 32, which has a total of \$5,430 and none of the other lines have any income reported. Since line 41's total is 20,947, this means the total from line 26 is $(20,947 - 5,430) = 15,517$*

This is a good indicator for you to ask for more information (i.e.: a complete tax return since we are obviously missing pages. 😊 For training purposes, we can work around this).

It's *always* a good idea to review the Schedule K-1's to make sure the numbers match. Fortunately, in this example they do. There are 2 passive losses and 2 passive incomes reported.

The passive losses reduce the passive income, so they need to be added back

Passive loss (Line C) <27,329>	\$27,329.00
Passive loss (Line D) <18>	\$ 18.00
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Total disposable income	\$48,294.00