

# Form PTAX-340 Step-by-Step Instructions

## Part 1: Applicant Information

Type or print the requested information

## Part 2: Household income for 2008

**"Income"** for this exemption means 2008 adjusted gross income, **plus** certain items subtracted from or not included in your federal adjusted gross income (320 ILCS 25/3.08). These include tax-exempt interest, dividends, annuities, net operating loss carryovers, capital loss carryovers, and Social Security benefits. Income also includes public assistance payments from governmental agencies, Supplemental Security Income, and certain taxes paid. These step-by-step instructions provide federal return line references and reporting statement references, whenever possible.

The amounts written on each line must include your 2008 income and the 2008 income of **all** the individuals living in the household.

### Line 1 – Social Security and Supplemental Security Income (SSI Benefits)

Write the total amount of retirement, disability, or survivor's benefits (including Medicare deductions) the entire household received from the Social Security Administration (shown in box 3 of Form SSA-1099). You must also include any Supplemental Security Income (SSI) the entire household received and any benefits to dependent children in the household. Do not include reimbursements under Medicare/Medicaid for medical expenses.

**Note:** The amount deducted for Medicare is already included in the amount in box 3 of Form SSA-1099.

### Line 2 – Railroad Retirement benefits

Write the total amount of retirement, disability or survivor's benefits (including Medicare deductions) the entire household received under the Railroad Retirement Act (shown on Forms SSA-1099 and RRB-1099).

### Line 3 – Civil Service benefits

Write the total amount of retirement, disability, or survivor's benefits the entire household received under any Civil Service retirement plan (shown on Form 1099-R).

### Line 4 – Other pensions and annuity benefits

Write the total amount of income the entire household received as an annuity from any annuity, endowment, life insurance contract, or similar contract or agreement (shown on Form 1099R). Include only the federally taxable portion of pensions, IRA's and IRA's converted to Roth IRA's (shown on U.S. 1040, Line 15b and 16b, or U.S. 1040A, Line 11b and 12b). IRA's are not taxable when "rolled over", unless "rolled over" into a Roth IRA.

### Line 5 – Human Services and other governmental cash public assistance benefits

Write the total amount of Human Services and other governmental cash public assistance benefits the entire household received. If the first two digits of any member's Human Services case number are the same as any of those in the following list, you must include the total amount of any of these benefits on Line 5.

- |                    |  |
|--------------------|--|
| <b>01</b> aged     | <b>04</b> and <b>06</b> temporary assistance |
| <b>02</b> blind    | to needy families (TANF)                     |
| <b>03</b> disabled | <b>07</b> general assistance                 |

To determine the total amount of the household benefits, multiply the monthly amount each person received by 12. You must adjust your figures accordingly if anyone in the household did not receive 12 equal checks during this period.

Food stamps, medical assistance, and Circuit Breaker benefits anyone in the household may have received are not considered income and should not be added to your total income.

### Line 6 – Wages, salaries, and tips from work

Write the total amount of wages, salaries, and tips from work for every household member (shown in box 1 of Form W-2).

### Line 7 – Interest and dividends received

Write the total amount of interest and dividends the entire household received from all sources, including any government sources (shown on Forms 1099-INT, 1099-OID, and 1099-DIV). You must include both taxable and nontaxable amounts.

### Line 8 – Net rental, farm, and business income or (loss)

Write the total amount of net income or loss from rental, farm, business sources, etc., the entire household received, as allowed on U.S. 1040, Lines 12, 17, and 18. You **cannot** use any net operating loss (NOL) carryover in figuring income.

### Line 9 – Net capital gain or (loss)

Write the total amount of taxable capital gain or loss the entire household received in 2008, as allowed on U.S. 1040, Lines 13 and 14, or U.S. 1040A, Line 10. You **cannot** use a net capital loss carryover in figuring income.

### Line 10 – Other income or (loss)

Write the total amount of other income or loss not included in lines 1 through 9, that is included in federal adjusted gross income, such as alimony received, unemployment compensation, taxes withheld from oil or gas well royalties. You **cannot** use any net operating loss (NOL) carryover in figuring income.

### Line 11 – Add Lines 1 through 10.

### Line 12 - Subtractions

You may subtract only the reported adjustments to income totaled on U.S. 1040, Line 36 or U.S. 1040A, Line 20. For example:

- \* health savings account deduction
- \* IRA deduction
- \* student loan interest deduction
- \* jury duty pay you gave to your employer
- \* Archer MSA deduction
- \* moving expenses
- \* one-half of self-employment tax
- \* self-employed health insurance deduction
- \* self-employed SEP, SIMPLE, and qualified plans
- \* penalty on early withdrawal of savings
- \* alimony paid

### Line 13 – Total household income

Subtract line 12 from line 11. If this amount is greater than \$55,000, you **do not** qualify for this exemption. See page 3.

## Part 3: Affidavit

Lines 1 and 2 – read to verify these items apply to you.

Line 3 – complete **only** if applicable to you

Lines 4 through 6 – read to verify these items apply to you.

Line 7 – List the name and social security numbers of other individuals who occupy your residence.

Line 8 – Check the status that applies to you.

**Upon completion of the application and affidavit, please sign and return to the Lee County Assessment Office, 112 East Second Street, Dixon, IL 61021.**