



# RULE-MAKING ORDER

**CR-103P (May 2009)**  
(Implements RCW 34.05.360)

**Agency:** Department of Social and Health Services, Economic Services Administration

**Permanent Rule Only**

**Effective date of rule:**

**Permanent Rules**

31 days after filing.

Other (specify) August 1, 2015 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

Yes  No If Yes, explain:

**Purpose:**

This department is amending WAC 388-450-0085, "Does the department count all of my self-employment income to determine if I am eligible for benefits?", to allow households with self-employment income and who receive cash and/or food assistance to take the greater of:

- A standard 50% deduction from the gross self-employment income; or
- A deduction consisting of actual verified and allowable cost of producing self-employment income.

This rule replaces the current \$100 standard self-employment income deduction for cost of doing business.

**Citation of existing rules affected by this order:**

Repealed: None  
Amended: WAC 388-450-0085  
Suspended: None

**Statutory authority for adoption:** RCW 74.04.050, 74.04.055, 74.04.057, 74.04.510, and 74.08.090

**Other authority:** 7 CFR §273.11(b)(3)(iv)

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 15-03-074 on 01-16-2015.

Describe any changes other than editing from proposed to adopted version: None

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: \_\_\_\_\_ phone ( ) \_\_\_\_\_  
Address: \_\_\_\_\_ fax ( ) \_\_\_\_\_  
e-mail \_\_\_\_\_

**Date adopted:** April 16, 2015

**NAME (TYPE OR PRINT)**

Katherine Vasquez

**SIGNATURE**

**TITLE**

DSHS Rules Coordinator

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE:** April 22, 2015

**TIME:** 9:24 AM

**WSR 15-09-135**

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	_____	Amended	_____	Repealed	_____
<b>Federal rules or standards:</b>	New	_____	Amended	_____	Repealed	_____
<b>Recently enacted state statutes:</b>	New	_____	Amended	1_____	Repealed	_____

**The number of sections adopted at the request of a nongovernmental entity:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted in the agency's own initiative:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Pilot rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Other alternative rule making:</b>	New	_____	Amended	1_____	Repealed	_____

**WAC 388-450-0085 Does the department count all of my self-employment income to determine if I am eligible for benefits?** This section applies to cash assistance and Basic Food programs.

(1) We decide how much of your self-employment income to count by:

(a) Adding together your gross self-employment income and any profit you make from selling your business property or equipment;

(b) Subtracting your business expenses as described in subsection (2) below; and

(c) Dividing the remaining amount of self-employment income by the number of months over which the income will be averaged.

(2) We subtract ~~((one hundred dollars))~~ the greater value of one of the following as a business expense:

(a) Fifty percent of the gross self-employment income total described in subsection (1)(a) in this section even if your costs are less than this; or

(b) The actual verified and allowable costs of producing your self-employment income. If you want us to subtract your actual costs ~~((of more than one hundred dollars))~~, you must list and give us proof of your expenses within the time limits under WAC 388-406-0030 for us to count them.

(c) We never allow the following expenses when calculating (2)(b):

~~((a))~~ (i) Federal, state, and local income taxes;

~~((b))~~ (ii) Money set aside for retirement purposes;

~~((c))~~ (iii) Personal work-related expenses (such as travel to and from work);

~~((d))~~ (iv) Net losses from previous periods;

~~((e))~~ (v) Depreciation; or

~~((f))~~ (vi) Any amount that is more than the payment you get from a boarder for lodging and meals.

(3) If you have worked at your business for less than a year, we figure your gross self-employment income by averaging:

(a) The income over the period of time the business has been in operation; and

(b) The monthly amount we estimate you will get for the coming year.

(4) For cash assistance, if your self-employment expenses are more than your self-employment income, we do not use this "loss" to reduce income from other self-employment businesses or other sources of income to your assistance unit.

(5) For Basic Food, we use a "loss" from self-employment farming or fishing income to reduce other sources of income **only** if you meet the following three conditions:

(a) Someone in your assistance unit is a self-employed farmer or fisher;

(b) Your gross yearly income from farming or fishing is or is expected to be at least one thousand dollars; and

(c) Your allowable costs for farming or fishing are more than your income from farming or fishing.