**Section 120.372 Earned Income From Self-Employment**

a) Income realized from self-employment is considered earned income.

b) Accurate and complete records shall be kept on all monies received and spent through self-employment. If the individual fails or refuses to maintain complete business records, the assistance unit is ineligible.

c) Business expenses must be verified. The individual has full responsibility for proof of any business expense. No deduction is allowed for depreciation, obsolescence and/or similar losses in the operation of the business. Gross income from the business is turned back into the business only to replace stock actually sold.

d) The net income is the gross remaining after the replacement of stock and business expenses have been considered, and the appropriate employment expenses and child care expenses, as specified in Section 113, have been deducted. The earned income exemption, if applicable, is computed on the net income.

(Source: Amended at 21 Ill. Reg. 7423, effective May 31, 1997)