



## Total Household Resources

# Total Household Resources

Total household resources (THR) are defined as *all* income received by *all* persons of a household in a tax year while members of a household, increased by the following deductions from federal gross income:

- Any net business loss after netting all business income and loss
- Any net rental or royalty loss
- Any carryback or carryforward of a net operating loss

Eligibility for the Home Heating Credit (HHC) and Homestead Property Tax Credit (HPTC) is based on Total Household Resources, ***not*** Adjusted Gross Income.

- Some income that is included in Total Household Resources is not entered anywhere else.
- Michigan Intake, Part V - *Nontaxable Income*, lists the income a taxpayer may receive that is only necessary for HPTC and HHC.

# Total Household Resources

 **Example: Ann and Her Daughter that is totally and permanently disabled, Sophie**


- **Ann** is 62 and owns her home in Michigan.
- Her adult daughter **Sophie** (age 30) is **permanently disabled**, receives **SSI**, and is **claimed as Ann's dependent**.

They are applying for:

- **Homestead Property Tax Credit (HPTC)**
- **Home Heating Credit (HHC)**

## Household Income:

Person	Source of Income	Amount	Taxable?	Included in THR?
Ann	Pension	\$12,000	Yes	✓ Yes
Ann	Social Security	\$14,000	Partially	✓ Yes
Ann	VA Disability Compensation	\$5,000	No	✓ Yes
Sophie	SSI (Supplemental Security Income)	\$10,000	No	✓ Yes

 **Total Household Resources (THR) = \$41,000**

## Why This Matters:

**SSI must be included** in THR if the person receiving it is:

- **Living in the household, and**
- **Claimed as a dependent on the tax return**

## Final Takeaway:

- **Include all income, even gifts or assistance, in THR.**
- **When unsure, always check MI-1040CR instructions.**

# Practice Problem

## Question:

**Sarah is single, lives alone, and receives \$25,000 in wages, \$8,000 in taxable Social Security, and \$4,000 in food assistance (SNAP benefits).**

**How much of Sarah's income must be included in Total Household Resources (THR) for Michigan credits?**

- A) \$33,000 — Wages + taxable Social Security (exclude SNAP)
- B) \$37,000 — Wages + taxable Social Security + SNAP benefits
- C) \$25,000 — Only wages (Social Security excluded)
- D) \$29,000 — Wages + half of Social Security

# Practice Problem

## Question:

**Sarah is single, lives alone, and receives \$25,000 in wages, \$8,000 in taxable Social Security, and \$4,000 in food assistance (SNAP benefits).**

**How much of Sarah's income must be included in Total Household Resources (THR) for Michigan credits?**

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- D) \$29,000 — Wages + half of Social Security

# Total Household Resources

- “Income” includes both spouses taxable and nontaxable income
  - Federal adjusted gross income (AGI) plus all income specifically excluded or exempt from the computation of federal AGI.
- “Household” is statutorily defined as a *claimant* and spouse
  - A claimant is a person who files a Homestead Property Tax Credit or Home Heating Credit. It includes a husband and wife if they are required to file a joint Michigan tax return even if they do not reside together, or They share a home, regardless of their filing status.
  - It does *not* include all persons living in the home.

*The state wants to know the **total income of the couple**, not just the filer. Only the filer and their spouse are counted as the household, not everyone living in the home, **unless you are claimed as a dependent or other household members contribute to paying rent and expenses.***

# THR Section on Michigan Intake

## AAS Part V. Nontaxable Income – During the tax year did the taxpayer or spouse receive:

Totals

<input type="checkbox"/> Yes <input type="checkbox"/> No	1. Child Support? -----		\$ _____
<input type="checkbox"/> Yes <input type="checkbox"/> No	2. A) Workers' Compensation? -----	\$ _____	} \$ _____
<input type="checkbox"/> Yes <input type="checkbox"/> No	B) VA (Dept. of Veterans Affairs) benefits? -----	\$ _____	
<input type="checkbox"/> Yes <input type="checkbox"/> No	3. FIP and/or other MDHHS (Michigan Department of Health & Human Services) benefits (excluding food stamps)? -		\$ _____
	4. Additional Social Security benefits and/or Supplemental Security Income (SSI): (In 2022, maximum SSI was \$841 per month, \$10,092 for the year if rec'd. all 12 months)		
<input type="checkbox"/> Yes <input type="checkbox"/> No	A) SSI (taxpayer)? -----	\$ _____	} \$ _____
<input type="checkbox"/> Yes <input type="checkbox"/> No	B) SSI (spouse)? -----	\$ _____	
<input type="checkbox"/> Yes <input type="checkbox"/> No	C) SSI for a dependent? -----	\$ _____ \$ _____	
<input type="checkbox"/> Yes <input type="checkbox"/> No	D) Social Security benefits for a dependent? -----	\$ _____ \$ _____	
<input type="checkbox"/> Yes <input type="checkbox"/> No	5. Gifts or Assistance from family/friends/agencies? Describe: _____		\$ _____
	(Include the value over \$300 in gifts of cash or merchandise received, or expenses paid on taxpayer's behalf)		
	6. Other Nontaxable Income:		
<input type="checkbox"/> Yes <input type="checkbox"/> No	A) State SSI (taxpayer)? (\$42 every three months from Michigan DHHS. If yes, enter \$168) ..	\$ _____	} \$ _____
<input type="checkbox"/> Yes <input type="checkbox"/> No	B) State SSI (spouse)? -----	\$ _____	
<input type="checkbox"/> Yes <input type="checkbox"/> No	C) State SSI for a dependent? -----	\$ _____	
<input type="checkbox"/> Yes <input type="checkbox"/> No	D) Other? Describe: _____	\$ _____	

# Child Support

- Child support received is nontaxable to the recipient.
- Child support paid is not deductible.
- Child Support can be paid by a parent, through Friend of the Court (FOC), or through the Michigan Department of Health and Human Services (MDHHS).
- Clients may have documentation showing the amounts that were supposed to be received for child support, but it's not always correct so make sure you have a conversation with them asking what the actual amounts received were.
- Clients who no longer have dependents **can** still receive child support, so ask even if they are not claiming dependents.
- Source Document: **Statement from FOC or MDHHS, or taxpayer's records**

## Example:

- Emily isn't claiming any dependents in 2025, but during her tax interview, she says she received **\$400/month in child support** through the **Friend of the Court**, totaling **\$4,800** for the year.
- Her FOC statement shows she was supposed to get \$5,200, but she confirms only \$4,800 was actually received.
- The preparer notes that **child support is not taxable** but will need to be reported on her THR as income.



# Workers' Compensation

- Cash benefits received from a work-related incident.
- Source Document: **Taxpayer's records**
  - Amounts received for workers' compensation will not be shown on a W-2 or other tax form.


## Example:

Mike was injured at work in 2025 and received **\$9,000 in workers' compensation**. He didn't get a W-2 or any tax form, but he has records showing the payments. He's **renting an apartment** and wants to claim the **Michigan Homestead Property Tax Credit (based on rent paid)**.

Even though the workers' comp is **not taxable**, the preparer explains that it **must be included in his Total Household Resources (THR)** because it's a **cash benefit** received during the year.

# VA (Dept. of Veterans Affairs) Benefits

- Letter received from VA for those receiving retirement benefits and service-connected disability compensation and pension benefits
- Benefits for a service-connected disability are based on a percentage
- Make sure to check the date on the letter



DEPARTMENT OF VETERANS AFFAIRS  
810 Vermont Ave NW  
Washington, D.C. 20420

January 27, 2015

In Reply Refer to:  
2//eBenefits

Dear ::

This letter certifies that \_\_\_\_\_ is receiving service-connected disability compensation from the Department of Veterans Affairs.

The current benefit paid is as follows:

Gross Benefit Amount	\$133.17
Net Amount Paid	\$133.17
Effective Date	December 1, 2014
Combined Evaluation	10 percent

# VA (Dept. of Veterans Affairs) Benefits Example

## Example:

**Robert**, a retired Army veteran, receives both **military retirement pay** and **VA disability compensation** for a **60% service-connected disability**. In **January 2025**, he gets a letter from the VA dated **January 12, 2025**, confirming:

- His **60% disability rating**
- His monthly **tax-free disability payments**
- His eligibility for a small **VA pension** based on income

Robert uses this letter to:

- **File for the Michigan Homestead Property Tax Credit**, which requires the **disability percentage and letter date**
- Prove his **non-taxable income** when applying for heating assistance
- Keep for tax and benefit records in case his status changes

# FIP and Other MDHHS Benefits

- **Michigan Family Independence Program (FIP)** provides temporary cash assistance to families with children and pregnant women to help them pay for living expenses such as rent, heat, utilities, clothing, food and personal care items
- Managing agency is Michigan Department of Health and Human Services (MDHHS)
- Who is eligible?
  - Must be a resident of Michigan, and a U.S. citizen, legal alien or a qualified alien
  - Must be unemployed or underemployed and have low or very low income
  - Must be one of the following:
    - Have a child 18 years of age or younger, or
    - Be pregnant, or
    - Be 18 years of age or younger and the head of your household

# FIP and Other MDHHS Benefits

- Other MDHHS benefits include payments made under their cash assistance programs, including:
  - State Disability Assistance (SDA)
  - Refugee Assistance
  - Repatriate Assistance
  - Vendor payments for shelter, heat and utilities
- FIP and other cash assistance program payments will be reported on the ***Client Annual Statement*** (DHS-1241) from MDHHS
- Include all other public assistance payments such as state adoption subsidies. Clients will not have a reporting document for adoption subsidies received from MDHHS.
- Food assistance program benefits are **not** included anywhere on the return

# FIP and Other MDHHS Benefits

- If a recipient of FIP also receives child support and received a *Custodial Party End of Year Statement* (FEN-851), see the credit claim instructions for what amounts to enter for child support and for FIP and other MDHHS benefits
- *Client Annual Statement* received by those receiving payments from MDHHS cash assistance programs
- A cash assistance statement looks very similar to the statement for food stamps.

Wayne County Department of Health and Human Services (DHS) Conner Service Center  
4733 Conner St  
Detroit, MI 48215

Case Name: \_\_\_\_\_  
Case Number: \_\_\_\_\_  
Date: **01/18/2021**  
MDHHS Office: **WAYNE CO DHS CONNER SERVICE CENTER**

Specialist: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Specialist ID: \_\_\_\_\_

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**STATE OF MICHIGAN**  
**Department of Health and Human Services**

If you do not understand this, call an MDHHS office in your area.  
MDHHS employees are prohibited by law from providing legal advice.  
Si usted no entiende esto, llame a una oficina de MDHHS en su área.  
La ley prohíbe a los empleados de MDHHS proporcionar asesoría legal.  
إذا واجهت صعوبة في فهم هذا الطلب، فلتصل بمكتب MDHHS الموجود في منطقتك.  
يحرم القانون على موظفي MDHHS إعطاء النصيحة القانونية.

**CLIENT ANNUAL STATEMENT**

<b>TOTALS FOR TAX YEAR</b>	2020	<b>FIP/SA</b>	\$ 4395.00
<b>CLIENT ID NUMBER</b>		<b>RCA/REP</b>	\$ 0.00
<b>SOCIAL SECURITY NUMBER</b>		<b>TOTAL PAID</b>	\$ 4395.00

Listed above is the cash public assistance paid to you or on your behalf by the Department of Human Services (DHS) for the year shown.

# Supplemental Security Income (SSI)

**Supplemental Security Income (SSI)** is paid by the **Social Security Administration (SSA)** to individuals who have low income and limited financial resources, and are age 65 or older, blind, or disabled.

- SSI may be received by the taxpayer/spouse or their dependents.
- Individuals can receive both Social Security benefits and SSI if their Social Security benefit is low.
- SSI is different than Social Security Disability benefits (SSDI), but is often confused. A general rule to remember: SSI is paid on the first of the month, SSDI is paid on the third or some other date.

## Example:

- Jessica is 68 and lives alone. During her tax appointment, she says she receives money from Social Security.
- When the preparer asks for details, Jessica says she gets **two payments**, one on the **first** of each month and one on the **third**.
- After confirming with her award letters, the preparer determines the **payment on the first is SSI**, and the other is **Social Security retirement**.
- The preparer explains that **SSI is not taxable** but it **must be included in Total Household Resources (THR)** because Jessica is claiming the **Homestead Property Tax Credit**.

# Supplemental Security Income (SSI)

- If someone received both SSI and Social Security benefits, and that is their only source of income (other than State SSI):
  - The total of these two sources of income is typically \$20 per month more than the maximum SSI an eligible individual would receive. In 2023, the maximum amount for an eligible recipient would be \$934 per month (\$914 + \$20).
- Example: A client brings in their 2023 Form SSA-1099, Social Security Benefits Statement, but isn't sure of the amount of their SSI for the year. Box 5 of the SSA-1099 shows \$7,656.
  - To determine their SSI:
    - $\$914 + 20 = \$934$
    - $\$934 \times 12 = \$11,208$ .
    - $\$11,208 - 7,656 = \$3,552$  potential SSI for the year, or \$296 per month
    - A discussion with the client is warranted to verify that this was the amount they received on the 1<sup>st</sup> of each and every month in 2023.
    - If uncertain, ask the client to get a letter from the Social Security Administration stating the total SSI paid to them in the tax year.



# Dependent's Social Security Benefits and SSI

- Include in total household resources any Social Security benefits and/or Supplemental Security Income received **for** a minor child or adult dependent who lived with the taxpayer
  - This is where the taxpayer (or spouse) is the payee
  - The entire amount is included in THR on the same line for Social Security benefits and SSI
- State SSI received **for** a dependent is included on the line for *Other nontaxable income*
- If Social Security benefits and/or SSI are paid directly to the dependent adult, it is not necessarily included in THR
  - Only include any amount that the dependent contributed to the filer's household and other expenses. Report it on the line for *Gifts or expenses paid on your behalf*.

## Example:

- Noah is filing his Michigan tax return and is claiming the Homestead Property Tax Credit. His 16-year-old daughter, Emma, lived with him all year.
- He is the **representative payee** for her **Social Security survivor benefits** and **SSI**, which are deposited into his bank account.
- Since Noah **receives and controls the funds** on Emma's behalf and uses them for household expenses, the preparer **includes the full amount** of her **Social Security and SSI** in **Total Household Resources (THR)** under the **Social Security/SSI section**.
- If Emma had received benefits **directly** and only contributed part to the household, only that **contributed portion** would be reported under **"Gifts or expenses paid on your behalf."**

# State SSI

- Individuals receiving Supplemental Security Income (SSI) usually also receive State SSI
- State SSI is administered by the Michigan Department of Health and Human Services (MDHHS)
- Individuals typically get \$14 per month, which is paid quarterly in the amount of \$42 each March, June, September and December. The total for the year is \$168.
- Those receiving State SSI will not receive a year-end reporting document
- Report State SSI as *Other nontaxable income*. Do not report it on the line for Social Security and SSI or on the line for FIP and other MDHHS benefits.

## Example:

- John and Olivia are a married couple filing jointly in Michigan. Olivia is disabled and receives **Supplemental Security Income (SSI)**.
- John is the representative payee and mentions they also get a **\$42 deposit every three months** from the **Michigan Department of Health and Human Services (MDHHS)**.
- The preparer recognizes this as **State SSI**, which totals **\$168 for the year**.
- The preparer reports the **\$168 as “Other nontaxable income”** in the **Total Household Resources (THR)** section, **not** on the line for Social Security/SSI or MDHHS benefits like FIP.

# Gifts or Assistance from Family / Friends / Agencies

- Includes:
  - Gifts of cash or merchandise received
  - Expenses paid on behalf of taxpayer (or spouse, if filing a joint claim) by parents, relatives, or friends. Expenses include rent, taxes, utilities, food, medical care, etc.
- The value over \$300 is included in THR
- Do not include payments from government agencies made directly to third parties (i.e., educational institution or subsidized housing project)
- The question on the Michigan intake sheet should be asked of all taxpayers, not just the ones whose income does not substantiate living expenses

## Example:

- Nadia rents an apartment and files for the Michigan Homestead Property Tax Credit. Her parents help her by paying her **monthly utility bills** totaling **\$400 a year** and occasionally buying groceries.
- During the interview, the preparer asks about any gifts or expenses paid on Nadia's behalf.
- Nadia confirms her parents pay the utilities directly every month.
- Because the total value of expenses paid on her behalf exceeds \$300, the preparer includes the **amount over \$300 (\$100)** in Nadia's **Total Household Resources (THR)** under **"Gifts or expenses paid on your behalf."**

# Income Included in THR

- The following items (nonexclusive list) are not listed as a line item on the claim forms, but they must be included in Total Household Resources:
  - Capital gains on the sale of main residence regardless if the gains are exempt from federal income tax (enter the excluded gain in the field for *Other nontaxable income*)
  - Compensation for damages to character or for personal injury or sickness
  - An inheritance (except an inheritance from a spouse)
  - Proceeds of a life insurance policy paid on death of the insured (except from the death of a spouse)
  - Death benefits paid by or on behalf of an employer
  - Housing allowance for ministers or clergy (out of scope for VITA)
  - Forgiveness of debt, even if excluded from AGI
  - Reimbursement from dependent care and/or medical care spending accounts

# Other Nontaxable Income

- Nontaxable scholarships
  - Taxable scholarships included in AGI will carry forward to the Michigan credit claims
  - Nontaxable scholarships must also be included in THR for the recipient of the scholarship
- Forgiveness of Debt, even if excluded from AGI, must be included in total household resources
  - E.g., Cancelled debt on main home due to foreclosure or abandonment
- A net capital gain or loss included in AGI will carry forward to the Michigan credit claims
  - Any excluded gain realized from the sale of a main residence **must** also be included in total household resources

## Example:

Rami is a college student whose parents claim him as a dependent on their Michigan tax return. In 2025, Rami received a **\$5,000 nontaxable scholarship** for tuition and a **\$3,000 taxable scholarship** for room and board. Additionally, Rami's parents had **\$10,000 of mortgage debt forgiven** due to a home foreclosure. When preparing their Michigan Homestead Property Tax Credit, the preparer explains:

- The **\$3,000 taxable scholarship** is included in the parents' federal AGI and will carry forward to the Michigan credit calculation.
- The **\$5,000 nontaxable scholarship** must still be included in their **Total Household Resources (THR)** because it benefits the household (Usually carries over from federal to state)
- The **\$10,000 forgiven debt** is excluded from federal AGI but **must be included in THR**.

This ensures the family reports all relevant resources to calculate their credit accurately.

# Other Nontaxable Income

- Cash assistance from the Department of Education for the Payment of Child Care
  - Parents who receive cash assistance from the Department of Education for the payment of child care must include the total for the tax year in total household resources
  - It is included in THR regardless of any payments made to the child caregiver

## Example:

- Sara receives cash assistance from the Michigan Department of Education to help pay for her child's daycare in 2025.
- Over the year, she received a total of \$2,400 from this program.
- Even though some of the payments went directly to the daycare provider, Sara must include the full \$2,400 as part of her **Total Household Resources (THR)** when filing her Michigan tax return.

# Income NOT Included in THR

- Total Household Resources do NOT include:
  - Payments received by participants in the foster grandparent or senior companion program
  - Energy Assistance grants or tax credits
  - Government payments to a third party (e.g., Medicaid payments to a doctor; tuition grants, including GI bill, paid directly to an educational institution by a federal or state agency; and most payments from The Step Forward Michigan program)
  - Money received from a government unit such as the Federal Emergency Management Agency (FEMA) to repair or improve the homestead
  - Surplus food or food assistance program benefits
  - State and city income tax refunds and Homestead Property Tax Credits
  - Chore service payments (these payments *are* income to the provider of the service)

# Practice Problem

Question:

**Which of the following is true about child support received by a taxpayer?**

- A. It must be reported as income on the federal return.
- B. It is taxable only if received through the Friend of the Court (FOC).
- C. It is **not taxable** but **should** be reported as Total Household Resources.
- D. It must be included if the taxpayer has dependents.



# Practice Problem

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**Which of the following is true about child support received by a taxpayer?**

- A. It must be reported as income on the federal return.
- B. It is taxable only if received through the Friend of the Court (FOC).
- C. It is not taxable but should be reported as Total Household Resources.**
- D. It must be included if the taxpayer has dependents.

# Practice Problem

Question:

**Which of the following statements about Supplemental Security Income (SSI) is TRUE?**

- A. SSI is paid by the Social Security Administration only to individuals who are retired.
- B. SSI may be received by taxpayers, their spouses, or dependents if they have low income and limited resources, and are age 65 or older, blind, or disabled.
- C. Individuals cannot receive both Social Security benefits and SSI at the same time.
- D. SSI and Social Security Disability Insurance (SSDI) benefits are the same and paid on the same schedule.

# Practice Problem

Question:

**Which of the following statements about Supplemental Security Income (SSI) is TRUE?**

- A. SSI is paid by the Social Security Administration only to individuals who are retired.
- B. SSI may be received by taxpayers, their spouses, or dependents if they have low income and limited resources, and are age 65 or older, blind, or disabled.
- C. Individuals cannot receive both Social Security benefits and SSI at the same time.
- D. SSI and Social Security Disability Insurance (SSDI) benefits are the same and paid on the same schedule.

**Explanation:** SSI is for individuals with low income and limited resources who are 65+, blind, or disabled. It may be received by taxpayers, spouses, or dependents. SSI and SSDI are different programs with different payment schedules.

# Practice Problem

## Question:

**Which of the following is NOT included in Total Household Resources for Michigan tax purposes?**

- A. Unemployment compensation
- B. Social Security benefits
- C. Energy Assistance grants
- D. Wages from a part-time job

# Practice Problem

## Question:

**Which of the following is NOT included in Total Household Resources for Michigan tax purposes?**

- A. Unemployment compensation
- B. Social Security benefits
- C. Energy Assistance grants
- D. Wages from a part-time job

# Practice Problem

## Question:

**Payments made directly to a doctor by Medicaid are:**

- A. Included in Total Household Resources
- B. Excluded because they are considered a government-to-individual payment
- C. Excluded because they are paid to a third party
- D. Taxable income and must be reported on the Michigan return

# Practice Problem

## Question:

**Payments made directly to a doctor by Medicaid are:**

- A. Included in Total Household Resources
- B. Excluded because they are considered a government-to-individual payment
- C. Excluded because they are paid to a third party
- D. Taxable income and must be reported on the Michigan return

**Explanation:** *Government payments made directly to third parties (like Medicaid payments to doctors) are not included in Total Household Resources.*

# Practice Problem

## Question:

Which of the following best describes how “**household income**” is determined for the Michigan Homestead Property Tax Credit or Home Heating Credit?

- A. It includes only the taxable income of the claimant.
- B. It includes all people living in the home, whether or not they are related.
- C. It includes both the claimant's and spouse's taxable and nontaxable income, even if they don't reside together but are required to file jointly.
- D. It includes only the claimant's income if they are not claiming dependents on their return.



# Practice Problem

## Question:

Which of the following best describes how “**household income**” is determined for the Michigan Homestead Property Tax Credit or Home Heating Credit?

- A. It includes only the taxable income of the claimant.
- B. It includes all people living in the home, whether or not they are related.
- C. It includes both the claimant's and spouse's taxable and nontaxable income, even if they don't reside together but are required to file jointly.
- D. It includes only the claimant's income if they are not claiming dependents on their return.

# Practice Problem

## Question:

Which of the following statements is true about State SSI payments received by Michigan residents?

- A. State SSI is reported on the same line as Social Security benefits on the Michigan return.
- B. Individuals receiving State SSI will receive a year-end reporting document from MDHHS.
- C. State SSI is administered by the IRS and paid monthly in amounts of \$14.
- D. State SSI should be reported as “Other nontaxable income” and not included with Social Security or FIP benefits.

# Practice Problem

## Question:

Which of the following statements is true about State SSI payments received by Michigan residents?

- A. State SSI is reported on the same line as Social Security benefits on the Michigan return.
- B. Individuals receiving State SSI will receive a year-end reporting document from MDHHS.
- C. State SSI is administered by the IRS and paid monthly in amounts of \$14.
- D. State SSI should be reported as “Other nontaxable income” and not included with Social Security or FIP benefits.

Enter any other nontaxable income

\$ 168

Enter the description of other nontaxable income from above

STATE SSI

# Practice Problem

## Question:

How often are Michigan **State SSI payments** typically issued?

- A. Monthly
- B. Bi-annually
- C. Quarterly
- D. Annually

# Practice Problem

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How often are Michigan **State SSI payments** typically issued?

- A. Monthly
- B. Bi-annually
- C. Quarterly
- D. Annually

# Practice Problem

## Question:

**What is the total amount a qualifying individual typically receives annually from Michigan State SSI?**

- A. \$42
- B. \$84
- C. \$120
- D. \$168

# Practice Problem

## Question:

**What is the total amount a qualifying individual typically receives annually from Michigan State SSI?**

- A. \$42
- B. \$84
- C. \$120
- D. \$168**

**Explanation:**  $\$42 \times 4$  quarterly payments = **\$168** per year.

# Practice Problem

## Question:

**How should nontaxable scholarships be reported for Michigan Total Household Resources (THR)?**

- A. They are excluded entirely from THR.
- B. They are only reported if the recipient is under age 24.
- C. They must be included in THR.
- D. They are only reported if they exceed \$5,000.



# Practice Problem

## Question:

**How should nontaxable scholarships be reported for Michigan Total Household Resources (THR)?**

- A. They are excluded entirely from THR.
- B. They are only reported if the recipient is under age 24.
- C. They must be included in THR.**
- D. They are only reported if they exceed \$5,000.

# Practice Problem

## Question:

**What happens to taxable scholarships already included in federal AGI when calculating Michigan credit claims?**

- A. They must be subtracted from THR.
- B. They carry forward automatically into Michigan credit claim calculations.
- C. They are ignored on the Michigan return.
- D. They are only counted if used for room and board.

# Practice Problem

## Question:

**What happens to taxable scholarships already included in federal AGI when calculating Michigan credit claims?**

- A. They must be subtracted from THR.
- B. They carry forward automatically into Michigan credit claim calculations.**
- C. They are ignored on the Michigan return.
- D. They are only counted if used for room and board.

# Practice Problem

John and Olivia file jointly in Michigan. Olivia receives Supplemental Security Income (SSI), and John is her representative payee. They receive quarterly deposits of \$42 from the Michigan Department of Health and Human Services (MDHHS) throughout the year.

## Question:

How should the preparer report the \$168 total State SSI received for the year?

- A. Report \$168 on the line for Social Security and Supplemental Security Income (SSI).**
- B. Report \$168 on the line for FIP and other MDHHS benefits.**
- C. Report \$168 as Other nontaxable income in the Total Household Resources (THR) section.**
- D. Do not report the \$168 anywhere on the return.**

# Practice Problem

John and Olivia file jointly in Michigan. Olivia receives Supplemental Security Income (SSI), and John is her representative payee. They receive quarterly deposits of \$42 from the Michigan Department of Health and Human Services (MDHHS) throughout the year.

## Question:

How should the preparer report the \$168 total State SSI received for the year?

- A. Report \$168 on the line for Social Security and Supplemental Security Income (SSI).
- B. Report \$168 on the line for FIP and other MDHHS benefits.
- C. Report \$168 as Other nontaxable income in the Total Household Resources (THR) section.
- D. Do not report the \$168 anywhere on the return.

Enter any other nontaxable income

\$ 168

Enter the description of other nontaxable income from above

STATE SSI