

MinnesotaCare:

Follow §0911.09.03 (Self-Employment Income) and §0911.09.03.03 (Self-Employment Income--MinnesotaCare).

MA/GAMC:

Do not allow the cost of travel between the self-employed person's home and place of business as a business expense. Personal use of transportation is not a business expense.

Prorate the expense of transportation used for self-employment and personal needs based on the percentage of use for each.

Transportation expenses include:

- > Gas and oil costs.
- > Parking fees.
- > Car insurance.
- > Car repairs.
- > Interest payments on a car loan.

METHOD A:

Allow the IRS mileage rate (also known as the flat rate) for self-employment transportation. Effective January 1, 2005, the rate is 40.5 cents per mile. The rate for 2004 was 37.5 cents per mile. Use the flat rate even if itemized self-employment transportation costs exceed the flat rate amount.

METHOD B:

Self-employed people may use the flat rate deduction or itemize actual transportation expenses. If an applicant or enrollee chooses the flat rate, use this amount even if greater than actual itemized transportation expenses.