

# Form 458, Nebraska Schedule I—Income Statement INSTRUCTIONS

## For Homestead Exemption Applications Filed in 2009

**WHO MUST FILE.** Any person who wishes to apply for a homestead exemption must complete Nebraska Schedule I Income Statement and attach it to the Nebraska Homestead Exemption Application or Certification of Status, Form 458. If you filed or would have filed as married for federal income tax purposes for 2008, you must include income from you **and** your spouse, even if you file “married, filing separately.” Each additional **owner** who occupied the homestead during any part of 2008 must also report their income on a separate schedule.

**WHEN AND WHERE TO FILE.** All Schedules I must be attached to Form 458 and filed after February 1, 2009 and on or before June 30, 2009 with your county assessor.

### SPECIFIC INSTRUCTIONS

**NOTE:** Disability compensation and disability pensions paid by the Department of Veterans Affairs, supplemental security income (SSI), worker’s compensation act payments, child support, aid to dependent children (ADC), and Nebraska Department of Health and Human Services disability payments are NOT to be included on the income statement.

Social security payments based on **disability** for applicants and spouses under their full retirement age (generally age 65) need not be included EXCEPT for any portion of the benefits included in federal adjusted gross income (AGI). Disability benefits automatically convert to retirement benefits at full retirement age and must be reported. See SSA Publication No. 05-10035.

### PART I

**LINE 1, WAGES AND SALARIES.** Include any wages, salaries, fees, commissions, tips, bonuses, etc. received in 2008 even if you do not have a Form W-2. If you do have a Form W-2, this information is shown in Box 1.

**LINE 2, SOCIAL SECURITY RETIREMENT INCOME.** Report your net benefits received in 2008, as shown in Box 5, Form SSA-1099. Do NOT subtract Medicare premiums or any other adjustments from the amount in Box 5.

**LINE 3, TIER I RAILROAD RETIREMENT.** Include Tier I net Social Security equivalent benefit received in 2008, as shown in Box 5, Form RRB-1099.

**LINE 4A AND 4B, TOTAL PENSIONS AND ANNUITIES.** On line 4a, include total payments from retirement plans, life insurance annuity contracts, profit-sharing plans, and employee savings plans.

Include any gross distribution received in 2008, as shown in Box 1, Federal Form 1099-R. Include Tier II, contributory amount paid, vested dual benefits and supplemental annuities as shown in Box 7, Federal Form RRB-1099-R. On line 4b, do not include any portion of line 4a that was nontaxable pensions and annuities received in 2008. See Federal Form 1099-R and IRS Publication 575.

**LINE 5A AND 5B, IRA DISTRIBUTIONS.** On line 5a, report the total payments received in 2008 from your IRA as shown in Box 1, Federal Form 1099-R. On line 5b, do not include any portion of line 5a that was nontaxable IRA distributions received in 2008. See Federal Form 1099-R and IRS Publication 590.

**LINE 6, TAX EXEMPT INTEREST AND DIVIDENDS.** Report the total interest received in 2008 on tax exempt obligations. State and local bond income from both Nebraska and out of state obligations must be included. Include any exempt interest from a mutual fund or other regulated investment company. Do not include interest earned on your IRA, or excludable interest on series EE bonds. See Federal Form 8815.

**LINE 7, TAXABLE INTEREST AND DIVIDENDS.** Include your total interest and dividends received in 2008, as shown in:

1. Box 1 and Box 3, Federal Form 1099-INT (Interest Income) or similar statement;
2. Box 1 and Box 2, Federal Form 1099-OID;
3. Box 1a and Box 2a, Federal Form 1099-DIV;

Interest and dividends from all U.S. government obligations must be included.

**LINE 8.** Complete Worksheet A and enter amount from line G.

### WORKSHEET A—PART I

**NOTE:** You need to photocopy Worksheet A or copy the information in order to have a copy for your records.

**LINE A, NET BUSINESS OR FARM INCOME OR (LOSS).** Report your net income in 2008. For information on computing the income, refer to the following federal schedules and instructions:

1. For business income see Schedule C, Federal Form 1040, or Schedule C-EZ, Federal Form 1040;
2. For farm income, see Schedule F, Federal Form 1040; and
3. For income from rental real estate, royalties, partnerships, S corporations, trusts, REMICs etc., see Schedule E, Federal Form 1040.

### HOUSEHOLD INCOME TABLE

The total of your 2008 federal AGI, plus; 1) any Nebraska adjustments increasing federal AGI; 2) interest or dividends from Nebraska and its subdivisions’ obligations; and, 3) social security retirement or railroad retirement income; and minus allowable deductible medical expenses. Household income will be that of the claimant, spouse, and all other persons who own **and** occupy the homestead.

Age 65 or Older		PERCENTAGE OF RELIEF	Disabled Veterans & Disabled Individuals	
MARRIED	SINGLE		MARRIED	SINGLE
\$ 0 — \$29,100.99	\$ 0 — \$24,800.99	100%	\$ 0 — \$31,900.99	\$ 0 — \$27,900.99
29,101 — 30,600.99	24,801 — 26,100.99	85%	31,901 — 33,500.99	27,901 — 29,200.99
30,601 — 32,200.99	26,101 — 27,400.99	70%	33,501 — 35,000.99	29,201 — 30,500.99
32,201 — 33,700.99	27,401 — 28,700.99	55%	35,001 — 36,600.99	30,501 — 31,800.99
33,701 — 35,300.99	28,701 — 30,000.99	40%	36,601 — 38,100.99	31,801 — 33,100.99
35,301 — 36,800.99	30,001 — 31,300.99	25%	38,101 — 39,700.99	33,101 — 34,400.99
36,801 and over	31,301 and over	0%	39,701 and over	34,401 and over

**LINE B, CAPITAL GAINS OR (LOSSES).** Include all income or (losses) resulting from the sale of stock, bonds, or real estate as shown on Federal Forms 1099-B, 1099-S, 1099-R, 1099-DIV, or equivalent. See Schedule D, Federal Form 1040.

**LINE C, OTHER GAINS OR (LOSSES).** Report all other gains or (losses) on tangible or intangible property not included on line A or B. See Federal Form 4797.

**LINE D, UNEMPLOYMENT COMPENSATION.** Include all unemployment compensation received for 2008 as shown in Box 1, Federal Form 1099-G.

**LINE E, OTHER INCOME OR ADJUSTMENTS REDUCING INCOME.** Report all other income not included above as shown on Federal Form 1099-MISC or other 1099 forms, taxable state income tax refunds reported on Federal Form 1099-G, and all alimony received. Report any adjustments reducing income such as moving expenses, IRA deductions, student loan interest, tuition and fees, self employment tax and self employment health insurance, SEP, SIMPLE, and other qualified retirement plans, and alimony paid. Refer to the instructions for Federal Form 1040. Health expenses and health insurance premiums other than self employment health insurance are to be entered on line 10a.

Subtract the calculated adjustments from the calculated other income and enter the net income or (loss) on Line E.

**LINE F, PENALTY ON EARLY WITHDRAWAL OF SAVINGS.** Report your total amount of penalties for early withdrawal of savings as shown in Box 2, Federal Form 1099-INT.

**LINE 9.** If the amount on line 9 qualifies you for 100% relief (see Household Income Table on the front of these instructions), do not complete line 10. Enter the line 9 amount on line 11.

**LINE 10.** See instructions in next column.

**LINE 11. HOUSEHOLD INCOME.** This amount is used to determine your percentage of relief as found on Household Income Table on the front of these instructions.

## PART II

**LINE 1, FEDERAL AGI.** Include income as reported for federal income tax purposes on line 37, Federal Form 1040; line 21, Federal Form 1040A; line 4, Federal Form 1040EZ.

**LINE 2, SOCIAL SECURITY RETIREMENT INCOME.** Enter social security retirement benefits not included as taxable in AGI. This is the amount shown in Box 5, Federal Form SSA-1099, less any amount reported on line 20b, Federal Form 1040 or line 14b, Federal Form 1040A. Do NOT subtract Medicare premiums or any other adjustments from the amount in Box 5.

**LINE 3, TIER I RAILROAD RETIREMENT.** Include the net Social Security equivalent portion of Tier I benefits not included in AGI. This is the amount shown in Box 5, Federal Form RRB-1099, less any amount reported on line 20b, Federal Form 1040 or line 14b, Federal Form 1040A.

**LINE 4, ADJUSTMENTS INCREASING AGI.** Report the total amount of Nebraska adjustments increasing AGI as shown on line 12, Nebraska Form 1040N.

**LINE 5, INCOME FROM NEBRASKA OBLIGATIONS.** Include the total amount of interest income from Nebraska obligations as shown on line 45b, Schedule I, Nebraska Form 1040N.

**LINE 6.** If the amount on line 6 qualifies you for 100% relief (see Household Income Table on the front of these instructions), do not complete line 7. Enter the line 6 amount on line 8.

**LINE 7.** See instructions below.

**LINE 8. HOUSEHOLD INCOME.** This amount is used to determine your percentage of relief as found on Household Income Table on the front of these instructions.

## MEDICAL EXPENSES SPECIFIC INSTRUCTIONS Part I, Line 10 or Part II, Line 7

Medical expenses paid include all medical expenses incurred for and paid by the applicant, spouse, or an owner-occupant.

In general, medical expenses include any payments you made that would qualify for the income tax medical expenses deduction, on Federal Form 1040, Schedule A, Line 1, except payments for the treatment of a dependent who is not an owner-occupant of the homestead. Include all amounts that were paid during 2008, regardless of when the care was received. If your insurance company paid the service provider directly for part of your expenses, and you paid only the amount that remained, include ONLY the amount you paid. **Do not include** amounts paid on your behalf directly to the service provider by any other person or governmental unit. IRS Publication 502 contains more information on medical and dental expenses.

**REIMBURSEMENTS.** Do not include any amounts you paid that have been or will be reimbursed by insurance.

**Doctors, dentists, hospitals.** Include amounts paid for medical services:

1. Payment to doctors, dentists, osteopaths, nurses, chiropractors, and other licensed medical practitioners.
2. Payments to hospitals or licensed nursing care facilities.
3. Payments for purchases of medical equipment, crutches, hearing aids, eyeglasses, contact lenses, dentures, etc.

Do not include funeral, burial, or cremation costs.

**Prescription medicines.** Include payments for prescription medicines and insulin. Prescription medicines are only those drugs and medicines that cannot be purchased without a prescription.

Do not include any medicine that can be purchased over-the-counter without a prescription, whether or not they have been prescribed by a doctor. Aspirin, vitamin pills, cough drops, cough syrups, etc. are not prescription medicines.

**Health insurance premiums.** Include insurance premiums paid for medical insurance for the claimant, spouse, or owner-occupant. Medical insurance includes Part B Medicare, Medicare Supplemental, Part D Medicare prescription drug coverage, or insurance for licensed nursing care. Part B Medicare withheld from social security payments should be included as insurance premiums paid.

**Do not include** Part A Medicare withheld from wages, the medical payments portion of a car insurance policy, an accident and health insurance policy, life insurance or income protection policies. These are **not** deductible medical insurance premiums.

For more information call toll free (888) 475-5101.