

# INSTRUCTIONS – 2017 SENIOR FREEZE RENEWAL PTAX-340

## PTAX-340 STEP-BY-STEP INSTRUCTIONS

**Statements 1-4 need to be true in order for you to qualify for the Senior Citizen Assessment Freeze Exemption**

### 2016 Income information for the entire household - Step-by-Step Instructions

“Income” for this exemption (320 ILCS 25/3.07) means 2016 federal adjusted gross income, **plus** certain items subtracted from or not included in your federal adjusted gross income. These include tax-exempt interest, dividends, pensions, annuities, net operating loss carryovers, capital loss carryovers, and Social Security benefits. Income also includes public assistance payments from a governmental agency, Supplemental Social Security income, and certain taxes paid. These step-by-step instructions provide federal return line references, whenever possible.

**The amounts written on each line must include your 2016 income and the income of ALL the individuals living in the household.**

**Line 1 – Social Security and Supplemental Security Income (S.S.I.) benefits** – Write the total amount of any retirement, disability, or survivor’s benefits (including Medicare deductions) the entire household received from the Social Security Administration (shown on Form SSA-1099, box 3 or use box 5 only if there is a reduction of benefits). You must also include any Supplemental Security Income (S.S.I.) the entire household received and any benefits to dependent children in the household. Do not include reimbursements under Medicare/Medicaid for medical expenses. Note: The amount deducted for Medicare (for example: \$1,461.60 yearly or \$121.80 per month, per person) is already included in the amount in box 3 of Form SSA-1099.

**Line 2 – Railroad Benefits** – Write the total amount of any retirement, disability, or survivor’s benefits (including Medicare deductions) the entire household received under the Railroad Retirement Act. (Shown on Forms SSA-1099 and RRB-1099).

**Line 3 – Civil Service Benefits** – Write the total amount of any retirement, disability or survivor’s benefits the entire household received under any Civil Service retirement plan. (Shown on Form 1099-R).

**Line 4 – Other pensions and annuity benefits** – Write the total amount of income the entire household received from any annuity, pension, IRA distribution, endowment, life insurance contract or similar contract or agreement. (Shown on Form 1099-R). Include only the federally taxable portion of pensions, IRAs, IRAs converted to Roth IRAs. (Shown on U.S. 1040, Line 15b and 16b, or U.S. 1040A, Line 11b and 12b.) IRAs are not taxable when “rolled over,” unless “rolled over” into a Roth IRA.

**Line 5 – Human Services and other governmental cash public assistance benefits** – Write the total amount in Human Services and other governmental cash public assistance benefits the entire household received. For Human Services, if the first two digits of any member’s case number are the same as any of those in the following list, you must include the total amount of any of these benefits on Line 5:

**01-Aged, 02-Blind, 03-Disabled, 04-and 06-Temporary assistance to needy families (TANF), 07-General Assistance.** To determine the total amount of the household benefits, multiply the monthly amount each person received by 12. You must adjust your figures accordingly if anyone in the household did not receive 12 equal checks during the period. Food stamps, medical assistance and any benefits anyone in the household may have received are not considered income and should not be added to your total income.

**Line 6 – Wages, salaries and tips earned from work** – Write the total amount of wages, salaries and tips from work, for every household member. (Shown in box 1 of Form W-2).

**Line 7 – Interest and dividends received** – Write the total amount of all interest and dividends the entire household received from all sources, including any government sources. (Shown on Forms 1099-INT, 1099-OID, and 1099-DIV). You must include both taxable and non-taxable amounts.

**Line 8 – Net rental, farm, and business income or (loss)** – Write the total amount of any net income or loss from rental, farm, business sources, etc., the entire household received, as allowed on U.S. 1040, Lines 12, 17, and 18. **You cannot use any net operating loss carry over in figuring income.**

**Line 9 – Net capital gain or (loss)** – Write the total amount of any taxable capital gain or loss the entire household received in 2015 as allowed on U.S. 1040, Lines 13 and 14, or U.S. 1040A Line 10. **You cannot use any net capital loss carry over in figuring income.**

**Line 10 – Other Income or (loss)** – Write the total amount of any other income or loss not included in Lines 1 through 9, that is included in federal adjusted gross income, such as alimony received, unemployment compensation, taxes withheld from oil or gas well royalties, etc. **You cannot use any net operating loss carry over in figuring income.**

**Line 11 – Add Lines 1 through 10.**

**Line 12 – Subtractions** – You may **only** subtract the following adjustments to income, as allowed on U.S. 1040 Line 36, or U.S. 1040A, Line 20. Example of subtractions:

- Self-employed SEP, SIMPLE, and qualified plans
- Educator expenses
- Alimony or maintenance paid
- Deductible part of self-employment tax
- Domestic production activities deduction
- IRA deductions
- Self-employed health insurance deduction
- tuition and fees deduction
- Health savings account deduction
- Student loan interest deduction
- Archer MSA deduction
- Penalty on early withdrawal of savings
- Jury duty pay you gave your employer
- moving expenses

**Line 13 – Total household Income** – Subtract line 12 from Line 11. If this amount is greater than **\$55,000**, you do not qualify for this exemption.

**The CCAO may conduct an audit to verify the taxpayer is eligible to receive this exemption.**

PTAX Form 340 must be SIGNED, dated and returned by July 3, 2017 to:

**Winnebago County Supervisor of Assessments Office 404 Elm St. Rm. 301 Rockford, IL 61101**