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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 2@ Determination of Medi-Cal Eligibility and Share of Cost

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Article 10@ INCOME

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Section 50508@ Net Income from Property

50508 Net Income from Property

(a)

Net income from property shall be considered in determining share of cost and shall be computed as follows: (1) If the income is from the rental of real property, subtract the following expenses, as limited by (b), from the gross income: (A) Taxes and assessments. (B) Interest on encumbrance payments. The principal portion of the payments shall not be deducted. (C) Insurance. (D) Utilities. (E) Upkeep and repairs. The amount of this item shall be the greater of the following: 1. The actual amount expended for upkeep and repairs during the month. 2. Fifteen percent of the gross monthly rental plus \$4.17 per month. (2) In determining whether utilization requirements are met in accordance with Section 50416(a) (1) only the amount specified in (a) (1) (E) 1. shall be deducted rather than the amount specified in (a) (1) (E) 2. (3) If the income is from the rental of rooms, or the provision of board and room or board and care, which does not require a business license, the net income shall be 10 percent of the gross amount received. (4) If the income is from the provision of board and room or board and care which requires a business license, or from self-employment, the net income is the net profit from self-employment as determined in accordance with Section 50505. (5) If the income is from a deed of trust or a mortgage, the net income is the amount specified in Section 50441(c). (6) If the income is from property in which the person holds a life estate, the net income is the amount actually received. (7) If

the income is from personal property, the net income is the amount actually received.

(1)

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(A)

Taxes and assessments.

(B)

Interest on encumbrance payments. The principal portion of the payments shall not be deducted.

(C)

Insurance.

(D)

Utilities.

(E)

Upkeep and repairs. The amount of this item shall be the greater of the following: 1. The actual amount expended for upkeep and repairs during the month. 2. Fifteen percent of the gross monthly rental plus \$4.17 per month.

1.

The actual amount expended for upkeep and repairs during the month.

2.

Fifteen percent of the gross monthly rental plus \$4.17 per month.

(2)

In determining whether utilization requirements are met in accordance with Section 50416(a) (1) only the amount specified in (a) (1) (E) 1. shall be deducted rather than the amount specified in (a) (1) (E) 2.

(3)

If the income is from the rental of rooms, or the provision of board and room or board and care, which does not require a business license, the net income shall be 10 percent of the gross amount received.

(4)

If the income is from the provision of board and room or board and care which requires a business license, or from self-employment, the net income is the net profit from self-employment as determined in accordance with Section 50505.

(5)

If the income is from a deed of trust or a mortgage, the net income is the amount specified in Section 50441(c).

(6)

If the income is from property in which the person holds a life estate, the net income is the amount actually received.

(7)

If the income is from personal property, the net income is the amount actually received.

(b)

If the income is from the rental of unit(s) of a multiple unit dwelling or other dwellings on property that is exempt as the principal residence and the applicant or beneficiary is living in a portion of the property, the expenses specified in (a) which are common to the property as a whole shall be prorated as follows: (1)

Determine the number of rooms in the building. If there is more than one building, determine the number of rooms in all of the buildings together. For the purpose of this section, rooms include any room other than the following: (A) Bathroom. (B) Hallway. (C) Closet. (D) Unfinished basement, loft or attic. (2) Determine the number of rooms which are producing the rental income. (3) Based upon the number of rooms, determine the percentage of the property which is producing the rental income. (4) Apply the percentage determined in accordance with (3) to the expenses specified in (a) which are common to the property as a whole. This is the amount which shall be subtracted from the gross income.

(1)

Determine the number of rooms in the building. If there is more than one building, determine the number of rooms in all of the buildings together. For the purpose of this section, rooms include any room other than the following: (A) Bathroom. (B) Hallway. (C) Closet. (D) Unfinished basement, loft or attic.

(A)

Bathroom.

(B)

Hallway.

(C)

Closet.

(D)

Unfinished basement, loft or attic.

(2)

Determine the number of rooms which are producing the rental income.

(3)

Based upon the number of rooms, determine the percentage of the property which is

producing the rental income.

(4)

Apply the percentage determined in accordance with (3) to the expenses specified in (a) which are common to the property as a whole. This is the amount which shall be subtracted from the gross income.