

STATE OF CONNECTICUT  
DEPARTMENT OF SOCIAL SERVICES  
OFFICE OF LEGAL COUNSEL, REGULATIONS, AND ADMINISTRATIVE HEARINGS  
55 FARMINGTON AVENUE  
HARTFORD, CT 06105

██████████ 2023  
Signature confirmation

Case: ██████████  
Client: ██████████  
Request: 219448

**NOTICE OF DECISION**

**PARTY**

██████████  
██████████  
██████████  
██████████

**PROCEDURAL BACKGROUND**

On ██████████ 2023, the Office of Legal Counsel, Regulations, and Administrative Hearings (“OLCRAH”) received the online hearing request of ██████████ (the “Appellant”). The Appellant disputed the Department of Social Services’ (the “Department”) computation of her household’s Supplemental Nutrition Assistance Program (“SNAP”) benefit.

On ██████████, 2023, the OLCRAH scheduled the administrative hearing for ██████████ 2023. The OLCRAH granted the Appellant’s request for a postponement of the hearing.

On ██████████, 2023, in accordance with Sections 17b-60, 17b-61 and 4-176e to 4-189, inclusive, of the Connecticut General Statutes, and Section 273.15 of Title 7 of the Code of Federal Regulations (“C.F.R.”), the OLCRAH held an administrative hearing by telephone conferencing. The following individuals participated:

██████████, Appellant  
Bradley Wheeler, Department representative  
Eva Tar, Hearing Officer

The hearing record closed ██████████, 2023.

**STATEMENT OF ISSUE**

The issue is whether the Department correctly determined the amount of SNAP benefits the Appellant’s household was eligible to receive for the ██████████ 2023 service month.

**FINDINGS OF FACT**

1. The Appellant is ■ years old. (Appellant Testimony)
2. The Appellant lives with her two sons, ages ■ and ■ years. (Appellant Testimony)
3. The Appellant's household contains no disabled members. (Appellant Testimony)
4. The Appellant receives \$1,200.00 per month in child support. (Exhibit 3)
5. The Appellant is the owner of ■ (the "business"), an ■ business. (Appellant Testimony) (Exhibit 2)
6. The Appellant runs her business out of her home; she does not rent a storefront. (Appellant Testimony) (Exhibit 2)
7. In 2022, the business generated \$23,826.00 in gross receipts. (Exhibit 2)
8. In 2022, the business claimed \$16,448.00 in deductions for Federal income tax purposes; the claimed deductions included: advertising, car and truck expenses, insurance, legal and professional services, office expense, repairs and maintenance, taxes and licenses, deductible meals, utilities, and other expenses. (Exhibit 2)
9. The Appellant's rent is \$1,251.00 per month, with heat and utilities not included. (Appellant Testimony)
10. In ■ 2023, the standard deduction for a household of three equaled \$193.00 per month. (Exhibit 6)
11. In ■ 2023, the cap for shelter hardship equaled \$624.00. (Exhibit 6)
12. In ■ 2023, the standard utility allowance ("SUA") equaled \$921.00 per month. (Exhibit 6)
13. In ■ 2023, the maximum allotment amount for Federal SNAP equaled \$740.00 per month for a household of three without income. (Exhibit 6)
14. On ■ 2023, the Department recertified the Appellant's SNAP case for the period of ■ 2023 through ■ 2024, granting the Appellant's SNAP household \$392.00 per month in SNAP benefits. (Exhibit 1)
15. In calculating the Appellant's self-employment income, the Department reviewed the Appellant's 2022 Federal income tax returns. (Department Representative Testimony) (Exhibits 2 and 5)
16. In calculating the Appellant's net self-employment income, the Department permitted the following deductions as claimed on the Appellant's 2022 Federal income tax returns: advertising, car and truck expenses, insurance, office expense, repairs and maintenance, taxes and licenses, travel, and utilities. (Exhibit 5)

17. In calculating the Appellant's net self-employment income, the Department did not permit the following deductions as claimed on the Appellant's 2022 Federal income tax returns: deductible meals and the line item of "other expenses." (Department Representative Testimony)
18. Federal regulations that govern the collection of Federal income taxes do not supersede Federal regulations governing the SNAP.
19. Title 7, Section 273.15 (c)(1) of the Code of Federal Regulations ("C.F.R.") provides that "[w]ithin 60 days of receipt of a request for a fair hearing, the State agency shall assure that the hearing is conducted, a decision is reached, and the household and local agency are notified of the decision...." Subsection (c)(4) of the same citation provides: "The household may request and is entitled to receive a postponement of the scheduled hearing. The postponement shall not exceed 30 days and the time limit for action on the decision may be extended for as many days as the hearing is postponed...."

The OLCRAH received the Appellant's online hearing request on [REDACTED] 2023 which required the hearing decision to be issued by [REDACTED] 2023. The Appellant's 18-day postponement extended the deadline to [REDACTED] 2023. This decision is timely.

### **CONCLUSIONS OF LAW**

1. Section 17b-2 of the Connecticut General Statutes in part designates the Department of Social Services as the state agency for the administration of the supplemental nutrition assistance program pursuant to the Food and Nutrition Act of 2008.

#### **The Department administers the SNAP in Connecticut.**

2. "The commissioner shall make periodic investigations to determine eligibility and may, at any time, modify, suspend or discontinue an award previously made when such action is necessary to carry out the provisions of the ... supplemental nutrition assistance program...." Conn. Gen. Stat. § 17b-80 (a).

#### **The Department has the authority to modify the Appellant's SNAP benefit when necessary to carry out the provisions of the SNAP.**

3. Title 7, Code of Federal Regulations ("C.F.R."), Section 273.1 (b)(1) provides: "The following individuals who live with others must be considered as customarily purchasing food and preparing meals with the others, even if they do not do so, and thus must be included in the same household, unless otherwise specified. (i) Spouses; (ii) A person under 22 years of age who is living with his or her natural or adoptive parent(s) or step-parent(s); ...."

#### **The Appellant and her two children are a SNAP household of three.**

4. "Household income shall mean all income from whatever source excluding only items specified in [paragraph \(c\)](#) of this section." 7 C.F.R. § 273.9 (b).

“Earned income shall include: (i) ... ; (ii) The gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business as provided in paragraph (c) of this section....” 7 C.F.R. §273.9 (b)(1)(ii).

**For the purposes of the SNAP, the Appellant’s income from her business is counted earned income from a self-employment enterprise.**

5. “The State agency must calculate a household's self-employment income as follows: (i) For the period of time over which self-employment income is determined, the State agency must add all gross self-employment income (either actual or anticipated, as provided in [paragraph \(a\)\(1\)\(i\)](#) of this section) and capital gains (according to [paragraph \(a\)\(3\)](#) of this section), exclude the costs of producing the self-employment income (as determined in [paragraph \(a\)\(4\)](#) of this section), and divide the remaining amount of self-employment income by the number of months over which the income will be averaged. This amount is the monthly net self-employment income....” 7 C.F.R. § 273.11 (a)(2)(i).

**For the purposes of the SNAP, the Appellant’s gross income from her business in 2022 is divided by 12 months.**

6. “Allowable costs of producing self-employment income include, but are not limited to, *the identifiable costs* of labor; stock; raw material; seed and fertilizer; payments on the principal of the purchase price of income-producing real estate and capital assets, equipment, machinery, and other durable goods; interest paid to purchase income-producing property; insurance premiums; and taxes paid on income-producing property.” 7 C.F.R. § 273.11 (b)(1). (emphasis added)

**For the purposes of the SNAP, advertising, insurance, office supplies, repairs, and travel to the events that engaged the business were permissible deductions from the Appellant’s gross receipts from her business.**

**The Department correctly determined that the Appellant’s 2022 income tax deduction of \$3,771.00 for “other expenses” was not an allowable deduction for the purposes of the SNAP, as the line item on the income tax form does not provide the identifiable costs of labor, stock, or raw material expensed by the Appellant’s business as contemplated by 7 C.F.R. § 273.11 (b)(1).**

7. “In determining net self-employment income, the following items are not allowable costs of doing business: (i) Net losses from previous periods; (ii) *Federal, State, and local income taxes, money set aside for retirement purposes, and other work-related personal expenses (such as transportation to and from work), as these expenses are accounted for by the 20 percent earned income deduction specified in § 273.9(d)(2)*; (iii) Depreciation; and (iv) Any amount that exceeds the payment a household receives from a boarder for lodging and meals.” 7 C.F.R. § 273.11 (b)(2). (emphasis added)

**The Appellant’s 2022 income tax deduction of \$552.00 for self-employment tax was not a permissible deduction for the purposes of the SNAP, in accordance with 7 C.F.R. § 273.11 (b)(2).**

The Appellant's 2022 income tax deduction of \$669.00 for utilities was not a permissible deduction for the purposes of the SNAP. The SNAP computation incorporates a \$921.00 per month SUA [standard utility allowance] for a household; to include the \$669.00 deduction from self-employment income for utilities the Appellant uses for her home business would double-count the same expenditure in the household's SNAP calculation.

The Appellant's 2022 income tax deduction of \$470.00 for meals was not a permissible deduction for the purposes of the SNAP, as the Appellant's meals fall into the category of "other work-related personal expenses" which are accounted for by the 20 percent earned income deduction at 7 C.F.R. § 273.9 (d)(2).

For the █████ 2023 SNAP service month, the Appellant's net self-employment income equaled \$1,070.25. [\$23,826.00 (gross receipts 2022) minus \$1,100.00 (advertising) minus \$6,743.00 (car/truck expenses) minus \$856.00 (insurance) minus \$750.00 (legal/professional services) minus \$1,334.00 (office supplies/expenses) minus \$200.00 (repairs)→ result divided by 12 months]

8. **"Earned income deduction.** Twenty percent of gross earned income as defined in [paragraph \(b\)\(1\)](#) of this section. Earnings excluded in [paragraph \(c\)](#) of this section shall not be included in gross earned income for purposes of computing the earned income deduction, except that the State agency must count any earnings used to pay child support that were excluded from the household's income in accordance with the child support exclusion in [paragraph \(c\)\(17\)](#) of this section." 7 C.F.R. § 273.9 (d)(2).

**The Department correctly allocated the Appellant the 20 percent earned income deduction.**

For the █████ 2023 SNAP service month, the Appellant's counted self-employment income equaled \$856.20. [\$1,070.25 (net self-employment income) minus \$214.05 (20 percent earned income deduction)]

9. "Unearned income shall include, but not be limited to: (i) ...; (ii) ...; (iii) Support or alimony payments made directly to the household from nonhousehold members.; ...." 7 C.F.R. § 273.9 (b)(2)(iii).

**For the purposes of the SNAP, the Appellant's child support income is counted unearned income.**

10. Title 7 of the Code of Federal Regulations, Section § 273.9 (d)(1)(i) provides for a standard deduction for the 48 States, District of Columbia, Alaska, Hawaii, and the Virgin Islands.

**The Appellant's SNAP household of three is eligible for the \$193.00 per month SNAP standard deduction.**

11. "The standard utility allowance shall be used if the household is entitled to claim it and has not verified higher actual costs...." 7 C.F.R. § 273.2 (f)(3)(ii)

“With FNS approval, a State agency may develop the following standard utility allowances (standards) to be used in place of actual costs in determining a household's excess shelter deduction: an individual standard for each type of utility expense; a standard utility allowance for all utilities that includes heating or cooling costs (HCSUA); and, a limited utility allowance (LUA) that includes electricity and fuel for purposes other than heating or cooling, water, sewerage, well and septic tank installation and maintenance, telephone, and garbage or trash collection....” 7 C.F.R. § 273.9 (d)(6)(iii)(A).

**For the purposes of the SNAP, the Appellant’s monthly shelter costs equal \$2,172.00. [\$1,251.00 (monthly rent) + \$921.00 (SUA)]**

12. Title 7, Section 273.10 (e) of the Code of Federal Regulations provides for calculating net income and benefit levels. Subsection (e)(1)(i) provides:

To determine a household's net monthly income, the State agency shall:

- (A) Add the gross monthly income earned by all household members and the total monthly unearned income of all household members, minus income exclusions, to determine the household's total gross income...
- (B) Multiply the total gross monthly earned income by 20 percent and subtract that amount from the total gross income; or multiply the total gross monthly earned income by 80 percent and add that to the total monthly unearned income, minus income exclusions....
- (C) Subtract the standard deduction.
- (D) ...
- (E) ...
- (F) ...
- (G) ...
- (H) Total the allowable shelter expenses to determine shelter costs, unless a deduction has been subtracted in accordance with paragraph (e)(1)(i)(G) of this section. Subtract from total shelter costs 50 percent of the household's monthly income after all the above deductions have been subtracted. The remaining amount, if any, is the excess shelter cost. If there is no excess shelter cost, the net monthly income has been determined. If there is excess shelter cost, compute the shelter deduction according to paragraph (e)(1)(i)(I) of this section.
- (I) Subtract the excess shelter cost up to the maximum amount allowed for the area (unless the household is entitled to the full amount of its excess shelter expenses) from the household's monthly income after all other applicable deductions. Households not subject to a capped shelter expense shall have the full amount exceeding 50 percent of their net income subtracted. The household's net monthly income has been determined.

7 C.F.R. § 273.10 (e)(1)(i).

**For the █████ 2023 SNAP service month, the Appellant’s adjusted monthly gross income equaled \$1,863.20. [\$856.20 (net self-employment income) plus \$1,200.00 (child support) minus \$193.00 (standard deduction for household of three)]**

13. **“Excess shelter deduction.** Monthly shelter expenses in excess of 50 percent of the household's income after all other deductions in [paragraphs \(d\)\(1\)](#) through [\(d\)\(5\)](#) of this

section have been allowed. If the household does not contain an elderly or disabled member, as defined in [§ 271.2 of this chapter](#), the shelter deduction cannot exceed the maximum shelter deduction limit established for the area..." 7 C.F.R. § 273.9 (d)(6)(ii).

**In [REDACTED] 2023, the Appellant's SNAP case was subject to the \$624.00 shelter hardship cap, as the Appellant's household contained no elderly or disabled members.**

**For the purposes of the SNAP, the Appellant's shelter hardship equaled \$624.00 [\$2,172.00 (monthly shelter costs) minus \$931.65 (50% of adjusted gross income) → capped at \$624.00]**

14. Title 7, Section 273.10 (e)(4) of the Code of Federal Regulations addresses the Thrifty Food Plan and maximum SNAP allotments.

The Thrifty Food Plan for a qualified household of three in Connecticut with no applied income equaled \$740.00 per month, the maximum SNAP allotment, effective October 1, 2022.

Title 7, Section 273.10 (e)(2)(ii)(A) of the Code of Federal Regulations provides:

Except as provided in paragraphs (a)(1), (e)(2)(iii) and (e)(2)(vi) of this section, the household's monthly allotment shall be equal to the maximum SNAP allotment for the household's size reduced by 30 percent of the household's net monthly income as calculated in paragraph (e)(1) of this section. If 30 percent of the household's net income ends in cents, the State agency shall round in one of the following ways:

- (1) The State agency shall round the 30 percent of net income up to the nearest higher dollar; or
- (2) The State agency shall not round the 30 percent of net income at all. Instead, after subtracting the 30 percent of net income from the appropriate Thrifty Food Plan, the State agency shall round the allotment down to the nearest lower dollar.

7 C.F.R. § 273.10 (e)(2)(ii)(A).

**The Appellant's SNAP benefits for the [REDACTED] 2023 service month are computed as follows:**

<b><u>SNAP BENEFIT CALCULATION</u></b>	
<b>[REDACTED] 2023</b>	
<b><u>INCOME</u></b>	
Self-employment income (gross receipts in 2022)	\$23,826.00
Less permissible deductions from self-employment (2022)	<u>-10,983.00</u>
<b>Subtotal:</b>	<b>= \$12,843.00</b>
... Divided by 12 months ...	/12
<b>Monthly net self-employment income -</b>	<b>= \$1,070.25</b>
Less 20% earned income deduction	-214.05
Plus Unearned Income (child support)	+1,200.00
Less standard deduction for household of three	<u>- 193.00</u>

<b>Adjusted gross income per month -</b>	<b>\$1,863.20</b>
<b><u>SHELTER COSTS</u></b>	
Rent	\$1,251.00
Plus Standard Utility Allowance (SUA)	<u>+921.00</u>
<b>Total shelter costs -</b>	<b>\$2,172.00</b>
<b><u>SHELTER HARDSHIP</u></b>	
Shelter costs	\$2,172.00
Less 50% of adjusted gross income	<u>-931.60</u>
<b>Total shelter hardship -</b> <i>(capped at \$624.00 for households with no elderly/disabled members)</i>	<b>\$624.00</b>
<b><u>ADJUSTED NET INCOME</u></b>	
Adjusted gross income per month	\$1,863.20
Less shelter hardship	<u>- 624.00</u>
<b>Net Adjusted Income (NAI) -</b>	<b>\$1,239.20</b>
<b><u>BENEFIT CALCULATION</u></b>	
Thrifty Food Plan for three <i>(maximum monthly benefit for SNAP household without income)</i>	\$740.00
Less 30% of NAI <i>(rounded to nearest dollar)</i>	<u>-372.00</u>
<b><u>SNAP BENEFIT -</u></b>	<b>= \$368.00</b>

The Appellant’s household was eligible to receive \$368.00 (total) in SNAP benefits for the [REDACTED] 2023 service month.

The Department incorrectly determined the amount of SNAP benefits the Appellant’s household was eligible to receive for the [REDACTED] 2023 service month, as the Department in error permitted deductions for self-employment taxes and double-counted the household’s expenses for utilities when it calculated the Appellant’s [REDACTED] 2023 SNAP benefit on [REDACTED], 2023.

**DECISION**

The Appellant’s appeal is GRANTED in that the Department incorrectly determined the amount of SNAP benefits the Appellant’s household was eligible to receive for the [REDACTED] 2023 service month.

The Appellant’s household was eligible for \$368.00 in SNAP benefits and not the \$392.00 in SNAP benefits previously determined by the Department.



**ORDER**

1. The Department will recalculate the SNAP benefit of the Appellant's household effective [REDACTED] 2023, removing from its calculation its deductions for self-employment taxes and utilities.
2. Within 14 calendar days of the date of this Decision, or [REDACTED] 2023, documentation of compliance with this order is due to the undersigned.

*Eva Tar-electronic signature*  
Eva Tar  
Hearing Officer

Cc: Bradley Wheeler, DSS-Norwich  
Jessica Carroll, DSS-Norwich

### **RIGHT TO REQUEST RECONSIDERATION**

The appellant has the right to file a written reconsideration request within 15 days of the mailing date of the decision on the grounds there was an error of fact or law, new evidence has been discovered or other good cause exists. If the request for reconsideration is granted, the appellant will be notified within 25 days of the request date. No response within 25 days means that the request for reconsideration has been denied. The right to request a reconsideration is based on § 4-181a (a) of the Connecticut General Statutes.

Reconsideration requests should include specific grounds for the request: for example, indicate what error of fact or law, what new evidence, or what other good cause exists.

Reconsideration requests should be sent to: Department of Social Services, Director, Office of Administrative Hearings and Appeals, 55 Farmington Avenue Hartford, CT 06105.

### **RIGHT TO APPEAL**

The appellant has the right to appeal this decision to Superior Court within 45 days of the mailing of this decision, or 45 days after the agency denies a petition for reconsideration of this decision, provided that the petition for reconsideration was filed timely with the Department. The right to appeal is based on § 4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 165 Capitol Avenue, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue Hartford, CT 06105. A copy of the petition must also be served on all parties to the hearing.

The 45-day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than 90 days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or the Commissioner's designee in accordance with § 17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extension is final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the appellant resides.