

441—65.8(234) Deductions.

65.8(1) Standard allowance for households with heating or air-conditioning expenses. When a household is receiving heating or air-conditioning service for which it is required to pay all or part of the expense or receives assistance under the Low-Income Home Energy Assistance Act (LIHEAA) of 1981, the heating or air-conditioning standard shall be allowed.

a. The standard allowance for utilities which include heating or air-conditioning costs shall change annually effective each October 1 using a methodology approved by the Food and Nutrition Service of the United States Department of Agriculture.

b. Effective October 1, 2021, four dollars will be subtracted from this amount to allow for cost neutrality necessary for the standard medical expense deduction.

65.8(2) Heating expense. Heating expense is the cost of fuel for the primary heating service normally used by the household.

65.8(3) Telephone standard. When a household is receiving a standard utility allowance under subrule 65.8(1) or 65.8(5) or is solely responsible for telephone expenses, a standard allowance shall be allowed. This allowance shall change annually effective each October 1 using a methodology approved by the Food and Nutrition Service of the United States Department of Agriculture.

65.8(4) Energy assistance payments. For purposes of prorating the low income energy assistance payments to determine if households have incurred out-of-pocket expenses for utilities, the heating period shall consist of the months from October through March.

65.8(5) Standard allowance for households without heating or air-conditioning expenses. When a household is receiving some utility service other than heating or air-conditioning for which it is responsible to pay all or part of the expense, the nonheating or air-conditioning standard shall be allowed. These utility expenses cannot be solely for telephone.

a. This allowance shall change annually effective each October 1 using a methodology approved by the Food and Nutrition Service of the United States Department of Agriculture.

b. Effective October 1, 2021, four dollars will be subtracted from this amount to allow for cost neutrality necessary for the standard medical expense deduction.

65.8(6) Excluded payments. A utility expense which is reimbursed or paid by an excluded payment, including HUD or FmHA utility reimbursements, shall not be deductible.

65.8(7) Excess medical expense deduction. Notwithstanding anything to the contrary in these rules or regulations, at certification, households having a member eligible for the excess medical expense deduction shall be allowed to provide verification of expenses so that a reasonable projection of the member's medical expenses anticipated to occur during the household's certification period can be made. The household may choose to claim actual expenses or to use the standard medical expense deduction.

a. Actual medical expense.

(1) The projection may be based on available information about the member's medical condition, public or private medical insurance coverage, and current verified medical expenses.

(2) Households that choose to claim actual medical expenses shall not be required to report changes in medical expenses that were anticipated to occur during the certification period.

b. Standard medical expense.

(1) A household may choose a standard medical expense deduction if the household incurs more than \$35 per month in medical expenses.

(2) A household that chooses the standard deduction shall not be required to report changes in medical expenses during the certification period.

(3) The amount of the standard medical expense deduction must be approved by the Food and Nutrition Service of the U.S. Department of Agriculture. The amount of the standard is reviewed periodically and adjustments are requested when needed.

65.8(8) Child support payment deduction. A household may receive a deduction equal to the amount paid for legally obligated child support.

65.8(9) Standard deduction. Each household will receive a standard deduction from income based on a formula set forth in regulations at 7 CFR 273.9(d) as amended to May 2, 2022. The amount of the

standard deduction is adjusted for inflation annually as directed by the Food and Nutrition Service of the U.S. Department of Agriculture.

65.8(10) *Homeless standard deduction.* A household in which all members are homeless may choose the homeless standard deduction in place of the shelter and utility expenses deduction.

- a. Households choosing this option are not required to verify shelter-related expenses.
- b. Households choosing this option are not eligible to receive a shelter or utility deduction.
- c. The amount of the homeless standard deduction is determined by the Food and Nutrition Service of the U.S. Department of Agriculture and adjusted annually.

This rule is intended to implement Iowa Code section 234.12.

[**ARC 8992B**, IAB 8/11/10, effective 10/1/10; **ARC 1148C**, IAB 10/30/13, effective 1/1/14; **ARC 6558C**, IAB 10/5/22, effective 12/1/22]