**Section 112.147 Income From Rental Property**

a) Income received from rental property owned by a client is considered as earned if the money is produced by the client's services. For example, managing the property or managing the capital investment are ways to qualify rental income as earned. If the client has no specific responsibility for management of the property or the investment the rental does not qualify as earned income.

b) When determining net income, the reasonable and necessary rental expenses which the client incurs in the production of income may be deducted from the gross income. Reasonable and necessary rental expenses include repairs, taxes, insurance, and utilities if the landlord pays them.

c) If a client is responsible for cleaning a room and providing clean linens, the income which he receives shall be considered earned income from a roomer rather than earned income from rental property.

d) The earned income exemption, if applicable, as specified in Section 112.141, shall be deducted.

(Source: Amended at 21 Ill. Reg. 15597, effective November 26, 1997)