

TAXABLE INCOME:

Gross wages, salaries, commissions and other compensation paid by an employer or employers before deductions; sick pay; vacation pay; income from wage continuation plans (retirement incentive plans and deferred compensation); stock options (when exercised on amount indicated on a W-2 form); cost of group term life insurance over \$50,000; severance pay; compensation paid in property or the use thereof at fair market value to the same extent as indicated on a W-2 form; tips; contributions made by or on behalf of employees to any type of tax-deferred annuity (401K); stipends; income from guaranteed annual wage contracts; third party disability pay; bonuses; housing for clergy; cafeteria plans; director's fees; income from jury duty; supplemental unemployment pay; union steward fees; strike benefits; ordinary income from Form 4797; profit sharing (if from a non-qualified plan); moving expense in excess of the Form 3903 allowance; and net profits from the operation of a business, profession, or other enterprise or activity (including Corporations, S Corporations, unincorporated businesses, sole proprietorships, rental properties, partnerships, farms, trusts and estates).

NON-TAXABLE INCOME:

Military pay (including reserve pay); alimony; capital gains; interest; dividends; social security benefits; workers' compensation; state unemployment benefits; insurance benefits; prizes (unless connected with employment); gambling winnings (losses are not deductible); welfare payments; pension income; patent and copyright income; royalties (if derived from intangible property); annuities (at time of distribution); meals and lodging; government allotments; and profit sharing from qualified plans.