

**IN THE COURT OF COMMON PLEAS OF LYCOMING COUNTY, PENNSYLVANIA**

MLG, : NO. 89-20,046  
Petitioner :  
 :  
vs. : DOMESTIC RELATIONS SECTION  
 : Exceptions  
JNK, :  
Respondent :

OPINION AND ORDER

Before the Court are Respondent's exceptions to the Family Court Order dated January 28, 2001 in which Respondent was directed to pay child support to Petitioner for the support of the parties' one (1) minor child. Argument on the exceptions was heard June 27, 2001.

In his exceptions, Respondent contends basically that the hearing officer erred in determining his monthly net income. Specifically, Respondent alleges error in the deductions allowed from his self-employment business income.

Respondent claims as income on his federal income tax returns profit or loss from farming for a business hauling cattle and profit or loss from farming for a rodeo business, which rodeo business Respondent indicates is merely a hobby. The rodeo business showed a loss on his 1999 federal tax return of \$9,976.00 and the hauling business showed a profit of \$12,683.00. The two off-set to show a total profit of only \$2,707.00 as Respondent's total income. The hearing officer considered the gross receipts of both businesses as well as the expenses of both businesses but disallowed certain expenses. Respondent contends that some of those disallowed should not have been disallowed. Petitioner's counsel argued that since the rodeo business is simply a hobby, the expenses shouldn't be deducted. Respondent's counsel agreed that the expenses shouldn't be deducted from the rodeo business and indicated, of course, that the income should also not be considered. After a review of

the transcript and the tax return, the Court agrees that the rodeo business loss should be ignored and only the Schedule F for the hauling business should be examined in conjunction with the testimony, to arrive at an appropriate monthly net income for purposes of Respondent's child support obligation.

Examining the Schedule F for the hauling business indicates that appropriate deductions are those for fuel of \$7,982.00, insurance of \$598.00, supplies of \$1,712.00, tolls of \$226.00, advertising of \$247.00 and tags of \$378.00. Also on Schedule F are shown expenses for car and truck expense of \$10,439.00, depreciation of \$18,433.00, mortgage interest of \$1,556.00, other interest of \$4,763.00, and utilities of \$2,714.00. Respondent testified that the car and truck expense of \$10,439.00 represents the monthly payments on the truck and trailer used in the hauling business. He testified that the truck payment is approximately \$570.00 per month and that the trailer payment is approximately \$280.00 per month. Using those exact figures results in an annual expense of \$10,200.00 and therefore the Court will credit Respondent's testimony in this regard. The depreciation expense is also claimed to represent depreciation on the same vehicle, however, as is the other interest expense. Apparently Respondent is double dipping the federal government but for purposes of child support the depreciation and interest expense will not be allowed as the Court will allow the \$10,439.00 car and truck expense for the monthly payments. With respect to the utilities, Respondent testified that as far as he knows there is no utility expense associated with the hauling business and therefore the Court will not allow this deduction either.

Considering all the appropriate deductions, Respondent's gross receipts of \$61,731.00 are reduced to \$40,149.00 net profit. Deducting the \$3,228.00 paid in taxes results in an annual net income of \$36,921.00 or a monthly net income of \$3,077.00.

Considering Petitioner's income of \$2,038.00 and Respondent's income of \$3,077.00, Respondent's child support obligation is \$567.31 per month. His health insurance contribution through December 31, 2000 is calculated at \$20.94 per month and his health insurance contribution effective January 1, 2001 is calculated at \$22.93 per month.

ORDER

AND NOW, this 6<sup>th</sup> day of July, 2001, for the foregoing reasons, the Order of January 28, 2001 is hereby amended to provide for a child support payment of \$567.31 per month, a health insurance contribution through December 31, 2000 of \$20.94 per month and effective January 1, 2001, of \$22.93 per month. In addition, Respondent's percentage obligation for excess unreimbursed medical expenses of the child shall be modified to 60.16% and Petitioner's contribution shall be modified to 39.84%.

As modified herein, the Order of January 28, 2001 shall continue in effect.

By the Court,

Kenneth D. Brown, Judge

cc: Family Court  
Domestic Relations  
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