

SEC AO2020-001

September 17, 2020

SUBJECT: Reporting Government Income on a Statement of Economic Interests (SEI)

SUMMARY: Individuals reporting government income on a Statement of Economic Interests should report the amount of gross income received. Gross income means the amount of wages earned prior to any deductions or withholdings.

APPLICABLE LAW:

Section 8-13-1120 states in part:

(A) A statement of economic interests filed pursuant to Section 8-13-1110 must be on forms prescribed by the State Ethics Commission and must contain full and complete information concerning:

...

(2) the source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or a member of the filer's immediate family during the reporting period . . .

...

(C) For purposes of this section, income means anything of value received, which must be reported on a form used by the Internal Revenue Service for the reporting or disclosure of income received by an individual or business. Income does not include retirement, annuity, pension, IRA, disability, or deferred compensation payments received by the filer or filer's immediate family member.

DISCUSSION:

Section 8-13-1120(A)(2) requires individuals filing SEIs to report the source, type, and amount or value of income received from a governmental entity by the filer or a member of the filer's immediate family. In the past, the Commission has informally advised filers to use Box 1 on their W-2 to determine the amount of income received. The Commission hereby clarifies that individuals filing a SEI should report the amount of wages received prior to any deductions or withholdings. In many instances, Box 1 may still be a good indicator of gross income. However, Box 1 will not be an accurate indicator of gross income for those individuals who divert or withhold large portions of their wages to retirement and/or other investments. It is incumbent upon each filer to accurately report the amount of gross income received from a governmental entity in their SEI.