

**FEDERAL INCOME TAX CALCULATION**

2008

Last Name: Jones	<u>John</u>	<u>Mary</u>
State (for Income Taxes)	CO	CO
1 Filing Status	Single	Hd Hsld
2 Exemptions Including Taxpayer	3	1
3 No. Under Age 17 Child Credit	2	0

**GROSS INCOME**

4 Salary	70,000	30,000
4a Salary Adjustments	0	0
5 Self-Employment Income	5,000	0
5a Self-Employment Income Adjustments	0	0
6 Social Security Income (Taxable)	0	0
7 Interest-US Govt Securities	0	0
8 Other Interest	0	2,000
9 Dividends (15% Tax Rate)	1,000	1,000
10 Taxable Non Cash Inc/Loss	0	0
11 Alimony Received	0	7,985
12 Other Taxable Income	0	0
13 Long Term Capital Gain	0	0
<b>14 Total Income</b>	<b>76,000</b>	<b>40,985</b>

**ADJUSTMENTS TO INCOME**

15 Alimony Paid	7,985	0
16 1/2 Self-Employment Tax/Other	354	0
17 Retirement Contributions	0	0
18 Interest Student Loans	0	0
19 Higher Education Expense	0	0
20 Total Adjustments	8,339	0
<b>21 Adjusted Gross Income</b>	<b>67,661</b>	<b>40,985</b>

**ITEMIZED DEDUCTIONS**

22a State Income Tax	2,394	1,160
22b Local Income Tax	0	0
22c State & Local Sales Tax	0	0
22d Greater of lines 22a + 22b or line 22c	2,394	1,160
23 Real Estate Taxes	0	4,000
24 Other Taxes	0	0
25 Mortgage Interest	0	7,000
26 Contributions	0	0
27 Misc Deductions (2%)/Other Deduct	0	0
28 Total Subject to Reduction	2,394	12,160
29 High Income Reduction	0	0
30 Medical over 7.5% AGI	0	0

## FEDERAL INCOME TAX CALCULATION

Last Name: Jones	2008	
	John	Mary
31 Investment Interest	0	0
32 Casualty Loss > 10% AGI	0	0
33 Total Itemized or	2,394	12,160
34 Standard Deduction + Blind + Age 65	5,450	8,000
35 Less: Exemptions Allowed including high income reduction	10,500	3,500
<b>36 Total Taxable Income</b>	<b>51,711</b>	<b>25,325</b>
37 Taxable Income Excluding Dividends + LT Capital Gain	50,711	24,325
38 Tax on Regular Income	9,022	3,076
39 Tax on Dividends + LT Capital Gain Income	150	0
40 Less: Child Care Credit	0	(660)
41 Education Credits/Other Credits	0	0
42 Tax Before Refundable Credits	9,172	2,416
43 Child Tax Credit - Under Age 17	(2,000)	0
44 Earned Income Credit	0	0
45 Alternative Minimum Tax	0	0
<b>46 Total Federal Income Tax</b>	<b>7,172</b>	<b>2,416</b>
47 Value Child Dep Exemption	2,074	0
48 Federal & State Marginal Tax %	29.6%	18.9%
49 Soc Sec/Self-Employment Tax	6,062	2,295
50 Avg Tax %: Fed + State + Soc Sec	20.6%	14.3%
51 Maximum 2008 Alimony without Recapture	22,985	

### NOTE:

For high income individuals, this tax calculation reflects a reduction of itemized deductions and personal exemption amounts allowed and 2/3 of such reduction has been eliminated per current law.