

**All Taxes are Summarized on a 1 Page Report**

**SUMMARY OF 2008 TAXES**

Last Name: Jones	<u>John</u>	<u>Mary</u>
<b>FEDERAL INCOME TAX</b>		
1 Salary	70,000	30,000
2 Self-Employment Income	5,000	0
3 Interest + Dividends	1,000	3,000
4 Alimony Received	0	7,985
5 Long Term Capital Gain	0	0
6 Other Income	0	0
<b>7 Total Income</b>	<b>76,000</b>	<b>40,985</b>
<b>LESS:</b>		
8 Alimony Paid	7,985	0
9 Other Adjustments to Income	354	0
<b>10 Adjusted Gross Income</b>	<b>67,661</b>	<b>40,985</b>
<b>LESS:</b>		
11 Greater: Standard Deduction	(5,450)	0
12 or Itemized Deductions	0	(12,160)
13 Personal Exemptions Allowed	(10,500)	(3,500)
<b>14 Taxable Income</b>	<b>51,711</b>	<b>25,325</b>
15 Taxable Inc Excl Div + LT Capital Gains	50,711	24,325
16 Tax on Regular Income	9,022	3,076
17 Tax on Dividends + LT Capital Gains	150	0
18 Less: Child Care Credit	0	(660)
19 Education/Other Credits	0	0
20 Tax Before Refundable Credits	9,172	2,416
21 Child Tax Credit - Under Age 17	(2,000)	0
22 Earned Income Credit	0	0
23 Alternative Minimum Tax	0	0
<b>24 Total Federal Income Tax</b>	<b>7,172</b>	<b>2,416</b>
25 Soc Sec/Self-Employment Tax	6,062	2,295
26 State Income Tax	2,394	1,160
27 Local Income Tax	0	0
<b>28 Total Taxes</b>	<b>15,628</b>	<b>5,871</b>
<b>TAXES SAVED</b>		
<b>29 Child Dependency Exemption</b>	<b>2,074</b>	<b>0</b>
<b>30 Child Tax Credit - Under Age 17</b>	<b>2,000</b>	<b>0</b>
31 Average Tax Rate %	20.6%	14.3%
32 Marginal Federal Tax %	25.0%	15.0%
33 Marginal Federal + State Tax %	29.6%	18.9%
34 Filing Status	Single	Hd Hsld
35 Total Personal Exemptions	3	1
36 No. of Children Under Age 17	2	0

**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.

May 19, 2008 08:11 PM

© 2008 Thomson/West. All rights reserved.