

SUMMARY OF TAX OPTIONS FOR 2008

Last Name: Jones	Married Joint	2 Divorced in 2008		3 Married in 07 Sep Ret	
		<u>John</u>	<u>Mary</u>	<u>John</u>	<u>Mary</u>
1 Filing Status		Single	Hd Hsld	Mar Sep	Hd Hsld
2 State (for Income Tax)		IL	IL	IL	IL
3 Exemptions Including Taxpayer	3	2	1	2	1
4 No. Under Age 17 Child Credit	1	1	0	1	0
GROSS INCOME					
5 Salary	120,000	90,000	30,000	90,000	30,000
5a Salary Adjustments	0	0	0	0	0
6 Self-Employment Income	10,000	10,000	0	10,000	0
6a Self-Employment Income Adjustments	0	0	0	0	0
7 Alimony Received	0	0	8,852	0	8,852
8 Long Term Capital Gain	0	0	0	0	0
9 Other Income	2,500	500	2,000	500	2,000
10 Total Income	132,500	100,500	40,852	100,500	40,852
ADJUSTMENTS TO INCOME					
11 Alimony Paid	0	8,852	0	8,852	0
12 Other Adjustments	707	707	0	707	0
13 Interest Student Loans	0	0	0	0	0
14 Total Adjustments	707	9,559	0	9,559	0
15 Adjusted Gross Income	131,793	90,941	40,852	90,941	40,852
ITEMIZED DEDUCTIONS					
16a State Income Tax	3,714	2,608	1,106	2,608	1,106
16b Local Income Tax	0	0	0	0	0
16c State & Local Sales Tax	0	0	0	0	0
16d Greater of lines 16a + 16b or line 16c	3,714	2,608	1,106	2,608	1,106
17 Real Estate Taxes	0	0	0	0	0
18 Mortgage Interest	0	0	0	0	0
19 Other	0	0	0	0	0
20 Total Subject to Reduction	3,714	2,608	1,106	2,608	1,106
21 High Income Reduction	0	0	0	(110)	0

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22 Other Not Reduced	0	0	0	0	0
23 Total Itemized or	3,714	2,608	1,106	2,498	1,106
24 Standard Deduction	10,900	5,450	8,000	5,450	8,000
25 Less Exemptions Allowed including high income reduction	10,500	7,000	3,500	7,000	3,500
26 Total Taxable Income	110,393	78,491	29,352	78,491	29,352
27 Taxable Income Excluding Dividends + LT Capital Gain	110,393	78,491	29,352	78,491	29,352
28 Tax on Regular Income	20,286	15,967	3,830	16,349	3,830
29 Tax on Dividends + LT Cap Gain Inc	0	0	0	0	0
30 Less: Child Care Credit	0	0	0	0	0
31 Education Credits/Other Credits	0	0	0	0	0
32 Tax Before Refundable Credits	20,286	15,967	3,830	16,349	3,830
33 Child Tax Credit - Under Age 17	0	(200)	0	0	0
34 Earned Income Credit	0	0	0	0	0
35 Alternative Minimum Tax	0	0	0	0	0
36 Total Federal Tax	20,286	15,767	3,830	16,349	3,830
37 State Tax	3,714	2,608	1,106	2,608	1,106
38 Local Tax	0	0	0	0	0
39 Soc Sec/Self-Employment Tax	10,593	8,298	2,295	8,298	2,295
40 Total Taxes	34,593	26,673	7,231	27,255	7,231
41 Total Tax Both Parties	34,593		33,904		34,486
42 Marginal Federal + State Tax %	28.0%	28.0%	18.0%	31.0%	18.0%
43 Avg Tax %: Fed + State + Soc Sec	26.1%	26.5%	17.7%	27.1%	17.7%
44 Value Child Dep Exempt + Child Tax Credit	935	1,229	0	1,040	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.

Comments:

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