

Tax Calculation is Complete & Accurate

FEDERAL INCOME TAX CALCULATION

2008

Last Name: Jones	<u>James</u>	<u>Martha</u>
State (for Income Taxes)	MS	MS
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	35,000
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	1,000	0
8 Other Interest	0	0
9 Dividends (15% Tax Rate)	0	2,000
10 Taxable Non Cash Inc/Loss	0	0
11 Alimony Received	0	4,000
12 Other Taxable Income	0	0
13 Long Term Capital Gain	0	0
14 Total Income	76,000	41,000
ADJUSTMENTS TO INCOME		
15 Alimony Paid	4,000	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	4,354	0
21 Adjusted Gross Income	71,646	41,000
ITEMIZED DEDUCTIONS		
22a State Income Tax	2,817	1,000
22b Local Income Tax	0	0
22c State & Local Sales Tax	0	0
22d Greater of lines 22a + 22b or line 22c	2,817	1,000
23 Real Estate Taxes	0	3,500
24 Other Taxes	0	0
25 Mortgage Interest	0	6,500
26 Contributions	0	0
27 Misc Deductions (2%)/Other Deduct	0	0
28 Total Subject to Reduction	2,817	11,000
29 High Income Reduction	0	0
30 Medical over 7.5% AGI	0	0

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FEDERAL INCOME TAX CALCULATION

	2008	
Last Name: Jones	<u>James</u>	<u>Martha</u>
31 Investment Interest	0	0
32 Casualty Loss > 10% AGI	0	0
33 Total Itemized or	2,817	11,000
34 Standard Deduction + Blind + Age 65	5,450	8,000
35 Less: Exemptions Allowed including high income reduction	10,500	3,500
36 Total Taxable Income	55,696	26,500
37 Taxable Income Excluding Dividends + LT Capital Gain	55,696	24,500
38 Tax on Regular Income	10,268	3,103
39 Tax on Dividends + LT Capital Gain Income	0	0
40 Less: Child Care Credit	0	(660)
41 Education Credits/Other Credits	0	0
42 Tax Before Refundable Credits	10,268	2,443
43 Child Tax Credit - Under Age 17	(2,000)	0
44 Earned Income Credit	0	0
45 Alternative Minimum Tax	0	0
46 Total Federal Income Tax	8,268	2,443
47 Value Child Dep Exemption	1,900	0
48 Federal & State Marginal Tax %	30.0%	20.0%
49 Soc Sec/Self-Employment Tax	6,062	2,678
50 Avg Tax %: Fed + State + Soc Sec	22.6%	14.9%
51 Maximum 2008 Alimony without Recapture	19,000	

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.