

**FEDERAL INCOME TAX CALCULATION**

2008

Last Name: Jones

	<u>James</u>	<u>Mary</u>
State (for Income Taxes)	VA	VA
1 Filing Status	Single	Hd Hsld
2 Exemptions Including Taxpayer	1	3
3 No. Under Age 17 Child Credit	0	2

**GROSS INCOME**

4 Salary	90,000	30,000
4a Salary Adjustments	0	0
5 Self-Employment Income	10,000	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	0
9 Dividends (15% Tax Rate)	1,000	2,000
10 Taxable Non Cash Inc/Loss	0	0
11 Alimony Received	0	10,525
12 Other Taxable Income	0	0
13 Long Term Capital Gain	0	0
<b>14 Total Income</b>	<b>101,000</b>	<b>42,525</b>

**ADJUSTMENTS TO INCOME**

15 Alimony Paid	10,525	0
16 1/2 Self-Employment Tax/Other	707	0
17 Retirement Contributions	0	0
18 Interest Student Loans	0	0
19 Higher Education Expense	0	0
20 Total Adjustments	11,232	0
<b>21 Adjusted Gross Income</b>	<b>89,768</b>	<b>42,525</b>

**ITEMIZED DEDUCTIONS**

22a State Income Tax	4,707	1,222
22b Local Income Tax	0	0
22c State & Local Sales Tax	0	0
22d Greater of lines 22a + 22b or line 22c	4,707	1,222
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	4,707	12,222
29 High Income Reduction	0	0
30 Medical over 7.5% AGI	0	0

## FEDERAL INCOME TAX CALCULATION

	2008	
Last Name: Jones	<u>James</u>	<u>Mary</u>
31 Investment Interest	0	0
32 Casualty Loss > 10% AGI	0	0
33 Total Itemized or	4,707	12,222
34 Standard Deduction + Blind + Age 65	5,450	8,000
35 Less: Exemptions Allowed including high income reduction	3,500	10,500
<b>36 Total Taxable Income</b>	<b>80,818</b>	<b>19,803</b>
37 Taxable Income Excluding Dividends + LT Capital Gain	79,818	17,803
38 Tax on Regular Income	16,327	2,098
39 Tax on Dividends + LT Capital Gain Income	150	0
40 Less: Child Care Credit	0	(630)
41 Education Credits/Other Credits	0	0
42 Tax Before Refundable Credits	16,477	1,468
43 Child Tax Credit - Under Age 17	0	(2,000)
44 Earned Income Credit	0	0
45 Alternative Minimum Tax	0	0
<b>46 Total Federal Income Tax</b>	<b>16,477</b>	<b>(532)</b>
47 Value Child Dep Exemption	0	1,141
48 Federal & State Marginal Tax %	33.8%	19.9%
49 Soc Sec/Self-Employment Tax	8,298	2,295
50 Avg Tax %: Fed + State + Soc Sec	29.2%	7.0%
51 Maximum 2008 Alimony without Recapture	25,525	

### 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.