

5 Tax Alternatives Can be Shown Side-by-Side-Show Impact of Divorce in Current Year

SUMMARY OF TAX OPTIONS FOR 2011

Last Name: Jones	Married Joint	2 Divorced in 2011		3 Stay Mar'd, Sep Return	
		<u>John</u>	<u>Mary</u>	<u>John</u>	<u>Mary</u>
1 Filing Status	Mar Joint	Single	Hd Hsld	Mar Sep	Hd Hsld
2 State (for Income Tax)	CT	CT	CT	CT	CT
3 Exemptions Including Taxpayer	3	1	2	1	2
4 No. Under Age 17 Child Credit	1	0	1	0	1
GROSS INCOME					
5 Salary	125,000	95,000	30,000	95,000	30,000
5a Salary Adjustments	0	0	0	0	0
6 Self-Employment Income	5,000	5,000	0	5,000	0
6a Self-Employment Income Adjustments	0	0	0	0	0
7 Alimony Received	0	0	11,900	0	11,900
8 Long Term Capital Gain	0	0	0	0	0
9 Other Income	2,000	0	2,000	0	2,000
10 Total Income	132,000	100,000	43,900	100,000	43,900
ADJUSTMENTS TO INCOME					
11 Alimony Paid	0	11,900	0	11,900	0
12 Other Adjustments	310	310	0	310	0
13 Interest Student Loans	0	0	0	0	0
14 Total Adjustments	310	12,210	0	12,210	0
15 Adjusted Gross Income	131,690	87,790	43,900	87,790	43,900
ITEMIZED DEDUCTIONS					
16a State Income Tax	5,935	4,240	541	4,240	541
16b Local Income Tax	0	0	0	0	0
16c State & Local Sales Tax	1,085	708	584	708	584
16d Greater of lines 16a + 16b or line 16c	5,935	4,240	584	4,240	584
17 Real Estate Taxes	3,000	0	3,000	0	3,000
18 Mortgage Interest	8,000	0	8,000	0	8,000
19 Other	0	0	0	0	0
20 Total Subject to Reduction	16,935	4,240	11,584	4,240	11,584
21 High Income Reduction	0	0	0	0	0

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		John	Mary	John	Mary
22 Other Not Reduced	0	0	0	0	0
23 Total Itemized or	16,935	4,240	11,584	4,240	11,584
24 Standard Deduction	11,600	5,800	8,500	5,800	8,500
25 Less Exemptions Allowed including high income reduction	11,100	3,700	7,400	3,700	7,400
26 Total Taxable Income	103,655	78,290	24,916	79,850	24,916
27 Taxable Income Excluding Dividends + LT Capital Gain	103,655	78,290	24,916	79,850	24,916
28 Tax on Regular Income	18,164	15,698	3,130	16,393	3,130
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	18,164	15,698	3,130	16,393	3,130
33 Child Tax Credit - Under Age 17	0	0	(1,000)	0	(1,000)
34 Earned Income Credit	0	0	0	0	0
35 Making Work Pay Credit	0	0	0	0	0
36 Alternative Minimum Tax	0	0	0	0	0
37 Total Federal Tax	18,164	15,698	2,130	16,393	2,130
38 State Tax	5,935	4,240	541	4,240	541
39 Local Tax	0	0	0	0	0
40 Soc Sec/Self-Employment Tax	7,683	5,988	1,695	5,988	1,695
41 Total Taxes	31,782	25,926	4,366	26,621	4,366
42 Total Tax Both Parties	31,782		30,292		30,987
43 Marginal Federal + State Tax %	28.8%	30.0%	19.3%	31.6%	19.3%
44 Avg Tax %: Fed + State + Soc Sec	24.1%	25.9%	9.9%	26.6%	9.9%
45 Value Child Dep Exempt + Child Tax Credit	925	0	1,555	0	1,555

NOTES: For high income individuals, this tax calculation reflects a reduction of itemized deductions and personal exemption amounts allowed. The reduction has been reinstated in current year. Refer to Help.

Comments: Tax rates in CT for Single and Married, Separate are generally the same for most incomes. This allows more divorcing individuals to file separate returns while still married and save over a Married, Joint return. In this case, a Married, Joint return is the highest tax option--separate returns will save taxes prior to a divorce.

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