

**FEDERAL INCOME TAX CALCULATION**

2009

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
<b>14 Total Income</b>	<b>76,000</b>	<b>41,000</b>

**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
<b>21 Adjusted Gross Income</b>	<b>71,646</b>	<b>41,000</b>

**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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	<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	5,700	8,350
35 Less: Exemptions Allowed including high income reduction	10,950	3,650
<b>36 Total Taxable Income</b>	<b>54,996</b>	<b>26,350</b>
37 Taxable Income Excluding Dividends + LT Capital Gain	54,996	24,350
38 Tax on Regular Income	9,937	3,055
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	9,937	2,395
43 Child Tax Credit - Under Age 17	(2,000)	0
44 Earned Income Credit	0	0
45 Making Work Pay Credit	(400)	(400)
46 Alternative Minimum Tax	0	0
<b>47 Total Federal Income Tax</b>	<b>7,537</b>	<b>1,995</b>
48 Value Child Dep Exemption	1,975	0
49 Federal & State Marginal Tax %	30.0%	20.0%
50 Soc Sec/Self-Employment Tax	6,062	2,678
51 Avg Tax %: Fed + State + Soc Sec	21.6%	13.8%
52 Maximum 2009 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.

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