

Run Case with Each Parent Claiming Child Dep Exemp to Show Who Saves More Taxes

TAX SAVINGS FROM CHILD DEPENDENCY EXEMPTION

	2011	
Last Name: Doe	<u>James</u>	<u>Mary</u>
1 No. Child Dependency Exemptions Age 17 & Over	0	0
2 No. Child Dependency Exemptions Under Age 17	2	2
3 Taxes Saved by Claiming Children		
Federal Tax	2,072	1,110
State Tax	154	145
4 Federal + State Tax Savings Dependency Exemption	2,226	1,255
5 Tax Savings Under Age 17 Child Tax Credit	300	2,000
6 Total Tax Savings from Both	2,526	3,255

DETAILED FEDERAL CALCULATION

7 Maximum Allowed Personal Exemption Amount		
8 Maximum Allowed for No. of Children	7,400	7,400
9 Filing Status	Single	Hd Hsld
10 Threshold Amount for High Income Phaseout	169,550	211,950
11 Federal Adjusted Gross Income	108,284	45,637
12 Excess over Threshold	0	0
13 % Reduction = (2% for each \$2,500 of line 12 - for 2011 the reduction is reinstated)	0.00%	0.00%
14 High Income Phaseout Reduction (line 8 * line 13) (reflects a high income reduction in 2011)	0%	0%
15 Max Reduction in Fed Taxable Income from Child Dependency Exemption Including High Income Phaseout Amount (line 8 less line 14)	7,400	7,400

FEDERAL TAX SAVINGS FROM CHILD DEPENDENCY EXEMPTION

16 Taxable Income Before Child Dependency Exemption (Excl Dividends & Capital Gains)	96,332	26,289
17 Marginal Tax Rate for this Income Level	28.0%	15.0%
18 Next Lower Tax Bracket Amountt	83,600	12,150
19 Tax Rate for Lower Bracket (if needed)	25.0%	10.0%
20 Federal Tax Savings from Child Dep Exemption (Line 15 allocated between tax brackets using actual rates - low income also reflects use of child care & education credits)	2,072	1,110

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Last Name: Doe

2011

James

Mary

STATE INCOME TAX SAVINGS FROM CHILD DEPENDENCY EXEMPTION

21 Ohio Marginal Tax Rate %	5.451%	4.109%
22 Tax Saved from Each Child Dependency Exemption (\$20 + \$1,600*OH Marginal Tax %)	214	171
23 Reduction - if Itemized Deductions used in Federal Tax Calc, State Exempt Value is Reduced by Marginal Federal Tax %	(60)	(26)
24 Final State Value-Child Dependency Exemption	<u>154</u>	<u>145</u>

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