

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

SUMMARY OF TAX OPTIONS FOR 2011

Last Name: Doe	Married Joint	2 Divorced in 2011		3 Stay Mar'd, Sep Return	
		<u>James</u>	<u>Mary</u>	<u>James</u>	<u>Mary</u>
	Mar Joint	Single	Hd Hsld	Hd Hsld	Hd Hsld
1 Filing Status	Mar Joint	Single	Hd Hsld	Hd Hsld	Hd Hsld
2 State (for Income Tax)	OH	OH	OH	OH	OH
3 Exemptions Including Taxpayer	4	1	3	1	3
4 No. Under Age 17 Child Credit	2	0	2	0	2
GROSS INCOME					
5 Salary	31,167	0	31,167	0	31,167
5a Salary Adjustments	0	0	0	0	0
6 Self-Employment Income	125,000	125,000	0	125,000	0
6a Self-Employment Income Adjustments	0	0	0	0	0
7 Alimony Received	0	0	11,470	0	11,470
8 Long Term Capital Gain	0	0	0	0	0
9 Other Income	5,000	2,000	3,000	2,000	3,000
10 Total Income	161,167	127,000	45,637	127,000	45,637
ADJUSTMENTS TO INCOME					
11 Alimony Paid	0	11,470	0	11,470	0
12 Other Adjustments	7,246	7,246	0	7,246	0
13 Interest Student Loans	0	0	0	0	0
14 Total Adjustments	7,246	18,716	0	18,716	0
15 Adjusted Gross Income	153,921	108,284	45,637	108,284	45,637
ITEMIZED DEDUCTIONS					
16a State Income Tax	5,826	3,967	1,025	3,967	1,025
16b Local Income Tax	3,123	2,500	623	2,500	623
16c State & Local Sales Tax	1,268	815	653	815	653
16d Greater of lines 16a + 16b or line 16c	8,949	6,467	1,648	6,467	1,648
17 Real Estate Taxes	5,000	0	5,000	0	5,000
18 Mortgage Interest	6,000	0	6,000	0	6,000
19 Other	0	0	0	0	0
20 Total Subject to Reduction	19,949	6,467	12,648	6,467	12,648
21 High Income Reduction	0	0	0	0	0

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		James	Mary	James	Mary
22 Other Not Reduced	0	0	0	0	0
23 Total Itemized or	19,949	6,467	12,648	6,467	12,648
24 Standard Deduction	11,600	5,800	8,500	8,500	8,500
25 Less Exemptions Allowed including high income reduction	14,800	3,700	11,100	3,700	11,100
26 Total Taxable Income	119,172	98,117	21,889	96,084	21,889
27 Taxable Income Excluding Dividends + LT Capital Gain	114,172	96,117	18,889	94,084	18,889
28 Tax on Regular Income	20,793	20,530	2,226	18,289	2,226
29 Tax on Dividends + LT Cap Gain Inc	750	300	0	300	0
30 Less: Child Care Credit	(800)	0	(800)	0	(800)
31 Education Credits/Other Credits	0	0	0	0	0
32 Tax Before Refundable Credits	20,743	20,830	1,426	18,589	1,426
33 Child Tax Credit - Under Age 17	0	0	(2,000)	0	(2,000)
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	20,743	20,830	(574)	18,589	(574)
38 State Tax	5,826	3,967	1,025	3,967	1,025
39 Local Tax	3,123	2,500	623	2,500	623
40 Soc Sec/Self-Employment Tax	16,252	14,491	1,761	14,491	1,761
41 Total Taxes	45,944	41,788	2,835	39,547	2,835
42 Total Tax Both Parties	45,944		44,623		42,382
43 Marginal Federal + State Tax %	29.1%	31.9%	18.5%	30.5%	18.5%
44 Avg Tax %: Fed + State + Soc Sec	28.5%	32.9%	6.2%	31.1%	6.2%
45 Value Child Dep Exempt + Child Tax Credit	2,011	0	3,255	0	3,255

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: The rates for Single and Married, Separate are the same in OH. This allows more divorcing individuals to file separate returns while still married and save over a Married, Joint return. Tax savings are available with separate returns whether married or divorced in 2011.

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