

FEDERAL INCOME TAX CALCULATION

2011

Last Name: Smith

	<u>John</u>	<u>Mary</u>
State (for Income Taxes)	Other	Other
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	85,000	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	1,000	3,000
10 Taxable Non Cash Inc/Loss	0	0
11 Alimony Received	0	22,000
12 Other Taxable Income	0	0
13 Long Term Capital Gain	0	0
14 Total Income	<u>96,000</u>	<u>55,000</u>

ADJUSTMENTS TO INCOME

15 Alimony Paid	22,000	0
16 1/2 Self-Employment Tax/Other	621	0
17 Retirement Contributions	0	0
18 Interest Student Loans	0	0
19 Higher Education Expense	0	0
20 Total Adjustments	<u>22,621</u>	<u>0</u>
21 Adjusted Gross Income	73,379	55,000

ITEMIZED DEDUCTIONS

22a State Income Tax	0	0
22b Local Income Tax	0	0
22c State & Local Sales Tax	0	0
22d Greater of lines 22a + 22b or line 22c	0	0
23 Real Estate Taxes	0	5,000
24 Other Taxes	0	0
25 Mortgage Interest	0	6,000
26 Contributions	0	0
27 Misc Deductions (2%)/Other Deduct	0	0
28 Total Subject to Reduction	<u>0</u>	<u>11,000</u>
29 High Income Reduction	0	0
30 Medical over 7.5% AGI	0	0

March 16, 2011 05:08 PM

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	<u>John</u>	<u>Mary</u>
31 Investment Interest	0	0
32 Casualty Loss > 10% AGI	0	0
33 Total Itemized or	0	11,000
34 Standard Deduction + Blind + Age 65	5,800	8,500
35 Less: Exemptions Allowed including high income reduction	11,100	3,700
36 Total Taxable Income	56,479	40,300
37 Taxable Income Excluding Dividends + LT Capital Gain	55,479	37,300
38 Tax on Regular Income	9,995	4,988
39 Tax on Dividends + LT Capital Gain Income	150	0
40 Less: Child Care Credit	0	(600)
41 Education Credits/Other Credits	0	0
42 Tax Before Refundable Credits	10,145	4,388
43 Child Tax Credit - Under Age 17	(2,000)	0
44 Earned Income Credit	0	0
45 Making Work Pay Credit	0	0
46 Alternative Minimum Tax	0	0
47 Total Federal Income Tax	8,145	4,388
48 Value Child Dep Exemption	1,850	0
49 Federal & State Marginal Tax %	25.0%	15.0%
50 Soc Sec/Self-Employment Tax	6,045	1,695
51 Avg Tax %: Fed + State + Soc Sec	14.8%	11.1%
52 Maximum 2011 Alimony without Recapture	37,000	

NOTES:

For high income individuals, this tax calculation reflects a reduction of itemized deductions and personal exemption amounts allowed. Reflects high income reduction in current year. Refer to Help.