

Federal Tax Calculation is Complete & Accurate**FEDERAL INCOME TAX CALCULATION** 2011

Last Name: Wealthy	<u>James</u>	<u>Martha</u>
State (for Income Taxes)	PA	PA
1 Filing Status	Mar Sep	Hd Hsld
2 Exemptions Including Taxpayer	1	3
3 No. Under Age 17-Child Credit	0	2

GROSS INCOME

4 Salary	500,000	0
4a Salary Adjustments	0	0
5 Self-Employment Income	0	0
5a Self-Emp Income Adjustments	0	0
6 Social Security Income (Taxable)	0	0
7 Interest-US Govt Securities	0	0
8 Other Interest	10,000	10,000
9 Dividends	0	0
10 Taxable Non Cash Inc/Loss	0	0
11 Alimony Received	0	108,000
12 Other Taxable Income	0	0
13 Long Term Capital Gain	0	0
14 Total Income	510,000	118,000

ADJUSTMENTS TO INCOME

15 Alimony Paid	108,000	0
16 1/2 Self-Employment Tax/Other	0	0
17 Retirement Contributions	0	0
18 Interest Student Loans	0	0
19 Higher Education Expense	0	0
20 Total Adjustments	108,000	0
21 Adjusted Gross Income	402,000	118,000

ITEMIZED DEDUCTIONS

22a State Income Tax	15,657	307
22b Local Income Tax	5,000	0
22c State & Local Sales Tax	1,270	927
22d Greater of lines 22a + 22b or line 22c	20,657	927
23 Real Estate Taxes	10,000	0
24 Other Taxes	0	0
25 Mortgage Interest	20,000	0
26 Contributions	0	0
27 Misc Deductions (2%)/Other Deduct	0	0
28 Total Subject to Reduction	50,657	927
29 High Income Reduction	0	0
30 Medical over 7.5% AGI	0	0

March 25, 2011 09:14 AM

© 2011 Thomson Reuters. All rights reserved.

FEDERAL INCOME TAX CALCULATION 2011

Last Name: Wealthy	<u>James</u>	<u>Martha</u>
31 Investment Interest	0	0
32 Casualty Loss > 10% AGI	0	0
33 Total Itemized or	50,657	927
34 Standard Deduct + Blind + Age 65	5,800	8,500
35 Less: Exemptions Allowed including high income reduction	3,700	11,100
36 Total Taxable Income	347,643	98,400
37 Taxable Income Excluding Dividends + LT Capital Gain	347,643	98,400
38 Tax on Regular Income	106,611	19,368
39 Tax on Dividends + LT Capital Gain Income	0	0
40 Less: Child Care Credit	0	0
41 Education Credits/OtherCredits	0	0
42 Tax Before Refundable Credits	106,611	19,368
43 Child Tax Credit-Under Age 17	0	0
44 Earned Income Credit	0	0
45 Making Work Pay Credit	0	0
46 Alternative Minimum Tax	8,742	0
47 Total Federal Income Tax	115,353	19,368
48 Value Child Dep Exemption	0	1,850
49 Federal & State Marginal Tax %	37.0%	28.1%
50 Soc Sec/Self-Employment Tax	11,736	0
51 Avg Tax Rate %: Fed + State + Soc Sec	29.0%	16.7%
52 Maximum 2011 Alimony without Recapture	123,000	

Note(s):

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.