

FEDERAL INCOME TAX CALCULATION

2011

Last Name: Jones

| | <u>James</u> | <u>Mary</u> |
|---------------------------------|--------------|-------------|
| State (for Income Taxes) | VA | VA |
| 1 Filing Status | Single | Hd Hsld |
| 2 Exemptions Including Taxpayer | 1 | 3 |
| 3 No. Under Age 17 Child Credit | 0 | 2 |

GROSS INCOME

| | | |
|---------------------------------------|----------------|---------------|
| 4 Salary | 90,000 | 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 | 2,000 |
| 10 Taxable Non Cash Inc/Loss | 0 | 0 |
| 11 Alimony Received | 0 | 9,366 |
| 12 Other Taxable Income | 0 | 0 |
| 13 Long Term Capital Gain | 0 | 0 |
| 14 Total Income | <u>101,000</u> | <u>41,366</u> |

ADJUSTMENTS TO INCOME

| | | |
|----------------------------------|---------------|---------------|
| 15 Alimony Paid | 9,366 | 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>9,987</u> | <u>0</u> |
| 21 Adjusted Gross Income | 91,013 | 41,366 |

ITEMIZED DEDUCTIONS

| | | |
|--|--------------|---------------|
| 22a State Income Tax | 4,779 | 1,156 |
| 22b Local Income Tax | 0 | 0 |
| 22c State & Local Sales Tax | 503 | 467 |
| 22d Greater of lines 22a + 22b or line 22c | 4,779 | 1,156 |
| 23 Real Estate Taxes | 0 | 4,000 |
| 24 Other Taxes | 0 | 0 |
| 25 Mortgage Interest | 0 | 7,000 |
| 26 Contributions | 0 | 0 |
| 27 Misc Deductions (2%)/Other Deduct | 0 | 0 |
| 28 Total Subject to Reduction | <u>4,779</u> | <u>12,156</u> |
| 29 High Income Reduction | 0 | 0 |
| 30 Medical over 7.5% AGI | 0 | 0 |

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2011

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| | <u>James</u> | <u>Mary</u> |
|--|---------------|---------------|
| 31 Investment Interest | 0 | 0 |
| 32 Casualty Loss > 10% AGI | 0 | 0 |
| 33 Total Itemized or | 4,779 | 12,156 |
| 34 Standard Deduction + Blind + Age 65 | 5,800 | 8,500 |
| 35 Less: Exemptions Allowed including high income reduction | 3,700 | 11,100 |
| 36 Total Taxable Income | 81,513 | 18,110 |
| 37 Taxable Income Excluding Dividends + LT Capital Gain | 80,513 | 16,110 |
| 38 Tax on Regular Income | 16,253 | 1,809 |
| 39 Tax on Dividends + LT Capital Gain Income | 150 | 0 |
| 40 Less: Child Care Credit | 0 | (630) |
| 41 Education Credits/Other Credits | 0 | 0 |
| 42 Tax Before Refundable Credits | 16,403 | 1,179 |
| 43 Child Tax Credit - Under Age 17 | 0 | (2,000) |
| 44 Earned Income Credit | 0 | 0 |
| 45 Making Work Pay Credit | 0 | 0 |
| 46 Alternative Minimum Tax | 0 | 0 |
| 47 Total Federal Income Tax | 16,403 | (821) |
| 48 Value Child Dep Exemption | 0 | 1,201 |
| 49 Federal & State Marginal Tax % | 30.8% | 19.9% |
| 50 Soc Sec/Self-Employment Tax | 6,327 | 1,695 |
| 51 Avg Tax %: Fed + State + Soc Sec | 27.2% | 4.9% |
| 52 Maximum 2011 Alimony without Recapture | 24,366 | |

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.

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