

**CASE 1**  
Lower-Middle-Income Family, Four Children

Filing Status: MFJ  
Dependents: 4; 2 children over 16

	Current	SITP	GITP
Income:			
Wages	\$ 37,400	\$ 37,400	\$ 37,400
Schedule C Income	2,720	2,720	2,720
Other Ordinary Gains	<u>2,010</u>	<u>2,010</u>	<u>2,010</u>
Gross Income	<u>\$ 42,130</u>	<u>\$ 42,130</u>	<u>\$ 42,130</u>
1/2 Self-Employment (SE) Tax	<u>(192)</u>	<u>(192)</u>	<u>(192)</u>
Adjusted Gross Income	<u>\$ 41,938</u>	<u>\$ 41,938</u>	<u>\$ 41,938</u>
Deductions:			
Standard Deduction	(10,300)	-	-
Exemptions	<u>(19,800)</u>	<u>-</u>	<u>-</u>
Total Deductions and Exemptions	<u>\$ (30,100)</u>	<u>-</u>	<u>-</u>
Taxable Income	\$ 11,838	\$ 41,938	\$ 41,938
Initial Income Tax	1,184	6,291	6,291
Additional AMT	-	-	-
Child Tax Credit	(2,000)	-	-
Family Credit	<u>-</u>	<u>(9,300)</u>	<u>(9,300)</u>
Total Income Tax	\$ -	\$ -	\$ -
Self-Employment (SE) Tax	<u>384</u>	<u>384</u>	<u>384</u>
Total Tax	<u>\$ 384</u>	<u>\$ 384</u>	<u>\$ 384</u>