

**CASE 3**  
Middle-Income Married Couple, No Children; Own Home

Filing Status: MFJ  
Dependents: None

	Current	SITP	GITP
<b>Income:</b>			
Wages	\$119,320	\$119,320	\$119,320
Interest Income	40	40	40
Nonqualified Dividends	100	-	100
Qualified Dividends	20	-	20
Taxable Refunds	780	780	780
Schedule C Income	2,820	2,820	2,820
Short-term Capital Gains/Losses	10	10	10
Long-term Capital Gains/Losses	<u>30</u>	<u>30</u>	<u>30</u>
Gross Income	\$123,120	\$123,000	\$123,120
Student Loan Interest	(300)	-	-
Tuition and Fees Deduction	(4,000)	-	-
1/2 SE Tax	<u>(199)</u>	<u>(199)</u>	<u>(199)</u>
Adjusted Gross Income	<u>\$118,621</u>	<u>\$122,801</u>	<u>\$122,921</u>
<b>Deductions:</b>			
<b>Itemized Deductions:</b>			
State and Local Tax	(10,920)	-	-
Property Taxes	(1,550)	-	-
Home Mortgage Interest	(11,350)	-	-
Charity	(4,650)	(3,420)	(3,421)
Misc. Subj. 2%	<u>(350)</u>	<u>-</u>	<u>-</u>
Total Deductions	\$(28,820)	\$(3,420)	\$ (3,421)
Exemptions	(6,600)	-	-
Total Deductions and Exemptions	<u>\$(35,420)</u>	<u>\$ (3,420)</u>	<u>\$ (3,421)</u>
Taxable Income	\$ 83,201	\$ 119,381	\$ 119,500
Initial Income Tax	13,911	22,040	21,856
Additional AMT	-	-	-
Family Credit	-	(3,300)	(3,300)
Home Credit	<u>-</u>	<u>(1,703)</u>	<u>(1,703)</u>
Total Income Tax	\$ 13,911	\$ 17,037	\$ 16,854
Self-Employment Tax	<u>398</u>	<u>398</u>	<u>398</u>
Total Tax	<u>\$ 14,309</u>	<u>\$ 17,436</u>	<u>\$ 17,252</u>