

CASE 5
Upper-Middle-Income Family, Two Children; Own Home

Filing Status: MFJ
Dependents: 2

	Current	SITP	GITP
Income:			
Wages	\$102,180	\$102,180	\$102,180
Interest Income	1,420	1,420	1,420
Nonqualified Dividends	-	-	-
Qualified Dividends	340	-	340
Taxable Refunds	-	-	-
Schedule C	208,060	208,060	208,060
Short-term Capital Gains/Losses	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>
Gross Income	<u>\$309,000</u>	<u>\$308,660</u>	<u>\$309,000</u>
Self-Employed SEP	(29,750)	(29,750)	(29,750)
Educator Expense			
Student-Loan Interest	-	-	-
Tuition and Fees Deduction	-	-	-
1/2 SE Tax	<u>(8,627)</u>	<u>(8,627)</u>	<u>(8,627)</u>
Adjusted Gross Income	<u>\$270,623</u>	<u>\$270,283</u>	<u>\$270,623</u>
Deductions:			
Itemized Deductions:			
State and Local Tax	(19,360)	-	-
Property Taxes	(7,790)	-	-
Charity	\$ (3,180)	\$ (93)	\$ (90)
Add-Back for Limitation	<u>2,403</u>	<u>-</u>	<u>-</u>
Total Deductions	\$ (27,927)	(93)	(90)
Exemptions	<u>(10,032)</u>	<u>-</u>	<u>-</u>
Total Deductions and Exemptions	<u>\$ (37,959)</u>	<u>\$ (93)</u>	<u>\$ (90)</u>
Taxable Income	\$232,664	\$270,190	\$270,533
Initial Income Tax	56,700	67,863	65,896
Additional AMT	5,347	-	-
Family Credit	<u>-</u>	<u>(6,300)</u>	<u>(6,300)</u>
Total Income Tax	\$ 62,047	\$ 61,563	\$ 59,596
Self-Employment Tax	<u>17,253</u>	<u>17,253</u>	<u>17,253</u>
Total Tax	<u>\$ 79,300</u>	<u>\$ 78,816</u>	<u>\$ 76,849</u>