

CASE 7
High-Income Family, Two Children; Capital Gains; Own Home

Filing Status: MFJ

Dependents: 2

	Current	SITP	GITP
Income:			
Wages	\$ 726,690	\$ 726,690	\$ 726,690
Interest Income	10,260	10,260	10,260
Nonqualified Dividends	460	-	460
Qualified Dividends	28,730	-	28,730
Taxable Refunds	-	-	-
Schedule C	-	-	-
Short-term Capital Gain/Loss	2,340	2,340	2,340
Long-term Capital Gain/Loss	134,930	134,930	134,930
Capital Gains Excluded	-	(101,198)	-
Schedule E	<u>(1,850)</u>	<u>(1,850)</u>	<u>(1,850)</u>
Gross Income	\$ 901,560	\$ 771,173	\$ 901,560
Adjusted Gross Income	\$ 901,560	\$ 771,173	\$ 901,560
Deductions:			
Itemized Deductions:			
State and Local Tax	(96,460)	-	-
Property Taxes	(20,650)	-	-
Home Mortgage Interest	(34,820)	-	-
Investment Interest	(8,750)	-	-
Charity	(35,740)	(28,028)	(26,724)
Misc. Subj. 2%	(110)	-	-
Add-Back for Limitation	15,021	-	-
Total Deductions	\$(181,509)	\$ (28,028)	\$ (26,724)
Exemptions	<u>(4,400)</u>	<u>-</u>	<u>-</u>
Total Deductions and Exemptions	\$(185,909)	\$ (28,028)	\$ (26,724)
Taxable Income	\$ 715,651	\$ 743,144	\$ 821,387
Initial Income Tax	\$ 190,996	\$ 223,938	\$ 205,259
Additional AMT	25,218	-	-
FTC	(1,010)	(1,010)	(1,010)
Family Credit	-	(6,300)	(6,300)
Home Credit	<u>-</u>	<u>(4,046)</u>	<u>(4,046)</u>
Total Income Tax	\$ 215,204	\$ 212,581	\$ 193,903
Self-Employment Tax	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax	\$ 215,204	\$ 212,581	\$ 193,903