

Name _____

HW Income Tax Day 3

Show all work – Round percentages to the nearest hundredth.

Calculate the tax owed using the marginal tax rates for 2012.

1. Gene is single with no dependents and had taxable income of \$35,400.

_____ What bracket is Gene in?

_____ Using the marginal tax system, calculate what Gene's taxes will be.

_____ What is the actual percentage paid of his taxable income?

2. Winona and Jim are married filing jointly with no dependents. They have a combined taxable income of \$105,500.

_____ What tax bracket are Winona and Jim in?

_____ Using the marginal tax system, calculate what Winona and Jim's taxes will be.

_____ What is the actual percentage paid of their taxable income?

3. Paul is a head of household taking care of his three children. His adjusted gross income is \$70,250.

_____ Assuming that Paul is claiming the standard deduction, what is his taxable income?

_____ What tax bracket is Paul in?

_____ Using the marginal tax system, calculate what Paul's taxes will be.

_____ What is the actual percentage paid of his taxable income?

4. Bobbi is married filing separately with a taxable income of \$77,300.

_____ What bracket is Bobbi in?

_____ Using the marginal tax system, calculate what Bobbi's taxes will be.

_____ What is the actual percentage paid of her taxable income?

5. Ryan had an adjusted gross income of \$27,600. He is claiming \$6400 in itemized deductions.

_____ What is his taxable income if he is single and entitled to a personal exemption?

_____ What tax bracket is Ryan in?

_____ Using the marginal tax system, calculate what Ryan's taxes will be. What is the actual percentage paid of his taxable income?

6. Stanley is a head of household with one child and has taxable income of \$76,550.

_____ What bracket is Stanley in?

_____ Using the marginal tax system, calculate what Stanley's taxes will be.

_____ What is the actual percentage paid of his taxable income?

7. Doug and Carrie are married with no children. Carrie's taxable income is \$72,000 while Doug's taxable income is \$27,000.

_____ If Doug and Carrie file jointly, what tax bracket are they in?

_____ If Doug and Carrie file separately, what tax bracket will Doug be in?

_____ If Doug and Carrie file separately, what tax bracket will Carrie be in?

_____ Calculate the tax owed for Doug and Carrie if they file jointly.

_____ Calculate the tax owed for Doug if they file separately.

_____ Calculate the tax owed for Carrie if they file separately.

8. Mike and Gina are married with two children. Mike earned \$88,000 in wages and Gina earned \$65,000 in wages. They received \$1560 in interest from a savings account, and contributed \$9648 into a tax-deferred retirement plan. Mike and Gina have the following deductible expenditures: \$8900 for interest on a home, \$560 for contributions to charity, \$5450 for medical expenses, and \$430 for state income taxes.

_____ Calculate their gross income.

_____ Calculate their adjusted gross income.

_____ Calculate their taxable income.

_____ What tax bracket are Mike and Gina in if they file jointly?

_____ Using the marginal tax system, calculate what Mike and Gina's taxes will be.

_____ What is the actual percentage paid of their taxable income?