

6-1 TAX TABLES, WORKSHEETS, AND SCHEDULES

Advanced Financial Algebra

THERE ARE MANY DIFFERENT TYPES OF TAXES

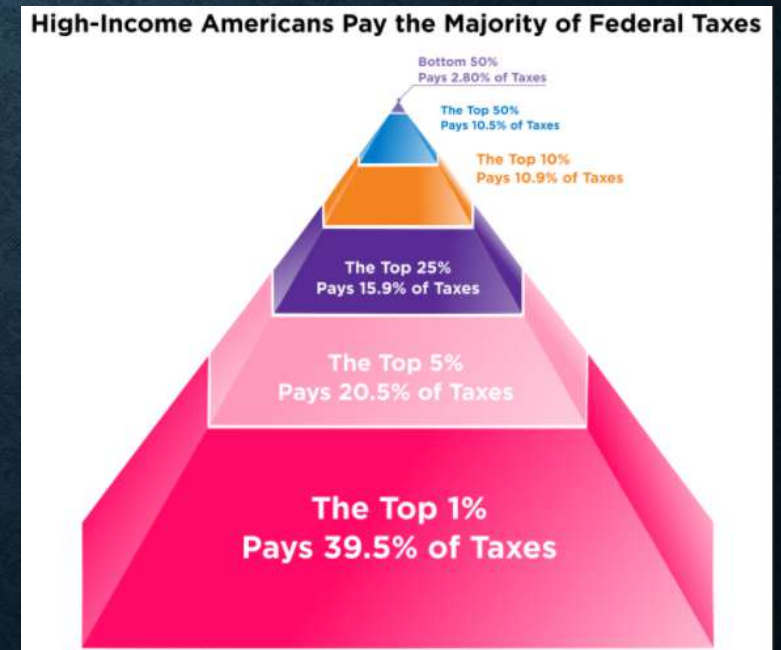
- Property tax on property you own
- Sales tax on items you buy
- Income tax on money you make, etc.

FEDERAL INCOME TAX IS COLLECTED BY THE I.R.S. (INTERNAL REVENUE SERVICE

- Your filing status affects how much income tax you pay.
 - Single
 - Married filing jointly (together)
 - Married filing separately
 - Head of household

EXAMPLE #1

- Ron is single and calculating his taxes with a taxable income of \$51,482.00 using the tax table. How much does Ron owe in taxes?



EXAMPLE #1 SOLUTION

- Look at the appropriate row for his income of \$51,482.00 which falls between \$51,450 and \$51,500 to find out how much he owes in taxes.
- Interval notation [51450,51500)
- Inequality notation $51450 \leq < 51500$
- The single filing status column says he owes \$8,663.

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly*	Married filing sepa- rately	Head of a house- hold
Your tax is—					
51,000					
51,000	51,050	8,550	6,731	8,550	7,079
51,050	51,100	8,563	6,739	8,563	7,091
51,100	51,150	8,575	6,746	8,575	7,104
51,150	51,200	8,588	6,754	8,588	7,116
51,200	51,250	8,600	6,761	8,600	7,129
51,250	51,300	8,613	6,769	8,613	7,141
51,300	51,350	8,625	6,776	8,625	7,154
51,350	51,400	8,638	6,784	8,638	7,166
51,400	51,450	8,650	6,791	8,650	7,179
51,450	51,500	8,663	6,799	8,663	7,191
51,500	51,550	8,675	6,806	8,675	7,204
51,550	51,600	8,688	6,814	8,688	7,216
51,600	51,650	8,700	6,821	8,700	7,229
51,650	51,700	8,713	6,829	8,713	7,241
51,700	51,750	8,725	6,836	8,725	7,254
51,750	51,800	8,738	6,844	8,738	7,266
51,800	51,850	8,750	6,851	8,750	7,279
51,850	51,900	8,763	6,859	8,763	7,291
51,900	51,950	8,775	6,866	8,775	7,304
51,950	52,000	8,788	6,874	8,788	7,316

EXAMPLE #2

- Maria and Don are married taxpayers filing a joint return with a taxable income of \$153,900. Use the tax schedule below to calculate their tax.

if your filing status is **Married filing jointly** or **Qualifying widow(er)**

If your taxable income is:		The tax is:	
<i>Over—</i>	<i>But not over—</i>		<i>of the amount over—</i>
\$0	\$18,450	..... 10%	\$0
18,450	74,900	\$1,845.00 + 15%	18,450
74,900	151,250	10,312.50 + 25%	74,900
151,200	230,450	29,387.50 + 28%	151,200
230,450	411,500	51,577.50 + 33%	230,450
411,500	464,850	111,324.00 + 35%	411,500
464,850	.....	129,996.50 + 35%	464,850

EXAMPLE #2 SOLUTION

- $\$151,200 \leq \$153,900 (h) \leq \$230,450$
- They use this row of the table:

151,200	230,450	29,387.50 + 28%	151,200
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- and pay $\$29387.50 + 28\%$ of income over $\$151,200$
- which is $\$29387.50 + .28 * \$2,700$
- for a total tax bill of $\$30,143.50$

ASSIGNMENT: PG 336 #2-9, 17

Use these excerpts from a tax table to answer Exercises #2-5

If line 43 (taxable income) is—		And you are —			
At least	But less than	Single	Married filing jointly*	Married filing separately	Head of a household
Your tax is —					
57,000					
57,000	57,050	10,050	7,631	10,050	8,579
57,050	57,100	10,063	7,639	10,063	8,591
57,100	57,150	10,075	7,646	10,075	8,604
57,150	57,200	10,088	7,654	10,088	8,616
57,200	57,250	10,100	7,661	10,100	8,629
57,250	57,300	10,113	7,669	10,113	8,641
57,300	57,350	10,125	7,676	10,125	8,654
57,350	57,400	10,138	7,684	10,138	8,666
57,400	57,450	10,150	7,691	10,150	8,679
57,450	57,500	10,163	7,699	10,163	8,691
57,500	57,550	10,175	7,706	10,175	8,704
57,550	57,600	10,188	7,714	10,188	8,716
57,600	57,650	10,200	7,721	10,200	8,729
57,650	57,700	10,213	7,729	10,213	8,741
57,700	57,750	10,225	7,736	10,225	8,754
57,750	57,800	10,238	7,744	10,238	8,766
57,800	57,850	10,250	7,751	10,250	8,779
57,850	57,900	10,263	7,759	10,263	8,791
57,900	57,950	10,275	7,766	10,275	8,804
57,950	58,000	10,288	7,774	10,288	8,816

If line 43 (taxable income) is—		And you are —			
At least	But less than	Single	Married filing jointly*	Married filing separately	Head of a household
Your tax is —					
60,000					
60,000	60,050	10,800	8,081	10,800	9,329
60,050	60,100	10,813	8,089	10,813	9,341
60,100	60,150	10,825	8,096	10,825	9,354
60,150	60,200	10,838	8,104	10,838	9,366
60,200	60,250	10,850	8,111	10,850	9,379
60,250	60,300	10,853	8,119	10,863	9,391
60,300	60,350	10,875	8,126	10,875	9,404
60,350	60,400	10,888	8,134	10,888	9,416
60,400	60,450	10,900	8,141	10,900	9,429
60,450	60,500	10,913	8,149	10,913	9,441
60,500	60,550	10,925	8,156	10,925	9,454
60,550	60,600	10,938	8,164	10,938	9,466
60,600	60,650	10,950	8,171	10,950	9,479
60,650	60,700	10,953	8,179	10,963	9,491
60,700	60,750	10,975	8,186	10,975	9,504
60,750	60,800	10,988	8,194	10,988	9,516
60,800	60,850	11,000	8,201	11,000	9,529
60,850	60,900	11,013	8,209	11,013	9,541
60,900	60,950	11,025	8,216	11,025	9,554
60,950	61,000	11,038	8,224	11,038	9,566

If line 43 (taxable income) is—		And you are —			
At least	But less than	Single	Married filing jointly*	Married filing separately	Head of a household
Your tax is —					
63,000					
63,000	63,050	11,550	8,531	11,550	10,079
63,050	63,100	11,563	8,539	11,563	10,091
63,100	63,150	11,575	8,546	11,575	10,104
63,150	63,200	11,588	8,554	11,588	10,116
63,200	63,250	11,600	8,561	11,600	10,129
63,250	63,300	11,613	8,569	11,613	10,141
63,300	63,350	11,625	8,576	11,625	10,154
63,350	63,400	11,638	8,584	11,638	10,166
63,400	63,450	11,650	8,591	11,650	10,179
63,450	63,500	11,663	8,599	11,663	10,191
63,500	63,550	11,675	8,606	11,675	10,204
63,550	63,600	11,688	8,614	11,688	10,216
63,600	63,650	11,700	8,621	11,700	10,229
63,650	63,700	11,713	8,629	11,713	10,241
63,700	63,750	11,725	8,636	11,725	10,254
63,750	63,800	11,738	8,644	11,738	10,266
63,800	63,850	11,750	8,651	11,750	10,279
63,850	63,900	11,763	8,659	11,763	10,291
63,900	63,950	11,775	8,666	11,775	10,304
63,950	64,000	11,788	8,674	11,788	10,316

ASSIGNMENT: PG 336 #2-9, 17 CONT.

- 2. Determine the tax for each filing status and taxable income amount.

a. single \$57,723

b. head of household \$60,950

c. married filing jointly \$63,999

d. married filing separately \$57,521

- 3.

a. $t = \$60,124$

b. $t = \$57,333$

ASSIGNMENT: PG 336 #2-9, 17 CONT.

• 4.

Given the taxable income amount, express the tax table line that would be used in interval notation.

a. $i = \$57,555$

b. $i = \$63,411$

c. $i = \$60,002$

d. $i = \$63,301$

- 5. Given the filing status and tax, identify the taxable income interval that was used to determine the tax.
- A) head of household \$9,404
 - B) single \$11,775
 - C) married filing jointly \$7,699
 - D) married filing separately \$10,200

ASSIGNMENT: PG 336 #2-9, 17 CONT.

Use the Schedule Z to answer Exercises #6-9

Schedule Z—If your filing status is Head of household

If your taxable income is:		The tax is:	
<i>Over—</i>	<i>But not over—</i>		<i>of the amount over—</i>
\$0	\$13,150	..... 10%	\$0
13,150	50,200	\$1,315.00 + 15%	13,150
50,200	129,600	6,872.50 + 25%	50,200
129,600	209,850	26,722.50 + 28%	129,600
209,850	411,500	49,192.50 + 33%	209,850
411,500	439,000	115,737.00 + 35%	411,500
439,000	.....	125,362.00 + 39.6%	439,000

ASSIGNMENT: PG 336 #2-9, 17 CONT.

• 6.

Calculate the tax for each taxable income of a head of household.

a. \$400,000

b. \$10,954

c. \$108,962

d. \$209,850

• 7.

For what taxable income would a taxpayer have to pay \$26,277.50 in taxes?

ASSIGNMENT: PG 336 #2-9, 17 CONT.

• 8.

According to the tax schedule, Rich has to pay \$25,000 in taxes. What is Rich's taxable income?

• 9.

Kelly's taxable income is \$110,000. Approximately what percent of her taxable income is her tax?

ASSIGNMENT: PG 336 #2-9, 17 CONT.

Use the tax table to calculate the tax of a head of household taxpayer with a taxable income of \$27,811.

• 17.

If line 43 (taxable income) is—		And you are —			
At least	But less than	Single	Married filing jointly*	Married filing sepa- rately	Head of a house- hold
27,000					
27,000	27,050	3,593	3,131	3,593	3,396
27,050	27,100	3,600	3,139	3,600	3,404
27,100	27,150	3,608	3,146	3,608	3,411
27,150	27,200	3,615	3,154	3,615	3,419
27,200	27,250	3,623	3,161	3,623	3,426
27,250	27,300	3,630	3,169	3,630	3,434
27,300	27,350	3,638	3,176	3,638	3,441
27,350	27,400	3,645	3,184	3,645	3,449
27,400	27,450	3,653	3,191	3,653	3,456
27,450	27,500	3,660	3,199	3,660	3,464
27,500	27,550	3,668	3,206	3,668	3,471
27,550	27,600	3,675	3,214	3,675	3,479
27,600	27,650	3,683	3,221	3,683	3,486
27,650	27,700	3,690	3,229	3,690	3,494
27,700	27,750	3,698	3,236	3,698	3,501
27,750	27,800	3,705	3,244	3,705	3,509
27,800	27,850	3,713	3,251	3,713	3,516
27,850	27,900	3,720	3,259	3,720	3,524
27,900	27,950	3,728	3,266	3,728	3,531
27,950	28,000	3,735	3,274	3,735	3,539