

In-class/Homework Assignment

Case Study - Calculating the tax benefits of home ownership.

This assignment is divided into two parts. In both cases you will assume that you are about 27 years of age, a Harvey Mudd graduate, out in the work force and still single. You make a gross income of \$46,200 per year and earn a little income from interest earned. You are calculating your income taxes for the year. In **assignment a**, we will assume that you are renting, and you will calculate your income tax on your **IRS Schedule 1040**. In **assignment b**, we will retain all assumptions except we will assume that you are buying a house in the price range that your income can afford. Using **Schedule A**, you will recalculate your taxes on **IRS Schedule 1040** to see what difference home ownership makes.

Assumptions: Here are the common assumptions we are making about you, to be used in both cases. You will need these numbers to complete your worksheets.

- ! Your annual wages, as reported on your W2, equal \$46,200.
- ! You have earned taxable interest income of \$800 (and would complete a **Schedule B** to that effect - which I am not asking you to do - the treatment of this income would be the same if it were capital gains from mutual funds, though it would be recorded elsewhere on the Form 1040).
- ! You are single with no dependents.
- ! You made a charitable donation of \$500 to Harvey Mudd College as an expression of your gratitude for the excellence of your education.
- ! You have withheld for California state income taxes and must pay state income taxes. You would ordinarily calculate that as well, but I will do that for you. The amount will depend upon whether you are able to use a home interest deduction on **Schedule A**, as will be seen in the assignment below.
- ! You have paid 7.65% of your wage income to the FICA payroll tax, which in your case equals \$3534.30. Your employer has made an equal contribution.

Other assumptions will be made in each of the two cases below.

Assignment a: Calculating your income tax assuming that you rent.

Here are the additional assumptions needed to complete this assignment:

- ! Without a home interest deduction, you will pay California state income taxes of \$2,258.

Now do the following, using the forms indicated.

- a1.** Using the front page of the **Form 1040**, calculate you adjusted gross income (line 31), filling in the following lines: 1, 6a, 6e, 7, 8a, 22, and 31.
- a2.** Using the back page of the **Form 1040** with the label at the top **use this for assignment a - no mortgage deduction**, calculate your taxable income (line 37), filling in the following

lines: 32, 34, 35, 36, and 37. *Make sure you understand what you are doing on lines 34 - you must take the standard deduction here (you will see why in assignment b) - and 36.*

- a3. Using the appropriate tax table of the two provided, calculate and enter you tax on line 38.
- a4. Now answer the following additional questions:

1. What is your total annual tax burden from federal income taxes, California state taxes, and the FICA tax?	
2. With an annual wage of \$46,200, your monthly income equals \$3,850. What is your net pay after these deductions?	
3. Using the same tax table used to calculate your taxes, calculate your marginal tax rate by dividing (your tax minus the tax for the next bracket down) by 50. Can you see why this is the marginal tax rate?	
4. In addition to your answer to #3, your state income tax marginal rate will be 9% (I calculated that for you) and, as always, your FICA will be 7.65%. Given this, if you get a raise of \$100, how much of it will be taxed?	

Assignment b: Calculating your income tax assuming that you are buying a home and have a mortgage interest and property tax deduction.

Here are the additional assumptions needed to complete this assignment:

- ! You are buying a home and your total monthly payment for all loan servicing and fees equals \$1,320. (This would be the payment for a home in the \$140,000 to \$170,000 price range, depending upon type of mortgage, rate, and size of down payment). Would you qualify for a payment this high? Assuming relatively little debt and bank using a 33/40 rule, you would easily qualify.

- ! This payment is broken down as follows: \$900 mortgage interest (deductible), \$50 principal reduction (not deductible), \$250 personal property taxes (deductible), and \$120 insurance (not deductible). You will later need to calculate the annual deductibles for Schedule A.
- ! Your state income tax for the year will be only \$1,220 with this mortgage deduction - you have already saved \$1,038 without yet doing your federal taxes! This \$1,220 figure you will use on Schedule A.

Now do the following, using the forms indicated.

- b1.** You will use the same **Form 1040** front page as in assignment a. Nothing changes there.
- b2.** Find the back page of the **Form 1040** with the label at the top **use this for assignment b - mortgage deduction on Sch A**. Fill in line 32 for adjusted gross income.
- b3.** As was done in **assignment a** we need to fill in lines 34 through 38. But this time to complete line 34 we need to first do **Schedule A** (instead of using the standard deduction as was done in **assignment a**). Find **Schedule A** and fill in lines 5, 7, and 9. You need the information from above to do this.
- b4.** On **Schedule A** fill in the interest deduction in lines 10 and 14. Make sure you put in the *annual* amount.
- b5.** On **Schedule A** lines 15 and 18 fill in your charitable contribution to HMC. Note that you would not be able to deduct this nor anything else on this page unless it exceeded \$3,900 without your home interest deduction.
- b6.** On **Schedule A** complete line 28 and move the total over to **Form 1040** line 34. Then complete lines 36 through 37.
- b7.** Using the appropriate tax table, calculate and enter your tax on line 38.
- b8.** Compare the two **Form 1040** back pages from these two assignments, comparing in particular lines 34 and 38.
- b9.** Do you see why that you usually must take the standard deduction of \$3,900 if you do not own a home for your entry to line 34 of **Form 1040**?
- b10.** Do you understand that your state income tax would also be lower (in your case, \$2,258 for a renter as opposed to \$1,220 otherwise) for the same reason?
- b10.** Answer these questions:

<p>1. How much lower are your federal income taxes in assignment b?</p>	
<p>2. Adding the state tax savings to the answer to question 1, what are your total annual tax savings?</p>	
<p>3. Under assignment b, what is your <i>average</i> tax rate (sum of the three taxes, including FICA, divided by Gross Income)?</p>	
<p>4. Under assignment a, what was your average tax rate?</p>	
<p>5. Using your answer to question 2, how much are your <i>monthly</i> tax savings - or in other words, by how much does your after-tax income rise?</p>	
<p>6. What, then, is the after-tax or <i>rent-equivalent</i> cost of buying your house (your house payment minus this monthly tax savings)?</p>	

For the year Jan. 1—Dec. 31, 1995, or other tax year beginning 1995, ending 19 OMB No. 1545-0074

Label

(See instructions on page 11.)

Use the IRS label. Otherwise, please print or type.

Form with fields for name, address, and social security numbers.

Your social security number Spouse's social security number

For Privacy Act and Paperwork Reduction Act Notice, see page 7.

Presidential Election Campaign

Do you want \$3 to go to this fund? If a joint return, does your spouse want \$3 to go to this fund?

Table with Yes/No columns and a note about checking 'Yes'.

Filing Status

(See page 11.)

Check only one box.

- 1 Single 2 Married filing joint return... 3 Married filing separate return... 4 Head of household... 5 Qualifying widow(er)...

Exemptions

(See page 12.)

If more than six dependents, see page 13.

Form for exemptions including 6a Yourself, 6b Spouse, 6c Dependents, and 6e Total number of exemptions claimed.

Income

Attach Copy B of your Forms W-2, W-2G, and 1099-R here.

If you did not get a W-2, see page 14.

Enclose, but do not attach, your payment and payment voucher. See page 33.

Main income section with lines 7 through 22 for various income types and taxable amounts.

Adjustments to Income

Form for adjustments to income including lines 23a through 30.

Adjusted Gross Income

Line 31: Subtract line 30 from line 22. This is your adjusted gross income.

Tax Computation

(See page 23.)

If you want the IRS to figure your tax, see page 35.

Credits

(See page 24.)

Other Taxes

(See page 25.)

Payments

Attach Forms W-2, W-2G, and 1099-R on the front.

Refund or Amount You Owe

32	Amount from line 31 (adjusted gross income)		32
33a	Check if: <input type="checkbox"/> You were 65 or older, <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here	▶ 33a	
b	If your parent (or someone else) can claim you as a dependent, check here	▶ 33b	<input type="checkbox"/>
c	If you are married filing separately and your spouse itemizes deductions or you are a dual-status alien, see page 23 and check here	▶ 33c	<input type="checkbox"/>
34	Enter the larger of your: Itemized deductions from Schedule A, line 28, OR Standard deduction shown below for your filing status. But if you checked any box on line 33a or b, go to page 23 to find your standard deduction. If you checked box 33c, your standard deduction is zero. • Single—\$3,900 • Married filing jointly or Qualifying widow(er)—\$6,550 • Head of household—\$5,750 • Married filing separately—\$3,275		34
35	Subtract line 34 from line 32		35
36	If line 32 is \$86,025 or less, multiply \$2,500 by the total number of exemptions claimed on line 6e. If line 32 is over \$86,025, see the worksheet on page 23 for the amount to enter		36
37	Taxable income. Subtract line 36 from line 35. If line 36 is more than line 35, enter -0-		37
38	Tax. Check if from a <input type="checkbox"/> Tax Table, b <input type="checkbox"/> Tax Rate Schedules, c <input type="checkbox"/> Capital Gain Tax Worksheet, or d <input type="checkbox"/> Form 8615 (see page 24). Amount from Form(s) 8614	▶ ●	38
39	Additional taxes. Check if from a <input type="checkbox"/> Form 4970 b <input type="checkbox"/> Form 4972		39
40	Add lines 38 and 39		40
41	Credit for child and dependent care expenses. Attach Form 2441	41	
42	Credit for the elderly or the disabled. Attach Schedule R	42	
43	Foreign tax credit. Attach Form 1116	43	
44	Other credits (see page 25). Check if from a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8396 c <input type="checkbox"/> Form 8801 d <input type="checkbox"/> Form (specify)	44	
45	Add lines 41 through 44		45
46	Subtract line 45 from line 40. If line 45 is more than line 40, enter -0-		46
47	Self-employment tax. Attach Schedule SE		47
48	Alternative minimum tax. Attach Form 6251		48
49	Recapture taxes. Check if from a <input type="checkbox"/> Form 4255 b <input type="checkbox"/> Form 8611 c <input type="checkbox"/> Form 8828		49
50	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137		50
51	Tax on qualified retirement plans, including IRAs. If required, attach Form 5329		51
52	Advance earned income credit payments from Form W-2		52
53	Household employment taxes. Attach Schedule H		53
54	Add lines 46 through 53. This is your total tax		54
55	Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	55	
56	1995 estimated tax payments and amount applied from 1994 return	56	
57	Earned income credit. Attach Schedule EIC if you have a qualifying child. Nontaxable earned income: amount and type	57	
58	Amount paid with Form 4868 (extension request)	58	
59	Excess social security and RRTA tax withheld (see page 32)	59	
60	Other payments. Check if from a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136	60	
61	Add lines 55 through 60. These are your total payments		61
62	If line 61 is more than line 54, subtract line 54 from line 61. This is the amount you OVERPAID		62
63	Amount of line 62 you want REFUNDED TO YOU		63
64	Amount of line 62 you want APPLIED TO YOUR 1996 ESTIMATED TAX	▶ 64	
65	If line 54 is more than line 61, subtract line 61 from line 54. This is the AMOUNT YOU OWE. For details on how to pay and use Form 1040-V, Payment Voucher, see page 33		65
66	Estimated tax penalty (see page 33). Also include on line 65	66	

Sign Here

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation
Spouse's signature. If a joint return, BOTH must sign.	Date	Spouse's occupation
Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
Firm's name (or yours if self-employed) and address	EIN	Preparer's social security no.
	ZIP code	

Paid Preparer's Use Only

Tax Computation

(See page 23.)

If you want the IRS to figure your tax, see page 35.

32 Amount from line 31 (adjusted gross income)
33a Check if: You were 65 or older, Blind; Spouse was 65 or older, Blind.
34 Enter the larger of: Itemized deductions from Schedule A, line 28, OR Standard deduction shown below for your filing status.
35 Subtract line 34 from line 32
36 If line 32 is \$86,025 or less, multiply \$2,500 by the total number of exemptions claimed on line 6e.
37 Taxable income. Subtract line 36 from line 35.
38 Tax. Check if from a Tax Table, b Tax Rate Schedules, c Capital Gain Tax Worksheet, or d Form 8815
39 Additional taxes. Check if from a Form 4970 b Form 4972
40 Add lines 38 and 39

Credits

(See page 24.)

41 Credit for child and dependent care expenses. Attach Form 2441
42 Credit for the elderly or the disabled. Attach Schedule R
43 Foreign tax credit. Attach Form 1116
44 Other credits (see page 25). Check if from a Form 3800 b Form 8396 c Form 8801 d Form (specify)
45 Add lines 41 through 44
46 Subtract line 45 from line 40. If line 45 is more than line 40, enter -0-

Other Taxes

(See page 25.)

47 Self-employment tax. Attach Schedule SE
48 Alternative minimum tax. Attach Form 6251
49 Recapture taxes. Check if from a Form 4255 b Form 8611 c Form 8828
50 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
51 Tax on qualified retirement plans, including IRAs. If required, attach Form 5329
52 Advance earned income credit payments from Form W-2
53 Household employment taxes. Attach Schedule H
54 Add lines 46 through 53. This is your total tax

Payments

Attach Forms W-2, W-2G, and 1099-R on the front.

55 Federal income tax withheld. If any is from Form(s) 1099, check
56 1995 estimated tax payments and amount applied from 1994 return
57 Earned income credit. Attach Schedule EIC if you have a qualifying child. Nontaxable earned income: amount and type
58 Amount paid with Form 4868 (extension request)
59 Excess social security and RRTA tax withheld (see page 32)
60 Other payments. Check if from a Form 2439 b Form 4136
61 Add lines 55 through 60. These are your total payments

Refund or Amount You Owe

62 If line 61 is more than line 54, subtract line 54 from line 61. This is the amount you OVERPAID.
63 Amount of line 62 you want REFUNDED TO YOU.
64 Amount of line 62 you want APPLIED TO YOUR 1996 ESTIMATED TAX
65 If line 54 is more than line 61, subtract line 61 from line 54. This is the AMOUNT YOU OWE. For details on how to pay and use Form 1040-V, Payment Voucher, see page 33
66 Estimated tax penalty (see page 33). Also include on line 65

Sign Here

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature, Date, Your occupation
Spouse's signature. If a joint return, BOTH must sign. Date, Spouse's occupation
Preparer's signature, Date, Check if self-employed, Preparer's social security no.
Firm's name (or yours if self-employed) and address, EIN, ZIP code

Paid Preparer's Use Only

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions
(Schedule B is on back)

OMB No. 1545-0074

1995

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (5)

▶ **Attach to Form 1040.** ▶ See instructions for Schedules A and B (Form 1040).

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses	1	Caution: Do not include expenses reimbursed or paid by others. Medical and dental expenses (see page A-1)	1			
	2	Enter amount from Form 1040, line 32. 2				
	3	Multiply line 2 above by 7.5% (.075)	3			
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-				4
Taxes You Paid (See page A-1.)	5	State and local income taxes	5			
	6	Real estate taxes (see page A-2)	6			
	7	Personal property taxes	7			
	8	Other taxes. List type and amount ▶	8			
	9	Add lines 5 through 8				9
Interest You Paid (See page A-2.)	10	Home mortgage interest and points reported to you on Form 1098	10			
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address ▶	11			
	12	Points not reported to you on Form 1098. See page A-3 for special rules	12			
	13	Investment interest. If required, attach Form 4952. (See page A-3.)	13			
Note: Personal interest is not deductible.	14	Add lines 10 through 13				14
Gifts to Charity If you made a gift and got a benefit for it, see page A-3.	15	Gifts by cash or check. If you made any gift of \$250 or more, see page A-3	15			
	16	Other than by cash or check. If any gift of \$250 or more, see page A-3. If over \$500, you MUST attach Form 8283	16			
	17	Carryover from prior year	17			
	18	Add lines 15 through 17				18
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-4.)				19
Job Expenses and Most Other Miscellaneous Deductions (See page A-5 for expenses to deduct here.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. If required, you MUST attach Form 2106 or 2106-EZ. (See page A-5.) ▶	20			
	21	Tax preparation fees	21			
	22	Other expenses—investment, safe deposit box, etc. List type and amount ▶	22			
	23	Add lines 20 through 22	23			
	24	Enter amount from Form 1040, line 32. 24	24			
	25	Multiply line 24 above by 2% (.02)	25			
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-				26
Other Miscellaneous Deductions	27	Other—from list on page A-5. List type and amount ▶				27
Total Itemized Deductions	28	Is Form 1040, line 32, over \$114,700 (over \$57,350 if married filing separately)? NO. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 34, the larger of this amount or your standard deduction. YES. Your deduction may be limited. See page A-5 for the amount to enter.				28

1995 Tax Table—Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
23,000						26,000						29,000					
23,000	23,050	3,454	3,454	3,912	3,454	26,000	26,050	4,252	3,904	4,752	3,904	29,000	29,050	5,092	4,354	5,592	4,354
23,050	23,100	3,461	3,461	3,926	3,461	26,050	26,100	4,266	3,911	4,766	3,911	29,050	29,100	5,106	4,361	5,606	4,361
23,100	23,150	3,469	3,469	3,940	3,469	26,100	26,150	4,280	3,919	4,780	3,919	29,100	29,150	5,120	4,369	5,620	4,369
23,150	23,200	3,476	3,476	3,954	3,476	26,150	26,200	4,294	3,926	4,794	3,926	29,150	29,200	5,134	4,376	5,634	4,376
23,200	23,250	3,484	3,484	3,968	3,484	26,200	26,250	4,308	3,934	4,808	3,934	29,200	29,250	5,148	4,384	5,648	4,384
23,250	23,300	3,491	3,491	3,982	3,491	26,250	26,300	4,322	3,941	4,822	3,941	29,250	29,300	5,162	4,391	5,662	4,391
23,300	23,350	3,499	3,499	3,996	3,499	26,300	26,350	4,336	3,949	4,836	3,949	29,300	29,350	5,176	4,399	5,676	4,399
23,350	23,400	3,510	3,506	4,010	3,506	26,350	26,400	4,350	3,956	4,850	3,956	29,350	29,400	5,190	4,406	5,690	4,406
23,400	23,450	3,524	3,514	4,024	3,514	26,400	26,450	4,364	3,964	4,864	3,964	29,400	29,450	5,204	4,414	5,704	4,414
23,450	23,500	3,538	3,521	4,038	3,521	26,450	26,500	4,378	3,971	4,878	3,971	29,450	29,500	5,218	4,421	5,718	4,421
23,500	23,550	3,552	3,529	4,052	3,529	26,500	26,550	4,392	3,979	4,892	3,979	29,500	29,550	5,232	4,429	5,732	4,429
23,550	23,600	3,566	3,536	4,066	3,536	26,550	26,600	4,406	3,986	4,906	3,986	29,550	29,600	5,246	4,436	5,746	4,436
23,600	23,650	3,580	3,544	4,080	3,544	26,600	26,650	4,420	3,994	4,920	3,994	29,600	29,650	5,260	4,444	5,760	4,444
23,650	23,700	3,594	3,551	4,094	3,551	26,650	26,700	4,434	4,001	4,934	4,001	29,650	29,700	5,274	4,451	5,774	4,451
23,700	23,750	3,608	3,559	4,108	3,559	26,700	26,750	4,448	4,009	4,948	4,009	29,700	29,750	5,288	4,459	5,788	4,459
23,750	23,800	3,622	3,566	4,122	3,566	26,750	26,800	4,462	4,016	4,962	4,016	29,750	29,800	5,302	4,466	5,802	4,466
23,800	23,850	3,636	3,574	4,136	3,574	26,800	26,850	4,476	4,024	4,976	4,024	29,800	29,850	5,316	4,474	5,816	4,474
23,850	23,900	3,650	3,581	4,150	3,581	26,850	26,900	4,490	4,031	4,990	4,031	29,850	29,900	5,330	4,481	5,830	4,481
23,900	23,950	3,664	3,589	4,164	3,589	26,900	26,950	4,504	4,039	5,004	4,039	29,900	29,950	5,344	4,489	5,844	4,489
23,950	24,000	3,678	3,596	4,178	3,596	26,950	27,000	4,518	4,046	5,018	4,046	29,950	30,000	5,358	4,496	5,858	4,496
24,000						27,000						30,000					
24,000	24,050	3,692	3,604	4,192	3,604	27,000	27,050	4,532	4,054	5,032	4,054	30,000	30,050	5,372	4,504	5,872	4,504
24,050	24,100	3,706	3,611	4,206	3,611	27,050	27,100	4,546	4,061	5,046	4,061	30,050	30,100	5,386	4,511	5,886	4,511
24,100	24,150	3,720	3,619	4,220	3,619	27,100	27,150	4,560	4,069	5,060	4,069	30,100	30,150	5,400	4,519	5,900	4,519
24,150	24,200	3,734	3,626	4,234	3,626	27,150	27,200	4,574	4,076	5,074	4,076	30,150	30,200	5,414	4,526	5,914	4,526
24,200	24,250	3,748	3,634	4,248	3,634	27,200	27,250	4,588	4,084	5,088	4,084	30,200	30,250	5,428	4,534	5,928	4,534
24,250	24,300	3,762	3,641	4,262	3,641	27,250	27,300	4,602	4,091	5,102	4,091	30,250	30,300	5,442	4,541	5,942	4,541
24,300	24,350	3,776	3,649	4,276	3,649	27,300	27,350	4,616	4,099	5,116	4,099	30,300	30,350	5,456	4,549	5,956	4,549
24,350	24,400	3,790	3,656	4,290	3,656	27,350	27,400	4,630	4,106	5,130	4,106	30,350	30,400	5,470	4,556	5,970	4,556
24,400	24,450	3,804	3,664	4,304	3,664	27,400	27,450	4,644	4,114	5,144	4,114	30,400	30,450	5,484	4,564	5,984	4,564
24,450	24,500	3,818	3,671	4,318	3,671	27,450	27,500	4,658	4,121	5,158	4,121	30,450	30,500	5,498	4,571	5,998	4,571
24,500	24,550	3,832	3,679	4,332	3,679	27,500	27,550	4,672	4,129	5,172	4,129	30,500	30,550	5,512	4,579	6,012	4,579
24,550	24,600	3,846	3,686	4,346	3,686	27,550	27,600	4,686	4,136	5,186	4,136	30,550	30,600	5,526	4,586	6,026	4,586
24,600	24,650	3,860	3,694	4,360	3,694	27,600	27,650	4,700	4,144	5,200	4,144	30,600	30,650	5,540	4,594	6,040	4,594
24,650	24,700	3,874	3,701	4,374	3,701	27,650	27,700	4,714	4,151	5,214	4,151	30,650	30,700	5,554	4,601	6,054	4,601
24,700	24,750	3,888	3,709	4,388	3,709	27,700	27,750	4,728	4,159	5,228	4,159	30,700	30,750	5,568	4,609	6,068	4,609
24,750	24,800	3,902	3,716	4,402	3,716	27,750	27,800	4,742	4,166	5,242	4,166	30,750	30,800	5,582	4,616	6,082	4,616
24,800	24,850	3,916	3,724	4,416	3,724	27,800	27,850	4,756	4,174	5,256	4,174	30,800	30,850	5,596	4,624	6,096	4,624
24,850	24,900	3,930	3,731	4,430	3,731	27,850	27,900	4,770	4,181	5,270	4,181	30,850	30,900	5,610	4,631	6,110	4,631
24,900	24,950	3,944	3,739	4,444	3,739	27,900	27,950	4,784	4,189	5,284	4,189	30,900	30,950	5,624	4,639	6,124	4,639
24,950	25,000	3,958	3,746	4,458	3,746	27,950	28,000	4,798	4,196	5,298	4,196	30,950	31,000	5,638	4,646	6,138	4,646
25,000						28,000						31,000					
25,000	25,050	3,972	3,754	4,472	3,754	28,000	28,050	4,812	4,204	5,312	4,204	31,000	31,050	5,652	4,654	6,152	4,654
25,050	25,100	3,986	3,761	4,486	3,761	28,050	28,100	4,826	4,211	5,326	4,211	31,050	31,100	5,666	4,661	6,166	4,661
25,100	25,150	4,000	3,769	4,500	3,769	28,100	28,150	4,840	4,219	5,340	4,219	31,100	31,150	5,680	4,669	6,180	4,669
25,150	25,200	4,014	3,776	4,514	3,776	28,150	28,200	4,854	4,226	5,354	4,226	31,150	31,200	5,694	4,676	6,194	4,676
25,200	25,250	4,028	3,784	4,528	3,784	28,200	28,250	4,868	4,234	5,368	4,234	31,200	31,250	5,708	4,684	6,208	4,684
25,250	25,300	4,042	3,791	4,542	3,791	28,250	28,300	4,882	4,241	5,382	4,241	31,250	31,300	5,722	4,691	6,222	4,691
25,300	25,350	4,056	3,799	4,556	3,799	28,300	28,350	4,896	4,249	5,396	4,249	31,300	31,350	5,736	4,699	6,236	4,699
25,350	25,400	4,070	3,806	4,570	3,806	28,350	28,400	4,910	4,256	5,410	4,256	31,350	31,400	5,750	4,706	6,250	4,723
25,400	25,450	4,084	3,814	4,584	3,814	28,400	28,450	4,924	4,264	5,424	4,264	31,400	31,450	5,764	4,714	6,264	4,737
25,450	25,500	4,098	3,821	4,598	3,821	28,450	28,500	4,938	4,271	5,438	4,271	31,450	31,500	5,778	4,721	6,278	4,751
25,500	25,550	4,112	3,829	4,612	3,829	28,500	28,550	4,952	4,279	5,452	4,279	31,500	31,550	5,792	4,729	6,292	4,765
25,550	25,600	4,126	3,836	4,626	3,836	28,550	28,600	4,966	4,286	5,466	4,286	31,550	31,600	5,806	4,736	6,306	4,779
25,600	25,650	4,140	3,844	4,640	3,844	28,600	28,650	4,980	4,294	5,480	4,294	31,600	31,650	5,820	4,744	6,320	4,793
25,650	25,700	4,154	3,851	4,654	3,851	28,650	28,700	4,994	4,301	5,494	4,301	31,650	31,700	5,834	4,751	6,334	4,807
25,700	25,750	4,168	3,859	4,668	3,859	28,700	28,750	5,008	4,309	5,508	4,309	31,700	31,750	5,848	4,759	6,348	4,821
25,750	25,800	4,182	3,866	4,682	3,866	28,750	28,800	5,022	4,316	5,522	4,316	31,750	31,800	5,862	4,766	6,362	4,835
25,800	25,850	4,196	3,874	4,696	3,874	28,800	28,850	5,036	4,324	5,536	4,324	31,800	31,850	5,876	4,774	6,376	4,849
25,850	25,900	4,210	3,881	4,710	3,881	28,850	28,900	5,050	4,331	5,550	4,331	31,850	31,900	5,890	4,781	6,390	4,863
25,900	25,950	4,224	3,889	4,724	3,889	28,900	28,950	5,064	4,339	5,564	4,339	31,900	31,950	5,904	4,789	6,404	4,877
25,950	26,000	4,238	3,896	4,738	3,896	28,950	29,000	5,078	4,346	5,578							

1995 Tax Table - Continued

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
32,000						35,000						38,000					
32,000	32,050	5,932	4,804	6,432	4,905	35,000	35,050	6,772	5,254	7,272	5,745	38,000	38,050	7,612	5,704	8,112	6,585
32,050	32,100	5,946	4,811	6,446	4,919	35,050	35,100	6,786	5,261	7,286	5,759	38,050	38,100	7,626	5,711	8,126	6,599
32,100	32,150	5,960	4,819	6,460	4,933	35,100	35,150	6,800	5,269	7,300	5,773	38,100	38,150	7,640	5,719	8,140	6,613
32,150	32,200	5,974	4,826	6,474	4,947	35,150	35,200	6,814	5,276	7,314	5,787	38,150	38,200	7,654	5,726	8,154	6,627
32,200	32,250	5,988	4,834	6,488	4,961	35,200	35,250	6,828	5,284	7,328	5,801	38,200	38,250	7,668	5,734	8,168	6,641
32,250	32,300	6,002	4,841	6,502	4,975	35,250	35,300	6,842	5,291	7,342	5,815	38,250	38,300	7,682	5,741	8,182	6,655
32,300	32,350	6,016	4,849	6,516	4,989	35,300	35,350	6,856	5,299	7,356	5,829	38,300	38,350	7,696	5,749	8,196	6,669
32,350	32,400	6,030	4,856	6,530	5,003	35,350	35,400	6,870	5,306	7,370	5,843	38,350	38,400	7,710	5,756	8,210	6,683
32,400	32,450	6,044	4,864	6,544	5,017	35,400	35,450	6,884	5,314	7,384	5,857	38,400	38,450	7,724	5,764	8,224	6,697
32,450	32,500	6,058	4,871	6,558	5,031	35,450	35,500	6,898	5,321	7,398	5,871	38,450	38,500	7,738	5,771	8,238	6,711
32,500	32,550	6,072	4,879	6,572	5,045	35,500	35,550	6,912	5,329	7,412	5,885	38,500	38,550	7,752	5,779	8,252	6,725
32,550	32,600	6,086	4,886	6,586	5,059	35,550	35,600	6,926	5,336	7,426	5,899	38,550	38,600	7,766	5,786	8,266	6,739
32,600	32,650	6,100	4,894	6,600	5,073	35,600	35,650	6,940	5,344	7,440	5,913	38,600	38,650	7,780	5,794	8,280	6,753
32,650	32,700	6,114	4,901	6,614	5,087	35,650	35,700	6,954	5,351	7,454	5,927	38,650	38,700	7,794	5,801	8,294	6,767
32,700	32,750	6,128	4,909	6,628	5,101	35,700	35,750	6,968	5,359	7,468	5,941	38,700	38,750	7,808	5,809	8,308	6,781
32,750	32,800	6,142	4,916	6,642	5,115	35,750	35,800	6,982	5,366	7,482	5,955	38,750	38,800	7,822	5,816	8,322	6,795
32,800	32,850	6,156	4,924	6,656	5,129	35,800	35,850	6,996	5,374	7,496	5,969	38,800	38,850	7,836	5,824	8,336	6,809
32,850	32,900	6,170	4,931	6,670	5,143	35,850	35,900	7,010	5,381	7,510	5,983	38,850	38,900	7,850	5,831	8,350	6,823
32,900	32,950	6,184	4,939	6,684	5,157	35,900	35,950	7,024	5,389	7,524	5,997	38,900	38,950	7,864	5,839	8,364	6,837
32,950	33,000	6,198	4,946	6,698	5,171	35,950	36,000	7,038	5,396	7,538	6,011	38,950	39,000	7,878	5,846	8,378	6,851
33,000						36,000						39,000					
33,000	33,050	6,212	4,954	6,712	5,185	36,000	36,050	7,052	5,404	7,552	6,025	39,000	39,050	7,892	5,857	8,392	6,865
33,050	33,100	6,226	4,961	6,726	5,199	36,050	36,100	7,066	5,411	7,566	6,039	39,050	39,100	7,906	5,871	8,406	6,879
33,100	33,150	6,240	4,969	6,740	5,213	36,100	36,150	7,080	5,419	7,580	6,053	39,100	39,150	7,920	5,885	8,420	6,893
33,150	33,200	6,254	4,976	6,754	5,227	36,150	36,200	7,094	5,426	7,594	6,067	39,150	39,200	7,934	5,899	8,434	6,907
33,200	33,250	6,268	4,984	6,768	5,241	36,200	36,250	7,108	5,434	7,608	6,081	39,200	39,250	7,948	5,913	8,448	6,921
33,250	33,300	6,282	4,991	6,782	5,255	36,250	36,300	7,122	5,441	7,622	6,095	39,250	39,300	7,962	5,927	8,462	6,935
33,300	33,350	6,296	4,999	6,796	5,269	36,300	36,350	7,136	5,449	7,636	6,109	39,300	39,350	7,976	5,941	8,476	6,949
33,350	33,400	6,310	5,006	6,810	5,283	36,350	36,400	7,150	5,456	7,650	6,123	39,350	39,400	7,990	5,955	8,490	6,963
33,400	33,450	6,324	5,014	6,824	5,297	36,400	36,450	7,164	5,464	7,664	6,137	39,400	39,450	8,004	5,969	8,504	6,977
33,450	33,500	6,338	5,021	6,838	5,311	36,450	36,500	7,178	5,471	7,678	6,151	39,450	39,500	8,018	5,983	8,518	6,991
33,500	33,550	6,352	5,029	6,852	5,325	36,500	36,550	7,192	5,479	7,692	6,165	39,500	39,550	8,032	5,997	8,532	7,005
33,550	33,600	6,366	5,036	6,866	5,339	36,550	36,600	7,206	5,486	7,706	6,179	39,550	39,600	8,046	6,011	8,546	7,019
33,600	33,650	6,380	5,044	6,880	5,353	36,600	36,650	7,220	5,494	7,720	6,193	39,600	39,650	8,060	6,025	8,560	7,033
33,650	33,700	6,394	5,051	6,894	5,367	36,650	36,700	7,234	5,501	7,734	6,207	39,650	39,700	8,074	6,039	8,574	7,047
33,700	33,750	6,408	5,059	6,908	5,381	36,700	36,750	7,248	5,509	7,748	6,221	39,700	39,750	8,088	6,053	8,588	7,061
33,750	33,800	6,422	5,066	6,922	5,395	36,750	36,800	7,262	5,516	7,762	6,235	39,750	39,800	8,102	6,067	8,602	7,075
33,800	33,850	6,436	5,074	6,936	5,409	36,800	36,850	7,276	5,524	7,776	6,249	39,800	39,850	8,116	6,081	8,616	7,089
33,850	33,900	6,450	5,081	6,950	5,423	36,850	36,900	7,290	5,531	7,790	6,263	39,850	39,900	8,130	6,095	8,630	7,103
33,900	33,950	6,464	5,089	6,964	5,437	36,900	36,950	7,304	5,539	7,804	6,277	39,900	39,950	8,144	6,109	8,644	7,117
33,950	34,000	6,478	5,096	6,978	5,451	36,950	37,000	7,318	5,546	7,818	6,291	39,950	40,000	8,158	6,123	8,658	7,131
34,000						37,000						40,000					
34,000	34,050	6,492	5,104	6,992	5,465	37,000	37,050	7,332	5,554	7,832	6,305	40,000	40,050	8,172	6,137	8,672	7,145
34,050	34,100	6,506	5,111	7,006	5,479	37,050	37,100	7,346	5,561	7,846	6,319	40,050	40,100	8,186	6,151	8,686	7,159
34,100	34,150	6,520	5,119	7,020	5,493	37,100	37,150	7,360	5,569	7,860	6,333	40,100	40,150	8,200	6,165	8,700	7,173
34,150	34,200	6,534	5,126	7,034	5,507	37,150	37,200	7,374	5,576	7,874	6,347	40,150	40,200	8,214	6,179	8,714	7,187
34,200	34,250	6,548	5,134	7,048	5,521	37,200	37,250	7,388	5,584	7,888	6,361	40,200	40,250	8,228	6,193	8,728	7,201
34,250	34,300	6,562	5,141	7,062	5,535	37,250	37,300	7,402	5,591	7,902	6,375	40,250	40,300	8,242	6,207	8,742	7,215
34,300	34,350	6,576	5,149	7,076	5,549	37,300	37,350	7,416	5,599	7,916	6,389	40,300	40,350	8,256	6,221	8,756	7,229
34,350	34,400	6,590	5,156	7,090	5,563	37,350	37,400	7,430	5,606	7,930	6,403	40,350	40,400	8,270	6,235	8,770	7,243
34,400	34,450	6,604	5,164	7,104	5,577	37,400	37,450	7,444	5,614	7,944	6,417	40,400	40,450	8,284	6,249	8,784	7,257
34,450	34,500	6,618	5,171	7,118	5,591	37,450	37,500	7,458	5,621	7,958	6,431	40,450	40,500	8,298	6,263	8,798	7,271
34,500	34,550	6,632	5,179	7,132	5,605	37,500	37,550	7,472	5,629	7,972	6,445	40,500	40,550	8,312	6,277	8,812	7,285
34,550	34,600	6,646	5,186	7,146	5,619	37,550	37,600	7,486	5,636	7,986	6,459	40,550	40,600	8,326	6,291	8,826	7,299
34,600	34,650	6,660	5,194	7,160	5,633	37,600	37,650	7,500	5,644	8,000	6,473	40,600	40,650	8,340	6,305	8,840	7,313
34,650	34,700	6,674	5,201	7,174	5,647	37,650	37,700	7,514	5,651	8,014	6,487	40,650	40,700	8,354	6,319	8,854	7,327
34,700	34,750	6,688	5,209	7,188	5,661	37,700	37,750	7,528	5,659	8,028	6,501	40,700	40,750	8,368	6,333	8,868	7,341
34,750	34,800	6,702	5,216	7,202	5,675	37,750	37,800	7,542	5,666	8,042	6,515	40,750	40,800	8,382	6,347	8,882	7,355
34,800	34,850	6,716	5,224	7,216	5,689	37,800	37,850	7,556	5,674	8,056	6,529	40,800	40,850	8,396	6,361	8,896	7,369
34,850	34,900	6,730	5,231	7,230	5,703	37,850	37,900	7,570	5,681	8,070	6,543	40,850	40,900	8,410	6,375	8,910	7,383
34,900	34,950	6,744	5,239	7,244	5,717	37,900	37,950	7,584	5,689	8,084	6,557	40,900	40,950	8,424	6,389	8,924	7,397
34,950	35,000	6,758	5,246	7,258	5,731	37,950	38,000	7,598	5,696	8,098							