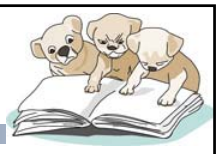
Itemized Deductions Tax Computation

Form 1040 Sch A
Pub 4012 Tab F
Pub 4491 Part 5

AARP FOUNDATION TAX-AIDE

Deductions

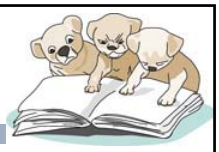


- May claim larger of
  - Standard deduction
    - Increased if at least 65 or blind

  -OR-

  - Itemized deductions
- If itemized deductions are entered, TaxWise will select better option

Deductions



- If taxpayer files MFS and spouse itemizes deductions
  - Taxpayer must itemize -OR-
  - Take a standard deduction of ZERO
- If taxpayer files MFS with standard deduction and spouse then files MFS with itemized deduction, taxpayer must amend return

Intake/Interview

			Part IV – Expenses – Last Year, Did You *(or Your Spouse)* Pay
☐	☐	☐	5. (B) Medical expenses? (including health insurance premiums)
☐	☐	☐	6. (B) Home mortgage interest? (Form 1098)
☐	☐	☐	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
☐	☐	☐	8. (B) Charitable contributions?

- Verify there is taxable income (Form 1040, Line 43) after standard deduction before itemizing
  - Does federal return impact state return?

Possible Itemized Deductions

Pub 4012 F-3

- Medical or dental expenses
- Taxes
- Interest
- Gifts to charity
- Casualty and theft losses – Out of Scope
- Job expenses and other items
- Miscellaneous expenses

Limitations on Scope

- Individuals with the following should be referred to a paid preparer
  - Investment interest expense
  - A charitable contribution carryover from a prior year or created in the current year
  - Noncash donations exceeding $5,000
  - Job expenses which were partially reimbursed by the employer
  - Casualties or theft losses

Schedule A

SCHEDULE A (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

▶ Information about Schedule A and its separate instructions is at *www.irs.gov/schedulea*.
▶ Attach to Form 1040.

OMB No. 1545-0074

2014

Attachment Sequence No. 07

Name(s) shown on Form 1040 | Your social security number

Caution. Do not include expenses reimbursed or paid by others.

1 Medical and dental expenses (see instructions) 1

2 Enter amount from Form 1040, line 38 | 2 |

3 Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1950, multiply line 2 by 7.5% (.075) instead 3

4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- 4

5 State and local
a ☐ Income taxes
b ☐ RESERVED 5

6 Real estate taxes (see instructions) 6

7 Personal property taxes 7

8 Other taxes. List type and amount ▶ 8

9 Add lines 5 through 8 9

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 instructions and show that person's name, identifying no., and address ▶ 11

12 Points not reported to you on Form 1098. See instructions for special rules 12

13 RESERVED 13

14 Investment interest. Attach Form 4952 if required. (See instructions.) 14

15 Add lines 10 through 14 15

Note. Your mortgage interest deduction may be limited (see instructions).

Medical Expenses

- Medical expenses include
  - Diagnosis, cure, mitigation, treatment, or prevention of disease
  - Treatments affecting any part or function of body
  - Equipment, supplies, and diagnostic devices
  - Premiums for insurance that covers medical care
  - Long-term care insurance premiums (limited)
  - Transportation/travel to get medical care

Medical Expenses

- Not all "medical expenses" qualify
- Examples of not qualified expenses:
  - Cosmetic surgery
  - Funeral or burial expenses
  - Nonprescription drugs (except insulin)
  - Weight loss program not prescribed
  - Diet food

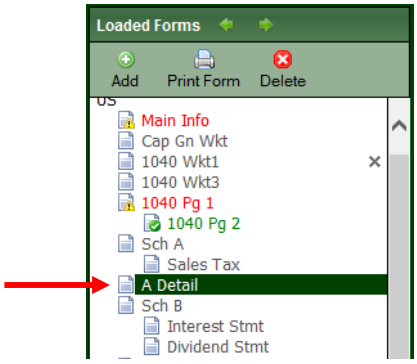
Pub 17 Table 21-1

Medical Expenses

- Must be paid during tax year
  - Cannot be reimbursed expenses including expenses claimed for HSA
- Only for taxpayer, spouse, dependents or individuals that would have been dependent except for gross income or filing situation – when paid or when incurred
- 24¢/mile for travel for medical purposes

Medical Expenses in TaxWise

- **Entered on A Detail worksheet under Sch A**



US Schedule A **Itemized Deduction Detail Worksheet** **2013**

Name: SSN:

If you need more worksheets, F9 on the additional worksheet entry in each category below.

Medical Expenses Prescription medicines, legally obtained drugs, insulin, doctors, dentists, nurses, eyeglasses, health insurance premiums, transportation for medical treatment, and nonprescription medical supplies, such as crutches. Do not list any amounts paid with pre-tax dollars or reimbursed by insurance, HSA, MSA. Use the * field to indicate ownership. T for taxpayer, S for spouse, J for joint.

Medical miles: Taxpayer: 0
Spouse: 0
Total: 0 x .24 = 0

Insurance premiums paid (not pre-tax) health, dental, cancer.
Omit amounts used on Form 8885.
Taxpayer 0
Spouse 0 0

Qualified long term care contracts
Enter the amount before limitation.
Taxpayer 0
Spouse 0
Taxpayer - limited 0
Spouse - limited 0 0

Medicare from 1040 worksheet 0
Remainder from worksheets
Self-employed health insurance
Taxpayer 0
Spouse 0 0

Self-employed long term care
Taxpayer 0
Spouse 0 0

Other medical expenses *
Doctors 0
Prescription drugs 0
Dentist 0
Prescription glasses 0

* 0
0
0
F9 for additional worksheets 0
Total 0

Medical Deduction Quiz

Deductible medical expense?

- **Prescription sunglasses** Yes
- **Contact lenses** Yes
- **Dentist teeth whitening** No
- **Gym fee (doctor suggested exercise)** No
- **Dentist teeth cleaning** Yes

Taxes

- **MUST be imposed on taxpayer**
- **MUST be paid in current tax year**

Taxes

- State and local taxes
  - Income tax **OR**
  - General sales tax
- Real estate tax (U.S. or foreign)
- Personal property tax based on value
- Foreign income tax (if not claiming a credit)

Taxes

- State and local income taxes
- Real estate tax (U.S. or foreign)
- Personal property tax based on value
- Foreign income tax (if not claiming a credit)

TaxWise Sch A Taxes Section

Extender

Taxes You Paid

5	State and local taxes. Only one box can be checked.		
a	☐ Income taxes		0
b	☐ General sales tax		0
6	Real estate tax remainder from Form 8829		0
	Real estate tax remainder from part rental worksheets		0
	Real estate taxes on your principal residence, not listed above	TSJ: J	Main home
	Other real estate taxes you paid, not listed elsewhere in this tax return	TSJ:	Other property
7	Personal property tax remainder from business vehicle worksheet		0
	Personal property taxes, not listed above	TSJ:	Tax on auto etc
8	Other taxes		
	Type _____ Foreign income tax	TSJ:	0

TaxWise Sch A Taxes Section

Taxes You Paid

Link to F/S Taxes Paid to add prior year payment

5	State and local taxes. ~~Only one box can be checked.~~		
a	☐ Income taxes		0
~~b~~	~~☐ General sales tax~~		0
6	Real estate tax remainder from Form 8829		0
	Real estate tax remainder from part rental worksheets		0
	Real estate taxes on your principal residence, not listed above	TSJ: J	Main home
	Other real estate taxes you paid, not listed elsewhere in this tax return	TSJ:	Other property
7	Personal property tax remainder from business vehicle worksheet		0
	Personal property taxes, not listed above	TSJ:	Tax on auto etc
8	Other taxes		
	Type _____ Foreign income tax	TSJ:	0

State and Local Taxes – Line 5

- Income taxes
  - Withheld (W-2, 1099-R, etc.)
  - F/S Tax Paid worksheet for state estimate and prior year payments
  - Other local income tax payments?

OR

- General sales taxes
  - Sales Tax worksheet in TaxWise

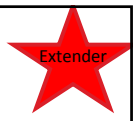
State and Local Taxes – Line 5

- Income taxes
  - Withheld (W-2, 1099-R, etc.)
  - F/S Tax Paid worksheet for state estimate and prior year payments
  - Other local income tax payments?

Interview

- If Sales Tax is an option – any large purchases?
  - Motor vehicle (car, motorcycle, motor home, off-road vehicle, etc.)
  - Boat or airplane
  - Home, home addition or renovation
    - Sales tax must have been separately stated and paid by taxpayer (not the contractor)

Sales Tax Worksheet



- For Sales Tax worksheet:
  - Part 1 automatically calculated by TW
  - Part 2 – enter State abbreviation and check next boxes as applicable
  - Part 2, Line 8 – enter sales tax paid for any specified (large) purchases

Extender

US Schedule A **Sales Tax Worksheet**

Name: SSN: 021-02-8438

TaxWise does automatically

1	Federal AGI		10001
2	Nontaxable income listed on tax return		
a	Nontaxable interest	0	
b	Social security	0	

1 Enter the taxpayer's state of residency for 2013 —
If the taxpayer was a part-year resident, enter
the dates resided in this state _____ to _____
Press Shift F10 to duplicate this form for multiple states.
State sales tax from the applicable table 0

2 Did you live in Alaska, Arizona, Arkansas, Colorado, Georgia, Illinois, Louisiana, Missouri, New York, North Carolina, South Carolina, Tennessee, Utah, or Virginia in 2013? Tennessee, Utah, or Virginia in 2013?
Check here if the taxpayer lived in Huntington or Williamstown, West Virginia ☐

3 Did your locality impose a local general sales tax in 2013? Residents of California and Nevada, see the Schedule A instructions.
○ **No** Go to line 7.
○ **Yes.** Enter the local general sales tax rate. If the rate is 2.5%, enter 2.5 0.0000

Sales Tax Worksheet

Extender

- **Add general sales tax on large purchases on line 8**

7	Total of lines 1 and 6 - prorated for part-year residents	0
8	General sales tax paid on specified items. Motor vehicles - If the state sales tax rate is higher than the general sales tax rate, only include the amount of tax at the general sales tax rate. Aircraft, boats, homes, including mobile and prefabricated, or home building material - Only deductible if the sales tax charged is at the general sales tax rate	0
9	**Total sales tax using the sales tax chart**	0

Deductible Taxes

- Line 6 – Real Estate (Property) Taxes
  - May be reported by mortgage company on Form 1098
  - Not for business
  - Not for
    - Benefit to property
    - Itemized charges for services (such as trash pickup or sewer fees)
    - Transfer taxes (or stamp taxes)
    - Rent increases due to higher real estate taxes
    - Homeowners' association charges

Other Deductible Taxes

- Line 7 – Personal Property Taxes based on value of personal property only
  - If based on weight and value, only value portion is deductible (boat, vehicles, RVs, etc.)
- Line 8 – Other Taxes
  - Foreign income taxes, if credit not claimed on 1040 line 47

Deductible Taxes

Taxes You Paid

5	State and local taxes.		
a	☐ Income taxes		
b			
6	Real estate tax remainder from Form 8829		
	Real estate tax remainder from part rental worksheets		
	Real estate taxes on your principal residence, not listed above	TSJ:	
	Other real estate taxes you paid, not listed elsewhere in this tax return	TSJ:	
7	Personal property tax remainder from business vehicle worksheet		
	Personal property taxes, not listed above	TSJ:	
8	Other taxes		
	Type _____	TSJ:	
9	Add lines 5 through 8		

State and local income taxes → Income taxes

Main home → Real estate taxes on your principal residence, not listed above

Other realty → Other real estate taxes you paid, not listed elsewhere in this tax return

e.g. car → Personal property taxes, not listed above

Foreign income tax → Type

Non-Deductible Taxes

Pub 17, Table 22-1

- Federal income and excise taxes
- Social Security, Medicare
- Federal Unemployment (FUTA)
- Railroad retirement taxes (RRTA)
- Customs duties
- Federal estate and gift taxes
- Per capita tax

Home Mortgage Interest

- Interest on loan secured by main home or second home
- Mortgage to buy or build home or second home (both limited)
- Home equity loan or line of credit (limited)
- Both taxpayer and lender must intend that loan be repaid

Home Mortgage Interest Deductibility

- Mortgages taken out before October 14, 1987 – fully deductible, no limit
- Mortgages after October 13, 1987, to buy, build, or improve home
  - Limited to $1,000,000 total debt (this plus pre-10/14/87) ($500,000 MFS)

➢ Note: Lender late charges are deductible as interest if interest on underlying loan is qualified

Home Mortgage Interest Deductibility

- Post October 13, 1987, not to buy, build, or improve home limited to
  - Debt of $100,000 ($50,000 MFS) and
  - Total debt on home does not exceed fair market value of home
- $1,000,000 and $100,000 limits apply to combined mortgages on main home and second home

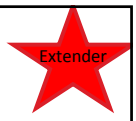
Home Mortgage Interest

- Points
  - Paid at loan origination
  - If to buy or build main home, deductible in full
  - Otherwise, spread over life of loan

Home Mortgage Interest

- Examples
  - Deduct points on purchase, loan #1
  - Refinance "A" – points on Refinance "A" are spread over life of new loan (#2)
  - Refinance "B" –
    - Remaining points on loan #2 can be deducted when loan #2 is paid off
    - Points on Refinance "B" (loan #3) are spread over life of loan #3

Home Mortgage Interest



- Qualified home mortgage insurance premium (called PMI)
  - Must relate to home acquisition debt
  - Insurance contract issued after 2006
  - Sometimes not reported on Form 1098
  - State treatment may differ

Interest

Pub 17 fig 23A & 23B

- Home Mortgage
  - Line 10 – Interest/Points from Form 1098
  - Line 11 – Interest if not on Form 1098
  - Line 12 – Points not on Form 1098
  - Line 13 – Qualified mortgage Insurance premium (Extender)
- Line 14 – Investment interest – out of scope

Deductible Interest Expense

Link to Mortgage Worksheet if more than one

Interest and points on 1098

Interest not on 1098

Points not on 1098

PMI (Extender)

Interest You Paid

10 Home mortgage interest rep
Home mortgage interest rep
worksheets
Form 8396 credit, if applicable TSJ:
Home mortgage interest and points from
Form 1098, not listed above TSJ:
11 Home mortgage interest not reported on Form 1098.
If paid to an individual, show the person's name, ID number, and address.
Individual's name
ID number
Address
Amount TSJ:
12 Points not reported on Form 1098 TS
13 Total mortgage insurance premiums TSJ:
Allowed mortgage insurance premiums
14 Investment interest. Attach Form 4952, if required TS

Non-Deductible

- Personal interest
- Service charges
- Annual fees for credit cards
- Loan fees
- Credit investigation fees
- Interest to purchase or carry tax-exempt securities
- Fines and penalties paid to a government for violations of law

Schedule A (cont.)

If you made a gift and got a benefit for it, see instructions.

16 Gifts by cash or check. If you made any gift of $250 or more, see instructions 16

17 Other than by cash or check. If any gift of $250 or more, see instructions. You **must** attach Form 8283 if over $500 . . . 17

18 Carryover from prior year 18

19 Add lines 16 through 18 19

Casualty and Theft Losses

20 Casualty or theft loss(es). Attach Form 4684. (See instructions.) 20

Out of scope

21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ 21

Includes *small tools and supplies needed for job*

22 Tax preparation fees 22

23 Other expenses—investment, safe deposit box, etc. List type and amount ▶ 23

24 Add lines 21 through 23 24

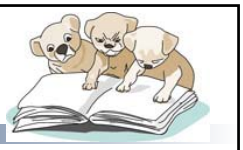
25 Enter amount from Form 1040, line 38 | 25 |

26 Multiply line 25 by 2% (.02) 26

27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- 27

28 Other—from list in instructions. List type and amount ▶ 28

Gifts to Charity



- Qualified charity
  - Churches, governments, schools, etc.
  - Approved by IRS
    - U.S. charity
    - irs.gov/charities for list
  - Limited to % of AGI
    - Public charity: <50% of AGI
    - Private foundations: <20% or 30% of AGI

Gifts to Charity

- Monetary contribution less than $250
  - Bank record (check, credit card or bank statement) or receipt

  -OR-

  - Written acknowledgement from charity
- If payment is >$75, charity must state value of goods/services provided, if any

Gifts to Charity

- Monetary contribution $250 or more
  - Written acknowledgement from charity
  - Must state value of goods or services provided in exchange for contribution, if any

e.g., fundraising dinner – value of dinner must be deducted from ticket price paid; only net amount deductible

Gifts to Charity

- Housing foreign exchange student
  - May deduct up to $50 per month
- Foster child unreimbursed expenses

Pub 17, Chapter 24

Gifts to Charity

- Donations of clothing or household items
  - Deduct fair market value
    - Usually thrift store value
  - Good used condition or better
- Capital gain or business property donations – out of scope
- Car, boat, or plane donations – out of scope

Gifts to Charity

- Out-of-pocket expenses are also deductible
  - Mileage @ 14¢/mi
  - Tolls and parking
  - Out of pocket expenses when serving as volunteer for qualified charity (e.g., hospital volunteer uniform)
- Need written acknowledgement from charity if any single item is >$250

Gifts to Charity – Limits

- Total may not exceed 50% of AGI
- Sort by cash (monetary) or other-than-cash
  - If total is over 20% of AGI, sort by organization limit (see Pub 526)
- If exceed any limit, refer to paid preparer
  - Note: gifts of property that increased in value – out of scope

Sch A – A Detail Worksheet – Monetary Gift

Contributions to Charity

If contributions exceed 20% of the AGI: 2000, list each contribution in the proper category below (50%, 30%, etc). Otherwise, the only sort required is cash and other than cash contributions.
Use the * field to indicate ownership. T for taxpayer, S for spouse, J for joint.
All gifts must be receipted.

Cash Contributions

50% Limit Organizations

Charitable miles: Taxpayer: 0
Spouse: 0
Total: 0 x .14 = 0

Name of charity	*	Amount	Name of charity	*	Amount
		0			0
		0			0
		0			0
		0	From Schedules K-1		0
		0	F9 for additional worksheets		0
		0	**Total**		0

30% Limit Organizations

Charitable miles: Taxpayer: 0
Spouse: 0
Total: 0 x .14 = 0

Name of charity	*	Amount		Amount
		0	From Schedules K-1	0
		0	F9 for additional worksheets	0

Other Than Cash – *A Detail Worksheet*

- **If need Form 8283, either link from *A Detail worksheet* or "Add" the form**

Other Than Cash Contributions	Use Form 8283 if this total is more than $500. 0			
50% Limit Organizations	Not capital gain property and the FMV is equal to or less than the cost.			
Name of charity	*	Amount		Amount
		0	From Forms 8283	0
		0	F9 for additional worksheets	0
From Schedules K-1		0	**Total**	0
30% Limit	Capital gain property donated to 50% limit organizations.			

Non-Cash Contributions

- **Need receipt for all non-cash contributions**
- **Single non-cash gifts $250 or more**
  - **Written acknowledgement from charity**
  - **Enter on *A Detail worksheet***

Non-Cash Contributions (cont)

- More than $500
  - Complete Form 8283 – Section A, Part 1 only
  - In-Scope up to $5,000 total
  - More than $5,000 – Out-of-Scope
- Taxpayer should always keep detailed list of items donated (pictures can help)

Non-Cash Deductions (cont)

- Generally report by donation date, specify date
- Taxpayer provides fair market value and other needed information

Form 8283, Page 1, Section A

US 8283 — Noncash Charitable Contributions — 2012

Name:

Form 1098-C is Out of Scope

If the return is being electronically filed and a vehicle is listed in Section A, IRS requires Form 1098-C or a contemporaneous written acknowledgment be filed with the return. If neither document is present, IRS will reject the electronic return. In addition, a physical copy of Form 1098-C or the contemporaneous written acknowledgment must be attached to the 8453.

Check here to load Form 1098-C ☐

Link here for a contemporaneous written acknowledgment statement ☐

Section A: List in this section only items (or groups of similar items) for which you claimed a deduction of $5,000 or less. Also, list certain publicly traded securities even if the deduction is over $5,000. See instructions.

Part I: Information on Donated Property

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle, check the box. Enter the VIN number unless Form 1098-C is attached	(c) Description of donated property For a vehicle - enter the year, make, model, and mileage unless Form 1098-C is attached
A	Name: Address:	Vehicle: ☐	
B	Name: Address:	Vehicle: ☐	

Form 8283, Page 1 (cont)

Note: If the amount you claimed as a deduction for an item is $500 or less, you do not have to complete columns (e), (f), or (g).

	(d) Date of donation	(e) Date acquired	(f) How acquired	(g) Donor's cost or basis	(h) Fair market value	(i) Method used to determine the fair market value	T S J
A				0	0		
B				0	0		
C				0	0		
D				0	0		

A, B, C, D are charitable organizations listed on Part I of this page

Non-Deductible Contributions

- Contributions to following types of organizations:
  - Business organizations such as Chamber of Commerce
  - Civic leagues and associations
  - Political organizations and candidates
  - Social clubs
  - Foreign organizations
  - Homeowners' associations
  - Communist organizations

Non-Deductible Contributions

- Cost of raffle, bingo, or lottery tickets
- Tuition
- Value of person's time or service
- Donated blood
- Direct contributions to an individual
- Part of contribution that benefits taxpayer

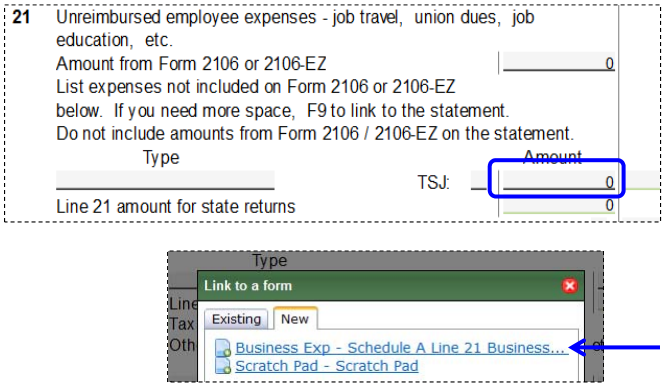
Miscellaneous Deductions

Pub 17 Chapter 26

- Subject to 2% of AGI threshold
  - Line 21 – Unreimbursed employee expenses
    - Uniforms, job hunting, union dues, etc.
    - Use 2106-EZ for mileage and travel
    - Military certification if Form 2106 required
  - If more than 1 item, use Line 21 wkt

Misc Business Expenses

- Link from Line 21 to new Business Exp Line 21 schedule if need to list



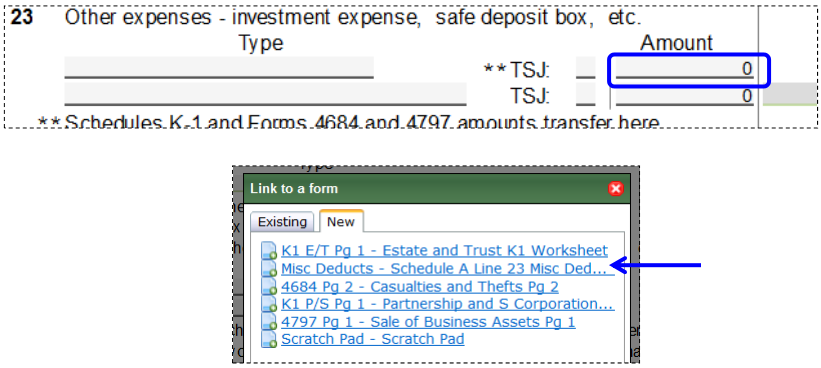
Miscellaneous Deductions (cont)

Pub 17 Chapter 26

- Subject to 2% of AGI threshold (cont)
  - Line 22 – Tax preparation fees
  - Line 23 – Other expenses, examples
    - Investment fees
    - Safe deposit box (if holds investments)
    - IRA trustee fee (if paid from outside funds)
    - Repayments of previously claimed income

Miscellaneous Other

- Link from Line 23 to new Misc Deducts Line 23 schedule if need to list

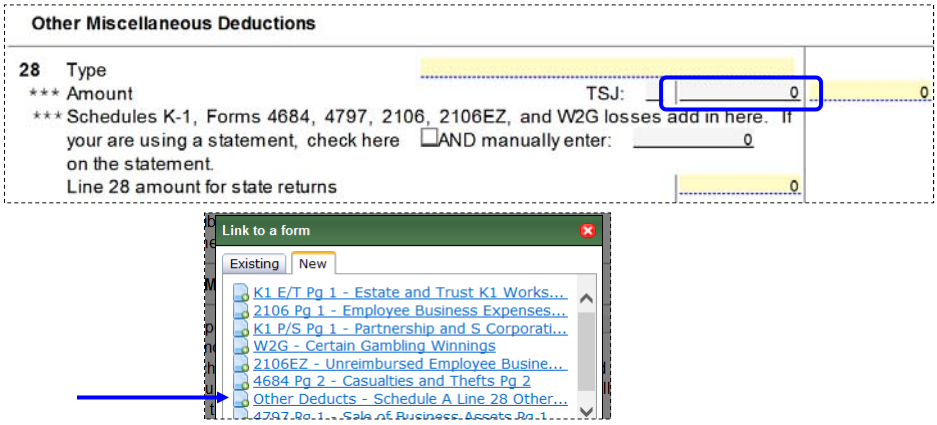


Miscellaneous Not Subject to 2%

- Gambling losses to extent of winnings
- Unrecovered investment in annuity
- Certain work-related expenses for disabled
- Repayments of income >$3,000 under claim of right
- Certain Ponzi scheme losses
- Certain casualties – out of scope

Misc Deductions Not Subject to 2%

- Link from Line 28 to new Other Deducts Line 28 schedule if need to list



Deductions – Special Rule

- Married filing separately
  - If one spouse itemizes deductions
  - The other spouse MUST itemize
    - Standard deduction not allowed
  - Does not matter who files first
- Does not apply if eligible for Head of Household status

Deductible Expense?

- Merrill Lynch management fee
  - For taxable portfolio Yes
  - For IRA portfolio, deducted from IRA No
- Steel toed shoes for construction worker Yes
- "Nice" office clothes No
- Cost of losing church bingo cards No

Phase-outs

- Itemized deductions and exemption deductions are reduced if AGI is more than
  - $250,000 if single
  - $275,000 if head of househole
  - $300,000 if MFJ/$150,000 if MFS
- TaxWise does the calculation

Quality Review

- Review with taxpayer to ensure all deductions considered
- Review taxpayer's documents to ensure all deductions are entered in TaxWise
- Compare to prior year's deductions
- Review Schedule A – as expected?
- Any state adjustments needed?

Summary with Taxpayer

- Explain why itemizing does or does not help
- Explain thresholds
  - Medical expense 10% versus old 7.5%
  - Misc expenses 2%
- Remind of need to keep records and receipts

Tax Calculation

- Adjusted Gross Income (AGI) minus (Standard or Itemized) Deduction minus Exemptions EQUALS Taxable Income
- Tax liability determined by:
  - Tax tables using income and filing status, Sch D Tax Worksheet or other special methods with certain types of income
  - TaxWise calculates tax automatically

Form 1040 – Page 2

Taxable Income and Tax

38	Amount from line 37 (adjusted gross income)		35000
39a	Taxpayer ☐ 65 or older ☐ Blind; Spouse: ☐ 65 or older ☐ Blind Total boxes checked	0	
b	If you are married filing separately and your spouse itemizes deductions, or you are a dual-status alien, check here or F3	☐	
40	**Itemized deductions or standard deduction.** If you elect to itemize deductions even though the standard deduction is larger, check here	☐	
	If you were or are a resident of Puerto Rico and are excluding Puerto Rico income, or you are excluding income on Form 4563, check here (section 933)	☐	6100
41	Subtract line 40 from line 38		28900
42	**Exemptions.** Multiply line 6d by $3,900. If line 38 is over $150,000 if married filing separately, $250,000 if single, $275,000 if head of household, or $300,000 if married filing joint or qualifying widow(er), the exemption amount is reduced		3900
43	**Taxable income**		25000
44	**Tax.** From ☑ the tax table or schedule ☐ Form 8615 ☐ Schedule D Tax Worksheet ☐ Schedule J ☐ Foreign earned income tax worksheet	3308	

Tax Rates

Schedule X—If your filing status is Single

If your taxable income is: Over—	But not over—	The tax is:	of the amount over—
$0	$8,925	10%	$0
8,925	36,250	$892.50 + 15%	8,925
36,250	87,850	4,991.25 + 25%	36,250
87,850	183,250	17,891.25 + 28%	87,850
183,250	398,350	44,603.25 + 33%	183,250
398,350	400,000	115,586.25 + 35%	398,350
400,000	---------	116,163.75 + 39.6%	400,000

Shared Responsibility Payment

- If taxpayer has no medical insurance
  - May be required to pay additional tax
  - See ACA Lesson

Itemized Deductions

Questions?

Comments?