

MARRIED FILING JOINT TAXPAYERS	EXAMPLE #1		EXAMPLE #2		2013 Notes:
	2012	2013	2012	2013	
INCOME					
Wages	\$ 600,000	\$ 600,000	\$ 1,000,000	\$ 1,000,000	
Interest	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Qualified Dividends	\$ 25,000	\$ 25,000	\$ 150,000	\$ 150,000	
Passive Income from Passthroughs	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	The net investment income tax also applies to "passive" income and to trade or business income from trading financial instruments or
Long Term Capital Gains	\$ 65,000	\$ 65,000	\$ 250,000	\$ 250,000	
Adjusted Gross Income (AGI)	\$ 760,000	\$ 760,000	\$ 1,470,000	\$ 1,470,000	
Personal Exemptions	\$ (15,200)	\$ -	\$ (15,200)	\$ -	Personal exemptions will be phased out for AGI above \$250,000 (\$300,000 for MFJ). The \$3,900/person personal exemption will be reduced by 2% for every \$2,500 of AGI over \$250,000 (\$300,000 for
ITEMIZED DEDUCTIONS					
Charitable Contributions	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	
State and Local Taxes	\$ (6,000)	\$ (6,000)	\$ (6,000)	\$ (6,000)	
R/E Taxes	\$ (8,000)	\$ (8,000)	\$ (8,000)	\$ (8,000)	
Mortgage Interest	\$ (45,000)	\$ (45,000)	\$ (45,000)	\$ (45,000)	
3% AGI Floor	\$ -	\$ 13,800	\$ -	\$ 35,100	Deduction phaseout - select itemized deductions will be reduced by 3% of the AGI above \$250,000 (\$300,000 for MFJ), up to a maximum reduction of 80% of itemized deduction. Itemized deductions for certain medical expenses, investment interest, and for casualty, theft, or
Deductions from AGI	\$ (69,000)	\$ (55,200)	\$ (69,000)	\$ (33,900)	
Taxable Income	\$ 675,800	\$ 704,800	\$ 1,385,800	\$ 1,436,100	
Capital Gains Tax	\$ 13,500	\$ 18,000	\$ 60,000	\$ 80,000	Long term capital gains tax rates increase to 20% for taxpayers with taxable income > \$450,000 MFJ (or \$400,000 for single).
Ordinary Tax	\$ 174,170	\$ 191,107	\$ 314,170	\$ 357,942	The top ordinary income and short term capital gains tax rates increase to 39.6%* for taxpayers with taxable income > \$450,000 MFJ (or
Alternative Minimum Tax (AMT)	\$ -	\$ -	\$ -	\$ -	
Medical Payroll Tax	\$ -	\$ 3,150	\$ -	\$ 6,750	High-wage earners will owe an additional 0.9% on earned income above \$200,000 (single filers) or \$250,000 (married filing jointly).
Medicare Surtax	\$ -	\$ 6,042	\$ -	\$ 17,824	Medicare surtax on net investment income - a 3.8% surtax will be due on the lesser of your net investment income for the year, or the amount by which your "modified adjusted gross income "exceeds \$200,000 (single filer) or \$250,000 (married filing jointly).
Total Federal Taxes	\$ 187,670	\$ 218,299	\$ 374,170	\$ 462,516	
Percentage Increase in Tax		16.3%		23.6%	