

## Lesson 21 — Income taxes

Use the following table obtained from <https://www.irs.gov/pub/irs-drop/rp-24-40.pdf> for the following two problems.

**TABLE 3 - Section 1(j)(2)(C) – Unmarried Individuals (other than Surviving Spouses and Heads of Households)**

<b>If Taxable Income Is:</b>	<b>The Tax Is:</b>
Not over \$11,925	10% of the taxable income
Over \$11,925 but not over \$48,475	\$1,192.50 plus 12% of the excess over \$11,925
Over \$48,475 but not over \$103,350	\$5,578.50 plus 22% of the excess over \$48,475
Over \$103,350 but not over \$197,300	\$17,651 plus 24% of the excess over \$103,350
Over \$197,300 but not over \$250,525	\$40,199 plus 32% of the excess over \$197,300
Over \$250,525 but not over \$626,350	\$57,231 plus 35% of the excess over \$250,525
Over \$626,350	\$188,769.75 plus 37% of the excess over \$626,350

### Problem 1 (10 points)

You are filing as a single individual for 2025 with a gross income of \$60,000 obtained as an employee for a company for the year 2025. Find the federal tax (income + FICA) you would pay for the tax year 2025 if you take the standard deduction.

### Problem 2 (10 points)

You are filing as a single individual for 2025 with a gross income of \$70,000 obtained as an independent contractor (self-employed individual). Find the federal tax (income + FICA) you would pay for the tax year 2025 if you take the standard deduction. Assume you do not have any business deductible expenses, retirement contributions, healthcare premium deductions, etc. Assume you do not use single member LLC, sole proprietorship, S-corporations, etc.

Make sure to deduct the employer half of the self-employment tax (FICA) to adjust your income.