

TAX RATE EXAMPLE

Gross Income		\$25,000	\$50,000	\$100,000	\$250,000	\$1,000,000	\$5,000,000	
Less: Exemptions		\$11,850	\$15,800	\$15,800	\$0	\$0	\$0	Dependents, Disabilities
Less: Deductions								
Standard		\$12,400	\$12,400	\$0	\$0	\$0	\$0	
Itemized		\$0	\$0	\$18,000	\$70,000	\$350,000	\$1,750,000	Charities, Childcare, Medical
Taxable Income		\$750	\$21,800	\$66,200	\$180,000	\$650,000	\$3,250,000	Gross Income less Exemptions and Deductions
Marginal Tax Rate								
\$0 to \$9075	10%	\$75	\$908	\$908	\$908	\$908	\$908	
\$9076 to \$36,900	15%	\$0	\$1,909	\$4,174	\$4,174	\$4,174	\$4,174	
\$36,901 to \$89,350	25%	\$0	\$0	\$7,325	\$13,113	\$13,113	\$13,113	
\$89,351 to \$186,350	28%	\$0	\$0	\$0	\$25,382	\$27,160	\$27,160	
\$186,351 to \$405,100	33%	\$0	\$0	\$0	\$0	\$72,188	\$72,188	
\$405,101 to \$750,750	35%	\$0	\$0	\$0	\$0	\$85,715	\$120,978	
Over \$750,751	39.60%	\$0	\$0	\$0	\$0	\$0	\$989,703	
Tax Amount		\$75	\$2,816	\$12,406	\$43,576	\$203,258	\$1,228,224	
Nominal Tax Rate		10.0%	12.9%	18.7%	24.2%	31.3%	37.8%	Tax Amount divided by Taxible Income
Effective Tax Rate		0.3%	5.6%	12.4%	17.4%	20.3%	24.6%	Tax Amount divided by Gross Income
Sales Tax		\$2,250	\$4,050	\$6,750	\$15,750	\$31,500	\$100,000	
Property Tax		\$250	\$750	\$750	\$1,250	\$17,500	\$50,000	
Payroll Tax		\$1,913	\$3,825	\$6,885	\$8,951	\$8,951	\$8,951	
State and Local		\$0	\$250	\$750	\$1,500	\$12,500	\$81,250	
Total Tax		\$4,488	\$11,691	\$27,541	\$71,027	\$273,709	\$1,468,425	
Effective Tax Rate		18.0%	23.4%	27.5%	28.4%	27.4%	29.4%	Total Tax divided by Gross Income