

2020 TAX REPORT FOR JOHN DOE

KEY FIGURES

| | | | | | |
|-----------------|-----------|-------------------|----------|-------------------------------|--------------------|
| Total Income: | \$312,319 | Filing Status: | Single | Tax Exempt Interest: | \$0 |
| AGI: | \$312,319 | Marginal Rate: | 35.0% | Qualified/Ordinary Dividends: | |
| Deductions: | \$29,200 | Average Rate: | 23.6% | | \$4,198 / \$5,114 |
| Taxable Income: | \$283,119 | 2021 Safe Harbor: | \$81,106 | ST/LT Capital Gains: | \$25,978 / \$8,775 |
| Total Tax: | \$73,732 | | | Carryforward Loss: | \$0 |
| | | | | Credits Claimed: | \$178 |

MARGINAL TAX BRACKET INFORMATION

The marginal tax rate for your *ordinary income* is as follows:

| Marginal Rate | Ordinary Income Threshold | |
|---------------|---------------------------|-----------------------|
| 10.0% | \$0 to \$9,875 | |
| 12.0% | \$9,875 to \$40,125 | |
| 22.0% | \$40,125 to \$85,525 | |
| 24.0% | \$85,525 to \$163,300 | |
| 32.0% | \$163,300 to \$207,350 | |
| 35.0% | \$207,350 to \$518,400 | You: \$270,146 |
| 37.0% | \$518,400 and above. | |

The marginal tax rate for your *capital gains and qualified dividends income* is as follows:

| Marginal Rate | Taxable Income Threshold | Qualified Income (\$12,973 Total) |
|---------------|--------------------------|-----------------------------------|
| 0.0% | \$0 | \$0 |
| 15.0% | \$40,000 | You: \$283,119 \$12,973 |
| 20.0% | \$441,450 | \$0 |

The tax return also includes these extra Medicare taxes:

- \$707.41 additional Medicare tax on Form 8959.
- \$1,910.18 net investment income tax on Form 8960.

MODIFIED ADJUSTED GROSS INCOME TIERS

| Planning Opportunity | Limits | Over/Under? |
|--|-----------------|-------------|
| Net Investment Income Tax | \$200k | Over |
| Coverdell ESA | \$95k - \$110k | Over |
| Roth IRA Contribution | \$124k - \$139k | Over |
| Lifetime Learning Credit | \$59k - \$69k | Over |
| Student Loan Interest Deduction | \$70k - \$85k | Over |
| American Opportunity Credit | \$80k - \$90k | Over |
| Child Tax Credit | \$200k - \$240k | Over |
| Qualified Adoption Expenses Credit | \$217k - \$257k | Over |
| Saver's Credit | \$20k - \$33k | Over |
| IRA Contribution Deductibility - Covered by Qualified Plan | \$65k - \$75k | Over |

ITEMIZED DEDUCTION SUMMARY

Total Itemized Deductions: \$29,200 vs. Standard Deduction of \$12,400

| Deduction | Amount Claimed |
|--|-----------------|
| Health Care Expenses | \$0 |
| Taxes Paid | \$10,000 |
| Mortgage and Investment Interest Expense | \$9,200 |
| Charity | \$10,000 |
| TOTAL | \$29,200 |

MEDICARE PART B/D PREMIUMS FOR 2022

Medicare Parts B and D premiums can be impacted by Modified Adjusted Gross Income* (MAGI). Amounts below are in addition to the base premiums. Amounts are monthly.

*MAGI = AGI + Tax-Exempt Interest

| MAGI Threshold | Part B Premium Adjustment | Part D Premium Adjustment | |
|------------------------|---------------------------|---------------------------|---------------------------|
| \$0 to \$88,000 | \$0 | \$0 | |
| \$88,000 to \$111,000 | \$59 | \$12 | |
| \$111,000 to \$138,000 | \$149 | \$32 | |
| \$138,000 to \$165,000 | \$238 | \$51 | |
| \$165,000 to \$500,000 | \$327 | \$71 | You: \$312,319 |
| \$500,000 and above. | \$356 | \$77 | |

SCHEDULE D - CAPITAL GAINS/LOSSES

The tax return listed the following sources of capital gains/losses:

SHORT TERM

| Description | Amount |
|-------------------------------|----------|
| Short Term Gain/Loss for 2020 | \$25,978 |

LONG TERM

| Description | Amount |
|------------------------------|---------|
| Long Term Gain/Loss for 2020 | \$8,775 |

TOTAL

| | |
|-----------------------------|----------|
| Total Gains/Losses for 2020 | \$34,753 |
|-----------------------------|----------|

- NIIT = AGI + Excluded Foreign Earned Income
- Coverdell, Lifetime Learning, American Opportunity, Child Tax Credit MAGI, Adoption Credit, Saver's Credit = AGI + Excluded Foreign Earned Income + Housing
- Roth MAGI = AGI - Roth Conversions + IRA Deduction + Student Loan Interest Deduction + Tuition Deduction + Excluded Foreign Earned Income + Housing
- Student Loan Deduction MAGI = AGI not including student loan interest
- IRA Deduction MAGI = AGI + Student Loan Interest Deduction + Tuition and Fees Deduction + Excluded Foreign Earned Income + Housing