

## **2018 TAX REPORT FOR**

## **KEY FIGURES**

- Total Income: \$333,923
- Total Tax: \$81,411
- Effective Rate: 24.4%
- AGI: \$333,923
- Taxable Income: \$303,131
- Marginal Rate: 35%
- Itemized/Standard Deductions: \$30,792
- Tax Exempt Interest: \$0
- . ST/LT Capital Gains: \$0 / \$0
- Qualified/Ordinary Dividends: \$4,050 / \$4,050
- Carryforward Loss: \$0
- 2019 Safe Harbor: \$89,553

#### MARGINAL TAX BRACKET INFORMATION

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

Ordinary Income Threshold	Marginal Rate
\$0 to \$9,525	10%
\$9,525 to \$38,700	12%
\$38,700 to \$82,500	22%
\$82,500 to \$157,500	24%
\$157,500 to \$200,000	32%
\$200,000 to \$500,000	35% You (\$299,081)
\$500,000 and above.	37%

The marginal tax rate for your capital gains income is as follows:

Taxable Income Threshold	Marginal Rate 0.00%		Qualified Income (\$0 Total)
\$0			\$0
\$38,600	15.00% Y	You (\$303,131)	\$4,050
\$425,800	20.00%		\$0

The tax return also includes these extra Medicare taxes:

- \$260.00 additional Medicare tax on Form 8959.
- \$175.00 net investment income tax on Form 8960.

### MODIFIED ADJUSTED GROSS INCOME TIERS

Planning Opportunity	Limits	Over/Under?
Net Investment Income Tax*	\$200,000	Over
Coverdell ESA**	\$95,000 - \$110,000	Over
Roth IRA Contribution***	\$122,000 - \$137,000	Over
Lifetime Learning Credit**	\$58,000 - \$68,000	Over
Student Loan Interest Deduction†	\$70,000 - \$85,000	Over
American Opportunity Credit**	\$80,000 - \$90,000	Over
Child Tax Credit**	\$200,000	Over
Qualified Adoption Expenses Credit†	\$207,140 - \$247,140	Over
IRA Contribution Deductibility††	\$64,000 - \$74,000	Over

<sup>\*</sup> NIIT MAGI = AGI

### MEDICARE PART B/D PREMIUMS FOR 2020

Medicare Parts B and D premiums are impacted by Modified Adjusted Gross Income\* (MAGI)

<sup>\*</sup>MAGI = AGI + Tax-Exempt Interest

MAGI Threshold	Part B Premium Adjustment	Part D Premium Adjustment
\$0 to \$87,000	\$0	\$0
\$87,000 to \$109,000	\$58	\$12
\$109,000 to \$136,000	\$145	\$32
\$136,000 to \$163,000	\$231	\$52
\$163,000 to \$500,000	\$318	\$70 You (\$333,923)
\$500,000 and above.	\$347	\$76

<sup>\*\*</sup> Coverdell, Lifetime Learning, American Opportunity, Child Tax Credit MAGI = AGI (Form 2555 foreign income not included.)

<sup>\*\*\*</sup> Roth MAGI = AGI + IRA Deduction + Student Loan Interest Deduction (Form 2555 foreign income not included.)

<sup>†</sup> Student Loan Deduction and Adoption Credit MAGI = AGI + Student Loan Interest Deduction

<sup>††</sup> IRA Deduction MAGI = AGI + IRA Deduction + Student Loan Interest Deductions + Deductible Self-Employment Tax + EE Bond Interest (Form 2555 foreign income not included.)

# **ITEMIZED DEDUCTION SUMMARY**

Total Itemized Deductions: \$30,792 vs. Standard Deduction of \$12,000

Amount Claimed
\$0
\$10,000
\$12,527
\$8,265
\$30,792

# **SCHEDULE B INCOME SOURCES**

The tax return listed the following income sources on Schedule B: Interest

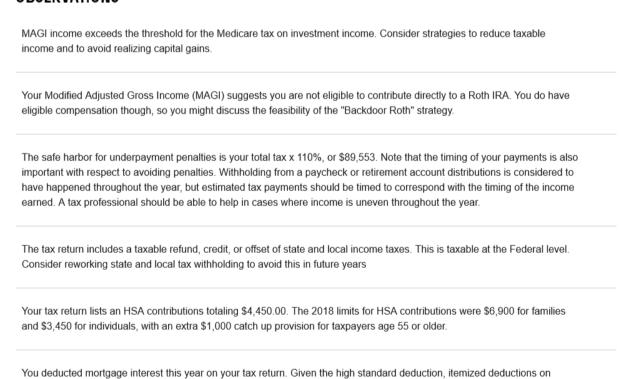
Description	Amount
Discover Bank	\$746
NATIONAL FINANCIAL SERVICES LLC	\$1
State of New Jersey Unclaimed Property Administration	\$36

#### Dividends

Description	Amount
DOWDUPONT INC C/O COMPUTERSHARE	\$93
MERRILLLYNCH,PIERCE,FENNER&SMITH	\$2,940
THE CHEMOURS COMPANY C/O COMPUTERSHARE	\$8
NATIONAL FINANCIAL SERVICES LLC	\$1,009

#### **OBSERVATIONS**

mortgage interest are less valuable.



High level assessments of tax documents should not be interpreted as tax advice. Clients should always consult with a tax professional for advice on the tax ramifications of any/all investments.