Scenario Analysis - Smith, John and Sally | 2024 John Smith and Sally Smith

Note - Calculations are not audited and should be reviewed with a tax professional

	SCENARIO 1 Tax Year 2024	SCENARIO 2 2025 QCD Scenario	SCENARIO 3 2025 QCD+Roth Conversion Scenario
GENERAL INFORMATION			
Year	2024	2025	2025
Calculation		Current Law	Current Law
Inflation Assumption		2.00%	2.00%
INCOME			
1040 INCOME			
Tax-Exempt Interest	$200	$200	$200
Taxable Interest	$2,100	$2,100	$2,100
Qualified Dividends	$2,250	$2,250	$2,250
Total Dividends (incl. Qualified)	$10,000	$10,000	$10,000
IRA Distributions	$50,000	$50,000 QCD:$20,000	$50,000 QCD:$20,000
Roth Conversion		$0	$20,000
Gross Social Security	$57,000	$58,425	$58,425
Taxable Social Security	$48,450	$49,661	$49,661
SCHEDULE D INCOME			
Short Term Capital Gains	$1,000	$1,000	$1,000
Long Term Capital Gains	$3,000 LT loss to carry forward:$0	$3,000 LT loss to carry forward:$0	$3,000 LT loss to carry forward:$0
Total Capital Gains	$4,000	$4,000	$4,000
SCHEDULE 1 INCOME			
Total Income	$114,550	$115,761	$135,761
Schedule 1 Deductions	$0	$0	$0
Adjusted Gross Income	$114,550	$115,761	$135,761

Standard/Itemized Deductions	*$32,300*	*$34,700 (standard)*	*$34,700 (standard)*
Total Other Deductions		*$12,000*	*$12,000*
Taxable Income	*$82,250*	*$69,061*	*$89,061*
Total Tax	*$8,779*	*$7,180*	*$9,580*
Ordinary Income Marginal Bracket	*12.0%*	*12.0%*	*12.0%*
LT Capital Gains Marginal Bracket	*0.0%*	*0.0%*	*0.0%*
Effective Rate	*10.7%*	*10.4%*	*10.8%*
Total Tax (Net of Refundable Credits)	*$8,776*	*$7,180*	*$9,580*

FICA

FICA		*$0*	*$0*
Tax Plus FICA		*$7,180*	*$9,580*
Effective Tax on Next $1,000 Ordinary Income		*12.0%*	*12.0%*

STATE TAX MODELING - MICHIGAN

State Filing Status		*Married Filing Jointly*	*Married Filing Jointly*
Federal AGI		*$115,761*	*$135,761*
Taxable Social Security		*$49,661*	*$49,661*
Total Subtractions		*$49,661*	*$49,661*
State Adjusted Income		*$66,100*	*$86,100*
Taxpayers & Dependents Exemptions		*$11,600*	*$11,600*
Total Exemptions		*$11,600*	*$11,600*
State Taxable Income		*$54,500*	*$74,500*
Tax Before Credits		*$2,316*	*$3,166*
State Tax		*$2,316*	*$3,166*
Marginal Bracket		*4.25%*	*4.25%*

FEDERAL WITHHOLDING CALCULATOR

Total Tax	*$8,779*	*$7,180*	*$9,580*
Safe Harbor 90% of Total Tax		*$6,462*	*$8,622*
Total Withholding	*$9,000*	*$0*	*$0*
Difference	*-$221*	*$7,180*	*$9,580*

STATE TAX WITHHOLDING CALCULATOR

Total State Tax	***$2,316***	***$3,166***
Difference	***$2,316***	***$3,166***