

Examples of Income Tax Liability Under an Income Tax on Federal Adjusted Gross Income

- I. A married couple, both age 23 with two dependents, with Federal Adjusted Gross Income of \$19,000 (the 2003 federal poverty guidelines for a family of four is \$18,400). They normally would take the standard deduction.

Current Income Tax = \$410

Hypothetical Tax = \$0

- II. A married couple, both over 65, with Federal Adjusted Gross Income of \$60,000. \$10,000 of total Federal Adjusted Gross Income is from social security income. They normally would take the standard deduction.

Current Income Tax = \$858

Hypothetical Tax = \$1,100

- III. A single person 62 years old with Federal Adjusted Gross Income of \$27,000. \$10,000 of total Federal Adjusted Gross Income is from social security income. He normally takes the standard deduction.

Current Income Tax = \$530

Hypothetical Tax = \$70

- IV. A married couple, both age 55, with Federal Adjusted Gross Income of \$150,000 with no dependents. The couple has eligible itemized deductions of \$19,500.

Current Income Tax = \$7,154

Hypothetical Tax = \$7,350

- V. A married couple, both age 40 with two dependents, with Federal Adjusted Gross Income of \$75,000. The couple has eligible itemized deductions of \$12,500.

Current Income Tax = \$3,152

Hypothetical Tax = \$2,663

- VI. A married couple, both age 45 with two dependents, with Federal Adjusted Gross Income of \$110,000. The couple has eligible itemized deductions of \$20,000.

Current Income Tax = \$4,734

Hypothetical Tax = \$4,850

- VII. A single person 30 years old with Federal Adjusted Gross Income of \$35,000 who normally takes the standard deduction.

Current Income Tax = \$1,537

Hypothetical Tax = \$825

- VIII. A single person 45 years old with Federal Adjusted Gross Income of \$70,000 who has eligible itemized deductions of \$15,000.

Current Income Tax = \$2,859

Hypothetical Tax = \$2,900

Estimates prepared by the Division of Legislative Services.