

5.2 Exercises



Joint Return Tax Rates The table shows the marginal tax rates for a married couple filing jointly. In Exercises 1–4, use the table. (See Examples 1 and 2.)

Married Filing Jointly in 2010	
Taxable Income	Marginal Tax Rate
\$0–\$16,750	10%
\$16,751–\$68,000	15%
\$68,001–\$137,300	25%
\$137,301–\$209,250	28%
\$209,251–\$373,650	33%
\$373,651+	35%



- You and your spouse have a taxable income of \$58,750. How much do you pay in income tax? What is the effective tax rate?
- You and your spouse have a taxable income of \$75,000. Compare your income tax with that of a single taxpayer who has the same taxable income.
- You and your spouse have an adjusted gross income of \$141,500. You subtract a standard deduction of \$11,400 and 2 personal exemptions of \$3650 each to determine your taxable income. How much do you pay in income tax? What is the effective tax rate?
- You have an adjusted gross income of \$214,000, and your spouse has no income.
 - You subtract a standard deduction of \$11,400 and 2 personal exemptions of \$3650 each to determine your taxable income. How much do you pay in income taxes? What is the effective tax rate?
 - The standard deduction for a taxpayer filing “single” is \$5700, and the personal exemption is \$3650. Suppose you are single and subtract the standard deduction and personal exemption to determine your taxable income. How much more do you pay in income tax than in part (a)? How much higher is the effective tax rate?
- Married Filing Separately** The table shows the marginal tax rates for a married couple filing separately. You and your spouse have a taxable income of \$54,680. Do you pay less tax to file all the income for yourself under “married filing separately” rather than “married filing jointly”? Explain your reasoning. (See Examples 1 and 2.)
- Effective Tax Rate** Do incomes in the same bracket have the same effective tax rate? Explain your reasoning. (See Examples 1 and 2.)

For tax purposes, your marital status is determined on the last day of the tax year. Even if you get married on December 31, you can file jointly for the whole year.

Married Filing Separately in 2010	
Taxable Income	Marginal Tax Rate
\$0–\$8375	10%
\$8376–\$34,000	15%
\$34,001–\$68,650	25%
\$68,651–\$104,625	28%
\$104,626–\$186,825	33%
\$186,826+	35%