OVERVIEW OF FEDERAL INCOME TAX SYSTEM

All Income
- Exclusions
= Gross Income
- Deductions
= Taxable Income
x Tax Rate

= Tax
- Prepayments and Credits
= Refund or Balance Due

Gross Income
- FOR
= AGI
- FROM
= Taxable Income

-Tables
(req if TI < $100,000)
($100,000 since '92)
-Rate Schedule

Generally,
FOR = Business
FROM = Personal

p 2/10
& front cover

FROM:

I. Choose LARGER of

A. Std Deduction

1. filing status

	for 2008
S	$5,450
H of H	$8,000
MFJ	$10,900
MFS	$5,450

2. extras (TP & spouse)
   a. age S $1,300 p 2/11
   b. blindness M $1,050
3. minimum p 2/23
   $900 or EI + $300

B. Itemized Deductions
(phased out AGI > $159,950)
p 2/10

medical
taxes
interest
char cont
cas losses
other

II. Exemptions
A. personal $3,500 (3,400)
B. dependents p 2/5 & front
(phased out AGI > $159,950 sgl)

FIVE TESTS: *(prior to 2005)*
support p 2/13-17
gross income
mbr of HH or related
citizenship
joint return

child p 2/13-17
-under 19 or
-FT student < 24
(since '89)

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