

2008 Tax Projection
Doe, John & Jane
Prepared by: Lauzen Accounting

Tax Projection

	Purchase \$50K Equipment		Don't Purchase \$50K Equip	
	2007	2008	2007	2008
Filing status	Joint	Joint	Joint	Joint
Exemptions claimed	2	2	2	2
Wages	106,360	106,360	106,360	106,360
Interest	5,415	5,500	5,415	5,500
Dividends	3,700	4,500	3,700	4,500
Taxable state refund	-	22	-	22
Alimony	-	-	-	-
Business income/loss	-	-	-	-
Capital gain/loss	1,575	2,000	1,575	2,000
Other gain/loss on sale	-	-	-	-
Taxable IRA distributions	-	-	-	-
Taxable pensions	-	-	-	-
Rents, royalties, K1 inc/loss	130,655	159,105	130,655	209,105
Farm income/loss	-	-	-	-
Unemployment compensation	-	-	-	-
Taxable social security	-	-	-	-
Other income/loss	-	-	-	-
Total income	247,705	277,487	247,705	327,487
IRA	-	-	-	-
Student loan interest	-	-	-	-
Education expenses	-	-	-	-
Moving expenses	-	-	-	-
SE health insurance deduction	13,730	14,000	13,730	14,000
One-half self-employment tax	-	-	-	-
SEP, SIMPLE, qualified plans	-	-	-	-
Domestic prod activities dedn	-	-	-	-
Penalty on early withdrawal	-	-	-	-
Alimony paid	-	-	-	-
Other adjustments	-	-	-	-
Total adjustments	13,730	14,000	13,730	14,000
Adjusted gross income	233,975	263,487	233,975	313,487
Allowed medical expenses	-	-	-	-
State income or sales tax dedn	6,550	6,550	6,550	6,550
Real estate tax - residential	7,415	7,750	7,415	7,750
Real estate tax - investment	-	-	-	-
Personal property tax	-	-	-	-
Other taxes	-	-	-	-
Total taxes	13,965	14,300	13,965	14,300
Home mortgage int - buy, build	6,005	4,500	6,005	4,500
Other qualified housing int	-	-	-	-
Deductible points	-	-	-	-
Mortgage insurance premiums	-	-	-	-
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Allowed investment interest	-	-	-	-
Total interest expense	6,005	4,500	6,005	4,500
Charitable contributions	3,115	3,205	3,115	3,205
Allowable casualty/theft	-	-	-	-
Allowed misc subj to 2%	-	-	-	-
Gambling losses allowed	-	-	-	-
Other misc ded not subj to 2%	-	-	-	-
Total itemized deductions	23,085	22,005	23,085	22,005
Standard / Itemized deductions	21,534	20,970	21,534	20,470
Personal exemptions	6,800	6,533	6,800	5,600
Taxable income	205,641	235,984	205,641	287,417
Regular tax	46,112	55,434	46,112	72,407
Alternative minimum tax	-	6,637	-	7,164
Allowed credits	-	-	-	-
Tax net of credits	46,112	62,071	46,112	79,571
Self-employment tax	-	-	-	-
Total other taxes	-	-	-	-
Total federal tax	46,112	62,071	46,112	79,571
Prior overpayment credited	-	-	0	-
1st ES payment	2,125	3,100	2,125	3,100
2nd ES payment	2,125	3,100	2,125	3,100
3rd ES payment	2,125	3,100	2,125	3,100
4th ES payment	2,125	3,100	2,125	3,100
W/H on wages, retirement	38,356	38,356	38,356	38,356
Other withholding	-	-	-	-
Extension payment	-	-	-	-
Total federal payments	46,856	50,756	46,856	50,756
Refundable credits	-	-	-	-
Underpayment penalty	-	-	-	-
Federal balance due/refund	(744)	11,315	(744)	28,815
Current year tax after credits	46,112	62,071	46,112	79,571
90% of current year tax	41,501	55,864	41,501	71,614
Prior AGI	-	233,975	-	233,975
Prior year tax	-	46,112	0	46,112
Prior year safe harbor	-	50,723	-	50,723
Required payment	41,501	50,723	0	50,723
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Taxable Wages

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	2007	2008	2007	2008
Taxpayer				
Federal taxable wages	104,000	104,000	104,000	104,000
Wages subject to FICA	97,500	102,000	97,500	102,000
Wages subject to Medicare	104,000	104,000	104,000	104,000
Dependent care benefits	-	-	-	-
Taxable dep care benefits	-	-	-	-
Taxable adoption benefits	-	-	-	-
Total taxable wages	104,000	104,000	104,000	104,000
Federal income tax withheld	38,220	38,220	38,220	38,220
State wages	104,000	104,000	104,000	104,000
State income tax withheld	4,524	4,524	4,524	4,524
Local wages	104,000	104,000	104,000	104,000
Local tax withheld	-	-	-	-
Spouse				
Federal taxable wages	2,360	2,360	2,360	2,360
Wages subject to FICA	2,360	2,360	2,360	2,360
Wages subject to Medicare	2,360	2,360	2,360	2,360
Dependent care benefits	-	-	-	-
Taxable dep care benefits	-	-	-	-
Taxable adoption benefits	-	-	-	-
Total taxable wages	2,360	2,360	2,360	2,360
Federal income tax withheld	136	136	136	136
State wages	2,360	2,360	2,360	2,360
State income tax withheld	26	26	26	26
Local wages	2,360	2,360	2,360	2,360
Local tax withheld	-	-	-	-
Total taxable wages	106,360	106,360	106,360	106,360
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Sch E Rental/Royalty Activities - Commercial Building

	Purchase \$50K Equipment		Don't Purchase \$50K Equip	
	2007	2008	2007	2008
Rental real estate or royalty?	Rental	Rental	Rental	Rental
Rent/royalties received	47,400	50,000	47,400	50,000
Expenses				
Vehicle	75	75	75	75
Mortgage interest	15,430	14,500	15,430	14,500
Taxes	12,305	13,000	12,305	13,000
Depreciation	12,820	12,820	12,820	12,820
Other expenses	<u>1,115</u>	<u>500</u>	<u>1,115</u>	<u>500</u>
Total expenses	41,745	40,895	41,745	40,895
Rental/royalty net income/loss	<u>5,655</u>	<u>9,105</u>	<u>5,655</u>	<u>9,105</u>
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Sch E Ptnrshp/S Corporation Activities - Dynamic Company, Inc.

	Purchase \$50KEquipment		Don't Purchase \$50KEquip	
	2007	2008	2007	2008
Partnership or S Corporation?	S Corp	S Corp	S Corp	S Corp
Ordinary income/loss - busn	125,000	150,000	125,000	200,000
Rental real estate income/loss	-	-	-	-
Other rental income/loss	-	-	-	-
Guaranteed payments to partner	-	-	-	-
Other expenses	-	-	-	-
Ptnrshp/S corp net income/loss	125,000	150,000	125,000	200,000
Net self-employment earnings	-	-	-	-
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Tax Projection II

	Purchase \$50K Equipment		Don't Purchase \$50K Equip	
	2007	2008	2007	2008
Federal AGI	233,975	263,487	233,975	313,487
Federally tax-exempt interest	-	-	-	-
Other additions	-	-	-	-
Total additions	-	-	-	-
Illinois income tax refund	-	-	-	-
Interest on US obligations	-	-	-	-
SS or RR benefits	-	-	-	-
Roth IRA conversions	-	-	-	-
Illinois exempt retirement	-	-	-	-
SE health insurance	-	-	-	-
Illinois exempt muni interest	-	-	-	-
Other subtractions	-	-	-	-
Total subtractions	-	-	-	-
Base income	233,975	263,487	233,975	313,487
Exemption allowance	4,000	4,000	4,000	4,000
Taxable income	229,975	259,487	229,975	309,487
Total tax	6,899	7,785	6,899	9,285
Credits	371	388	371	388
Prior overpayment credited	-	-	-	-
Quarter 1 payment	500	500	500	500
Quarter 2 payment	500	500	500	500
Quarter 3 payment	500	500	500	500
Quarter 4 payment this year	500	500	500	500
Quarter 4 payment next year	-	-	-	-
W/H on wages, retirement	4,550	4,550	4,550	4,550
Other resident state tax W/H	-	-	-	-
Extension payment	-	-	-	-
Withholding & payments	6,550	6,550	6,550	6,550
Tax due/refund	(22)	847	(22)	2,347
	2007	2008	2007	2008
	Purchase \$50K Equipment		Don't Purchase \$50K Equip	