

**FORM FOR ESTIMATING 2016 INCOME TAX LIABILITY (does not consider AMT or averaging)**

**FARM INCOME**

- 1. Total farm receipts to date..... \$ \_\_\_\_\_
- 2. Estimated farm receipts to end of year ..... \$ \_\_\_\_\_
- 3. **TOTAL 1040F SALES (Line 1+2)..... \$ \_\_\_\_\_**

**EXPENSES AND DEPRECIATION**

- 4. Cash expenses to date ..... \$ \_\_\_\_\_
- 5. Estimated cash expenses to end of year ..... \$ \_\_\_\_\_
- 6. Depreciation for the year..... \$ \_\_\_\_\_
- 7. **TOTAL EXPENSES AND DEPRECIATION (Line 4+5+6) ..... \$ \_\_\_\_\_**
- 8. **1040F NET FARM PROFIT (Line 3-7) ..... \$ \_\_\_\_\_**

**ADDITIONAL INCOME**

- 9. Long-term capital gains (LTCG) and losses ..... \$ \_\_\_\_\_
- 10. Short-term capital gains and depreciation recapture..... \$ \_\_\_\_\_
- 11. Non-farm income (includes wages, interest, rent income, etc.)..... \$ \_\_\_\_\_
- 12. **TOTAL ADDITIONAL INCOME (Line 9+10+11 ..... \$ \_\_\_\_\_**
- 13. **TOTAL INCOME (Line 8+12)..... \$ \_\_\_\_\_**

- 14. Self-employment retirement deduction (Keogh and/or IRA, or SEP) ..... \$ \_\_\_\_\_
- 15. 100% of medical insurance premium for self-employed..... \$ \_\_\_\_\_
- 16. Self-employment tax (50% of line 27) & 9% Domestic Prod Act Ded..... \$ \_\_\_\_\_
- 17. **TOTAL ADJUSTMENTS TO INCOME (Line 14+15+16) ..... \$ \_\_\_\_\_**
- 18. **ADJUSTED GROSS INCOME (Line 13-17) ..... \$ \_\_\_\_\_**

- 19. Greater of itemized deductions or standard deduction<sup>1</sup> ..... \$ \_\_\_\_\_
- 20. Exemptions (Number \_\_\_\_\_ x \$4,050 per exemption)<sup>1</sup> ..... \$ \_\_\_\_\_

<sup>1</sup>(\$12,600 for married filing joint, \$9,300 head of household, \$6,300 single, \$6,300 married filing separate.)

- 21. **TOTAL EXEMPTIONS AND DEDUCTIONS (Line 19+20)..... \$ \_\_\_\_\_**
- 22. Taxable income after exemptions and deductions (Line 18-21)..... \$ \_\_\_\_\_
- 23. **REGULAR FEDERAL INCOME TAX (subtract LTCG before using tables)..... \$ \_\_\_\_\_**
- 24. Capital gains tax<sup>2</sup> (15% or 0% or 20% 18.8% or 23.8%) ..... \$ \_\_\_\_\_
- 25. Credits..... \$ \_\_\_\_\_
- 26. Federal income tax due (Lines 23 + 24 - 25) ..... \$ \_\_\_\_\_
- 27. Social Security tax: 15.3% [of the lesser of (Line 8 x .9235) or \$118,500]  
+ [2.9% of (line 8 x .9235) over \$118,500] + 0.9% over \$200,000 (single) or \$250,000 (married)... \$ \_\_\_\_\_
- 28. **TOTAL FEDERAL TAX OBLIGATION (Line 26+27)..... \$ \_\_\_\_\_**

Federal Tax percentage (line 28 divided by line 18 ) x 100 \_\_\_\_\_

<sup>1</sup> If a married taxpayer and/or spouse is age 65 or over, or is blind, add \$1,250 to the standard deduction for each spouse 65 or over and/or \$1,250 additional if blind. The addition is \$1,550 if the taxpayer is single or head of household, and age 65 or over and \$1,550 additional if blind.

<sup>2</sup> If tax rate for calculating line 23 is in the 10 or 15% bracket, then rate is 0% for the amount between taxable ordinary income and the top of the 15% bracket (\$37,650 for single and \$75,300 for married filing joint). For bracket amounts 25% to 35%, the capital gain rate is 15%. For the 39.6% bracket the capital gain rate is 20%.

### 2016 Tax Rates, Single Individual

| <b>Taxable Income</b> | <b>Tax Payable</b>                      |
|-----------------------|---|
| \$ 0 - 9,275          | 10% of TI                               |
| \$ 9,275 - 37,650     | \$ 922.50 + 15.0% of (TI - 9,275)       |
| \$ 37,650 - 91,150    | \$ 5,183.75 + 25.0% of (TI - 37,650)    |
| \$ 91,150 - 190,150   | \$ 18,558.75 + 28.0% of (TI - 91,150)   |
| \$ 190,150 - 413,350  | \$ 46,278.75 + 33.0% of (TI - 190,150)  |
| \$ 413,350 - 415,050  | \$ 119,934.75 + 35.0% of (TI - 413,350) |
| Over \$415,050        | \$ 120,529.75 + 39.6% of (TI - 415,050) |

### 2016 Tax Rates, Married Filing Jointly

| <b>Taxable Income</b> | <b>Tax Payable</b>                      |
|-----------------------|---|
| \$ 0 - 18,550         | 10% of TI                               |
| \$ 18,550 - 75,300    | \$ 1,855.00 + 15.0% of (TI - 18,550)    |
| \$ 75,300 - 151,900   | \$ 10,367.50 + 25.0% of (TI - 75,300)   |
| \$ 151,900 - 231,450  | \$ 29,517.50 + 28.0% of (TI - 151,900)  |
| \$ 231,450 - 413,350  | \$ 51,791.50 + 33.0% of (TI - 231,450)  |
| \$ 413,350 - 466,950  | \$ 111,818.50 + 35.0% of (TI - 413,350) |
| Over \$466,950        | \$ 130,578.50 + 39.6% of (TI - 466,950) |

### 2016 Tax Rates, Heads of Households

| <b>Taxable Income</b> | <b>Tax Payable</b>                      |
|-----------------------|---|
| \$ 0 - 13,250         | 10% of TI                               |
| \$ 13,250 - 50,400    | \$ 1,325.00 + 15.0% of (TI - 13,250)    |
| \$ 50,400 - 130,150   | \$ 6,897.50 + 25.0% of (TI - 50,400)    |
| \$ 130,150 - 210,800  | \$ 26,835.00 + 28.0% of (TI - 130,150)  |
| \$ 210,800 - 413,350  | \$ 49,417.00 + 33.0% of (TI - 210,800)  |
| \$ 413,350 - 441,000  | \$ 116,258.50 + 35.0% of (TI - 413,350) |
| Over \$441,000        | \$ 125,936.00 + 39.6% of (TI - 441,000) |

### 2016 Married Filing Separately

| <b>Taxable Income</b> | <b>Tax Payable</b>                     |
|-----------------------|--|
| \$ 0 - 9,275          | 10% of TI                              |
| \$ 9,275 - 37,650     | \$ 927.50 + 15.0% of (TI - 9,275)      |
| \$ 37,650 - 75,950    | \$ 5,183.75 + 25.0% of (TI - 37,650)   |
| \$ 75,950 - 115,725   | \$ 14,758.75 + 28.0% of (TI - 75,950)  |
| \$ 115,725 - 206,675  | \$ 25,895.75 + 33.0% of (TI - 115,725) |
| \$ 206,675 - 233,475  | \$ 55,909.25 + 35.0% of (TI - 206,675) |
| Over \$233,475        | \$ 65,289.25 + 39.6% of (TI - 233,475) |

### 2016 Estates and Trusts

| <b>Taxable Income</b> | <b>Tax Payable</b>                   |
|-----------------------|--------------------------------------|
| \$ 0 - 2,550          | 15% of TI                            |
| \$ 2,550 - 5,950      | \$ 382.50 + 25.0% of (TI - 2,550)    |
| \$ 5,950 - 9,050      | \$ 1,232.50 + 28.0% of (TI - 5,950)  |
| \$ 9,050 - 12,400     | \$ 2,100.50 + 33.0% of (TI - 9,050)  |
| Over \$12,400         | \$ 3,206.00 + 39.6% of (TI - 12,400) |

### Corporations

| <b>Taxable Income</b>      | <b>Tax Payable</b>                      |
|----------------------------|---|
| \$ 0 - 50,000              | 15% of TI                               |
| \$ 50,000 - 75,000         | \$ 7,500 + 25% of (TI - 50,000)         |
| \$ 75,000 - 100,000        | \$ 13,750 + 34% of (TI - 75,000)        |
| \$ 100,000 - 335,000       | \$ 22,250 + 39% of (TI - 100,000)       |
| \$ 335,000 - 10,000,000    | \$ 113,900 + 34% of (TI - 335,000)      |
| \$ 10,000,000 - 15,000,000 | \$ 3,400,000 + 35% of (TI - 10,000,000) |
| \$ 15,000,000 - 18,333,333 | \$ 5,150,000 + 38% of (TI - 15,000,000) |
| Over \$18,333,333          | 35% of (TI - 0)                         |

Michigan Income Tax Rate = 4.25%      Michigan Standard Exemption = \$4,050