

FORM FOR ESTIMATING 2007 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. One-half (1/2) self-employment tax (1/2 of line 27) & 6% 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 deduction¹ \$ _____
- ¹(\$10,700 for married filing joint, \$7,850 head of household, \$5,350 single, \$5,350 married filing separate.)
(Up to 80% of itemized deductions are phased out at the rate of 3% for AGI in excess of \$156,400.)

- 20. Exemptions (Number _____ x \$3,400 per exemption)¹ \$ _____
- (Caution--a phase-out of exemptions [2% for every \$2,500 of AGI times 2/3: max of \$2,267] begins at AGI of \$234,600 for a couple, \$156,400 for single, \$195,500 for head of household, and \$117,300 for 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 tax² (15% or 5%)..... \$ _____
- 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 \$97,500] + [2.9% of (line 8 x .9235) over \$97,500]..... \$ _____

- 28. **TOTAL FEDERAL TAX OBLIGATION (Line 26+27)..... \$ _____**

¹ If a married taxpayer and/or spouse is age 65 or over, or is blind, add \$1,050 to the standard deduction for each spouse 65 or over and/or \$1,050 additional if blind. The addition is \$1,250 if the taxpayer is single or head of household, and age 65 or over and \$1,300 additional if blind.
² If tax rate for calculating line 23 is in the 10 or 15% bracket, then rate is 5% for the amount between taxable ordinary income and the top of the 15% bracket (\$31,850 for single and \$63,700 for married filing joint). For bracket amounts 25% or greater, the capital gain rate is 15%.

2007 Tax Rates, Single Individual

Taxable Income	Tax Payable
\$ 0 - 7,825	10% of TI
\$ 7,825 - 31,850	\$ 782.50 + 15.0% of (TI - 7,825)
\$ 31,850 - 77,100	\$ 4,386.25 + 25.0% of (TI - 31,850)
\$ 77,100 - 160,850	\$ 15,698.75 + 28.0% of (TI - 77,100)
\$ 160,850 - 349,700	\$ 39,148.75 + 33.0% of (TI - 160,850)
Over \$349,700	\$ 101,469.25 + 35.0% of (TI - 349,700)

2007 Tax Rates, Married Filing Jointly

Taxable Income	Tax Payable
\$ 0 - 15,650	10% of TI
\$ 15,650 - 63,700	\$ 1,565.00 + 15.0% of (TI - 15,650)
\$ 63,700 - 128,500	\$ 8,772.50 + 25.0% of (TI - 63,700)
\$ 128,500 - 195,850	\$ 24,972.50 + 28.0% of (TI - 128,500)
\$ 195,850 - 349,700	\$ 43,830.50 + 33.0% of (TI - 195,850)
Over \$349,700	\$ 94,601.00 + 35.0% of (TI - 349,700)

2007 Tax Rates, Heads of Households

Taxable Income	Tax Payable
\$ 0 - 11,200	10% of TI
\$ 11,200 - 42,650	\$ 1,120.00 + 15.0% of (TI - 11,200)
\$ 42,650 - 110,100	\$ 5,837.50 + 25.0% of (TI - 42,650)
\$ 110,100 - 178,350	\$ 22,700.00 + 28.0% of (TI - 110,100)
\$ 178,350 - 349,700	\$ 41,810.00 + 33.0% of (TI - 178,350)
Over \$349,700	\$ 98,355.50 + 35.0% of (TI - 349,700)

2007 Married Filing Separately

Taxable Income	Tax Payable
\$ 0 - 7,825	10% of TI
\$ 7,825 - 31,850	\$ 782.50 + 15.0% of (TI - 7,825)
\$ 31,850 - 64,250	\$ 4,386.25 + 25.0% of (TI - 31,850)
\$ 64,250 - 97,925	\$ 12,486.25 + 28.0% of (TI - 64,250)
\$ 97,925 - 174,850	\$ 21,915.25 + 33.0% of (TI - 97,925)
Over \$174,850	\$ 47,300.50 + 35.0% of (TI - 174,850)

2007 Estates and Trusts

Taxable Income	Tax Payable
\$ 0 - 2,150	15% of TI
\$ 2,150 - 5,000	\$ 322.50 + 25.0% of (TI - 2,150)
\$ 5,000 - 7,650	\$ 1,035.00 + 28.0% of (TI - 5,000)
\$ 7,650 - 10,450	\$ 1,777.00 + 33.0% of (TI - 7,650)
Over \$10,450	\$ 2,701.00 + 35.0% of (TI - 10,450)

Corporations

Taxable Income	Tax Payable
\$ 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)