

FORM FOR ESTIMATING 2008 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(\$10,900 for married filing joint, \$8,000 head of household, \$5,450 single, \$5,450 married filing separate.)
(Up to 80% of itemized deductions are phased out at the rate of 3% for AGI in excess of \$159,250.)

- 20. Exemptions (Number _____ x \$3,500 per exemption)¹ \$ _____

(Caution--a phase-out of exemptions [2% for every \$2,500 of AGI times 1/3: max of \$1,267] begins at AGI of \$239,950 for a couple, \$159,950 for single, \$199,950 for head of household, and \$119,975 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 0%)..... \$ _____

- 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 \$102,000] + [2.9% of (line 8 x .9235) over \$102,000]..... \$ _____

- 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 \$1,350 if the taxpayer is single or head of household, and age 65 or over and \$1,350 additional if blind.

² 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 (\$32,550 for single and \$65,100 for married filing joint). For bracket amounts 25% or greater, the capital gain rate is 15%.

2008 Tax Rates, Single Individual

Taxable Income	Tax Payable
\$ 0 - 8,025	10% of TI
\$ 8,025 - 32,550	\$ 802.50 + 15.0% of (TI - 8,025)
\$ 32,550 - 78,850	\$ 4,481.25 + 25.0% of (TI - 32,550)
\$ 78,850 - 164,550	\$ 16,056.25 + 28.0% of (TI - 78,850)
\$ 164,550 - 357,700	\$ 40,052.25 + 33.0% of (TI - 164,550)
Over \$357,700	\$ 103,791.75 + 35.0% of (TI - 357,700)

2008 Tax Rates, Married Filing Jointly

Taxable Income	Tax Payable
\$ 0 - 16,050	10% of TI
\$ 15,650 - 65,100	\$ 1,605.00 + 15.0% of (TI - 16,050)
\$ 65,100 - 131,450	\$ 8,962.50 + 25.0% of (TI - 65,100)
\$ 131,450 - 200,300	\$ 25,550.00 + 28.0% of (TI - 131,450)
\$ 200,300 - 357,700	\$ 44,828.00 + 33.0% of (TI - 200,300)
Over \$357,700	\$ 96,770.00 + 35.0% of (TI - 357,700)

2008 Tax Rates, Heads of Households

Taxable Income	Tax Payable
\$ 0 - 11,450	10% of TI
\$ 11,450 - 43,650	\$ 1,145.00 + 15.0% of (TI - 11,450)
\$ 43,650 - 112,650	\$ 5,975.00 + 25.0% of (TI - 43,650)
\$ 112,650 - 182,400	\$ 23,225.00 + 28.0% of (TI - 112,650)
\$ 182,400 - 357,700	\$ 42,755.00 + 33.0% of (TI - 182,400)
Over \$357,700	\$ 100,604.00 + 35.0% of (TI - 357,700)

2008 Married Filing Separately

Taxable Income	Tax Payable
\$ 0 - 8,025	10% of TI
\$ 8,025 - 32,550	\$ 802.50 + 15.0% of (TI - 8,025)
\$ 32,550 - 65,725	\$ 4,481.25 + 25.0% of (TI - 32,550)
\$ 65,725 - 100,150	\$ 12,775.00 + 28.0% of (TI - 65,725)
\$ 100,150 - 178,850	\$ 22,414.00 + 33.0% of (TI - 100,150)
Over \$178,850	\$ 48,385.00 + 35.0% of (TI - 178,850)

2008 Estates and Trusts

Taxable Income	Tax Payable
\$ 0 - 2,200	15% of TI
\$ 2,200 - 5,150	\$ 330.00 + 25.0% of (TI - 2,200)
\$ 5,150 - 7,850	\$ 1,067.50 + 28.0% of (TI - 5,150)
\$ 7,850 - 10,700	\$ 1,823.50 + 33.0% of (TI - 7,850)
Over \$10,700	\$ 2,764.00 + 35.0% of (TI - 10,700)

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)