

FORM FOR ESTIMATING 2018 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) \$ _____
- 17. **TOTAL ADJUSTMENTS TO INCOME (Line 14+15+16) \$ _____**
- 18. **ADJUSTED GROSS INCOME (Line 13-17) \$ _____**

- 19. Greater of itemized deductions or standard deduction¹ \$ _____
- 20. Exemptions (Number _____ x zero per exemption)¹ \$ _____
- 21. **TOTAL DEDUCTIONS (Line 19+20) \$ _____**

¹(\$24,000 for married filing joint, \$18,000 head of household, \$12,000 single or married filing separate.)

- 22. Taxable income after deductions (Line 18-21) \$ _____
- 22a. QBI Deduction: lesser of [(20% of line 8 + 20% of recaptured depreciation) or (20% of line 22)].... \$ _____
- 22b. Taxable income after deducting QBI deduction (line 22 minus line 22a)..... \$ _____

If line 22 is over \$315,000 married or \$157,500 single, the calculation for line 22a is much more complicated.

- 23. **REGULAR FEDERAL INCOME TAX (subtract LTCG before using tables)..... \$ _____**
- 24. Capital gains tax² (15% or 0% or 20% 18.8% or 23.8%) \$ _____
- 25. Credits..... \$ _____
- 26. Federal income tax due (Lines 23 + 24 - 25) \$ _____
- 27. Self Employment tax: 15.3% [of the lesser of (Line 8 x .9235) or \$128,400]
+ [2.9% of (line 8 x .9235) over \$128,400] + 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 _____

¹ If a married taxpayer and/or spouse is age 65 or over, or is blind, add \$1,300 to the standard deduction for each spouse 65 or over and/or \$1,300 additional if blind. The addition is \$1,600 if the taxpayer is single or head of household, and age 65 or over and \$1,600 additional if blind.

² If tax rate for calculating line 23 is 0% for the amount between taxable ordinary income and \$38,600 for single and \$77,200 for married filing joint. For higher amounts the capital gains rate is 15% until reaching \$425,800 single or \$479,000 married. Above that the capital gains rate is 20%.

2018 Tax Rates, Single Individual

Taxable Income	Tax Payable
\$ 0 - 9,525	10% of TI
\$ 9,525 - 38,700	\$ 952.50 + 12.0% of (TI - 9,325)
\$ 38,700 - 82,500	\$ 4,453.50 + 22.0% of (TI - 38,700)
\$ 82,500 - 157,500	\$ 14,089.50 + 24.0% of (TI - 82,500)
\$ 157,500 - 200,000	\$ 32,089.50 + 32.0% of (TI - 157,500)
\$ 200,000 - 500,000	\$ 45,689.50 + 35.0% of (TI - 200,000)
Over \$500,000	\$150,689.50 + 37.0% of (TI - 500,000)

2018 Tax Rates, Married Filing Jointly

Taxable Income	Tax Payable
\$ 0 - 19,050	10% of TI
\$ 19,050 - 77,400	\$ 1,905.00 + 12.0% of (TI - 19,050)
\$ 77,400 - 165,000	\$ 8,907.00 + 22.0% of (TI - 77,400)
\$ 165,000 - 315,000	\$ 28,179.00 + 24.0% of (TI - 165,000)
\$ 315,000 - 400,000	\$ 64,179.00 + 32.0% of (TI - 315,000)
\$ 400,000 - 600,000	\$ 91,379.00 + 35.0% of (TI - 400,000)
Over \$600,000	\$161,379.00 + 37.0% of (TI - 600,000)

2018 Tax Rates, Heads of Households

Taxable Income	Tax Payable
\$ 0 - 13,600	10% of TI
\$ 13,600 - 51,800	\$ 1,360.00 + 12.0% of (TI - 13,600)
\$ 51,800 - 82,500	\$ 5,944.00 + 22.0% of (TI - 51,800)
\$ 82,500 - 157,500	\$ 12,698.00 + 24.0% of (TI - 82,500)
\$ 157,500 - 200,000	\$ 30,698.00 + 32.0% of (TI - 157,500)
\$ 200,000 - 500,000	\$ 44,298.00 + 35.0% of (TI - 200,000)
Over \$500,000	\$149,298.00 + 37.0% of (TI - 500,000)

2018 Married Filing Separately

Taxable Income	Tax Payable
\$ 0 - 9,525	10% of TI
\$ 9,525 - 38,700	\$ 952.50 + 12.0% of (TI - 9,325)
\$ 38,700 - 82,500	\$ 4,453.50 + 22.0% of (TI - 38,700)
\$ 82,500 - 157,500	\$ 14,089.50 + 24.0% of (TI - 82,500)
\$ 157,500 - 200,000	\$ 32,089.50 + 32.0% of (TI - 157,500)
\$ 200,000 - 300,000	\$ 45,689.50 + 35.0% of (TI - 200,000)
Over \$300,000	\$ 80,689.50 + 37.0% of (TI - 300,000)

2018 Estates and Trusts

Taxable Income	Tax Payable
\$ 0 - 2,550	10% of TI
\$ 2,550 - 9,150	\$ 255.00 + 24.0% of (TI - 2,550)
\$ 9,150 - 12,500	\$ 1,389.00 + 35.0% of (TI - 9,150)
Over \$12,500	\$ 3,011.50 + 37.0% of (TI - 12,500)

Corporations

Taxable Income	Tax Payable
\$ 0 - over 0	21% of TI

Michigan Income Tax Rate = 4.25%

Michigan Standard Exemption = \$4,050 (projected)