

You have biweekly gross pay of \$1600.

Taxes:

Social Security: 6.2%

Medicare: 1.45%

Federal Withholding: \$312.00 State Withholding: \$64.00

- 1) What are your total deductions for this period?
- 2) If you worked 40 hours per week, what is your hourly wage?
- 3) How much **federal income tax** will be **withheld** from your paycheck this year if every paycheck is the same?

At tax preparation time, you get a standard deduction of **\$6,350** taken off of your income.

- 4) Using the **2017 tax tables**, how much tax do you owe the federal government this year?
- 5) Will you get a **refund** or have to **pay**?
- 6) How much?

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1) What are your total deductions for this period?

$.0765 \times 1600 = 122.40 + 312 + 64 = \498.40

2) If you worked 40 hours per week, what is your hourly wage?

$1600 / 80 = \$20$

3) How much **federal income tax** will be **withheld** from your paycheck this year if every paycheck is the same?

$312 \times 26 = 8112.00$

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At tax preparation time, you get a standard deduction of \$6,350 taken off of your income.

4) Using the **2017 tax tables**, how much tax do you owe the federal government this year?

$932.50 + .15(35250 - 9325)$

5) Will you get a **refund** or have to **pay**?

$\$4821.25$
OWE

REFUND \$3290.75

6) How much?

Handwritten calculations and a multiplication table:

$$\begin{array}{r} 1600 \\ \times 26 \\ \hline 9600 \\ 32000 \\ \hline 41600 \\ - 6350 \\ \hline 35250 \end{array}$$

Arrows indicate that the \$498.40 from question 1 is multiplied by 26 paychecks to get \$12,964.00. From this, the \$8,112.00 from question 3 is subtracted to get \$4,852.00. Then, the \$6,350 standard deduction is subtracted to get the final amount of \$3,290.75, which is circled and labeled as a refund.