

# Applications

*Our forefathers made one mistake. What they should have fought for was representation without taxation.*

Fletcher Knebel, American Author

1. How can the quote be interpreted in light of what you have learned?

**Round all monetary answers to the nearest dollar. Use the tax tables in the Appendix or the appropriate schedule based on filing status.**

2. Chiara had \$5,700 in medical expenses last year. Her medical insurance covered 80% of these expenses. The IRS allows medical and dental expenses deductions for the amount that exceeds 7.5% of a taxpayer's adjusted gross income. If Chiara's adjusted gross income is \$35,432, how much can she **claim** as a medical deduction? Explain
3. Maria and Don had \$20,800 in **medical expenses**. Their family medical insurance covered 60% of these expenses. The IRS allows medical and dental expense **deductions for the amount that exceeds 7.5%** of a taxpayer's adjusted gross income. If their adjusted gross income is \$101,598, how much can they claim as a medical deduction?
4. Jonathan is a single taxpayer. His total **income** before deductions was \$63,110. He was able to reduce his total income by \$10,312 when he filled out Schedule A. How much did he save in tax by using Schedule A?
5. Vito is single. His total income before deductions was \$147,760. He was able to reduce his **total income** by \$14,198 when he filled out Schedule A. How much did he save in tax by using Schedule A?
6. Mr. and Mrs. Delta are filing a joint tax return. Together they had an income of \$100,830 last year. Their total deductions were \$16,848.
  - a. What was Mr. and Mrs. Delta's taxable income?
  - b. What is the tax on the amount in part a?
  - c. The Delta's received a combined education and child tax credit of \$2,500. How much tax must they pay after applying the tax credits?
  - d. If their employers withheld \$10,201 in federal income tax, how much money will they owe to the federal government?

7. Complete this chart.

Total Income Before Deductions	Filing Status	Total Deductions from Form 1040, Schedule A, and Exemptions	Taxable Income	Tax
\$69,940	single	\$3,500	a.	b.
\$69,940	married filing separately	\$3,500	c.	d.
\$69,940	head of household	\$6,900	e.	f.
\$69,940	married filing separately	\$6,900	g.	h.
\$69,940	single	\$6,900	i.	j.