



How Tax Reform Will Affect Baby Boomers



Married - Dual-Income Household

Taxpayer: 57, Carpenter
 Spouse: 55, Teacher
 Itemized Deductions: \$15,655
 Income:
 - Wages: \$138,704
 - Interest: \$163

	<u>2017</u>	<u>2018</u>
Adjusted Gross Income (AGI)	\$138,617	\$138,617
Total Deduction + Exemptions	\$23,755	\$24,000
Taxable Income	\$114,862	\$114,617
Tax Bracket	25%	22%
Tax	\$20,193	\$17,095

Net Benefit: \$3,098*



Married - Taxpayer Retired / Spouse Working

Taxpayer: 67, Retired
 Spouse: 65, Housing Manager
 Income:
 - Wages: \$31,765
 - Taxable Pension: \$1,916
 - Taxable Social Security: \$10,641

	<u>2017</u>	<u>2018</u>
Adjusted Gross Income (AGI)	\$44,322	\$44,322
Total Deduction + Exemptions	\$23,300	\$26,600
Taxable Income	\$21,022	\$17,822
Tax Bracket	15%	10%
Tax	\$2,221	\$1,783

Net Benefit: \$438*



Single - Wage Earner

Taxpayer: 59, Office Manager
 Income:
 - Wages \$46,154

	<u>2017</u>	<u>2018</u>
Adjusted Gross Income (AGI)	\$46,154	\$46,154
Total Deduction + Exemptions	\$10,400	\$12,000
Taxable Income	\$35,754	\$34,154
Tax Bracket	15%	12%
Tax	\$4,900	\$3,911

Net Benefit: \$989*



Single - Part-Time Wage Earner

Taxpayer: 64, Technical Writer
 Income:
 - Wages \$19,177
 - Interest: \$42

	<u>2017</u>	<u>2018</u>
Adjusted Gross Income (AGI)	\$19,219	\$19,219
Total Deduction + Exemptions	\$10,400	\$12,000
Taxable Income	\$8,819	\$7,219
Tax Bracket	10%	10%
Tax	\$883	\$723

Net Benefit: \$160*

*The calculation shows what would have occurred in this tax scenario had the Tax Cuts & Jobs Act been in place for tax year 2017.