

| | A | B | C | D |
|----|--|---|---|---|
| 1 | [Student's Name] | | | |
| 2 | FIL 260 - Trefzger | | | |
| 3 | U.S. Federal Income Tax: Claim Standard Deduction or Itemize? | | | |
| 4 | | ENTER NEEDED FIGURES IN BLUE | | |
| 5 | | (all other cells are cell-protected) | | |
| 6 | Home Mortgage Loan (we assume principal owed does not exceed \$750,000) | | | |
| 7 | Amount Initially Borrowed | \$220,000.00 | | |
| 8 | Contract Interest Rate: APR | 7.20% | | |
| 9 | Initial Amortization Period in Years | 30 | | |
| 10 | Years of Amortization Completed as of Start of Year | 13 | | |
| 11 | | | | |
| 12 | <i>Deductible Interest Paid</i> | <i>\$12,453.23</i> | | |
| 13 | | | | |
| 14 | State and Local Taxes (SALT) | | | |
| 15 | Property Tax Paid on Residence(s) During Year | \$4,000.00 | | |
| 16 | State Income Tax Paid | \$3,500.00 | | |
| 17 | <i>Deductible SALT (\$10,000 Limit)</i> | <i>\$7,500.00</i> | | |
| 18 | | | | |
| 19 | Total Charitable Contributions | \$3,000.00 | | |
| 20 | Unreimbursed Medical Costs > 7.5% AGI | \$0.00 | | |
| 21 | <i>Other Permitted Deductions</i> | <i>\$3,000.00</i> | | |
| 22 | | | | |
| 23 | Total Reduction in Taxable Income If Deductions Are Itemized | <u>\$22,953.23</u> | | |
| 24 | | | | |
| 25 | | | | |
| 26 | SHOULD TAXPAYER(S) ITEMIZE DEDUCTIONS? | | | |
| 27 | IF FILING AS SINGLE INDIVIDUAL: Standard Deduction | <u>\$13,850.00</u> | | YES, ITEMIZE DEDUCTIONS |
| 28 | | | | |
| 29 | IF MARRIED FILING JOINTLY: Standard Deduction | <u>\$27,700.00</u> | | NO, TAKE \$27,700 STANDARD DEDUCTION |
| 30 | | | | |
| 31 | | | | |
| 32 | <u>Mortgage Loan Computation Details</u> | | | |
| 33 | Monthly Interest Rate | 0.006 | | |
| 34 | Initial Amortization Period in Months | 360 | | |
| 35 | Monthly Payment | \$1,493.33 | | |
| 36 | Years Into Amortization at End of Year | 14 | | |
| 37 | Principal Owed at Start of Year | \$175,434.64 | | |
| 38 | Principal Owed at End of Year | \$169,967.86 | | |