

# HYPOTHETICAL PURCHASE MODEL

## 30 YR fixed Interest Only @ 6.75%

SALES PRICE	\$700,000
Down Payment	\$140,000
Loan Amount	\$560,000

## New Monthly Payment

Interest	\$3,150
Real Estate Taxes	\$487.96
Home Owner's Insurance	\$79.15
HOA Dues	\$121
<b>Total Monthly Payment</b>	<b>\$3,838.11</b>

## Cash Required to Close

Down Payment	- \$140,000
Closing Costs	- \$9,413.70
Pre-Paid / Reserves	- \$6,585.20
Home & Radon Inspection	- \$600
<b>Total Cash Required</b>	<b>- \$156,598.90</b>
Seller Paid Contribution Towards Closing Costs	+ ?



# TAXES

<b>GROSS ANNUAL INCOME</b>	\$156,000
Real Estate Deductions	- \$43,655.52 (Interest \$3,150 + RE Taxes 487.96) x 12 Months
Other Itemized Deductions	- ?
<b>Adjusted Net Taxable Income</b>	<b>\$112,344.48</b>

## Tax Bracket

Combined Tax Bracket = 30.75% (25% Federal + 5.75% State)

\*see tax guide

Note: Lower tax bracket = adjusted taxable income below \$65,101

## Monthly Tax Savings

Interest	\$3,150
Real Estate Taxes	\$487.96
<b>Total</b>	<b>\$3,637.96</b>
x Combined Tax Bracket (Fed + State)	x .3075
<b>Monthly Tax Savings</b>	<b>\$1,118.67</b>



# Tax Numbers Desk Guide



	2008		2007		2006		2005	
<b>SINGLE -</b>								
<b>RATES/TAXABLE INCOME</b>	%		%		%		%	
	10	\$ 1-8,025	10	\$ 1-7,825	10	\$ 1-7,550	10	\$ 1-7,300
	15	8,026-32,550	15	7,826-31,850	15	7,551-30,650	15	7,301-29,700
	25	32,551-78,850	25	31,851-77,100	25	30,651-74,200	25	29,701-71,950
	28	78,851-164,550	28	77,101-160,850	28	74,201-154,800	28	71,951-150,150
	33	164,551-357,700	33	160,851-349,700	33	154,801-336,550	33	150,151-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>MARRIED JOINT -</b>								
<b>RATES/TAXABLE INCOME</b>								
	10	\$ 1-16,050	10	\$ 1-15,650	10	\$ 1-15,100	10	\$ 1-14,600
	15	16,051-65,100	15	15,651-63,700	15	15,101-61,300	15	14,601-59,400
	25	65,101-131,450	25	63,701-128,500	25	61,301-123,700	25	59,401-119,950
	28	131,451-200,300	28	128,501-195,850	28	123,701-188,450	28	119,951-182,800
	33	200,301-357,700	33	195,851-349,700	33	188,451-336,550	33	182,801-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>MARRIED SEPARATE -</b>								
<b>RATES/TAXABLE INCOME</b>								
	10	\$ 1-8,025	10	\$ 1-7,825	10	\$ 1-7,550	10	\$ 1-7,300
	15	8,026-32,550	15	7,826-31,850	15	7,551-30,650	15	7,301-29,700
	25	32,551-65,725	25	31,851-64,250	25	30,651-61,850	25	29,701-59,975
	28	65,726-100,150	28	64,251-97,925	28	61,851-94,225	28	59,976-91,400
	33	100,151-178,850	33	97,926-174,850	33	94,226-168,275	33	91,401-163,225
	35	Over 178,850	35	Over 174,850	35	Over 168,275	35	Over 163,225
<b>HEAD OF HOUSEHOLD -</b>								
<b>RATES/TAXABLE INCOME</b>								
	10	\$ 1-11,450	10	\$ 1-11,200	10	\$ 1-10,750	10	\$ 1-10,450
	15	11,451-43,650	15	11,201-42,650	15	10,751-41,050	15	10,451-39,800
	25	43,651-112,650	25	42,651-110,100	25	41,051-106,000	25	39,801-102,800
	28	112,651-182,400	28	110,101-178,350	28	106,001-171,650	28	102,801-166,450
	33	182,401-357,700	33	178,351-349,700	33	171,651-336,550	33	166,451-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>12 MO. CAPITAL GAINS RATE</b>		15%/0%		15%/5%		15%/5%		15%/5%
<b>STANDARD DEDUCTION</b>								
Single		\$ 5,450		\$ 5,350		\$ 5,150		\$ 5,000
Joint returns & surviving spouses		10,900		10,700		10,300		10,000
Married filing separately		5,450		5,350		5,150		5,000
Head of household		8,000		7,850		7,550		7,300
Additional for elderly or blind (married)		1,050		1,050		1,000		1,000
Additional for elderly or blind (single)		1,350		1,300		1,250		1,250
Taxpayer dependent of another		(3)		(2)		(2)		(1)
<b>PERSONAL EXEMPTION (4)</b>		\$3,500		\$3,400		\$3,300		\$3,200
<b>FICA &amp; SELF-EMPLOYMENT TAX</b>								
Taxable wages for social security/Medicare		Up to \$102,000 / All		Up to \$97,500 / All		Up to \$94,200 / All		Up to \$90,000 / All
Maximum social security/Medicare tax		\$6,324 / No limit		\$6,045 / No limit		\$5,840 / No limit		\$5,580 / No limit
Social security/Medicare tax rate (employers and employees)		6.20% / 1.45%		6.20% / 1.45%		6.20% / 1.45%		6.20% / 1.45%
Social security/Medicare tax rate (self-employed)		12.4% / 2.9%		12.4% / 2.9%		12.4% / 2.9%		12.4% / 2.9%
<b>SOCIAL SECURITY EARNINGS LIMIT</b>								
Under age 65		\$13,560		\$12,960		\$12,480		\$12,000
Age 65 and over		No limit		No limit		No limit		No limit
<b>IRA CONTRIBUTION LIMIT</b>								
50 & over catch-up		\$5,000		\$4,000		\$4,000		\$4,000
		1,000		1,000		1,000		500
<b>SIMPLE DEFERRAL LIMIT</b>								
50 & over catch-up		\$10,500		\$10,500		\$10,000		\$10,000
		2,500		2,500		2,500		2,000
<b>401(K) DEFERRAL LIMIT</b>								
50 & over catch-up		\$15,500		\$15,500		\$15,000		\$14,000
		5,000		5,000		5,000		4,000
<b>HSA CONTRIBUTION LIMIT</b>								
Self only/Family		\$2,900/\$5,800		\$2,850/\$5,650		\$2,700/\$5,450		\$2,650/\$5,250
Additional for 55 & older		\$900		\$800		\$700		\$600

(1) Greater of \$800, or \$250 plus earned income, not to exceed regular standard deduction.

(2) Greater of \$850, or \$300 plus earned income, not to exceed regular standard deduction.

(3) Greater of \$900, or \$300 plus earned income, not to exceed regular standard deduction.

(4) Zero for individual who is dependent of another taxpayer.

## Post Closing Cash Flow

Net Income	\$3,000
Monthly Tax Savings	\$1,118.67
<b>Total Credits</b>	<b>\$4,118.67</b>
New Monthly Payment	\$3,838.11
Post Positive Cash Flow	\$280.56