

2024 FEDERAL INCOME TAX CALCULATOR

Date: April 23, 2025



INTRODUCTION

Taxes are unavoidable and without planning, the annual tax liability can be very uncertain. Use the following calculator to help determine your estimated tax liability along with your average and marginal tax rates.

SUMMARY OF INPUT

Tax filing status	Married - Jointly
Taxable gross annual income subject to ordinary income rates (W-2, unearned/investment, business income not eligible for 20% exemption amount, etc)	125000.0
Traditional IRA Contribution	12500.0
Itemized deductions (state/local and property taxes capped at \$10,000) - \$0 for Standard	0.0
Number of dependent children under 17 with SS#	4
Number of non-child dependents	0
Amount of gross income considered "unearned"/investment income	5000.0
Are you (and your spouse if filing jointly) either blind or over age 65?	None
Total company pass-through income	0.0
Individual company ownership	100.00%
Total company capital assets	0.0
Total company W-2 wages	0.0

ANALYSIS

Based upon the information you provided, it appears that your estimated federal income tax liability will be approximately \$1,532. Your effective tax rate is 1.8% and your marginal tax rate is 12.0%.

Estimated Tax Analysis

Do you know your effective tax rate? Federal income tax is calculated using a progressive tax structure, meaning that your effective tax rate is lower than your income tax bracket. Why? As this calculator shows, even if taxable income "puts" you in a particular income tax bracket, overall you benefit from being taxed at the lower brackets first.

* The 3.8% Medicare tax will apply to the lesser of your net investment income or the amount of adjusted gross income in excess of the applicable threshold. Net investment income includes interest, dividends, royalties, annuity distributions (not tax-deferred accumulation), rents, income from passive business activities, income from trading in financial instruments or commodities, and gains from assets held for investment like stock and other securities.

The calculator assumes all Qualified plan/IRA contribution values are either pre-tax or deductible contributions. Calculation does not adjust for the greater of itemized vs. standard deductions.

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Gross income (ordinary income rates)		\$112,500
Taxable Pass-Through Income	+	\$0
Traditional IRA contributions	-	\$12,500
Adjusted gross income	=	\$112,500
Standard/Itemized deductions	-	\$29,200
Taxable income	=	\$83,300
Tax liability before credits (includes taxes on pass-through income)		\$9,532
Child tax credits	-	\$8,000
Family tax credits	-	\$0
Estimated tax liability	=	\$1,532

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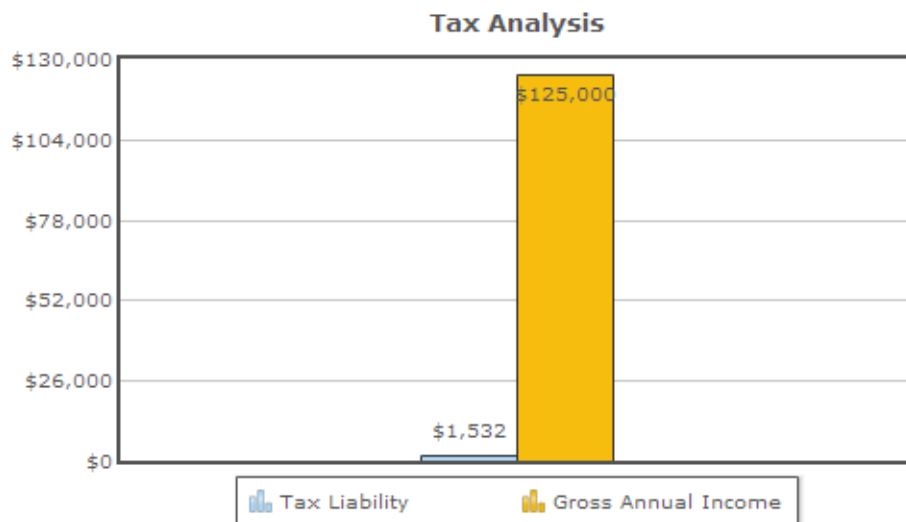
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