

LAB ASSIGNMENT A8.2

IRS

Background:

Federal income tax rates can be calculated using tax rate schedules. The following are tax rates for two out of the four categories used by the IRS in 2001:

Schedule X - Single

If your taxable income is:

over -	but not over - over -	your tax is	of the amount
\$ 0	\$ 27,050	15 %	\$ 0
27,050	65,550	\$ 4,057.50 + 27.5 %	27,050
65,550	136,750	\$ 14,645.00 + 30.5 %	65,550
136,750	297,350	\$ 36,361.00 + 35.5 %	136,750
297,350	-----	\$ 93,374.00 + 39.1 %	297,350

Schedule Y-1 - Married filing jointly

If your taxable income is:

over -	but not over - over -	your tax is	of the amount
\$ 0	\$ 45,200	15 %	\$ 0
45,200	109,250	\$ 6,780.00 + 27.5 %	45,200
109,250	166,500	\$ 24,393.75 + 30.5 %	109,250
166,500	297,350	\$ 41,855.00 + 35.5 %	166,500
297,350	-----	\$ 88,306.00 + 39.1 %	297,350

To test your understanding, follow this example of a single person with taxable income of \$68,000:
 Tax is $\$14,645.00 + 0.305 \cdot (68000 - 65550) = \$14,645.00 + \$747.25 = \$15,392.25$

Assignment:

1. One of the biggest mistakes that beginning programmers tend to make is to attempt solving the problem within their code before they really understand how to work the problem. Use the following values and solve each of them before you begin to write your program out.
 - a. \$50,000 Married _____
 - b. \$25,000 Single _____
 - c. \$300,000 Married _____
 - d. \$170,000 Single _____
 - e. \$30,000 Married _____

- f. \$500,000 Single _____
- g. \$170,000 Married _____
- h. \$45,000Single _____
- i. \$130,000 Married _____
- j. \$120,000 Single _____

2. Write a class that:

a. Prompts the user for the following information:

Filing status: Single or Married (entered as 1 for Single and 2 for Married)
Taxable income

b. Calculates and prints:

Filing status
Taxable income
Federal tax

3. Example run:

Enter marital status (1=single, 2=married): 1
Enter taxable income: \$ 35125
Your Federal tax = \$ 6,278.13

4. Use these values for your run output:

Single, \$15,500

Single, \$100,000

Single, \$ 480,000

Married, \$50,000

Married, \$125,000

Married, \$ 400,000