



“On The Money Report”

By Steve Pomeranz, CFP

Host, *On The Money!* WXEL 90.7 FM

Taxables or Tax-Frees?

Look at the chart below and find out what's best for you!

----Courtesy of David Price, CPA,
On The Money! Contributing Editor

	TAXABLE INCOME*						
SINGLE RETURN	\$0 - \$6,000	\$6,001- \$28,400	\$28,401- \$68,800	\$68,801- \$143,500	\$143,501- \$311,950	\$311,951 & over	SAMPLE EFFECTIVE MARGINAL RATE FOR CERTAIN HIGH-INCOME TAXPAYERS
JOINT RETURN	\$0 - \$12,000	\$12,001- \$47,450	\$47,451- \$114,650	\$114,651- \$174,750	\$174,751- \$311,950	\$311,951 & over	
TAX BRACKET	10%	15%	27%	30%	35%	38.6%	
TAX-EXEMPT YIELDS (%)	TAXABLE YIELD EQUIVALENTS (%)						
1.0%	1.11%	1.18%	1.37%	1.43%	1.54%	1.63%	1.66%
1.5	1.67	1.76	2.05	2.14	2.31	2.44	2.48
2.0	2.22	2.35	2.74	2.86	3.08	3.26	3.31
2.5	2.78	2.94	3.42	3.57	3.85	4.07	4.14
3.0	3.33	3.53	4.11	4.29	4.62	4.89	4.97
3.5	3.89	4.12	4.79	5.00	5.38	5.70	5.79

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TAX BRACKET	10%	15%	27%	30%	35%	38.6%	39.6%**
4.0	4.44	4.71	5.48	5.71	6.15	6.51	6.62
4.5	5.00	5.29	6.16	6.43	6.92	7.33	7.45
5.0	5.56	5.88	6.85	7.14	7.69	8.14	8.28
5.5	6.11	6.47	7.53	7.86	8.46	8.96	9.11
6.0	6.67	7.06	8.22	8.57	9.23	9.77	9.93
6.5	7.22	7.65	8.90	9.29	10.00	10.59	10.76
7.0	7.78	8.24	9.59	10.00	10.77	11.40	11.59
7.5	8.33	8.82	10.27	10.71	11.54	12.21	12.42
8.0	8.89	9.41	10.96	11.43	12.31	13.03	13.25

* The income brackets to which the tax rates apply are adjusted annually for inflation. Those listed above are for 2003.

**The Internal Revenue Code phases out the personal exemption deduction for taxpayers with adjusted gross income in excess of \$209,250 (married, filing jointly) and \$139,500 (single taxpayers). In addition, certain itemized

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deductions are reduced for taxpayers with adjusted gross income in excess of \$139,500. In general, the limit on itemized deductions will increase the effective marginal tax rate by 1%, and the personal exemption phaseout will increase the effective marginal tax rate by 0.8% for each exemption claimed.

Steve

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