

Illustrations of the Effect of the 5 Percent Surcharge  
on Four Person Families

	(dollars)									
	Adjusted gross income (wages)									
	:15,000:	16,000:	17,000:	18,000:	20,000:	25,000:	30,000:	40,000:	50,000	
Present law tax .....	1,699	1,882	2,064	2,247	2,660	3,750	4,988	7,958	11,465	
Surcharge .....	0	3	12	21	42	97	158	307	482	
Surcharge as percent of present tax (%) .....	0	0.2	0.6	0.9	1.6	2.6	3.2	3.9	4.2	

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Note: Calculated assuming 17 percent itemized deductions.

Illustrations of the Effect of the 5 Percent Surcharge  
on Single Persons

	(dollars)									
	: Adjusted gross income (wages)									
	: 7,500:8,000:9,000:10,000:15,000:20,000:25,000:30,000:40,000									
Present law tax .....	995	1,087	1,283	1,482	2,549	3,783	5,230	6,850	10,515	
Surcharge .....	0	4	14	24	78	139	212	293	476	
Surcharge as a percent of present tax (%) .....	--	0.4	1.1	1.6	3.1	3.7	4.1	4.3	4.5	

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Note: Calculated assuming 17 percent itemized deductions or minimum standard deduction if more favorable.

Illustrations of the Effect of the 5 Percent Surcharge  
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Case A: ..... \$15,000 income

Case B: ..... \$20,000 income

Case C: ..... \$50,000 income

Case A: \$15,000 Income

Wages (adjusted gross income) .....	\$15,000
Less four personal exemptions (@ \$750) .....	-3,000
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-2,550</u>
Equals taxable income .....	9,450
Tax before surcharge .....	1,699
Less surcharge floor for joint returns .....	<u>-1,820</u>
Equals tax subject to surcharge .....	0
Five percent surcharge .....	0
Tax after surcharge .....	1,699
Tax increase (surcharge) as percent of present law tax .....	0

Case B: \$20,000 Income

Wages (adjusted gross income) .....	\$20,000
Less four personal exemptions (@ \$750) .....	-3,000
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-3,400</u>
Equals taxable income .....	13,600
Tax before surcharge .....	2,660
Less surcharge floor for joint returns .....	<u>-1,820</u>
Equals tax subject to surcharge .....	840
Five percent surcharge .....	42
Tax after surcharge .....	2,702
Tax increase (surcharge) as percent of present law tax .....	1.6%

Case C: \$50,000 Income

Wages (adjusted gross income).....	\$50,000
Less four personal exemptions (@ \$750) .....	-3,000
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-8,500</u>
Equals taxable income .....	38,500
Tax before surcharge .....	11,465
Less surcharge floor for joint returns .....	<u>-1,820</u>
Equals tax subject to surcharge .....	9,645
Five percent surcharge .....	482
Tax after surcharge .....	11,947
Tax increase (surcharge) as percent of present law tax .....	4.2%

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on Single Taxpayers

Case D ..... \$ 7,500 income  
Case E ..... \$10,000 income  
Case F ..... \$15,000 income

Case D: \$7,500 Income

Wages (adjusted gross income) .....	\$7,500
Less one personal exemptions (@ \$750) .....	-750
Less deductions for personal expenses (assumed 17 percent of income) or minimum standard deduction .....	<u>-1,300</u>
Equals taxable income .....	5,450
Tax before surcharge .....	995
Less surcharge floor for single returns .....	<u>-995</u>
Equals tax subject to surcharge .....	0
Five percent surcharge .....	0
Tax after surcharge .....	995
Tax increase (surcharge) as percent of present law tax .....	0



Case E: \$10,000 Income

Wages (adjusted gross income) .....	\$10,000
Less one personal exemptions (@ \$750) .....	-750
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-1,700</u>
Equals taxable income .....	7,550
Tax before surcharge .....	1,482
Less surcharge floor for single returns .....	<u>-995</u>
Equals tax subject to surcharge .....	487
Five percent surcharge .....	24
Tax after surcharge .....	1,506
Tax increase (surcharge) as percent of present law tax .....	1.6%

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Case F: \$15,000 Income

Wages (adjusted gross income).....	\$15,000
Less one personal exemptions (@ \$750) .....	-750
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-2,550</u>
Equals taxable income .....	11,700
Tax before surcharge .....	2,549
Less surcharge floor for single returns .....	<u>-995</u>
Equals tax subject to surcharge .....	1,554
Five percent surcharge .....	78
Tax after surcharge .....	2,627
Tax increase (surcharge) as percent of present law tax .....	3.1%

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Case G .....	\$25,000 income
Case H .....	\$30,000 income
Case I .....	\$40,000 income

Case G: \$25,000 Income

Wages (adjusted gross income).....	\$25,000
Less four personal exemptions (@ \$750) .....	-3,000
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-4,250</u>
Equals taxable income .....	17,750
Tax before surcharge .....	3,750
Less surcharge floor for joint returns .....	<u>-1,820</u>
Equals tax subject to surcharge .....	1,930
Five percent surcharge .....	97
Tax after surcharge .....	3,847
Tax increase (surcharge) as percent of present law tax .....	2.6%

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Case H: \$30,000 Income

Wages (adjusted gross income) .....	\$30,000
Less four personal exemptions (@ \$750) .....	-3,000
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-5,100</u>
Equals taxable income .....	21,900
Tax before surcharge .....	4,988
Less surcharge floor for joint returns .....	<u>-1,820</u>
Equals tax subject to surcharge .....	3,168
Five percent surcharge .....	158
Tax after surcharge .....	5,146
Tax increase (surcharge) as percent of present law tax .....	3.2%

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Case I - \$40,000 Income

Wages (adjusted gross income) .....	\$40,000
Less four personal exemptions (@ \$750) .....	-3,000
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-6,800</u>
Equals taxable income .....	30,200
Tax before surcharge .....	7,958
Less surcharge floor for joint returns .....	<u>-1,820</u>
Equals tax subject to surcharge .....	6,138
Five percent surcharge .....	307
Tax after surcharge .....	8,265
Tax increase (surcharge) as percent of present law tax .....	3.9%

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Case J .....	\$20,000 income
Case K .....	\$25,000 income
Case L .....	\$30,000 income

Case J: \$20,000 Income

Wages (adjusted gross income).....	\$20,000
Less one personal exemptions (@ \$750) .....	-750
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-3,400</u>
Equals taxable income .....	15,850
Tax before surcharge .....	3,783
Less surcharge floor for single returns .....	<u>-995</u>
Equals tax subject to surcharge .....	2,788
Five percent surcharge .....	139
Tax after surcharge .....	3,922
Tax increase (surcharge) as percent of present law tax .....	3.7%

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Case K: \$25,000 Income

Wages (adjusted gross income) .....	\$25,000
Less one personal exemptions (@ \$750) .....	-750
Less deductions for personal expenses (assumed 17 percent of income) .....	<u>-4,250</u>
Equals taxable income .....	20,000
Tax before surcharge .....	5,230
Less surcharge floor for single returns .....	<u>-995</u>
Equals tax subject to surcharge .....	4,235
Five percent surcharge .....	212
Tax after surcharge .....	5,442
Tax increase (surcharge) as percent of present law tax .....	4.1%

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Case L: \$30,000 Income

Wages (adjusted gross income) .....	\$30,000
Less one personal exemptions (@ \$750) .....	-750
Less deductions for personal expenses (assumed 17 percent of income) or minimum standard deduction .....	<u>-5,100</u>
Equals taxable income .....	24,150
Tax before surcharge .....	6,850
Less surcharge floor for single returns .....	<u>-995</u>
Equals tax subject to surcharge .....	5,855
Five percent surcharge .....	293
Tax after surcharge .....	7,143
Tax increase (surcharge) as percent of present law tax .....	4.3%

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