

TAXABLE INCOME PROBLEMS  
ACE IV

1. I make \$73,450/year. I claim myself and my 3 dependents. I made \$250 from a garage sale this year and I had a safe deposit box at the bank for \$3/month. What is my taxable income?
2. The amount of my gross pay last year was \$44,001. I have an aunt living with me at home, whom I give more than 50% of my time and money to. I volunteered every week for the year at 20 miles/week for 36 cents/mile. I took a college class this year at Aims. The tuition was \$432. I am a waitress on the side and my tips this year were \$300. What is my taxable income?
3. My taxable income was \$74,392. What was my gross pay if I claimed three exemptions, sold a vehicle for \$4,000 cash, and had \$2,013 in property taxes?
4. My medical expenses for my child and myself totaled \$1,300 this year, but the insurance paid for 60% of this amount. I had \$4,300 of daycare expenses this year, but my annual salary is \$100,000. I am an oil-well driller, and the total of my safety equipment was \$52. I won some money at the casino--\$475, to be exact. What is my taxable income?
5. My husband and I are waitresses. We have no children. He made \$24,200 and I grossed \$74,900 last year. Our

tips (together) totaled \$444. We paid a tax accountant \$300 last year to prepare our taxes. Our property taxes were \$2,449. What was our taxable income?

6. I live with my wife, who is blind and 65 years' old. I made \$102,000 last year. We donated \$35 to our church, \$10 to the school, and \$25 to the local Salvation Army last year. My wife has a small job selling her knitting and made \$7,300. What was our taxable income.

7. I work out of the home. My gross income is \$63,000. My entire home is 8,000 square feet. 20% of it I count as my "office" and "work area". The electricity bill and heating bill were \$39 and \$72/month, respectfully, in which 20% of those were also counted as my work expenses. My bank account showed interest in the amount of \$45/yr. I live alone. I pay monthly rent of \$1,500. What is my taxable income?

8. My taxable income last year was \$35,399. I rented two deposit boxes from our credit union, \$17 and \$25/yr. I have one child in college full time and is 22 years' old. I donate all my sweaters to the Goodwill (15 last year at \$3.50 each) is what I valued them. My interest on my checking account was sent to me in my 1099-INT form for \$39.50. What was my gross income?

9. My husband, myself, and our child donate all of our clothing to the local second-hand store. All donations totaled \$450. Our total gross salary is \$42,700. We received \$1,000 from our friend who paid us cash for a used sofa. My son was paid “under the table” for some yard work he did all summer, \$575. What is our taxable income?

10. My taxable income this year is \$47,500. I live alone. What was my gross pay if I served on a jury for 5 days at \$30/day, my property tax was \$1,320 for 6 months and I sold my old 1873 Mustang for \$5,000?  
(hint: you were paid for jury duty)