

Standard 2: Worksheet Activity

How Your Income is Really Taxed

\$30,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$30,000
Standard deduction	- _____
Taxable income	\$ _____
Portion taxed at 10%	- _____ x 10% = \$ _____
Portion taxed at 12%	\$ _____ x 12% = + _____
Total tax paid \$	_____

\$45,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$45,000
Standard deduction	- _____
Taxable income	\$ _____
Portion taxed at 10%	- _____ x 10% = \$ _____
Portion taxed at 12%	\$ _____ x 12% = + _____
Total tax paid \$	_____

\$60,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$45,000
Standard deduction	- _____
Taxable income	\$ _____
Portion taxed at 10%	- _____ x 10% = \$ _____
Portion taxed at 12%	\$ _____ x 12% = + _____
Total tax paid \$	_____

\$90,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$45,000
Standard deduction	- _____
Taxable income	\$ _____
Portion taxed at 10%	- _____ x 10% = \$ _____
subtotal	_____
Portion taxed at 12%	\$ _____ x 12% = + _____
Portion taxed at 22%	- _____ x 22% = + _____
Total tax paid \$	_____

2026 Tax Rate Reference Chart

2026 Tax Brackets Segment of Taxable Income	Marginal Tax Rate	Computations
\$0 to \$12,400	10%	
\$12,401 to \$50,400	12%	$50,400 - 12,401 = 37,999$
\$50,401 to \$105,700	22%	$105,700 - 50,401 = 55,299$
\$105,701 to \$201,775	24%	$201,775 - 105,701 = 96,0741$
\$201,776 to \$256,225	32%	$256,225 - 201,776 = 54,479$
\$256,226 to \$640,600	35%	$640,600 - 256,226 = 384,374$
\$640,601 or more	37%	

Dr. Ann Berry- Professor
 Ms. Marci Hethmon, Extension Specialist
 Jane Gault-Extension Agent, Retired
 Revised: 10/25

Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development.
 University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating.
 UT Extension provides equal opportunities in programs and employment.

Module 2: Worksheet Activity

How Your Income is Really Taxed

\$30,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$30,000
Standard deduction	- <u>16,100</u>
Taxable income	\$ <u>13,900</u>
Portion taxed at 10%	- <u>12,400</u> x 10% = \$ <u>1,240</u>
Portion taxed at 12%	\$ <u>1,500</u> x 12% = + <u>180</u>
Total tax paid \$	<u>1,420</u>

\$45,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$45,000
Standard deduction	- <u>16,100</u>
Taxable income	\$ <u>28,900</u>
Portion taxed at 10%	- <u>12,400</u> x 10% = \$ <u>1,240</u>
Portion taxed at 12%	\$ <u>16,500</u> x 12% = + <u>1,980</u>
Total tax paid \$	<u>3,220</u>

\$60,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$60,000
Standard deduction	- <u>16,100</u>
Taxable income	\$ <u>43,900</u>
Portion taxed at 10%	- <u>12,400</u> x 10% = \$ <u>1,240</u>
Portion taxed at 12%	\$ <u>31,500</u> x 12% = + <u>3,780</u>
Total tax paid \$	<u>5,020</u>

\$90,000 annual salary

Taxable income and calculation of taxes paid:

Annual income	\$90,000
Standard deduction	- <u>16,100</u>
Taxable income	\$ <u>73,900</u>
Portion taxed at 10%	- <u>12,400</u> x 10% = \$ <u>1,240</u>
subtotal	<u>61,500</u>
Portion taxed at 12%	\$ <u>50,400</u> x 12% = + <u>6,048</u>
Portion taxed at 22%	- <u>11,100</u> x 22% = + <u>2,442</u>
Total tax paid \$	<u>9,730</u>

2026 Tax Rate Reference Chart

2026 Tax Brackets Segment of Taxable Income	Marginal Tax Rate	Computations
\$0 to \$12,400	10%	
\$12,401 to \$50,400	12%	$50,400 - 12,401 = 37,999$
\$50,401 to \$105,700	22%	$105,700 - 50,401 = 55,299$
\$105,701 to \$201,775	24%	$201,775 - 105,701 = 96,074$
\$201,776 to \$256,225	32%	$256,225 - 201,776 = 54,479$
\$256,226 to \$640,600	35%	$640,600 - 256,226 = 384,374$
\$640,601 or more	37%	