

**Kirkwood Workplace Learning Connection Financial Literacy Fair**

**Tax Calculation Worksheet**

**Monthly Budget Sheet**

Name \_\_\_\_\_ Class \_\_\_\_\_ Date \_\_\_\_\_

Career/job I have chosen as my dream job to take to the Financial Literacy Fair \_\_\_\_\_

Yearly Salary (Beginning Salary, Year 1 for State of Iowa) \_\_\_\_\_

This is your GROSS ANNUAL SALARY.

**Gross Monthly Salary (Take yearly salary and divide by 12) \_\_\_\_\_**

**Here is how I will figure the taxes that will be taken out of my paycheck each month:**

**Use MONTHLY salary for these calculations!**

**SHOW YOUR WORK!**

**Annual Salary**

**Federal Tax**

- \$0 - \$40,125                      12% (**Monthly Salary X .12**) \_\_\_\_\_
- \$40,126 - \$85,525              22% (**Monthly Salary X .22**) \_\_\_\_\_
- \$85,526 - \$163,300            24% (**Monthly Salary X .24**) \_\_\_\_\_

**State Tax** is figured using the graduated tax bracket below. **Using your Annual GROSS salary (pre-tax)**, find where you fit in the bracket below.

**Iowa State Tax Graduated Tax Bracket**

- \$3,276-\$6,551      2.25% (Salary X .0225)
- \$6,552-\$14,741    4.14% (Salary X .0414)
- \$14,742-\$24,569   5.63% (Salary X .0563)
- \$24,570-\$32,759   5.96% (Salary X .0596)
- \$32,760-\$49,139   6.25% (Salary X .0625)
- \$49,140-\$73,709   7.44% (Salary X .0744)
- \$73,710 +            8.53% (Salary X .0853)

**State Tax** for Month = (**Monthly Salary X %** from tax bracket above) \_\_\_\_\_

**FICA** is 6.2% (Monthly Salary X .062) \_\_\_\_\_

**Medicare** is 1.45% (Monthly Salary X .0145) \_\_\_\_\_

Total Taxes Taken Out of Paycheck Each Month= **Federal Tax + State Tax + FICA + Medicare**

**Figure Total Taxes for Month Below:**

**Fed Tax** \_\_\_\_\_ + **State Tax** \_\_\_\_\_ + **FICA** \_\_\_\_\_ + **Medicare** \_\_\_\_\_ = \_\_\_\_\_

**Net Monthly Salary** =

\_\_\_\_\_ - \_\_\_\_\_ = \_\_\_\_\_  
**Gross Monthly Salary - Total Taxes = Net Monthly Salary\***

**\*(Enter this amount in the upper right hand corner of your Budget Sheet – C. Net Monthly Salary)**