

Computation of the Marriage Credit (Tax Year 2003)

Complete steps 1 – 4 of the worksheet on page 15.

If step 4 is less than \$73,000, the credit must be determined from the look-up table.

If step 4 is \$73,000 or more, the credit is determined in steps 6 – 16 of the worksheet.

Computation for each cell of the look-up table

Example

Row 19,000–21,000

Col. 60,000–80,000

Earned income of the lesser-earning spouse from Step 4 of the worksheet, using midpoint of range	20,000
Minus: one personal exemption	- 3,050
Minus: ½ of the married-joint standard deduction	- <u>4,750</u>
Equals: computed taxable income of spouse B	12,200
Calculate: the tax for computed taxable income of spouse B using the rate schedule for <i>single persons</i> = Tax B	652.70
Joint taxable income from line 14 of Form M1, using midpoint of range	70,000
Minus: computed taxable income of spouse B	- <u>12,200</u>
Equals: computed taxable income of spouse A (If zero or less, credit = 0)	57,800
Calculate: the tax for computed taxable income of spouse A using the rate schedule for <i>single persons</i> = Tax A	3,751.73
Calculate: the tax on the joint taxable income from line 14, using midpoint of range and the rate schedule for <i>married-joint returns</i> = Tax C	4,462.74
Tax C	4,462.74
Minus: Sum of Tax A and Tax B	- <u>4,404.43</u>
Equals: Marriage credit	58.31
Round to whole dollars.	= 58