

# Egs with sub

## 1. Income Sources:

- Employment Income:
  - Salary
  - Wages
  - Bonuses
- Investment Income:
  - Interest
  - Dividends
  - Capital Gains
- Business Income:
  - Profits from sole proprietorship
  - Partnership income
  - Corporation income

## 2. Deductions:

- Standard Deduction vs. Itemized Deductions:
  - Mortgage interest
  - Charitable donations
  - Medical expenses
- Business Expenses:
  - Rent
  - Utilities
  - Employee wages
- Educational Expenses:
  - Tuition fees
  - Student loan interest

## 3. Tax Credits:

- Child Tax Credit:
  - Dependent children
  - Childcare expenses
- Earned Income Tax Credit (EITC):
  - Income thresholds
  - Number of qualifying children
- Education Credits:
  - Lifetime Learning Credit
  - American Opportunity Tax Credit

## 4. Filing Status:

- Single:
  - Unmarried or legally separated individuals
- Married Filing Jointly:

- Married couples filing together
- Married Filing Separately:
  - Married couples filing separate returns
- 5. Taxable vs. Non-taxable Income:**
  - Taxable Income:
    - Regular wages
    - Interest income
    - Rental income
  - Non-taxable Income:
    - Gifts
    - Certain types of insurance proceeds
    - Child support payments
- 6. Tax Rates and Brackets:**
  - Progressive Tax System:
    - Different tax rates for different income levels
  - Marginal Tax Rates:
    - The rate applied to the last dollar of income earned
  - Tax Brackets:
    - Income ranges taxed at different rates

These examples illustrate the diverse aspects of income tax, including various income sources, deductions, tax credits, filing statuses, taxable and non-taxable income, and the tax rate structure.