
**INCOME TAX PLANNING FOR FINANCIAL PLANNERS
3RD EDITION UPDATES****CHAPTER 3, PAGE 48, FIRST PARAGRAPH**

The first paragraph has been modified (correction in **bold**).

Federal income tax rates are progressive in nature. Higher tiers of income are taxed at higher rates. For example, a single taxpayer with income of \$30,000 and deductions of \$10,000 has taxable income of \$20,000 (\$30,000 - \$10,000). Using the 2009 tax rate schedule for the single filing status (See Appendix A), the taxpayer's tax is **\$2,582.50**, as calculated below.

$$= ((\$8,350 \times 10\%) + (\$11,650 \times 15\%))$$

$$= \$2,582.50$$