

Who Should Claim the Exemptions

Exemption report for George J Jones and Marianne P Jones.

According to our analysis, the parties can save \$7,177 over 10 years by switching the exemption(s) to Marianne.

Analysis:

The table below shows the year-by-year and cumulative tax savings. For example, to see the cumulative savings over three years, look at the third row, last column.

Year	Tax Savings to Switching Exemptions			
	(a) Combined (H+W) Tax if Marianne Claims All	(b) Combined (H+W) Tax with Current Exemptions	(c) Tax Savings to Having Marianne Claim All (b) - (a)	(d) Cumulative Tax Savings to Having Marianne Claim All. Total (c) to date.
2013	\$32,785	\$35,925	\$3,140	\$3,140
2014	\$30,219	\$30,060	(\$159)	\$2,981
2015	\$34,310	\$35,383	\$1,073	\$4,054
2016	\$34,797	\$34,930	\$133	\$4,187
2017	\$36,232	\$36,653	\$421	\$4,608
2018	\$37,122	\$37,736	\$614	\$5,222
2019	\$38,007	\$38,778	\$771	\$5,993
2020	\$40,059	\$41,065	\$1,006	\$6,999
2021	\$42,123	\$42,215	\$92	\$7,091
2022	\$43,338	\$43,424	\$86	\$7,177

Explanation:

Here is an explanation of this analysis:

We calculated combined (George+Marianne) tax over all 10 years for exemptions "as if" George claimed all the exemptions.

Then we did the same for Marianne.

(10 is the number of years during which at least one child may be claimed as an exemption.)

We then compared those results to the combined (George+Marianne) tax over all 10 years under the current situation for exemptions.

We found that switching the exemptions to Marianne yields cumulative tax savings, over 10 years, of \$7,177.