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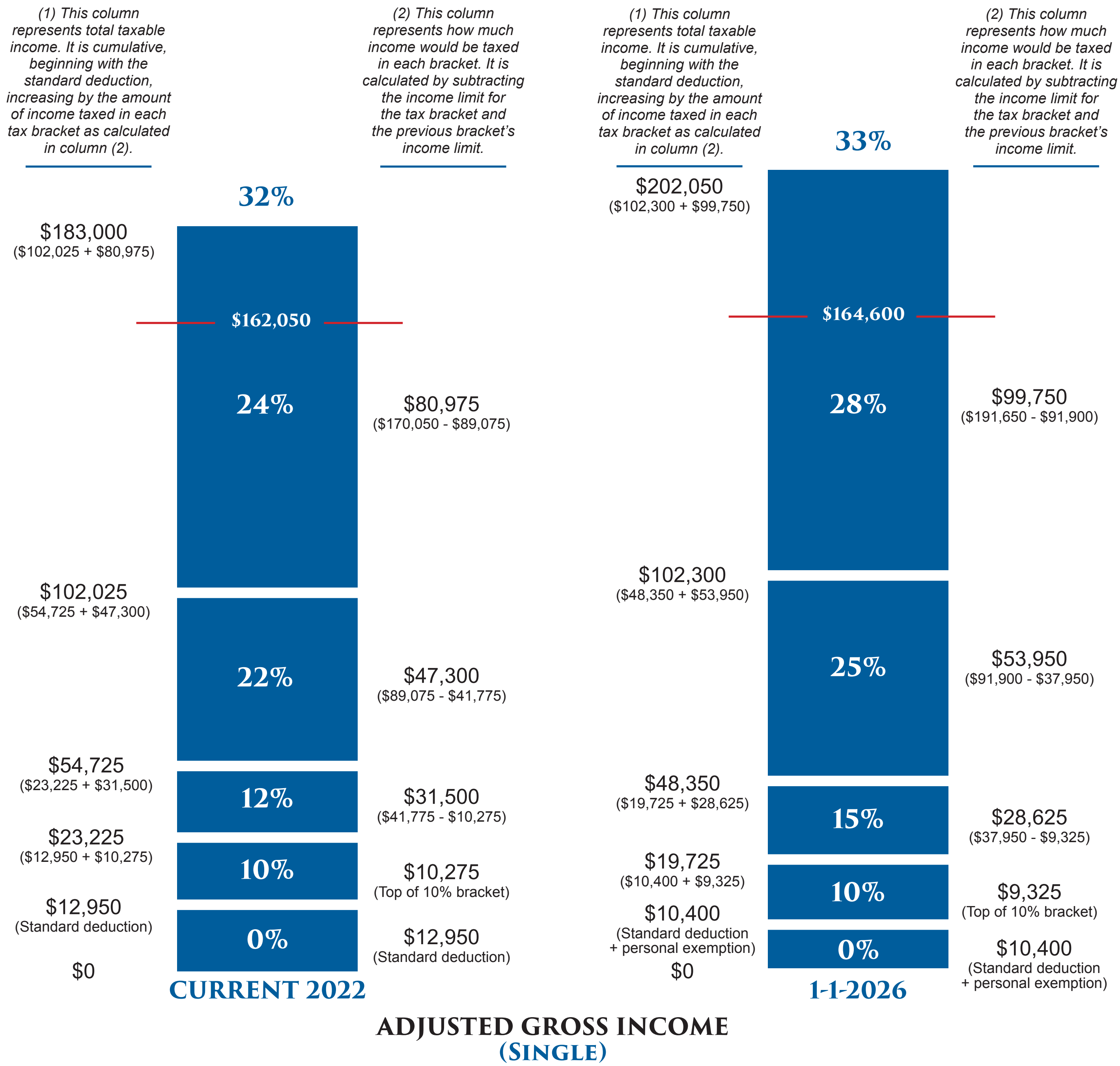
The American tax system is progressive, meaning as you earn more, your tax rate increases for each level of income. This hypothetical example is designed to show how the current tax laws could help you save on taxes for a limited period of time.

Column (1) for each tax year represents the total taxable income, assuming the use of the standard deduction, not itemization. Column (2) for each tax year represents how much income would be taxed at that rate in each bracket, again assuming the use of the standard deduction. For example, in 2022, if your total taxable income was less than $12,950 (the amount of the standard deduction), you would be in the 0% tax bracket.

Under the current law, tax rates will revert back to the 2017 tax tables on Jan. 1, 2026, unless Congress acts. In this example, the standard deduction/personal exemption and bracket break points in 2026 are based on the 2017 tax tables. It's important to note that the actual tax brackets will be adjusted for inflation in 2026.

Let's assume a single individual is making $175,000/year. Under the current tax law, they would receive a standard deduction of $12,950, making their total taxable income $162,050. Based on the 2022 tax brackets, this individual would owe $32,727.50 in taxes. Based on the assumptions for 2026, the same individual would have total taxable income of $164,600 and owe $39,070 in taxes (assuming the standard deduction and one personal exemption).



[Website]

[FIRM NAME] does not provide tax or legal advice.

This document is designed to provide general information on the subjects covered. It is not intended to provide specific tax or legal advice and should not be construed as advice designed to meet the particular needs of an individual's situation. All individuals should meet with a qualified tax professional prior to making any decisions about your personal situation. Information has been obtained from sources believed to be reliable, but accuracy and completeness cannot be guaranteed.

[Investment Advisory Disclosure and/or BD Disclosure]

https://taxfoundation.org/2022-tax-brackets/ https://taxfoundation.org/2017-tax-brackets/

12/21-1924119C

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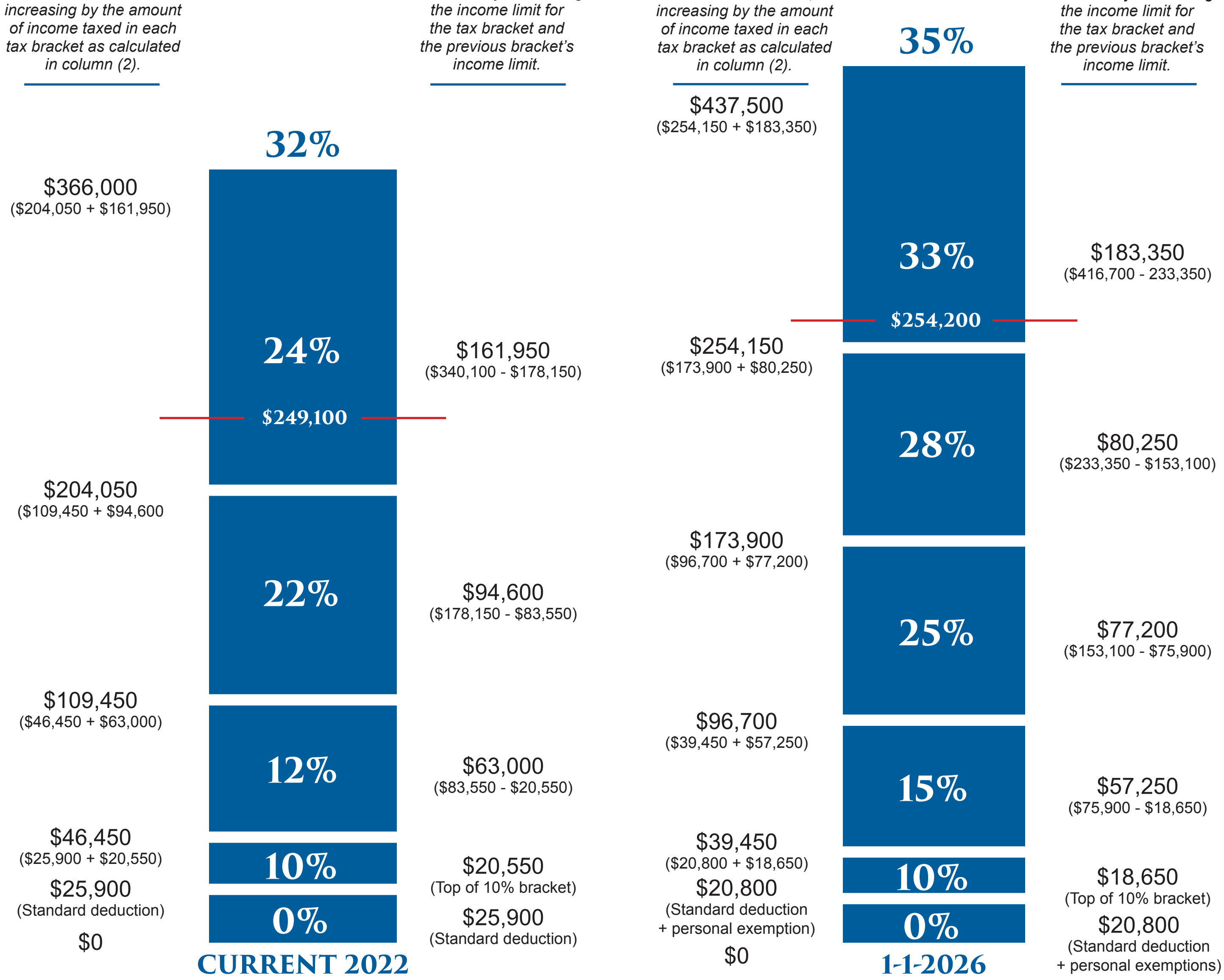
Column (1) for each tax year represents the total taxable income, assuming the use of the standard deduction, not itemization. Column (2) for each tax year represents how much income would be taxed at that rate in each bracket, again assuming the use of the standard deduction. For example, in 2022, if your total taxable income was less than $25,900 (the amount of the standard deduction), you would be in the 0% tax bracket.

Under the current law, tax rates will revert back to the 2017 tax tables on Jan.1, 2026, unless Congress acts. In this example, the standard deduction/personal exemption and bracket break points in 2026 are based on the 2017 tax tables. It's important to note that the actual tax brackets will be adjusted for inflation in 2026.

Let's assume a married couple is making $275,000/year. Under the current tax law, they would receive a standard deduction of $25,900, making their total taxable income $249,100. Based on the 2022 tax brackets, this individual would owe $47,455 in taxes. Based on the assumptions for 2026, the same couple would have total taxable income of $254,200 and owe $59,103 in taxes (assuming the standard deduction and two personal exemptions).

(1) This column represents total taxable income. It is cumulative, beginning with the standard deduction, increasing by the amount of income taxed in each tax bracket as calculated in column (2).

(2) This column represents how much income would be taxed in each bracket. It is calculated by subtracting the income limit for the tax bracket and the previous bracket's income limit.



ADJUSTED GROSS INCOME (MARRIED)

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