

The Case for Using a Qualified Charitable Distribution from an Individual Retirement Account (IRA)

	<u>Income Tax Without QCD</u>	<u>Income Tax with QCD</u>
Adjusted Gross income	\$104,300	\$97,300
No Personal Exemption	0	0
No Itemized Deduction	0	0
Standard Deduction	<u>(13,600)</u>	<u>(13,600)</u>
Taxable income	\$90,700*	\$83,700*
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Income Tax	\$16,058	\$14,378
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		Tax savings: \$ 1,680
		=====

Because taxpayer is over 65, he must be enrolled in Medicare and must pay Medicare premiums which are generally based on the taxable income for the tax year two years prior to the current tax year.

*Medicare premium annually \$2,250	Tax Savings:	\$1,680
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Annual Medicare premium savings \$ 642

Total Tax and Medicare premium savings	\$2,322
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