

	Employee	Sole Proprietor (or independent contractor)	Details if necessary	
<b>Wages/Business Income</b>	<b>\$75,000</b>	<b>\$75,000</b>		
Business Expenses	\$0	\$4,000 *		
Net Wages/Business Income	\$75,000	\$71,000		
Deductible Part of Self-Employment Tax (which is medicare tax + social security = 13.3%)	\$0	\$5,015	Deductible part = 57.51% of medicare and social	
Health insurance deduction for self-employed	\$0	\$3,600 *		
Standard Deduction (single person)	\$5,950	\$5,950		
Exemption Deduction (single person)	\$3,800	\$3,800		
<b>Taxable Income</b>	<b>\$65,250</b>	<b>\$61,250</b>		
Federal Income Tax	\$12,778	\$11,778	15% on taxable income up to \$35,350 plus 25% on the rest	
Medicare Tax	\$1,088	\$1,901	1.45% of wages for employee	2.90% of income after expenses for IC (line 5)
Social Security Tax	\$3,150	\$6,819	4.2% of wages for employee	10.4% of income minus expenses for IC (line 5)
<b>Total Federal Tax</b>	<b>\$17,015</b>	<b>\$20,498</b>		
Net Wages/Business Income	\$75,000	\$71,000	(from line 5)	
Total Federal Taxes	\$17,015	\$20,498	(from line 14)	
Wages/Business Income, net after federal taxes	\$57,985	\$50,502	(subtract line 18 from 17)	
Health Insurance	\$0	\$3,600 *		
<b>Spendable Cash</b>	<b>\$57,985</b>	<b>\$46,902</b>	(subtract line 20 from 19)	
			*Varies according to your business and situation	