

Important Tax Information



If you received either a big refund or owed tax this year, call me, so I can help you adjust your payroll withholding.

Where Do My Federal Tax Payments Go?



In his 2011 State of the Union Address, President Obama promised that American taxpayers would receive a Federal Taxpayer Receipt, which details how and where your tax dollars are being spent.

Let's take a look at the average married family with two children earning \$80,000 and assume this family contributes 5 percent of their wage income to a 401(k) or IRA, doesn't itemize and claims the Child Tax Credit.

This family paid close to \$10,500 in taxes in 2013. Just under \$5,000 was paid to Social Security and \$1,160 went to Medicare tax. The remaining \$4,341 was income tax and went to various government programs. This is how it breaks down:

- **24.79 percent** went to national defense, including military salaries, ongoing operations and defense-related activities.

- **25.19 percent** went to health care, including Medicaid and Children's Health Insurance Program, health research and food safety, as well as disease control and public health services.
- **18.77 percent** went to job and family security, including Federal military and civilian employee retirement and disability, food and nutrition assistance, and the earned income, Making Work Pay and child tax credits.
- **8.44 percent** went to net interest, including interest on Treasury debt securities.
- **5.44 percent** went to veteran benefits, including health care, education and housing.
- **4.98 percent** went to additional government programs, including transportation, mortgage credit and governmental administration.
- **2.85 percent** went to education and job training, including elementary, secondary and vocational education.
- The remaining **9.54 percent** went to natural resources, energy and environment, international affairs, science and space, immigration and law enforcement, agriculture, response to natural disasters and community development programs.

The complete Federal Taxpayer Receipt is available at whitehouse.gov and includes additional details and a tool to tailor the receipt to your tax situation.

Did You Know?

On July 4, 1776, the Continental Congress signed a document announcing that the thirteen American colonies regarded themselves as 13 newly independent sovereign states and no longer a part of the British Empire. The term "Declaration of Independence" is not used in the document they signed.

Quote Corner

"No other date on the calendar more potently symbolizes all that our nation stands for than the Fourth of July."

~Mac Thornberry