

Tax Credit for Health Insurance Produces a Tax Cut

	Income Tax Liability	Tax Credit Amount	TOTAL Tax Savings
10% Bracket	\$1,200 (\$12,000 x 10%)	\$5,000	+\$3,800 (\$5,000 - \$1,200)
15% Bracket	\$1,800 (\$12,000 x 15%)	\$5,000	+\$3,200 (\$5,000 - \$1,800)
25% Bracket	\$3,000 (\$12,000 x 25%)	\$5,000	+\$2,000 (\$5,000 - \$3,000)
28% Bracket	\$3,360 (\$12,000 x 28%)	\$5,000	+\$1,640 (\$5,000 - \$3,360)
33% Bracket	\$3,960 (\$12,000 x 33%)	\$5,000	+\$1,040 (\$5,000 - \$3,960)
35% Bracket	\$4,200 (\$12,000 x 35%)	\$5,000	+\$800 (\$5,000 - \$4,200)