

UPDATE — REVISED AUGUST 2003

Investing For Your Future: A Cooperative Extension System Basic Investing Home Study Course (NRAES-156)

The following changes to *Investing For Your Future*, published in February 2002, update it for 2003 and reflect recently enacted provisions of the 2003 tax law called the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA).

- Increase in the holding time on Series EE and Series I U.S. Savings Bonds, effective with issues dated on or after February 1, 2003. Page 60, first sentence in second paragraph, should read:
“Series EE and Series I bonds must be held one year before being eligible for redemption.”
- Page 66, line 6 of Collateralized Mortgage Obligations, should read:
“Investors in a particular tranche receive periodic income payments (typically monthly) that differ from period-to-period and from other tranches.”
- Pages 81, 82, and 120: *Mutual Funds* magazine is no longer being published.
- Page 88, paragraph 2, should read:
“There are six different tax rates in 2003—10%, 15%, 25%, 28%, 33%, and 35%. The higher your marginal tax rate, the more you, as an investor, benefit from pretax dollar contributions and tax-deferred earnings. Figure 1 shows the 2003 tax rate schedules for your reference in determining marginal tax rates. These figures are adjusted annually for inflation.”
- Figure 1, page 88, should include the following income ranges and marginal tax brackets to replace those in the previous version:

Figure 1, Revised: 2003 Tax Rates

Single — Schedule X					Head of Household — Schedule Z				
If taxable income:		Then the tax is:			If taxable income:		Then the tax is:		
<i>Is over-</i>	<i>But not over-</i>	<i>This amount</i>	<i>Plus</i>	<i>Of the amount over-</i>	<i>Is over-</i>	<i>But not over-</i>	<i>This amount</i>	<i>Plus</i>	<i>Of the amount over-</i>
\$0	\$7,000	—	10%	\$0	\$0	\$10,000	—	10%	\$0
\$7,000	\$28,400	\$700.00	+15%	\$7,000	\$10,000	\$38,050	\$1,000.00	+15%	\$10,000
\$28,400	\$68,800	\$3,910.00	+25%	\$28,400	\$38,050	\$98,250	\$5,207.50	+25%	\$38,050
\$68,800	\$143,500	\$14,010.00	+28%	\$68,800	\$98,250	\$159,100	\$20,257.50	+28%	\$98,250
\$143,500	\$311,950	\$34,926.00	+33%	\$143,500	\$159,100	\$311,950	\$37,295.50	+33%	\$159,100
\$311,950	—	\$90,514.50	+35%	\$311,950	\$311,950	—	\$87,736.00	+35%	\$311,950
Married Filing Jointly or Qualifying Widow(er) — Schedule Y-1					Married Filing Separately — Schedule Y-2				
If taxable income:		Then the tax is:			If taxable income:		Then the tax is:		
<i>Is over-</i>	<i>But not over-</i>	<i>This amount</i>	<i>Plus</i>	<i>Of the amount over-</i>	<i>Is over-</i>	<i>But not over-</i>	<i>This amount</i>	<i>Plus</i>	<i>Of the amount over-</i>
\$0	\$14,000	—	10%	\$0	\$0	\$7,000	—	10%	\$0
\$14,000	\$56,800	\$1,400.00	+15%	\$14,000	\$7,000	\$28,400	\$700.00	+15%	\$7,000
\$56,800	\$114,650	\$7,820.00	+25%	\$56,800	\$28,400	\$57,325	\$3,910.00	+25%	\$28,400
\$114,650	\$174,700	\$22,282.50	+28%	\$114,650	\$57,325	\$87,350	\$11,141.25	+28%	\$57,325
\$174,700	\$311,950	\$39,096.50	+33%	\$174,700	\$87,350	\$155,975	\$19,548.25	+33%	\$87,350
\$311,950	—	\$84,389.00	+35%	\$311,950	\$155,975	—	\$42,194.50	+35%	\$155,975

Source: U.S. Department of the Treasury, Internal Revenue Service