

**FORM 6 FULL AND PUBLIC DISCLOSURE OF 2007**

**FINANCIAL INTERESTS**

JUN 16 2008 PM 2:19

Frank McKeithen  
 Sheriff  
 Bay County  
 3421 Highway 77  
 Panama City , FL 32405-5009



FOR OFFICE  
 USE ONLY:

ID Code



ID No.

84633

Conf. Code

P. Req. Code \*\*\*\*\*

McKeithen, Frank

CHECK IF THIS IS A FILING BY A CANDIDATE

**PART A -- NET WORTH**

Please enter the value of your net worth as of December 31, 2007, or a more current date. [Note: Net worth is not calculated by subtracting your reported liabilities from your reported assets, so please see the instructions on page 3.]

My net worth as of June 16, 20 08 was \$ 444,000

**PART B -- ASSETS**

**HOUSEHOLD GOODS AND PERSONAL EFFECTS:**

Household goods and personal effects may be reported in a lump sum if their aggregate value exceeds \$1,000. This category includes any of the following, if not held for investment purposes: jewelry; collections of stamps, guns, and numismatic items; art objects; household equipment and furnishings; clothing; other household items; and vehicles for personal use.

The aggregate value of my household goods and personal effects (described above) is \$ 100,000

**ASSETS INDIVIDUALLY VALUED AT OVER \$1,000:**

DESCRIPTION OF ASSET (specific description is required - see instructions p.4)

VALUE OF ASSET

SEE ATTACHMENT "A"

**PART C -- LIABILITIES**

**LIABILITIES IN EXCESS OF \$1,000:**

NAME AND ADDRESS OF CREDITOR

AMOUNT OF LIABILITY

SEE ATTACHMENT "B"

**JOINT AND SEVERAL LIABILITIES NOT REPORTED ABOVE:**

NAME AND ADDRESS OF CREDITOR

AMOUNT OF LIABILITY

ATTACHMENT "A" ASSETS

<u>Description of Assets</u>	<u>Value</u>
<u>Real Estate</u>	
House - 13804 Sunrise Drive Southport, FL	\$400,000
House - 3016 Meadow Street Panama City, FL	\$160,000
Property - Lot 17 White Western Shores Southport, FL	\$115,000
<u>Personal Property</u>	
Procraft Bass Boat	\$ 2,500
Waverunner	\$ 2,500
Four-wheeler	\$ 5,000
Antique Ford Tractor	\$ 2,500
Antique Ford Tractor	\$ 2,500
<u>Bank Accounts</u>	
Peoples First Checking Account	\$ 16,000
Panhandle Educators Credit Union Savings Account	\$ 25,000
TOTAL ASSETS	\$731,000

ATTACHMENT "B" LIABILITIES

<u>Name of Creditor</u>	<u>Amount of Liability</u>
Countrywide Mortgage	\$ 98,000
Chase (2000 Ford)	\$ 10,000
U.S. Bank (2004 Toyota)	\$ 18,000
Nissan (2005 Nissan)	\$ 12,000
Countrywide Mortgage (Townhouse)	\$128,000
Tyndall Federal Credit Union (2001 Sebring)	\$ 6,000
Peoples First (Property)	\$115,000
TOTAL LIABILITIES	\$387,000

Form **1040** U.S. Individual Income Tax Return **2007**

Department of the Treasury — Internal Revenue Service

IRS Use Only — Do not write or staple in this space.

**Label**  
(See instructions.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2007, or other tax year beginning , 2007, ending , 20

OMB No. 1545-0074

Your first name MI Last name  
**WILLIAM F MCKEITHEN**

Your social security number  
[REDACTED]

If a joint return, spouse's first name MI Last name  
**DIANE A MCKEITHEN**

Spouse's social security number  
[REDACTED]

Home address (number and street). If you have a P.O. box, see instructions. Apartment no.  
**13804 SUNRISE LN**

City, town or post office. If you have a foreign address, see instructions. State ZIP code  
**SOUTHPORT, FL 32409**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)  You  Spouse

**Filing Status**

1  Single

2  Married filing jointly (even if only one had income)

3  Married filing separately. Enter spouse's SSN above & full name here. ▶

4  Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here ▶

5  Qualifying widow(er) with dependent child (see instructions)

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a.

b  Spouse

**Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)	No. of children on 6c who:
ALICE A	MCKEITHEN	[REDACTED]	DAUGHTER	<input type="checkbox"/>	<input checked="" type="checkbox"/> lived with you. . . . . 1 <input type="checkbox"/> did not live with you due to divorce or separation (see instrs). . . . . Dependents on 6c not entered above . . . . .
d Total number of exemptions claimed . . . . .					3

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . . 7 167,267.

8a Taxable interest. Attach Schedule B if required . . . . . 8a 541.

b Tax-exempt interest. Do not include on line 8a . . . . . 8b

9a Ordinary dividends. Attach Schedule B if required . . . . . 9a

b Qualified dividends (see instrs) . . . . . 9b

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) . . . . . 10

11 Alimony received . . . . . 11

12 Business income or (loss). Attach Schedule C or C-EZ . . . . . 12

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here . . . . . 13

14 Other gains or (losses). Attach Form 4797 . . . . . 14

15a IRA distributions . . . . . 15a b Taxable amount (see instrs) . . . . . 15b

16a Pensions and annuities . . . . . 16a 55,727. b Taxable amount (see instrs) . . . . . 16b 55,674.

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . . 17

18 Farm income or (loss). Attach Schedule F . . . . . 18

19 Unemployment compensation . . . . . 19

20a Social security benefits . . . . . 20a b Taxable amount (see instrs) . . . . . 20b

21 Other income . . . . . 21

22 Add the amounts in the far right column for lines 7 through 21. This is your total income . . . . . 22 223,482.

**Adjusted Gross Income**

23 Educator expenses (see instructions) . . . . . 23 250.

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ . . . . . 24

25 Health savings account deduction. Attach Form 8889 . . . . . 25

26 Moving expenses. Attach Form 3903 . . . . . 26

27 One-half of self-employment tax. Attach Schedule SE . . . . . 27

28 Self-employed SEP, SIMPLE, and qualified plans . . . . . 28

29 Self-employed health insurance deduction (see instructions) . . . . . 29

30 Penalty on early withdrawal of savings . . . . . 30

31a Alimony paid b Recipient's SSN . . . . . 31a

32 IRA deduction (see instructions) . . . . . 32

33 Student loan interest deduction (see instructions) . . . . . 33

34 Tuition and fees deduction. Attach Form 8917 . . . . . 34

35 Domestic production activities deduction. Attach Form 8903 . . . . . 35

36 Add lines 23 - 31a and 32 - 35 . . . . . 36 250.

37 Subtract line 36 from line 22. This is your adjusted gross income . . . . . 37 223,232.

**Tax and Credits**

38 Amount from line 37 (adjusted gross income) **38** 213,332

39a Check  You were born before January 2, 1943,  Blind. Total boxes checked **39a**  
 if:  Spouse was born before January 2, 1943,  Blind.

b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here **39b**

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) **40** 15,370

41 Subtract line 40 from line 38 **41** 203,962

42 If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the instructions **42** 10,200

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43** 193,662

44 Tax (see instrs). Check if any tax is from: a  Form(s) 8814 b  Form 4972  
 c  Form(s) 8889 **44** 43,218

45 Alternative minimum tax (see instructions). Attach Form 6251 **45** 0

46 Add lines 44 and 45 **46** 43,218

47 Credit for child and dependent care expenses. Attach Form 2441 **47**

48 Credit for the elderly or the disabled. Attach Schedule R **48**

49 Education credits. Attach Form 8863 **49**

50 Residential energy credits. Attach Form 5695 **50**

51 Foreign tax credit. Attach Form 1116 if required **51**

52 Child tax credit (see instructions). Attach Form 8901 if required **52**

53 Retirement savings contributions credit. Attach Form 8880 **53**

54 Credits from: a  Form 8396 b  Form 8859 c  Form 8839 **54**

55 Other credits: a  Form 3800 b  Form 8801 c  Form **55**

56 Add lines 47 through 55. These are your total credits **56**

57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- **57** 43,218

**Other Taxes**

58 Self-employment tax. Attach Schedule SE **58**

59 Unreported social security and Medicare tax from: a  Form 4137 b  Form 8919 **59**

60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **60**

61 Advance earned income credit payments from Form(s) W-2, box 9 **61**

62 Household employment taxes. Attach Schedule H **62**

63 Add lines 57-62. This is your total tax **63** 43,218

**Payments**

64 Federal income tax withheld from Forms W-2 and 1099 **64** 37,071

65 2007 estimated tax payments and amount applied from 2006 return **65**

66a Earned income credit (EIC) **66a**

b Nontaxable combat pay election **66b**

67 Excess social security and tier 1 RRTA tax withheld (see instructions) **67**

68 Additional child tax credit. Attach Form 8812 **68**

69 Amount paid with request for extension to file (see instructions) **69**

70 Payments from: a  Form 2439 b  Form 4136 c  Form 8885 **70**

71 Refundable credit for prior year minimum tax from Form 8801, line 27 **71**

72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments **72** 37,071

**Refund**

73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid **73**

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here  **74a**

b Routing number  c Type:  Checking  Savings

d Account number

**Amount You Owe**

75 Amount of line 73 you want applied to your 2008 estimated tax **75**

76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions **76** 6,239

77 Estimated tax penalty (see instructions) **77** 92

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)?  Yes. Complete the following.  No

Designee's name **PREPARER** Phone no.  Personal identification number (PIN)

**Sign Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature  Date  Your occupation  Daytime phone number

Spouse's signature. If a joint return, both must sign.  Date  Spouse's occupation

**Paid Preparer's Use Only**

Preparer's signature  Date  Check if self-employed  Preparer's SSN or PTIN

Firm's name (or yours if self-employed)  address, and ZIP code

EGERS, SOWEN, STEWART, JOHNSON & BRILL, PA  
 P.O. BOX 2346  
 PANAMA CITY, FL 32402

EIN  59-2500568  
 Phone no.  850-769-2371

**Underpayment of Estimated Tax by Individuals, Estates, and Trusts**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

**2007**

Attachment  
Sequence No. **05**

Name(s) shown on tax return

**WILLIAM F AND DIANE A MCKEITHEN**

Identifying number

**Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000? Yes

No

Complete lines 8 and 9 below. Is line 6 equal to or more than line 9? Yes

No

You may owe a penalty. Does any box in Part II below apply? Yes

No

**Do not file Form 2210.** You do not owe a penalty.

You do not owe a penalty. **Do not file Form 2210** (but if box E below applies, you must file page 1 of Form 2210).

**You must file Form 2210.** Does box B, C, or D apply?

No

**Do not file Form 2210.** You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but **do not file Form 2210.**

**You must figure your penalty.**

Yes

**You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.**

**Part I Required Annual Payment** (see instructions)

1 Enter your 2007 tax after credits from Form 1040, line 57 (or comparable line of your return) .....	1	43,218.
2 Other taxes, including self-employment tax (see instructions) .....	2	
3 Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, health coverage tax credit, and refundable credit for prior year minimum tax .....	3	0.
4 Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, you do not owe a penalty; <b>do not file Form 2210</b> .....	4	43,218.
5 Multiply line 4 by 90% (.90) .....	5	38,896.
6 Withholding taxes. <b>Do not</b> include estimated tax payments. (see instructions) .....	6	37,071.
7 Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; <b>do not file Form 2210</b> .....	7	6,147.
8 Maximum required annual payment based on prior year's tax (see instructions) .....	8	52,523.
9 <b>Required annual payment.</b> Enter the <b>smaller</b> of line 5 or line 8 .....	9	38,896.

Next: Is line 9 more than line 6?

- No. You do not owe a penalty. **Do not file Form 2210** unless box E below applies.
- Yes. You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.
- If box B, C, or D applies, you must figure your penalty and file Form 2210.
  - If only box A or E (or both) applies, file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210.**

**Part II Reasons for Filing.** Check applicable boxes. If none apply, **do not file Form 2210.**

- A  You request a **waiver** (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B  You request a **waiver** (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C  Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using Schedule AI and file Form 2210.
- D  Your penalty is lower when figured by treating the federal income tax withheld from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E  You filed or are filing a joint return for either 2006 or 2007, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box B, C, or D applies).

**Part III Short Method**

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), or
- You paid the same amount of estimated tax on each of the four payment due dates.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box **C** or **D** in Part II, or
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

**Note:** If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

**TIP:** You do not need to file Form 2210 unless you checked a box in Part II on page 1.

10	Enter the amount from Form 2210, line 9.....	10	38,896.
11	Enter the amount, if any, from Form 2210, line 6.....	11	37,071.
12	Enter the total amount, if any, of estimated tax payments you made.....	12	
13	Add lines 11 and 12.....	13	37,071.
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1.....	14	1,825.
15	Multiply line 14 by .05057.....	15	92.
16	<ul style="list-style-type: none"> <li>• If the amount on line 14 was paid on or after 4/15/08, enter -0-.</li> <li>• If the amount on line 14 was paid before 4/15/08, make the following computation to find the amount to enter on line 16.</li> </ul>		
	Amount on line 14 x Number of days paid before 4/15/08 x .00019.....	16	0.
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 77; Form 1040A, line 47; Form 1040NR, line 75; Form 1040NR-EZ, line 26; or Form 1041, line 26.....	17	92.

**SCHEDULE A**  
**Form 1040**

**Itemized Deductions**

Department of the Treasury  
Internal Revenue Service

► Attach to Form 1040.  
► See Instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040

**WILLIAM F AND DIANE A MCKEITHEN**

Medical and Dental Expenses		Taxes You Paid		Interest You Paid		Gifts to Charity		Casualty and Theft Losses		Other Miscellaneous Deductions		Total Itemized Deductions	
<b>Caution.</b> Do not include expenses reimbursed or paid by others.													
1	Medical and dental expenses (see instructions)..... STATEMENT .3	5	2,059.	10	5,325.	16	281.	20		21	950.	27	0.
2	Enter amount from Form 1040, line 38. .... 2 223,232.	6	5,237.	11	7,805.	17		22	180.	22	180.	28	0.
3	Multiply line 2 by 7.5% (.075).....	7		12		18		23		23		29	19,370.
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-.....	8		13		19	281.	24	1,130.	24	1,130.	30	
		9		14		20		25	223,232.	25	223,232.		
				15				26	4,465.	26	4,465.		
				16				27		27			
				17				28		28			
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				88				99		99			
				89				100		100			



Name(s) shown on Form 1040:

Your social security number

WILLIAM F AND DIANE A MCKEITHEN

Schedule B - Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-DIV, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Table with 2 columns: Description (lines 1-4) and Amount. Line 1: AMERICAN GENERAL LIFE (231), PANHANDLE EDUCATORS CREDIT UNION (238), PEOPLES FIRST COMMUNITY BANK (72). Line 2: 541. Line 3: Excludable interest. Line 4: 541.

Note. If line 4 is over \$1,500, you must complete Part III.

Part II Ordinary Dividends

(See instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

Table with 2 columns: Description (line 5) and Amount. Line 5: List name of payer. Line 6: 0.

Note. If line 6 is over \$1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See instructions.)

Table with 3 columns: Question (7a, 7b, 8), Yes, No. 7a: At any time during 2007, did you have an interest in or a signature or other authority over a financial account in a foreign country... X. 7b: If 'Yes,' enter the name of the foreign country. 8: During 2007, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions... X.

JUN 16 2008 PM 2:10

2007 FEDERAL STATEMENTS PAGE 1

CLIENT M985181 WILLIAM F AND DEWE A MCKEITHEN

3/29/08

STATEMENT 1  
FORM 1040  
WAGE SCHEDULE

TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI-CARE	STATE W/H	LOCAL W/H
COUNTY OF BAY	128,450.	22,220.	6,045.	1,863.	0.	0.
TOTAL	128,450.	22,220.	6,045.	1,863.	0.	0.
SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI-CARE	STATE W/H	LOCAL W/H
BAY COUNTY SCHOOL BOARD	38,817.	5,055.	3,104.	726.	0.	0.
TOTAL	38,817.	5,055.	3,104.	726.	0.	0.
GRAND TOTAL	167,267.	27,275.	9,149.	2,589.	0.	0.

STATEMENT 2  
FORM 1040  
PENSION AND ANNUITIES SCHEDULE

TAXPAYER - PAYER	TOTAL RECEIVED	TAXABLE AMOUNT	FEDERAL W/H
STATE OF FLORIDA DEPARTMENT OF	55,727.	55,674.	9,796.
GRAND TOTAL	55,727.	55,674.	9,796.

STATEMENT 3  
SCHEDULE A, LINE 1  
MEDICAL AND DENTAL EXPENSES

DOCTORS, DENTISTS, AND NURSES.....	\$	5,154.
TRANSPORTATION AND LODGING.....	\$	2,088.
TOTAL	\$	7,242.

STATEMENT 4  
SCHEDULE A, LINE 10  
HOME MORTGAGE INTEREST REPORTED ON FORM 1098

COUNTRYWIDE HOME LOANS.....	\$	5,325.
TOTAL	\$	5,325.

STATEMENT 5  
SCHEDULE A, LINE 16  
CONTRIBUTIONS BY CASH OR CHECK

FIRST BAPTIST CHURCH.....	\$	100.
VARIOUS.....	\$	181.
TOTAL	\$	281.

2007

FEDERAL WORKSHEETS

JUN 16 2008

CLIENT M985181

WILLIAM F AND DIANE A MCKEITHEN

3/29/08

DEDUCTION FOR EXEMPTIONS WORKSHEET (FORM 1040, LINE 42)

- 1. \$3,400 PER EXEMPTION ON FORM 1040, LINE 6D
- 2. ENTER AMOUNT FROM FORM 1040, LINE 38 223,232
- 3. THRESHOLD FOR YOUR FILING STATUS 234,600
- 4. SUBTRACT LINE 3 FROM LINE 2 0
- 5. IS LINE 4 MORE THAN \$122,500 (\$61,250 IF MFS)?

YES. MULTIPLY \$1,133 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED. ENTER THE RESULT HERE AND ON FORM 1040, LINE 42. DO NOT COMPLETE THE REST OF THIS WORKSHEET.

NO. DIVIDE LINE 4 BY \$2,500 (\$1,250 IF MFS)

- 6. MULTIPLY LINE 5 BY 2% (.02)
- 7. MULTIPLY LINE 1 BY LINE 6
- 8. DIVIDE LINE 7 BY 1.5
- 9. DEDUCTION FOR EXEMPTIONS (SUBTRACT LINE 8 FROM LINE 1)

TAX COMPUTATION WORKSHEET (FORM 1040, LINE 44)

TAXABLE INCOME	(A)	(B)	(C)	(D)	
IF LINE 43 IS -	ENTER THE AMOUNT FROM LINE 43	MULTIPLICATION AMOUNT	MULTIPLY (A) BY (B)	SUBTRACTION AMOUNT	(ROUNDED)
OVER \$128,500 BUT NOT OVER \$195,850	193,662.	28.0%	54,225.36	11,007.50	43,218.

FEDERAL INCOME TAX WITHHELD

COUNTY OF BAY	22,220.
BAY COUNTY SCHOOL BOARD	5,055.
STATE OF FLORIDA DEPARTMENT OF	9,796.
<b>TOTAL</b>	<b>37,071.</b>

CLIENT M985181

WILLIAM F AND DIANE A MCKEITHEN

3/29/08

11:51AM

STATE AND LOCAL TAXES (SCHEDULE A, LINE 5)

STATE AND LOCAL SALES TAXES USING THE OPTIONAL SALES TAX TABLES

AVAILABLE INCOME:	
ADJUSTED GROSS INCOME PER FORM 1040	223,232.
TAX-EXEMPT INTEREST	0.
NONTAXABLE COMBAT PAY	0.
NONTAXABLE SOCIAL SECURITY BENEFITS	0.
NONTAXABLE PENSIONS	53.
NONTAXABLE IRAS	0.
PRIOR YEAR REFUNDABLE CREDITS (REFUNDABLE PORTION ONLY)	0.
ADDITIONAL NONTAXABLE AMOUNTS	0.
TOTAL AVAILABLE INCOME (NOT LESS THAN ZERO)	<u>223,285.</u>
NUMBER OF EXEMPTIONS	3.

1. STATE GENERAL SALES TAXES PER TABLES	1,901.
2. LOCAL GENERAL SALES TAXES PER TABLES FOR RESIDENTS OF AK, AZ, CO, GA, IL, LA, NC, AND NY PLUS RESIDENTS OF TEXARKANA AND LOS ANGELES COUNTY (BASED ON 1% RATE)	0.
3. LOCAL GENERAL SALES TAX RATE	0.5000
4. IF LINE 2 IS ZERO, ENTER YOUR STATE GENERAL SALES TAX RATE. OTHERWISE, SKIP LINE 4 AND 5, AND GO TO LINE 6	6.0000
5. DIVIDE LINE 3 BY LINE 4	0.083333
6. LOCAL GENERAL SALES TAXES. IF LINE 2 IS ZERO, MULTIPLY LINE 1 BY LINE 5. OTHERWISE, MULTIPLY LINE 2 BY LINE 3.	158.
7. STATE AND LOCAL GENERAL SALES TAXES (ADD LINES 1 AND 6)	2,059.
8. SALES TAXES PAID ON VEHICLES, BOATS, ETC.	0.
9. SALES TAX DEDUCTION WHEN USING TABLES (ADD LINES 7 AND 8)	2,059.

STATE AND LOCAL SALES TAX DEDUCTION (GREATER OF TAXES PAID OR TABLE AMOUNT)

1. GENERAL SALES TAXES PAID	0.
2. USE TAXES PAID	0.
3. TOTAL ACTUAL TAXES PAID (ADD LINES 1 AND 2)	0.
4. SALES TAXES USING TABLES	2,059.
5. GREATER OF SALES TAXES PAID OR TABLE AMOUNT	<u>2,059.</u>

ITEMIZED DEDUCTIONS WORKSHEET (SCHEDULE A, LINE 29)

1. ADD AMOUNTS ON SCHEDULE A, LINES 4, 9, 15, 19, 20, 27, AND 28	20,707.
2. ADD AMOUNTS ON SCHEDULE A, LINES 4, 14, & 20, PLUS ANY GAMBLING LOSSES AND CASUALTY OR THEFT LOSSES INCLUDED ON LINE 28	0.
3. SUBTRACT LINE 2 FROM LINE 1	20,707.
4. MULTIPLY LINE 3 ABOVE BY 80% (.80)	16,566.
5. ENTER AMOUNT FROM FORM 1040, LINE 38	223,232.
6. ENTER \$156,400 (\$78,200 IF MFS)	156,400.
7. SUBTRACT LINE 6 FROM LINE 5	66,832.
8. MULTIPLY LINE 7 ABOVE BY 3% (.03)	2,005.
9. ENTER THE SMALLER OF LINE 4 OR LINE 8	2,005.
10. DIVIDE LINE 9 BY 3.0	668.

JUN 16 2008 PM 2:18

CLIENT M985181 WILLIAM F AND DIANE A MCKEITHEN [REDACTED]

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ITEMIZED DEDUCTIONS WORKSHEET (SCHEDULE A, LINE 29) (CONTINUED)

11. SUBTRACT LINE 10 FROM LINE 9	<u>1,337.</u>
12. TOTAL ITEMIZED DEDUCTIONS (SUBTRACT LINE 11 FROM LINE 1)	<u><u>19,370.</u></u>