

2011 – Tax-Exempt Versus Taxable Equivalent Yields

For Tax Year 2011

Updated February 2011

Taxable Income				Tax-Exempt Yields									
				3	3.5	4	4.5	5	5.5	6	6.5	7	
Single Return		Joint Return		Fed. Tax Rate	Taxable Equivalent Yields								
\$0 –	\$8,500	\$0 –	\$17,000	10%	3.33	3.89	4.44	5.00	5.56	6.11	6.67	7.22	7.78
\$8,500 –	\$34,500	\$17,000 –	\$69,000	15%	3.53	4.12	4.71	5.29	5.88	6.47	7.06	7.65	8.24
\$34,500 –	\$83,600	\$69,000 –	\$139,350	25%	4.00	4.67	5.33	6.00	6.67	7.33	8.00	8.67	9.33
\$83,600 –	\$174,400	\$139,350 –	\$212,300	28%	4.17	4.86	5.56	6.25	6.94	7.64	8.33	9.03	9.72
\$174,400 –	\$379,150	\$212,300 –	\$379,150	33%	4.48	5.22	5.97	6.72	7.46	8.21	8.96	9.70	10.45
\$379,150	And up	\$379,150	And up	35%	4.62	5.38	6.15	6.92	7.69	8.46	9.23	10.00	10.77

Blended Federal/State Tax Factors

Federal Tax Rate					Federal Tax Rate					Federal Tax Rate				
State	0.25%	0.28%	0.33%	0.35%	State	0.25%	0.28%	0.33%	0.35%	State	0.25%	0.28%	0.33%	0.35%
AK	0.7500	0.7200	0.6700	0.6500	KY	0.7050	0.6768	0.6298	0.6110	NY	0.6986	0.6707	0.6174	0.5990
AL	0.7214	0.6936	0.6470	0.6283	LA	0.7156	0.6882	0.6423	0.6238	OH	0.7091	0.6773	0.6303	0.6115
AR	0.6975	0.6696	0.6231	0.6045	MA	0.7103	0.6818	0.6345	0.6156	OK	0.7110	0.6826	0.6352	0.6162
AZ	0.7195	0.6908	0.6410	0.6218	MD	0.7144	0.6840	0.6348	0.6159	OR	0.6825	0.6552	0.5976	0.5798
CA	0.6803	0.6530	0.6077	0.5896	ME	0.6863	0.6588	0.6131	0.5948	PA	0.7270	0.6979	0.6494	0.6300
CO	0.7153	0.6867	0.6390	0.6199	MI	0.7175	0.6888	0.6410	0.6219	RI	0.7051	0.6769	0.6299	0.6111
CT	0.7125	0.6840	0.6365	0.6175	MN	0.6911	0.6635	0.6174	0.5990	SC	0.6975	0.6696	0.6231	0.6045
DC	0.6863	0.6588	0.6131	0.5948	MO	0.7050	0.6768	0.6298	0.6110	SD	0.7500	0.7200	0.6700	0.6500
DE	0.6979	0.6700	0.6234	0.6048	MS	0.7125	0.6840	0.6365	0.6175	TN	0.7050	0.6768	0.6298	0.6110
FL	0.7500	0.7200	0.6700	0.6500	MT	0.6983	0.6703	0.6238	0.6052	TX	0.7500	0.7200	0.6700	0.6500
GA	0.7077	0.6794	0.6322	0.6133	NC	0.6919	0.6642	0.6181	0.5996	UT	0.7125	0.6840	0.6365	0.6175
HI	0.6932	0.6655	0.6097	0.5864	ND	0.7251	0.6936	0.6417	0.6199	VA	0.7069	0.6786	0.6315	0.6126
IA	0.6980	0.6718	0.6279	0.6102	NE	0.6987	0.6708	0.6242	0.6055	VT	0.6990	0.6638	0.6110	0.5918
ID	0.6915	0.6638	0.6177	0.5993	NH	0.7125	0.6840	0.6365	0.6175	WA	0.7500	0.7200	0.6700	0.6500
IL	0.7125	0.6840	0.6365	0.6175	NJ	0.7086	0.6741	0.6273	0.6086	WI	0.7013	0.6714	0.6181	0.5996
IN	0.7245	0.6955	0.6472	0.6279	NM	0.7133	0.6847	0.6372	0.6182	WV	0.7013	0.6732	0.6265	0.6078
KS	0.7016	0.6736	0.6268	0.6081	NV	0.7500	0.7200	0.6700	0.6500	WY	0.7500	0.7200	0.6700	0.6500

To figure the taxable equivalent yield for a given tax-exempt yield, divide the tax-exempt yield by the blended tax factor.

Example: Blended taxable equivalent yield for a 5% double exempt bond for an Alabama resident in the 28.0% tax bracket is:
 $5 / (.6936) = 7.2088\%$

- Factors are computed using the 25.0%, 28.0%, 33.0%, and 35.0% federal tax rates and the highest marginal tax rate for each state.
- All factors assume a filing status of Married Filing Joint Return.
- All factors assume the taxpayer will itemize deductions.
- Adjustments are made for most states, which allow a deduction for federal income tax and/or state income tax.
- No adjustment is made for alternative minimum tax or similar variations of tax calculations.
- City and county level income taxes are not included in these calculations.

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