

2014 – Tax-Exempt Versus Taxable Equivalent Yields

For Tax Year 2014

Updated June 2014

Taxable Income					Tax-Exempt Yields									
					2	2.5	3	3.5	4	4.5	5	5.5	6	
Single Return		Joint Return		Fed. Tax Rate	Taxable Equivalent Yields									
\$0	\$9,075	\$0 –	\$18,150	10%	2.22	2.78	3.33	3.89	4.44	5.00	5.56	6.11	6.67	
\$9,076	\$36,900	\$18,151 –	\$73,800	15%	2.35	2.94	3.53	4.12	4.71	5.29	5.88	6.47	7.06	
\$36,901	\$89,350	\$73,801 –	\$148,850	25%	2.67	3.33	4.00	4.67	5.33	6.00	6.67	7.33	8.00	
\$89,351	\$186,350	\$148,851 –	\$226,850	28%	2.78	3.47	4.17	4.86	5.56	6.25	6.94	7.64	8.33	
\$186,351	\$405,100	\$226,851 –	\$405,100	33%	2.99	3.73	4.48	5.22	5.97	6.72	7.46	8.21	8.96	
\$405,101	\$406,750	\$405,101 –	\$457,600	35%	3.08	3.85	4.62	5.38	6.15	6.92	7.69	8.46	9.23	
\$406,751	And up	\$457,601	And up	39.6%	3.31	4.14	4.97	5.79	6.62	7.45	8.28	9.11	9.93	

Blended Federal/State Tax Factors

State	Federal Tax Rate					State	Federal Tax Rate					State	Federal Tax Rate				
	0.25%	0.28%	0.33%	0.35%	0.396%		0.25%	0.28%	0.33%	0.35%	0.396%		0.25%	0.28%	0.33%	0.35%	0.396%
AK	0.7500	0.7200	0.6700	0.6500	0.6040	KY	0.7050	0.6768	0.6298	0.6110	0.5678	NY	0.7016	0.6721	0.6241	0.6055	0.5626
AL	0.7214	0.6936	0.6470	0.6283	0.5852	LA	0.7156	0.6882	0.6423	0.6238	0.5812	OH	0.7128	0.6812	0.6339	0.6150	0.5714
AR	0.6975	0.6696	0.6231	0.6045	0.5617	MA	0.7110	0.6826	0.6352	0.6162	0.5726	OK	0.7127	0.6842	0.6367	0.6177	0.5740
AZ	0.7195	0.6908	0.6410	0.6218	0.5778	MD	0.7144	0.6822	0.6315	0.6126	0.5693	OR	0.6825	0.6552	0.6037	0.5857	0.5442
CA	0.6803	0.6530	0.6077	0.5896	0.5418	ME	0.6904	0.6628	0.6167	0.5983	0.5560	PA	0.7270	0.6979	0.6494	0.6300	0.5855
CO	0.7153	0.6768	0.6265	0.6078	0.5760	MI	0.7181	0.6894	0.6415	0.6224	0.5783	RI	0.7051	0.6769	0.6299	0.6111	0.5678
CT	0.7088	0.6840	0.6365	0.6175	0.5635	MN	0.6911	0.6635	0.6040	0.5860	0.5445	SC	0.6975	0.6696	0.6231	0.6045	0.5617
DC	0.6863	0.6588	0.6131	0.5948	0.5499	MO	0.7050	0.6768	0.6298	0.6110	0.5678	SD	0.7500	0.7200	0.6700	0.6500	0.6040
DE	0.7005	0.6725	0.6258	0.6071	0.5641	MS	0.7125	0.6840	0.6365	0.6175	0.5738	TN	0.7050	0.6768	0.6298	0.6110	0.5678
FL	0.7500	0.7200	0.6700	0.6500	0.6040	MT	0.6983	0.6703	0.6238	0.6052	0.5623	TX	0.7500	0.7200	0.6700	0.6500	0.6040
GA	0.7077	0.6794	0.6322	0.6133	0.5699	NC	0.7065	0.6782	0.6311	0.6123	0.5690	UT	0.7125	0.6840	0.6365	0.6175	0.5738
HI	0.6881	0.6606	0.5963	0.5785	0.5376	ND	0.7334	0.7023	0.6509	0.6297	0.5852	VA	0.7069	0.6786	0.6315	0.6126	0.5693
IA	0.6980	0.6718	0.6279	0.6102	0.5693	NE	0.6987	0.6708	0.6242	0.6055	0.5627	VT	0.6990	0.6638	0.6110	0.5918	0.5499
ID	0.6945	0.6667	0.6204	0.6019	0.5593	NH	0.7125	0.6840	0.6365	0.6175	0.5738	WA	0.7500	0.7200	0.6700	0.6500	0.6040
IL	0.7125	0.6840	0.6365	0.6175	0.5738	NJ	0.7086	0.6741	0.6273	0.6086	0.5498	WI	0.7030	0.6749	0.6187	0.6003	0.5578
IN	0.7245	0.6955	0.6472	0.6279	0.5835	NM	0.7133	0.6847	0.6372	0.6182	0.5744	WV	0.7013	0.6732	0.6265	0.6078	0.5647
KS	0.7140	0.6854	0.6378	0.6188	0.5750	NV	0.7500	0.7200	0.6700	0.6500	0.6040	WY	0.7500	0.7200	0.6700	0.6500	0.6040

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%, 35.0% and 39.6% 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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