

IF YOU PAY TAX ON APPROX THIS AMOUNT IN 2011			YOUR APPLICABLE TAX RATE IN TX IS	TO MATCH THE FEDERAL ONLY TAX FREE RETURN IN TEXAS* OF									
Joint Return	Single Return	YOUR FED TAX RATE IS		1.00%	2.00%	2.50%	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%	
YOU WOULD HAVE TO EARN													
\$75,000	\$50,000	25%	25.0%	1.33%	2.67%	3.33%	4.00%	4.67%	5.33%	6.00%	6.67%	7.33%	
\$100,000	\$75,000	25%	25.0%	1.33%	2.67%	3.33%	4.00%	4.67%	5.33%	6.00%	6.67%	7.33%	
\$150,000	\$100,000	28%	28.0%	1.39%	2.78%	3.47%	4.17%	4.86%	5.56%	6.25%	6.94%	7.64%	
\$200,000	\$150,000	28%	28.0%	1.39%	2.78%	3.47%	4.17%	4.86%	5.56%	6.25%	6.94%	7.64%	
\$250,000	\$200,000	33%	33.0%	1.49%	2.99%	3.73%	4.48%	5.22%	5.97%	6.72%	7.46%	8.21%	
\$300,000	\$250,000	33%	33.0%	1.49%	2.99%	3.73%	4.48%	5.22%	5.97%	6.72%	7.46%	8.21%	
\$350,000	\$300,000	33%	33.0%	1.49%	2.99%	3.73%	4.48%	5.22%	5.97%	6.72%	7.46%	8.21%	
\$400,000	\$350,000	35%	35.0%	1.54%	3.08%	3.85%	4.62%	5.38%	6.15%	6.92%	7.69%	8.46%	
\$450,000	\$450,000	35%	35.0%	1.54%	3.08%	3.85%	4.62%	5.38%	6.15%	6.92%	7.69%	8.46%	
\$500,000	\$500,000	35%	35.0%	1.54%	3.08%	3.85%	4.62%	5.38%	6.15%	6.92%	7.69%	8.46%	
\$1,000,000+	\$1,000,000+	35%	35.0%	1.54%	3.08%	3.85%	4.62%	5.38%	6.15%	6.92%	7.69%	8.46%	

\*Texas has no personal income tax on either its own or out-of-state bonds. Prepared by Lebenthal & Co. LLC March 2011 from sources believed to be accurate.

Using the yellow highlights as an example, run a finger across the row with your approximate taxable income, and another finger down a column with the tax-free yield you are considering. Do you belong in municipal bonds? Where your two fingers intersect is the answer: the amount that a taxable investment of comparable quality and maturity would have to pay you to match the muni.