For each problem, please write a few sentences summarizing your (tax) advice.

1. Newnan et al., chapter 12, #5. Then consider the following extensions:
   a) Include the effects of a flat 9.5% state corporate tax and flat 5% state income tax.
   b) Would the benefits of incorporation change if Jane decided to increase her salary to $60,000? (Include the effects of extension a.)
   c) What if Jane adopted a kid? This would make Jane a “Head of Household”. In this case her base tax would be $5,837.50 and marginal tax rate 25% on income between $42,650 and $110,100. (Include the effects of extensions a and b.)

2. Newnan et al., chapter 12, #38

3. Newnan et al., chapter 12, #60