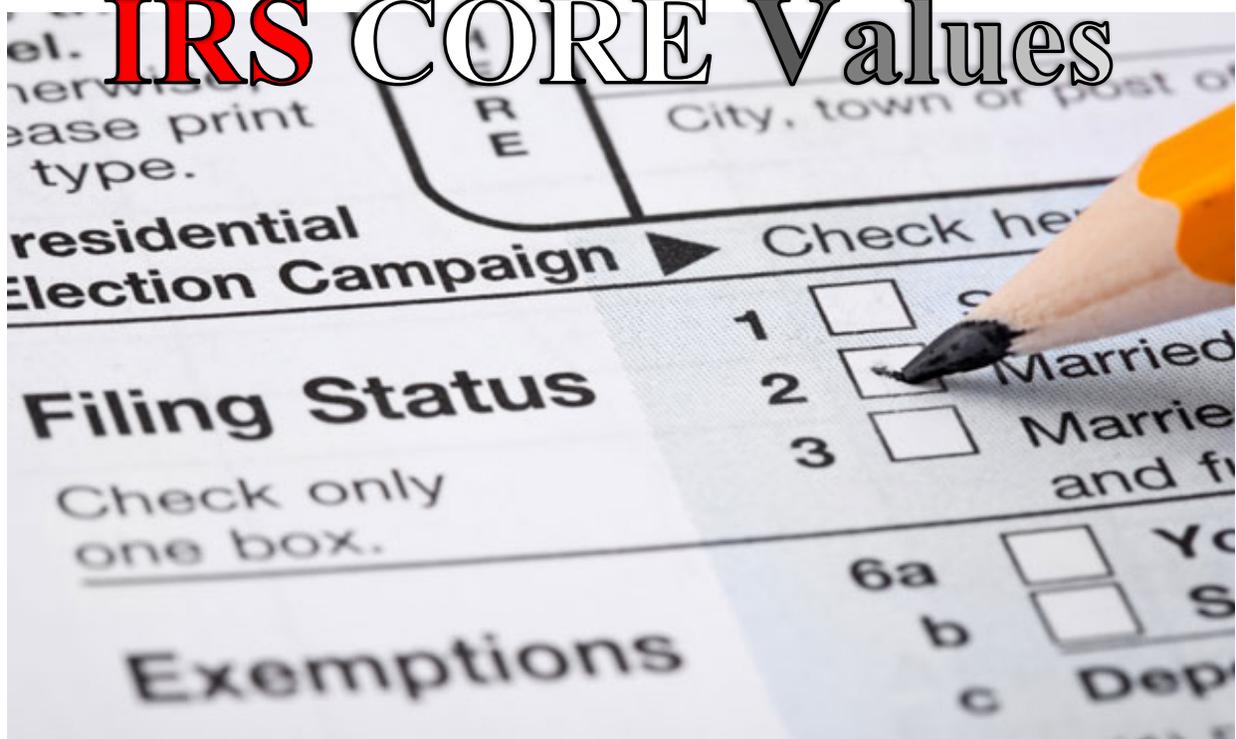


The Sanctification of THE IRS

Marriage Federal Tax Brackets or Marriage Penalty to be respected or revered; venerate



IRS CORE Values



When couples decide to get married, the IRS is not the first institution they have in mind, but marriage can significantly affect how much taxpayers owe the federal government. Low-income earners—and low-income single mothers in particular—are especially vulnerable to marriage penalties through the tax code.

Most married couples owe *less* tax by filing jointly than they would if they were single: a marriage bonus. But low-income couples and high-income dual-earner couples still tend to face

marriage penalties. In the extreme, consider a mother earning about \$16,000 a year. If she has one child, she'll qualify for about \$3,200 from the earned income tax credit (EITC) and \$1,000 from the child tax credit. (She also qualifies for food assistance from the Supplemental Nutrition Assistance Program --formerly food stamps-- and might qualify for child care and housing subsidies, depending on where she lives.)

If she were to marry a man earning about \$25,000 a year, she would lose 90 percent of her EITC. That means that, together, they would owe almost \$2,800 more in federal income taxes as a married couple than they would if they'd just decided to shack up. (Benefits outside the tax system are often sensitive to whether the couple lives together, but taxes are concerned only with marital status.)

What can we do to fix this imbalance?

One option would be to separate work and family credits in the tax code, with family credits reflecting the cost of maintaining a home and work credits incentivizing employment for low-income workers. All benefits would therefore be unrelated to marriage. Alternatively, newly married mothers could be given a marriage "grace period" during which they would continue receiving their pre-marriage benefits.

Both of those plans have problems, though. The first is potentially quite costly and may result in a politically untenable number of "losers" who would end up paying more in taxes. The second would not tax all married couples equally, which creates a new unfairness in the tax code.

Another solution, **New Mothers Tax Relief**, mitigates both of those problems by extending substantial EITC benefits to low- and moderate-income working couples until they jointly earn \$40,000. The credits would then phase out by about \$58,000.

For couples earning between \$36,000 and \$58,000 a year, New Mothers Tax Relief would provide at least \$2,000 more in benefits than the current EITC program, reducing financial difficulties that often create marital tensions. The proposal limits total program costs by extending benefits only to families with children younger than six. Most important, for this vulnerable group of unmarried parents with young children, the federal tax code would be mostly removed from the decision to marry.



Seven Tax Tips for Recently Married Taxpayers

IRS Summertime Tax Tip 2011-20, August 19, 2011

With the summer wedding season in full swing, the Internal Revenue Service advises the soon-to-be married and the just married to review their changing tax status. If you recently got married or are planning a wedding, the last thing on your mind is taxes. However, there are some important steps you need to take to avoid stress at tax time. Here are seven tips for newlyweds.

1. Notify the Social Security Administration Report any name change to the Social Security Administration so your name and Social Security number will match when you file your next tax return. File a Form SS-5, Application for a Social Security Card, at your local SSA office. The form is available on SSA's website at <http://www.ssa.gov>, by calling 800-772-1213 or at local offices.
2. Notify the IRS if you move if you have a new address you should notify the IRS by sending Form 8822, Change of Address. You may download Form 8822 from www.irs.gov or order it by calling 800-TAX-FORM (800-829-3676).
3. Notify the U.S. Postal Service You should also notify the U.S. Postal Service when you move so it can forward any IRS correspondence or refunds.
4. Notify your employer Report any name and address changes to your employer(s) to make sure you receive your Form W-2, Wage and Tax Statement, after the end of the year.
5. Check your withholding If both you and your spouse work, your combined income may place you in a higher tax bracket. You can use the IRS Withholding Calculator available on www.irs.gov to assist you in determining the correct amount of withholding needed for your new filing status. The IRS Withholding Calculator will give you the information you need to complete a new Form W-4, Employee's Withholding Allowance Certificate. You can fill it out and print it online and then give the form to your employer(s) so they withhold the correct amount from your pay.
6. Select the right tax form choosing the right individual income tax form can help save money. Newly married taxpayers may find that they now have enough deductions to itemize on their tax returns. Itemized deductions must be claimed on a Form 1040, not a 1040A or 1040EZ.
7. Choose the best filing status a person's marital status on Dec. 31 determines whether the person is considered married for that year. Generally, the tax law allows married couples to choose to file their federal income tax return either jointly or separately in any given year. Figuring the tax both ways can determine which filing status will result in the lowest tax, but usually filing jointly is more beneficial.

For more information about changing your name, address and income tax withholding visit www.irs.gov. IRS forms and publications can be obtained from www.irs.gov or by calling 800-TAX-FORM (800-829-3676).

Links:

- Form 8822, Change of Address ([PDF](#))
- [IRS Withholding Calculator](#)
- W-4, Employee's Withholding Allowance Certificate ([PDF](#))

YouTube Video:

- Getting Married? - [English](#)

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Page Last Reviewed or Updated: 05-Sep-2014

<https://www.irs.gov/uac/Seven-Tax-Tips-for-Recently-Married-Taxpayers>