

Tax Consequences of Getting Married



Marriage can make changes in your tax situation, some good, some bad. Some of the changes are listed below. They also apply to same-sex marriages.

Change in filing status:

- Instead of filing single or head of household, if you are married by the end of the year, you will file either married filing joint or married filing separate.
- Most married taxpayers file married filing joint because it generally gives a better result.
- The marriage penalty is still alive for taxpayers with higher incomes. If you can keep your joint income for 2017 under \$96,100, you will be in the 15% bracket, and you will not see the marriage penalty.
- If your incomes are close, your tax bill should not be much different by being married.
- If one of you received an earned income credit last year as a single parent, getting married will most likely yield a smaller refund.
- Married filing separately can have its drawbacks:
 - Rental property losses are not deductible.
 - If you receive Social Security, more will be taxed.
 - The deduction for an IRA contribution is very limited.
 - Credits for dependents in college are not available.
 - Credits for child care are not allowable.
 - You do not qualify for earned income credit.

Name change:

If your name changes with marriage, you should contact Social Security. The IRS uses records from Social Security to cross check Social Security numbers with names. It would be wise to file Form SS-5 (application for a Social Security card) to correct the situation. Your Social Security number will remain the same.

Address change:

You should file Form 8822 with the IRS.

Circumstance change:

If you purchased health insurance through the Health Insurance Marketplace, you could have a change in your premium credit. Reporting the change could avoid a tax surprise.

Withholding change:

Your current withholding on your job as a single person is higher than the married rate. The married withholding tables were set in place during a time when families had one wage earner. Now it's more common for both to work. The married tables work great for the one earner family, but it's wise to get some tax help from a professional to set up the withholding correctly if both of you work.