December 2024

When *Not* to Get Married

Love should be your major consideration in deciding whether to get married. But getting married (or not) also has tax and financial consequences.

For instance, when you get married, your tax situation changes—for better or for worse. Sometimes it's for worse.

Since we focus on taxes here, let's look at the tax consequences of getting married—including some tax-related reasons *not* to get married.

We realize this sounds harsh, but it's better to understand these negatives now rather than finding out about them the hard way, after marriage is a done deal. Here's what you need to know.

Married at Year-End Means Married for the Whole Year

Your marital status as of December 31 determines your federal income tax filing options for the entire year.[1]

If you're married at year-end, you have only two choices:

1. File jointly with your spouse.
2. Use married-filing-separately status for separate returns based on your and your spouse's respective incomes, deductions, and credits.

Why Most Married Couples File Jointly

There are two reasons why most married couples file jointly instead of separately.

1. **It's simpler.** You file only one Form 1040, and you don't have to worry about figuring out which income, deduction, and tax credit items belong to which spouse. Other things being equal, simple is good!

2. **It’s often cheaper.** Using married-filing-separately status makes you ineligible for some potentially valuable tax breaks, such as the two higher-education credits. You can also have a tax-free home sale gain of up to $500,000 if you file jointly versus only $250,000 if you file separately. Therefore, filing two separate returns may result in a higher combined tax bill than when filing one joint return. But as you will see, that is not always the case.

Potential Negative: Married Joint-Filing Couples May Get Hit with the Marriage Penalty

You’ve undoubtedly heard about the so-called marriage penalty that causes some married couples to have higher federal income tax bills than when they were single.

Before the 2017 Tax Cuts and Jobs Act (TCJA), this was a common occurrence mainly because at higher income levels, the tax rate brackets for joint filers were not twice as wide as the rate brackets for singles.

For 2018-2025, the TCJA eliminated this factor except at the highest income levels. Through 2025, the 10 percent, 12 percent, 22 percent, 24 percent, 32 percent, and 35 percent tax brackets are all exactly twice as wide for joint-filing couples as for singles.

Similarly, through 2025, the basic standard deduction amounts are twice as big for married joint-filing couples as compared to single filers. Therefore, the marriage penalty was eliminated for many couples, but not all.

Under today’s federal income tax regime, the marriage penalty can still hit if your combined income puts you into the maximum 37 percent federal income tax bracket.

For 2024, the 37 percent maximum rate bracket starts at taxable income of $609,351 for singles and $731,201 for married joint-filing couples.[2]

Example 1. In 2024, you and your beloved each has $600,000 of taxable income, for a combined total of $1,200,000. If you get married and file jointly, the last $468,800 of your combined taxable income ($1,200,000 - $731,200) would be taxed at the maximum 37 percent rate. If you stay single, the maximum rate for both of you would be “only” 35 percent because your income would be below the $609,351 threshold for the 37 percent rate. This is the marriage penalty in action. It hits because both you and your beloved have high and equal incomes.

Example 2. In 2024, you have $900,000 of taxable income and your beloved has $300,000 of taxable income, for a combined total of $1,200,000. If you get married and file jointly, the last $468,800 of your combined income ($1,200,000 - $731,200) would be taxed at the maximum 37 percent rate. If you stay single, the maximum 37 percent rate would hit only the last $290,650 of your income ($900,000 - $609,350). Your beloved would pay a maximum rate of “only” 35 percent.

In this example, the marriage penalty hits you because you have a very high income. As a result, getting married and filing jointly would cause the maximum 37 percent rate to hit more of your combined income ($468,800 versus $290,650) than if you stay single.

Potentially Bigger Negative: Getting Married and Filing Jointly Can Expose You to Liability for Your Spouse’s Tax Errors, Omissions, and Misdeeds

If you decide to get married and file jointly with your new spouse, there is an often-overlooked tax disadvantage that can be a really big deal.

For any year that you file a joint return, you’re generally *jointly and severally liable* for any federal income tax underpayments, interest, and penalties caused by your new spouse’s unintentional tax errors and omissions or deliberate tax misdeeds. Joint and several liability means the IRS can come after you for 100 percent of what is owed if collecting from your spouse proves to be difficult or impossible. They can even come after you after you’ve divorced.[3]

But if you can prove that you didn’t know about your spouse’s tax failings, had no reason to know, and did not personally benefit, you can try to claim an exemption from the joint-and-several-liability rule under the so-called innocent spouse rule.[4] Good luck with that, because the burden of proof is on you to show that you pass the didn’t-know and had-no-reason-to-know tests.

On the other hand, if you don’t get married—or if you get married and use married-filing-separately status—you will have no liability for your beloved’s tax screw-ups or misdeeds.

Bottom line. If you have doubts about your beloved’s financial ethics in general—or about that person’s attitude about paying taxes in particular—consider staying single or using married-filing-separately status until those doubts are dispelled. If you get married and file separately, your tax bill might be somewhat higher than if you file jointly (see immediately below). But that could be a small price to pay for “insurance” against the joint-and-several-liability threat.

Filing Separately after Marriage Can Have a Tax Cost

If you choose to get married, filing separately instead of jointly will avoid the joint-and-several-liability issue. Great. But if you have a high income, the threshold for the maximum 37 percent rate bracket is lower.

Example 3. In 2024, you have $600,000 of taxable income. If you get married and use married-filing-jointly status, the taxable income threshold for the maximum 37 percent federal income rate is $365,601. But if you stay single, the threshold is $609,351, and your personal maximum rate would be “only” 35 percent.[5]

So, (a) getting married and (b) filing separately would cost you an extra $4,688 as compared to staying single: 2 percent x ($600,000 -$365,600). This is the marriage penalty in action, and it could potentially hit you year after year.

Example 4. In 2024, your taxable income is $500,000 solely from a large net long-term capital gain (LTCG). If you stay single, the taxable income threshold for the maximum 20 percent federal income tax rate on net LTCGs is $518,901, so you would not pay more than 15 percent on your net LTCG. But if you get married and file separately, the maximum 20 percent rate on LTCGs kicks in at $291,851.[6]

So, (a) getting married and (b) filing separately would cost you an extra $10,408, because a big chunk of your net LTCG would be taxed at the maximum 20 percent rate instead of “only” 15 percent: [5 percent x ($500,000 - $291,850) = $10,408]. Ouch! The marriage penalty strikes again! If you keep racking up big net LTCGs, it could potentially hit you year after year.

Your Marital Status Can Affect Eligibility for Valuable Tax Breaks

Beyond just tax rate considerations, your marital status can cause other federal income tax factors to come into play.

Say you have a relatively modest income while your beloved has a high income. If you stay single, you may be able to claim

- the child tax credit,[7]
- the two education tax credits,[8]
- the adoption tax credit,[9]
- the $25,000 exception to the passive loss rules for rental real estate deductions,[10] and/or
- other tax breaks such as the right to make annual Roth IRA contributions.[11]

If you get married and file jointly, these breaks may be reduced or completely phased out due to your high combined income.

If you get married and file separately instead of staying single, some breaks may be reduced or completely disallowed. For example, you can’t claim either of the education tax credits if you’re married and you file separately.

Here's another look. Say you run a small business as a sole proprietorship, as a single-member LLC treated as a sole proprietorship for tax purposes, as a partnership, as an LLC treated as a partnership for tax purposes, or as an S corporation.

Through 2025, you are potentially eligible for the qualified business income (QBI) deduction, which can be up to 20 percent of your QBI. But this tax-saving write-off can be reduced or eliminated at higher income levels. If you get married and file jointly with your beloved, your QBI deduction could be in doubt. If you stay single, or if you get married and file separately, your QBI deduction might be bigger—maybe a lot bigger.[12]

The principal residence gain exclusion break can be up to $500,000 for a married joint-filing couple, but it cannot exceed $250,000 for a single filer. For this break, income doesn't matter.[13]

Bottom Line

To accurately assess the tax impact of getting married or staying single, you have to consider all the tax breaks that you could potentially collect (or lose) if you stay single, get married and file jointly, or get married and file separately. It can get complicated! That's why it's good to run the numbers.

Takeaways

Marriage is a personal decision rooted in love, but it also has significant financial and tax consequences. Before tying the knot, consider these key points.

Marital status impacts taxes. Your marital status as of December 31 determines your tax filing options and rates for the entire year. Filing jointly often simplifies the process and can offer financial benefits, but it may also expose you to a "marriage penalty" or to joint liability for your spouse's tax issues.

The marriage penalty is real. High-income couples who combine their incomes may face higher tax rates or lose valuable tax breaks. Running the numbers beforehand can reveal whether marriage might increase your tax burden.

Filing separately has costs. Choosing married-filing-separately status avoids joint liability, but it often disqualifies you from valuable tax breaks and can lead to higher rates on income such as long-term capital gains.

Tax breaks could be at risk. Combined incomes can phase out eligibility for credits like the child tax credit, education credits, and the QBI deduction. Conversely, marriage might enhance some benefits, such as the $500,000 home sale gain exclusion.

Marriage is a major life step with emotional and financial implications. Understanding these potential downsides now can help you make an informed decision—before it's too late to undo.

You Could Be Lucky and Benefit from the Marriage Bonus

In the interest of presenting an even-handed analysis, consider that when one person earns most or all of the taxable income and it's a really big (or pretty big) number, getting married and filing jointly with your beloved could actually reduce your combined tax bill. This is the so-called marriage bonus.

Example 1. In 2024, you have $1,150,000 of taxable income and your beloved has only $50,000, for a combined total of $1,200,000. If you get married and file jointly, the last $468,800 ($1,200,000 - $731,200) of your combined income would be taxed at the maximum 37 percent rate. Your 2024 federal income tax bill would be $370,126.[14]

If you stay single, the maximum 37 percent rate would hit the last $540,650 ($1,150,000 - $609,350) of your taxable income. Your beloved would pay a maximum rate of 22 percent. Your 2024 tax bill would be $383,688, and your beloved would owe $6,053, for a combined total of $389,741.[15]

So, in this example, you would collect a marriage bonus of $19,615 ($389,741 - $370,126) if you get married and file jointly. That's because less of your combined income gets taxed at the maximum 37 percent rate than if you stay single. If your beloved had less than $50,000 of taxable income or no taxable income, the marriage bonus would be larger.

Example 2. If, in 2024, you and your beloved have no more than $609,350 of combined taxable income, getting married and filing jointly or staying single would result in fairly similar federal income tax hits.

For instance, say you have $200,000 of taxable income and your beloved has $400,000 of taxable income, for a total of $600,000 in 2024. If you get married and file jointly, your tax bill would be $150,750.

If you stay single, your tax bill would be $41,687 and your beloved's tax bill would be $110,375, for a combined total of $152,062.[16] So, you would collect a very modest marriage bonus of $1,312 ($152,062 - $150,750) if you get hitched and file jointly.

Client Letter on This Article for Your Use. Click Here.

Share this entire article with a friend

1 IRC Section 7703(a)(1).
2 Rev. Proc. 2023-34.
3 IRC Section 6013(d)(3).
4 IRC Section 6015.
5 Rev. Proc. 2023-34.

6 Ibid.
7 IRC Section 24.
8 IRC Section 25A.
9 IRC Section 23.
10 IRC Section 469.
11 IRC Section 408A.
12 IRC Section 199A.
13 IRC Section 121.
14 Rev. Proc. 2023-34.
15 Ibid.
16 Ibid.