

**Appendix Table 1: Distribution of Returns and Income, Tax Year 2018**

<b>Adjusted Gross Income Group (Thousands)</b>	<b>Number of Returns (Millions)</b>			<b>Aggregate Income Subject to Tax (Millions)</b>		
	<b>SCF</b>	<b>SOI</b>	<b>Ratio of SCF/SOI</b>	<b>SCF</b>	<b>SOI</b>	<b>Ratio of SCF/SOI</b>
<b>Less than 25</b>	40.9	50.4	0.8	503.8	647.7	0.8
<b>25 – 50</b>	38.2	36.5	1.1	1,388.2	1,340.8	1.0
<b>50 -100</b>	37.1	35.1	1.1	2,547.6	2,534.2	1.1
<b>100 – 1,000</b>	30.0	29.2	1.0	6,025.1	5,670.1	1.1
<b>1,000 or more</b>	0.72	0.54	1.3	1,617.6	1,792.6	0.9
<b>Total</b>	147.5	153.8	1.0	12,170.7	11,895.3	1.0

Source: Internal Revenue Service Statistics of Income (SOI) and Gale et al (2022b), calculated using Survey of Consumer Finances (SCF). SCF data estimates are calculated using population weights. Data exclude non-filing tax units but include members of the non-primary economic unit who were deemed to be filers.

**Appendix Table 2: Sample Characteristics**

	1998	2001	2004	2007	2010	2013	2016	2019	Average	Total
<b>Sample Size (Unweighted Counts)</b>										
<i>Black Couples</i>										
<i>Married</i>	509	584	529	555	920	899	1,037	878	739	5,911
<i>No/One Earner</i>	241	230	226	234	569	504	510	431	368	2,945
<i>Two Earners</i>	268	354	303	321	351	395	527	447	371	2,966
<i>Without Dependents</i>	207	214	233	227	390	346	488	361	308	2,466
<i>With Dependents</i>	302	370	296	328	530	553	549	517	431	3,445
<i>White Couples</i>										
<i>Married</i>	10,631	11,356	10,858	11,037	13,557	12,712	13,005	11,915	11,884	95,071
<i>No/One Earner</i>	6,074	6,493	6,085	6,256	7,919	7,387	7,438	6,766	6,802	54,418
<i>Two Earners</i>	4,557	4,863	4,773	4,781	5,638	5,325	5,567	5,149	5,082	40,653
<i>Without Dependents</i>	5,439	5,857	5,718	5,876	7,042	6,697	7,427	7,027	6,385	51,083
<i>With Dependents</i>	5,192	5,499	5,140	5,161	6,515	6,015	5,578	4,888	5,499	43,988
<b>Share of Tax units that File Joint Return</b>										
Black	25***	26***	22***	27***	24***	24***	22***	24***	24	N/A
White	52	55	52	52	51	50	49	52	52	N/A
Other	53	49	50	53	49	51	55	45	49	N/A
<b>Allocation of Married Couples by Race</b>										
Black	6	6	6	7	7	8	9	9	7	N/A
White	83	83	80	79	77	76	76	75	78	N/A
Other	11	10	14	15	16	17	16	17	15	N/A

Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\* p<0.01, \*\*p<0.05, \*p<0.1 For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a p < 0.01, from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: Couples consist of the SCF respondent and spouse. Both filers and non-filers are included in counts. Couples with bonuses or penalties of less than \$10 (absolute value) are treated as having neither a bonus nor penalty. We define an earner as someone whose sum of wages and business income is greater than zero; couples with negative income (including business losses) are included in the “No-Earner” group. We define a couple as having dependent(s) if they have any dependents age 18 and under.

**Appendix Table 3: Allocation Rules for Income and Deductions**

Variable	Modeling Assumption
Wages, salaries, and self-employment income (excluding qualified business income)	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Allocate family amount between the respondent and spouse in proportion to each’s share of the couple’s combined wage and salary income</li> <li>- If respondent does not report earnings for self and spouse separately, divide family amount equally between respondent and spouse</li> <li>- Apply same allocation rules for self-employment income</li> </ul>
Interest received (taxable and non-taxable)	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Divide equally</li> </ul>
Dividend income (qualified dividends only for 2003 and beyond)	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Divide equally</li> </ul>
Alimony and child support	<p>If there are children under 19 in the family, the full amount is assumed to be child support.</p> <p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- If only one spouse was previously married, that spouse is assumed to receive the full amount</li> <li>- Otherwise, divide equally</li> </ul>

Schedule C income (active business income)	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- If only one of the spouses is active in the sole proprietorship, that spouse is assumed to receive full amount</li> <li>- If both spouses are active in the sole proprietorship and report positive business incomes, then full amount is allocated in proportion to each spouse’s share of the couple’s combined business income</li> </ul>
Net operating loss	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Divide equally</li> </ul>
Long- and short-term capital gains or losses	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Divide equally</li> </ul>
Taxable pensions and individual retirement account distributions	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Combined amount for respondent and spouse</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Respondent and spouse assumed to receive amount reported for each individual, respectively</li> </ul>
Gross Social Security benefits	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Combined amount for respondent and spouse</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Respondent and spouse assumed to receive amount reported for each individual, respectively</li> </ul>

Unemployment compensation received	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- If only one spouse reports being unemployed during the year, the full amount is allocated to that spouse</li> <li>- Otherwise, divide evenly</li> </ul>
Schedule E income (passive business income)	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- If only one of the spouses is involved in the partnership, S-corporation, limited liability company, or limited liability partnership, that spouse is assumed to receive the full amount</li> <li>- If both tax units are owners and have positive business incomes, then allocated in proportion to each’s share of the couple’s combined business income</li> </ul>
Other property income subject to Net Investment Income Tax, including unearned or limited partnership and passive S-corporation profits; rent not eligible for Qualified Business Income deduction; non-qualified dividends; capital gains distributions on form 1040; and other income or loss	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Allocated to spouse(s) who are (1) self-employed or (2) actively involved in the business. See applicable allocation rules for those income types.</li> </ul>
Other taxable income	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Divided evenly</li> </ul>
Adjustments to income	<p><b>Married scenario:</b></p> <ul style="list-style-type: none"> <li>- Total family amount</li> </ul> <p><b>“Unmarried” scenario:</b></p> <ul style="list-style-type: none"> <li>- Allocated to spouse with highest adjusted gross income</li> </ul>

Deductions	<b>Married scenario:</b> <ul style="list-style-type: none"><li>- Total family amount</li></ul> <b>“Unmarried” scenario:</b> <ul style="list-style-type: none"><li>- Allocated to spouse with highest adjusted gross income</li></ul>
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**Appendix Table 4: Allocation Rules for Family-Related Tax Provisions**

Provision	Law	Modeling Assumption
Filing status	Both must file as single if no dependents or children. Taxpayer may claim head of household filing status if provides over half the costs of maintaining home in which taxpayer resides with children or related dependents.	If there are children, the partner with highest adjusted gross income (AGI) claims head of household status. The other spouse files as single.
Dependent	<p>Generally, the taxpayer who provides more than half the support of a dependent would receive the dependent-related tax benefits.</p> <p>Beginning in 2005, unmarried parents who live together with their children can decide which parent will claim each child as a dependent. If they cannot agree and both claim the same child, then the dependent would be allowed only for the parent with the highest adjusted gross income (AGI).</p>	The partner with highest AGI claims the child.
Child tax credit	See dependent exemption	See dependent exemption
Earned income tax credit (with qualifying children)	<p>If there are children: eligibility is based on which parent has the highest AGI.</p> <p>Beginning in 2002, the AGI tiebreaker rule was relaxed, and unmarried parents can agree which one claims the child if they both live with the child for over half the year. Also beginning in 2002, they can divide their children between them. If they cannot agree and both claim the same child, then the child would be allowed only for the parent with the highest adjusted gross income (AGI).</p>	The partner with highest AGI claims the child.

<p>Earned income tax credit (without qualifying children)</p>	<p>If there are no children, both may be eligible for EITC for those without children.</p> <p>In 2017, Treasury and the Internal Revenue Service determined that under the code the spouse who does not claim their child is eligible to claim the smaller EITC for workers without children</p>	<p>If there are no children, both partners claim the childless EITC if eligible.</p> <p>Otherwise, the partner with the highest AGI claims the EITC for taxpayers with children and the other claims the smaller credit if eligible.</p>
<p>Child and dependent care tax credit, education tax credits, kiddie tax</p>	<p>Omitted from estimates due to insufficient information in SCF.</p>	



**Appendix Table 5: Prevalence of Marriage Penalties and Bonuses, 2018 Tax Law (%)**

Adjusted Gross Income (\$ thousands)	All Married Couples				No or One-Earner Married Couples				Two-Earner Married Couples			
	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>
<b>All Couples</b>												
Less than 50	19	44	37	100	8	47	44	100	58	31	11	100
50 – 100	51	43	6	100	27	71	3	100	72	20	8	100
100 – 200	57	41	2	100	23	76	1	100	75	23	3	100
200 or more	52	48	-	100	34	66	-	100	65	35	1	100
All	43	43	14	100	18	60	22	100	70	25	6	100
<b>All Black Couples</b>												
Less than 50	19	43	38**	100	4***	48***	48	100	62**	29	9*	100
50 – 100	59***	33***	7***	100	36**	60***	4*	100	73***	17***	10	100
100 – 200	68***	28***	4***	100	29	69**	1	100	83***	12***	5***	100
200 or more	64***	35***	1	100	29	69	2**	100	83***	17***	-***	100
All	46***	36***	18***	100	16***	55***	29***	100	75***	18***	7***	100
<b>All White Couples</b>												
Less than 50	18	41	41	100	9	44	47	100	56	32	12	100
50 – 100	51	44	6	100	28	70	2	100	70	21	8	100
100 – 200	57	41	2	100	24	75	1	100	74	24	2	100
200 or more	51	49	-	100	35	65	-	100	63	36	1	100
All	43	43	14	100	20	59	22	100	69	26	5	100

Source: Authors' calculations using Survey of Consumer Finances data. Data are derived from a pooled sample of eight waves of the Survey of Consumer Finances (1998 – 2019), and population weights are accordingly divided by eight.

- indicates less than 0.5 percent in absolute terms. Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\* p<0.01, \*\*p<0.05, \*p<0.1 For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a p < 0.01, from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: The table shows the percentage of couples – by AGI, race, and number of earners – that face a marriage penalty, a marriage bonus or neither (defined as a bonus or penalty less than \$10 in absolute value). "All Couples" includes all Black couples, all white couples, and all couples of other races. Couples consist of

the SCF respondent and spouse. Both filers and non-filers are included in counts. An earner is someone whose sum of wage and business income is positive. Adjusted gross income (AGI) is computed using 2018 law. Couples with negative labor compensation (comprised of wages, salaries, and business income or losses) are included in the “No-Earner” group. Couples with negative adjusted gross income are not included in the lowest income group but are included in total.

AGI = Adjusted gross income

Appendix Table 6: Average Marriage Penalty (-) or Marriage Bonus (+), 2018 Tax Law (\$)

Adjusted Gross Income (\$ thousands)	All Married Couples				No or One-Earner Married Couples				Two-Earner Married Couples			
	Penalty	Bonus	Neither	Average	Penalty	Bonus	Neither	Average	Penalty	Bonus	Neither	Average
<b>All Couples</b>												
Less than 50	-1,181	1,017	0	224	-789	1,056	0	434	-1,391	794	0	-557
50 – 100	-1,303	1,547	0	-8	-1,226	1,719	0	883	-1,327	1,037	0	-748
100 – 200	-2,049	3,012	0	50	-1,669	3,652	0	2,367	-2,111	1,907	0	-1,147
200 or more	-4,880	11,516	0	2,988	-6,899	13,965	0	6,830	-4,103	8,134	0	179
All	-2,064	3,062	0	432	-2,237	3,184	0	1,498	-2,014	2,735	0	-738
<b>All Black Couples</b>												
Less than 50	-1,363***	960	0	159**	-935	1,000	0	448***	-1,440*	768	0	-669***
50 – 100	-1,394***	1,402***	0	-358***	-1,151	1,582***	0	540***	-1,466***	1,016	0	-903***
100 – 200	-2,174***	3,147	0	-599***	-1,680	4,023***	0	2,301	-2,241***	1,222***	0	-1,711***
200 or more	-3,664***	10,837	0	1,496***	-3,926***	12,833	0	7,657	-3,614***	6,548*	0	-1,852***
All	-1,804***	1,926***	0	-148***	-1,402***	2,145***	0	946***	-1,888***	1,274***	0	-1,193***
<b>All White Couples</b>												
Less than 50	-1,083	978	0	209	-743	1,012	0	372	-1,324	778	0	-499
50 – 100	-1,241	1,576	0	61	-1,214	1,770	0	907	-1,250	1,022	0	-665
100 – 200	-2,024	2,995	0	90	-1,653	3,649	0	2,331	-2,087	1,922	0	-1,082
200 or more	-4,970	11,609	0	3,139	-6,920	13,983	0	6,643	-4,129	8,307	0	410
All	-2,091	3,304	0	514	-2,329	3,461	0	1,570	-2,017	2,911	0	-645

Source: Authors' calculations using Survey of Consumer Finances data. Data are derived from a pooled sample of eight waves of the Survey of Consumer Finances (1998 – 2019), and population weights are accordingly divided by eight.

Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\* p<0.01, \*\*p<0.05, \*p<0.1 For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a p < 0.01, from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: The table shows average marriage penalties among couples with penalties and average bonuses among couples with bonuses by AGI, race, and number of earners. Couples with bonuses or penalties of less than \$10 (absolute value) are treated as having neither a bonus nor penalty and are counted as zeroes in

calculating the average figures. "All Couples" includes all Black couples, all white couples, and all couples of other races. Couples consist of the SCF respondent and spouse. Both filers and non-filers are included in counts. An earner is someone whose sum of wage and business income is positive. Adjusted gross income is computed using 2018 law. Couples with negative labor compensation (comprised of wages, salaries, and business income or losses) are included in the "No-Earner" group. Couples with negative adjusted gross income are not included in the lowest income group but are included in total.

AGI = Adjusted gross income

Appendix Table 7: Average Marriage Penalty Rate (-) or Bonus Rate (+), 2018 Tax Law (percent of AGI)

Adjusted Gross Income (\$ thousands)	All Married Couples				No or One-Earner Married Couples				Two-Earner Married Couples			
	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Average</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Average</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Average</i>
	<b>All Couples</b>											
Less than 50	-3.3	4.0	0.0	1.3	-2.5	3.9	0.0	2.4	-3.8	4.1	0.0	-1.2
50 – 100	-1.9	2.0	0.0	-0.1	-1.7	2.3	0.0	1.1	-1.9	1.3	0.0	-1.1
100 – 200	-1.5	2.3	0.0	0.1	-1.2	2.8	0.0	1.8	-1.5	1.5	0.0	-0.8
200 or more	-1.2	3.0	0.0	0.7	-1.1	3.6	0.0	1.4	-1.2	2.2	0.0	0.0
All	-1.5	2.7	0.0	0.4	-1.2	3.2	0.0	1.5	-1.5	1.9	0.0	-0.6
	<b>All Black Couples</b>											
Less than 50	-3.5	3.8	0.0	1.1	-2.5	3.8	0.0	2.7	-3.6	3.8****	0.0	-1.4
50 – 100	-2.1***	1.8****	0.0	-0.6	-1.6	2.1****	0.0	0.7	-2.2***	1.3****	0.0	-1.4
100 – 200	-1.6	2.3	0.0	-0.4	-1.3	2.9**	0.0	1.7	-1.6***	1.0****	0.0	-1.2
200 or more	-1.2*	3.3*	0.0	0.4	-1.0	4.0**	0.0	1.9	-1.3***	1.9****	0.0	-0.6
All	-1.8	2.6	0.0	-0.2	-1.4	3.1	0.0	1.6	-1.8	1.6	0.0	-1.2
	<b>All White Couples</b>											
Less than 50	-3.1	3.9	0.0	1.3	-2.3	3.9	0.0	2.1	-3.6	4.0	0.0	-1.0
50 – 100	-1.8	2.1	0.0	0.0	-1.7	2.3	0.0	1.2	-1.8	1.3	0.0	-1.0
100 – 200	-1.4	2.3	0.0	0.1	-1.2	2.8	0.0	1.8	-1.5	1.5	0.0	-0.8
200 or more	-1.2	2.9	0.0	0.7	-1.1	3.5	0.0	1.3	-1.2	2.2	0.0	0.1
All	-1.4	2.7	0.0	0.4	-1.2	3.1	0.0	1.4	-1.5	1.9	0.0	-0.5

Source: Authors' calculations using Survey of Consumer Finances data. Data are derived from a pooled sample of eight waves of the Survey of Consumer Finances (1998 – 2019), and population weights are accordingly divided by eight.

Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a  $p < 0.01$ , from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: The table shows average marriage penalty rates (i.e., the penalty as a share of AGI) among couples with penalties and average bonus rates among couples with bonuses by AGI, race, and number of earners. Couples with bonuses or penalties of less than \$10 (absolute value) are treated as having neither a bonus nor penalty and are counted as zeroes in calculating the average figures. "All Couples" includes all Black couples, all white couples, and all couples of other races. Couples consist of the SCF respondent and spouse. Both filers and non-filers are included in counts. An earner is someone whose sum of wage and business income is positive. Adjusted gross income is computed using 2018 law. Couples with negative labor compensation (comprised of wages, salaries, and business income or losses) are included in the "No-Earner" group. Couples with negative adjusted gross income are not included in the lowest income group but are included in total.

AGI = Adjusted gross income

**Appendix Table 8: Prevalence of Marriage Penalties and Bonuses by Dependent Presence, 2018 Tax Law (%)**

Adjusted Gross Income (\$ thousands)	All Married Couples				Couples with No Dependents				Couples with Dependents			
	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>
<b>All Couples</b>												
Less than 50	19	44	37	100	12	38	50	100	29	53	18	100
50 – 100	51	43	6	100	36	52	12	100	64	36	1	100
100 – 200	57	41	2	100	44	52	5	100	67	33	-	100
200 or more	52	48	-	100	52	47	1	100	51	49	-	100
All	43	43	14	100	30	46	24	100	55	40	5	100
<b>Black Couples</b>												
Less than 50	19	43	38**	100	8****	40	52	100	31	47*	22**	100
50 – 100	59***	33***	7***	100	33*	49*	18***	100	75***	24***	1	100
100 – 200	68***	28***	4***	100	52***	37***	11***	100	77***	23***	-***	100
200 or more	64***	35***	1	100	52	48	-1***	100	71***	28***	1**	100
All	46***	36***	18***	100	26***	42***	32***	100	62***	31***	7***	100
<b>White Couples</b>												
Less than 50	18	41	41	100	12	37	51	100	31	50	19	100
50 – 100	51	44	6	100	37	52	11	100	63	36	1	100
100 – 200	57	41	2	100	43	53	4	100	68	32	-	100
200 or more	51	49	-0	100	53	46	1	100	49	51	-	100
All	43	43	14	100	31	46	23	100	57	40	4	100

Source: Authors' calculations using Survey of Consumer Finances data. Data are derived from a pooled sample of eight waves of the Survey of Consumer Finances (1998 – 2019), and population weights are accordingly divided by eight.

- indicates less than 0.5 percent in absolute terms. Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\* p<0.01, \*\*p<0.05, \*p<0.1 For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a p < 0.01, from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: The table shows the percentage of couples – by AGI, race, and number of earners – that face a marriage penalty, a marriage bonus or neither (defined as a bonus or penalty less than \$10 in absolute value). "All Couples" includes all Black couples, all white couples, and all couples of other races. Couples consist of the SCF respondent and spouse. Both filers and non-filers are included in counts. An earner is someone whose sum of wage and business income is positive. Adjusted gross income is computed using 2018 law. Couples with negative labor compensation (comprised of wages, salaries, and business income or losses) are included in the "No-Earner" group. Couples with negative adjusted gross income are not included in the lowest income group but are included in total. Couples who are noted as having dependents have dependents aged 18 and under.

AGI = Adjusted gross income



**Appendix Table 9: Average Marriage Penalty (-) or Marriage Bonus (+) by Dependent Presence, 2018 Tax Law (\$)**

Adjusted Gross Income (\$ thousands)	All Married Couples				Couples with No Dependents				Couples with Dependents			
	Penalty	Bonus	Neither	Total	Penalty	Bonus	Neither	Total	Penalty	Bonus	Neither	Total
<b>All Couples</b>												
Less than 50	-1,181	1,017	0	224	-424	843	0	270	-1,640	1,205	0	155
50 – 100	-1,303	1,547	0	-8	-1,017	1,864	0	601	-1,429	1,187	0	-484
100 – 200	-2,049	3,012	0	50	-1,606	3,057	0	881	-2,259	2,961	0	-557
200 or more	-4,880	11,516	0	2,988	-4,719	10,874	0	2,611	-5,012	12,007	0	3,289
All	-2,064	3,062	0	432	-1,820	2,850	0	755	-2,190	3,288	0	128
<b>Black Couples</b>												
Less than 50	-1,363***	960	0	159**	-295***	795	0	294*	-1,657	1,110**	0	14*
50 – 100	-1,394***	1,402***	0	-358***	-943*	1,633***	0	485*	-1,516***	1,113	0	-877***
100 – 200	-2,174***	3,147	0	-599***	-1,747***	3,502**	0	408***	-2,335**	2,816	0	-1,166***
200 or more	-3,664***	10,837	0	1,496***	-3,134***	9,367*	0	2,819	-3,900***	12,326	0	706***
All	-1,804***	1,926	0	-148***	-1,348***	1,937***	0	464***	-1,948***	1,916***	0	-605***
<b>White Couples</b>												
Less than 50	-1,083	978	0	209	-443	841	0	260	-1,613	1,198	0	97
50 – 100	-1,241	1,576	0	61	-1,027	1,867	0	599	-1,353	1,198	0	-422
100 – 200	-2,024	2,995	0	90	-1,585	3,023	0	921	-2,244	2,959	0	-568
200 or more	-4,970	11,609	0	3,139	-4,842	10,935	0	2,530	-5,090	12,147	0	3,670
All	-2,091	3,304	0	514	-1,890	2,958	0	777	-2,211	3,745	0	226

Source: Authors' calculations using Survey of Consumer Finances data. Data are derived from a pooled sample of eight waves of the Survey of Consumer Finances (1998 – 2019), and population weights are accordingly divided by eight.

- indicates less than 0.5 percent in absolute terms. Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\* p<0.01, \*\*p<0.05, \*p<0.1 For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a p < 0.01, from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: The table shows the percentage of couples – by AGI, race, and number of earners – that face a marriage penalty, a marriage bonus or neither (defined as a bonus or penalty less than \$10 in absolute value). "All Couples" includes all Black couples, all white couples, and all couples of other races. Couples consist of the SCF respondent and spouse. Both filers and non-filers are included in counts. An earner is someone whose sum of wage and business income is positive.

Adjusted gross income is computed using 2018 law. Couples with negative labor compensation (comprised of wages, salaries, and business income or losses) are included in the “No-Earner” group. Couples with negative adjusted gross income are not included in the lowest income group but are included in total. Couples who are noted as having dependents have dependents aged 18 and under.

AGI = Adjusted gross income

**Appendix Table 10: Average Marriage Penalty Rate (-) or Bonus Rate (+) by Dependent Presence, 2018 Tax Law (percent of AGI)**

Adjusted Gross Income (\$ thousands)	All Couples				Couples with No Dependents				Couples with Dependents			
	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>	<i>Penalty</i>	<i>Bonus</i>	<i>Neither</i>	<i>Total</i>
<b>All Couples</b>												
Less than 50	-3.3	4.0	0.0	1.3	-1.5	2.9	0.0	1.4	-4.4	5.1	0.0	1.2
50 – 100	-1.9	2.0	0.0	-0.1	-1.4	2.5	0.0	0.8	-2.1	1.5	0.0	-0.8
100 – 200	-1.5	2.3	0.0	0.1	-1.1	2.4	0.0	0.7	-1.6	2.2	0.0	-0.4
200 or more	-1.2	3.0	0.0	0.7	-1.0	2.7	0.0	0.6	-1.3	3.1	0.0	0.8
All	-1.5	2.7	0.0	0.4	-1.1	2.6	0.0	0.7	-1.7	2.8	0.0	0.2
<b>Black Couples</b>												
Less than 50	-3.5***	3.8	0.0	1.1	-1.1	2.8	0.0	1.8	-4.1	4.6***	0.0	0.6
50 – 100	-2.1***	1.8***	0.0	-0.6	-1.3***	2.1***	0.0	0.6	-2.3***	1.5	0.0	-1.4
100 – 200	-1.6***	2.3	0.0	-0.4	-1.3	2.5	0.0	0.3	-1.7***	2.1	0.0	-0.8
200 or more	-1.2**	3.3*	0.0	0.4	-1.0	3.1*	0.0	0.9	-1.3	3.5	0.0	0.1
All	-1.8	2.6	0.0	-0.2	-1.2	2.5	0.0	0.7	-2.0	2.7	0.0	-0.7
<b>White Couples</b>												
Less than 50	-3.1	3.9	0.0	1.3	-1.5	2.9	0.0	1.3	-4.4	5.5	0.0	1.2
50 – 100	-1.8	2.1	0.0	0.0	-1.4	2.5	0.0	0.8	-2.0	1.5	0.0	-0.7
100 – 200	-1.4	2.3	0.0	0.1	-1.1	2.3	0.0	0.7	-1.6	2.2	0.0	-0.4
200 or more	-1.2	2.9	0.0	0.7	-1.0	2.7	0.0	0.6	-1.3	3.1	0.0	0.9
All	-1.4	2.7	0.0	0.4	-1.1	2.6	0.0	0.7	-1.6	2.8	0.0	0.2

Source: Authors' calculations using Survey of Consumer Finances data. Data are derived from a pooled sample of eight waves of the Survey of Consumer Finances (1998 – 2019), and population weights are accordingly divided by eight.

Asterisks show ranges of the p-value for differences between the entries of Black couples and the corresponding group of white couples; \*\*\* p<0.01, \*\*p<0.05, \*p<0.1 For example, 4% of Black couples with AGI below \$50,000 face marriage penalties and that proportion is different, with a p < 0.01, from the 9 percent of white couples with AGI below \$50,000 who face marriage penalties.

Notes: The table shows the percentage of couples – by AGI, race, and number of earners – that face a marriage penalty, a marriage bonus or neither (defined as a bonus or penalty less than \$10 in absolute value). "All Couples" includes all Black couples, all white couples, and all couples of other races. Couples consist of the SCF respondent and spouse. Both filers and non-filers are included in counts. An earner is someone whose sum of wage and business income is positive. Adjusted gross income is computed using 2018 law. Couples with negative labor compensation (comprised of wages, salaries, and business income or losses) are included in the "No-Earner" group. Couples with negative adjusted gross income are not included in the lowest income group but are included in total. Couples who are noted as having dependents have dependents aged 18 and under.

AGI = Adjusted gross income

**Appendix Table 11: Legislation with Direct and Indirect Effects on Marriage Bonuses and Penalties, 2001-2017**

Provisions Intended to Reduce Marriage Penalties	Other Key Provisions with Potential Effects on Marriage Bonuses and Penalties
<i>Fully Phased-in Provisions in Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA)<sup>26</sup></i>	
<p><b>Prior law:</b> The ratio of the width of the 15 percent rate bracket for married couples filing jointly (joint filers) to the width of that bracket for single filers was set at 1.67:1.</p> <p><b>New law:</b> Increased that ratio to 2:1 for both the 15 percent rate bracket and the new 10 percent rate bracket.</p> <p><b>Effect:</b> A ratio of 2:1 is marriage neutral. A ratio of less than 2 causes marriage penalties.</p>	<p><b>Prior law:</b> Individual income tax rates ranged from 15 percent to 39.6 percent.</p> <p><b>Policy:</b> Reduced income tax rates to between 10 percent and 35 percent.</p> <p><b>Effect:</b> For most taxpayers, lowering the rates reduced marriage penalties and bonuses. However, no changes were made to the tax rates for the alternative minimum tax (AMT), and the AMT thresholds for married filers remained at less than twice the levels for unmarried filers. The interaction between the reduced regular income tax rates and the AMT increased the probability of becoming subject to the AMT and incurring marriage penalties—especially for couples with high income, large families, or sizable state and local taxes.</p>
<p><b>Prior law:</b> The ratio of the standard deduction for joint filers to the amount for single filers was set at 1.67:1.</p> <p><b>New law:</b> Increased that ratio to 2:1.</p> <p><b>Effect:</b> A ratio of 2:1 is marriage neutral.</p>	<p><b>Prior law:</b> The ratio of the standard deduction for joint filers to the amount for head-of-household filers was set at 1.14:1.</p> <p><b>New law:</b> No change</p> <p><b>Effect:</b> The ratio of the standard deduction for joint filers to that for heads of households rose to 1.36:1 due to the statutory increase in the former.</p>
<p><b>Prior law:</b> The earned income tax credit (EITC) began to phase out at the same income level for both unmarried and joint filers—a ratio of 1:1.</p>	<p><b>Prior law:</b> If an unmarried couple had children and lived together, only the parent with the highest adjusted gross income (AGI) was eligible for the EITC.</p> <p><b>New law:</b> Unmarried cohabitating parents could choose which one claimed their children for the EITC. In addition, they could split their children (e.g., in a two-child family, each could claim one of the children).</p>

<sup>26</sup> Most provisions were phased in, with full implementation by 2010. Those provisions, however, were scheduled to expire at the end of 2010. With the exception of a few provisions, they were extended permanently by the American Taxpayer Relief Act of 2012.

<p><b>New law:</b> Increased the starting point by \$3,000 for joint filers relative to unmarried filer—a ratio of 1.19:1 (for couples with children)</p> <p><b>Effect:</b> Reduced but did not eliminate marriage penalties in EITC.</p>	<p><b>Effect:</b> Gave unmarried couples more flexibility to maximize the household’s total EITC relative to married couples, thus increasing marriage penalties or reducing marriage bonuses.</p>
	<p><b>Prior law:</b> Personal exemptions began to phase out when AGI exceeded \$128,950 for singles, \$161,150 for heads of households, and \$193,400 for joint filers.</p> <p><b>New law:</b> Phaseout repealed.</p> <p><b>Effect:</b> Because the threshold at which exemptions had begun to phase out for joint filers was less than half the level as for unmarried filers, repealing the provision reduced marriage penalties.</p>
	<p><b>Prior law:</b> The sum of itemized deductions was limited if AGI exceeded \$128,950.</p> <p><b>New law:</b> Limitation on itemized deductions repealed.</p> <p><b>Effect:</b> Because the threshold at which itemized deductions had been limited for married couples was the same as for unmarried filers, repealing the provision reduced marriage penalties.</p>
	<p><b>Prior law:</b> The maximum amount of the child tax credit was \$500, and the credit began to phase out when AGI exceeded \$75,000 for unmarried filers and \$110,000 for joint filers (a ratio of 1.46:1). The credit was refundable only for taxpayers with three or more children who met certain other criteria.</p> <p><b>New law:</b> The credit amount was doubled. The credit became partially refundable, phasing in at 15 percent of earned income in excess of \$10,000 (indexed for inflation).</p> <p><b>Effect:</b> Because the phaseout thresholds were not changed, the larger amount of the credit resulted in higher marriage penalties for couples affected by the phaseout. The phased-in refundable tax credit could result in marriage bonuses—if, for example, a childless worker married a nonworking parent.</p>
<p><i>Economic Stabilization Act of 2008 and American Recovery and Relief Act of 2009</i></p>	
<p><b>Prior law:</b> The EITC phaseout began at a higher level for joint</p>	<p><b>Prior law:</b> The EITC amount increased with the presence and number of children, up to two or more children.</p>

<p>filers than for unmarried filers: ratio of 1.19:1.</p> <p><b>New law:</b> Increased the starting point to \$5,000 more for married couples relative to unmarried filer—a ratio of 1.30:1.</p> <p><b>Effect:</b> Reduced but did not eliminate marriage penalties in EITC.</p>	<p><b>New law:</b> Added a fourth tier to the EITC, so that the EITC was now higher for families with three or more children than for smaller families.</p> <p><b>Effect:</b> The provision increased marriage bonuses and reduced marriage penalties for some couples with larger families (e.g., a worker with two children could marry a nonworking parent with one child and receive a larger EITC).</p>
	<p><b>Prior law:</b> The refundable portion of the child tax credit was phased in, beginning at \$10,000 (indexed for inflation).</p> <p><b>New law:</b> Temporarily lowered the earnings threshold for eligibility for the refundable portion of the child tax credit to \$8,500 in 2008 and \$3,000 in 2009.</p> <p><b>Effect:</b> Increased marriage bonuses for very low-income income working families (e.g., a childless worker married to a nonworking parent).</p>
<p><i>Affordable Care Act of 2010</i></p>	
	<p><b>New law:</b> Established premium tax credits for individuals and families with income between 100 percent and 400 percent of the poverty line, with the amount of the subsidy declining over that range.</p> <p><b>Effect:</b> Because the official poverty line does not increase linearly with family size, the premium tax credits can result in marriage penalties (e.g., in combination, two unmarried parents could be eligible for larger credits than if they married).</p>
	<p><b>New law:</b> Created the net investment income tax, starting at \$200,000 for unmarried filers and \$250,000 for married couples filing jointly—a ratio of 1.25:1.</p> <p><b>Effect:</b> Some couples incur a marriage penalty because the threshold for joint filers is less than twice the amount as for unmarried filers.</p>
	<p><b>New law:</b> Created the Additional Medicare Tax, starting at \$200,000 of wages for unmarried filers and \$250,000 for married couples filing jointly—a ratio of 1.25:1.</p> <p><b>Effect:</b> Some couples incur a marriage penalty because the threshold for joint filers is less than twice the amount as for unmarried filers.</p>

<i>American Taxpayer Relief Act of 2012</i>	
	<p><b>Prior law:</b> EGTRRA’s tax rate reductions were scheduled to expire at end of 2012.</p> <p><b>New law:</b> EGTRRA’s tax rate reductions were extended—except for the reduction in the top rate bracket.</p> <p><b>Effect:</b> Restored the top income tax rate of 39.1 percent. Because the top bracket for joint filers begins at \$450,000—less than twice the level as for single filers (\$400,000)—marriage penalties increased for high-income taxpayers relative to the prior year.</p>
	<p><b>Prior law:</b> The phaseout of the personal exemption was scheduled to be restored.</p> <p><b>New law:</b> The phaseout of the personal exemption was restored.</p> <p><b>Effect:</b> Because the phaseout began at \$300,000 for joint filers—less than twice the threshold (\$250,000) for single filers—marriage penalties increased for higher-income taxpayers relative to prior year.</p>
	<p><b>Prior law:</b> Limitation on total itemized deductions was scheduled to be restored in 2013.</p> <p><b>New law:</b> The limitation on itemized deductions was restored.</p> <p><b>Effect:</b> Because the limitation began at \$300,000 for joint filers—less than twice the threshold (\$250,000) for single filers—marriage penalties increased for higher-income taxpayers relative to prior year.</p>
	<p><b>Prior law:</b> Child tax credit parameters scheduled to be restored to pre-EGTRRA levels.</p> <p><b>New law:</b> Retained \$1,000 maximum credit and partial refundability and lower threshold for refundability.</p> <p><b>Effect:</b> Maintained increased marriage bonuses for very low-income childless workers who married nonworking parent.</p>
<i>Tax Cuts and Jobs Act of 2017 (TCJA)<sup>27</sup></i>	
<p><b>Prior law:</b> Rate brackets for joint filers were less than twice the width of single filers’ brackets, other than for the 10 percent and 15 percent brackets.</p>	<p><b>Prior law:</b> Individual income tax rates ranged from 10 percent to 39.6 percent.</p> <p><b>New law:</b> Individual income tax rates ranged from 10 percent to 37 percent.</p> <p><b>Effect:</b> Reduced individual income tax rates, thus reducing marriage penalties. Because the AMT thresholds were substantially increased, the interaction between the lower rates on ordinary income and the AMT was markedly reduced relative to the impact in EGTRRA.</p>

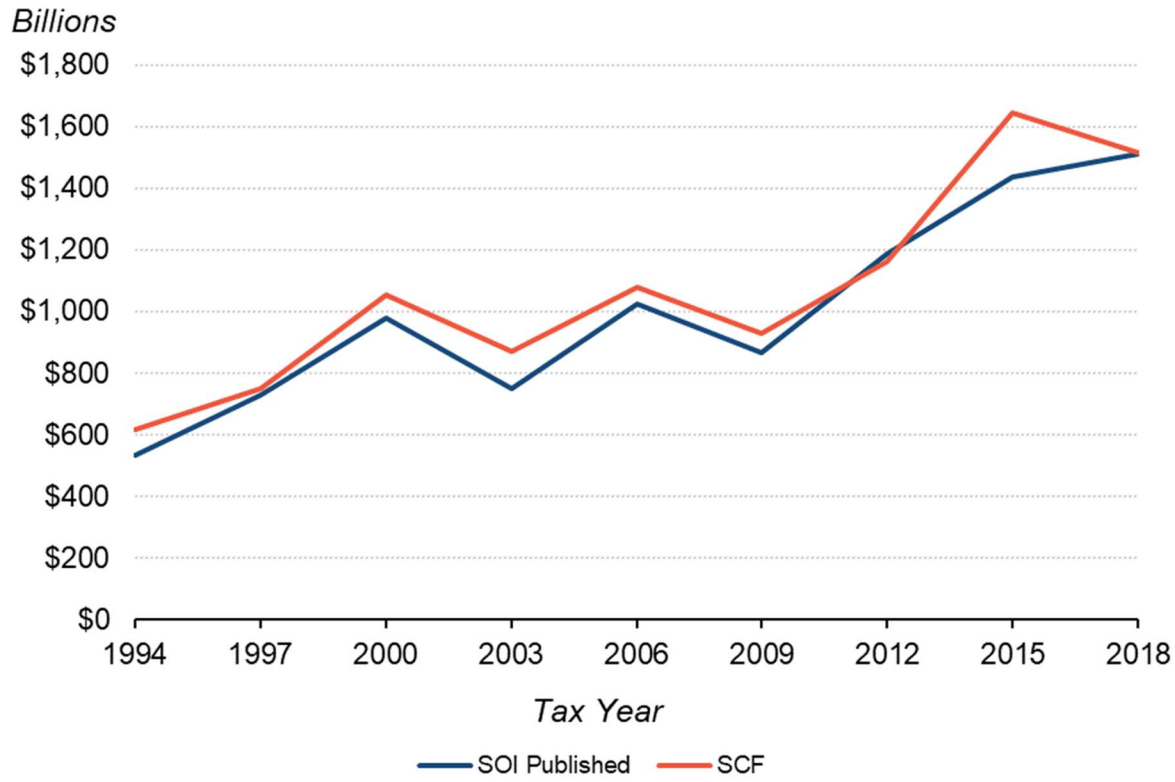
<sup>27</sup> The individual income tax provisions in TCJA are scheduled to expire at the end of 2025.



<p><b>New law:</b> Set width of the rate brackets below the 35 percent bracket for joint filers to equal twice the width for single filers</p> <p><b>Effect:</b> Reduced marriage penalties for most taxpayers, other than those with very high income.</p>	
	<p><b>Prior law:</b> Personal and dependent exemption began to phase out for married couples when income exceeded a threshold that was less than twice the level as for single filers.</p> <p><b>New law:</b> Eliminated the personal and dependent exemption.</p> <p><b>Effect:</b> Eliminating the exemption reduced marriage penalties by also effectively eliminating the phaseout.</p>
	<p><b>Prior law:</b> The limitation on itemized deductions reduced a taxpayer's itemized deductions above a certain threshold of income. This threshold for married couples was less than twice the level as for single filers.</p> <p><b>New law:</b> Eliminated the limitation on itemized deduction</p> <p><b>Effect:</b> Elimination of limitation reduced marriage penalties.</p>
	<p><b>Prior law:</b> No limit on amount of state and local taxes that can be itemized (if taxpayer has sufficient amount of deductions to make itemizing more valuable than standard deduction).</p> <p><b>New law:</b> Imposed a \$10,000 cap on deductible state and local taxes. The cap is the same amount for unmarried and married filers.</p> <p><b>Effect:</b> Flat limit, without regard to filing status, increased marriage penalties.</p>
	<p><b>Prior law:</b> The maximum of the child tax credit was \$1,000 per qualifying child, phasing out beginning at \$75,000 for unmarried filers and \$110,000 for joint filers. Eligibility for the refundable portion began at \$3,000 of earned income.</p> <p><b>New law:</b> Increased the maximum amount of the nonrefundable portion of the child tax credit to \$2,000 per qualifying child, phasing out beginning at \$200,000 for unmarried filers and \$400,000 for joint filers. The refundable portion of the credit was capped at \$1,400 per child, and the income threshold for eligibility was lowered to \$2,500.</p>

	<p><b>Effect:</b> Setting the phaseout threshold for married couples to be twice that of unmarried couples eliminated marriage penalties attributable to that region. The effects in the phase-in range are less clear: the higher amount of the credit and the lower threshold for refundability increases bonuses for some couples, but the cap on the refundable portion might offset that impact.</p>
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**Appendix Figure 1: Aggregate Tax Liability After Credits, Statistics of Income and Survey of Consumer Finances**



Source: Gale et al. (2022b)