Chancellor's Honors Program Projects   Supervised Undergraduate Student Research and Creative Work

Fall 11-2000

The Forgotten 'Singles Tax': The Treatment of Single Individuals in the Income Tax

Jason Michael Fletcher
University of Tennessee - Knoxville

Follow this and additional works at: https://trace.tennessee.edu/utk_chanhonoproj

UNIVERSITY HONORS PROGRAM

SENIOR PROJECT - APPROVAL

Name: Jason Fletcher

College: Business   Department: Economics

Faculty Mentor: Dr. Matthew Murray

PROJECT TITLE: The Forgotten 'Singles Tax:' The Treatment of Single Individuals in the Income Tax

I have reviewed this completed senior honors thesis with this student and certify that it is a project commensurate with honors level undergraduate research in this field.

Signed: _____, Faculty Mentor

Date: 11-27-00

Comments (Optional):

THE FORGOTTEN "SINGLES TAX"

THE TREATMENT OF SINGLE INDIVIDUALS IN THE INCOME TAX

James Alm

Leslie A. Whittington

Jason Fletcher*

* Georgia State University, Georgetown University, and the University of Tennessee-Knoxville. Please address all correspondence to James Alm, Department of Economics, Andrew Young School of Policy Studies, Georgia State University, Atlanta, GA 30303-3083 (email: **jalm@gsu.edu**).

Introduction

It is now well-known that the individual income tax in the United States is not "marriage neutral"; that is, a couple's tax liability nearly always changes upon marriage.[1] Many couples pay more taxes as married than they pay in total as single individuals, so that they face a "marriage tax". Many other couples receive a "marriage subsidy" because their joint taxes decline with marriage. The existence of this marriage tax/subsidy stems from conflicting goals in the design of the income tax: ensuring that families with equal income pay equal taxes, and ensuring that income is taxed at progressive rates. Pursuing these goals of horizontal equity across families and progressive taxation necessarily implies that the additional goal of marriage neutrality cannot be achieved.

The existence of the marriage tax has attracted enormous amounts of public attention in recent years, and eliminating or reducing the marriage tax has been a stated goal of many bills introduced in the last Congress. However, largely lost in the attention devoted to the treatment of **married taxpayers** in the income tax is the treatment of **single taxpayers** in the tax. The inference that might easily drawn from the media and political discussions is that married couples pay more in taxes than similarly situated single individuals. However, this conclusion is quite erroneous. With rate schedules and other features of the income tax (e.g., standard deductions) that vary for married couples versus single taxpayers, a single individual faces an income tax liability that is significantly different - and typically much larger - than a married couple with similar (combined) income and other characteristics. Of course, the tax structure reflects the broad desire of society

---

[1] See, for example, Bittker (1975), Rosen (1977), and Whittington (1999).

to make the unit of taxation the family, not the individual. However, this differential tax treatment of singles versus married couples is present and significant. Anecdotal evidence suggests that this differential has been noticed by single taxpayers, even if it has clearly been overlooked by many others.

In this paper we examine the relative tax treatment of single individuals and married taxpayers, in order to quantify the magnitude of the tax difference. We construct various types of "representative taxpayers" using hypothetical and constructed information on their characteristics as singles and as married couples. We then determine the difference in income taxes paid by representative single taxpayers and by married taxpayers with similar incomes. Our calculations consistently show that a single individual pays a much greater income tax liability than a married couple with identical income; that is, there is what might be termed a "singles tax" in the current tax structure. Only when we adjust incomes by various equivalence scales do we find this singles tax diminished and, in many cases, eliminated or even reversed. Strikingly but unsurprisingly, nearly all recent Congressional proposals to reduce the marriage tax have the additional effect of increasing the singles tax.

The next section briefly discusses the income tax treatment of the family in the United States. The following sections present our methodology and our results. We conclude with a summary of our results, as well as with an evaluation of the impact on the singles tax of recent bills targeted on a reduction in the marriage tax.

Income Taxation over the Years

2

The federal individual income tax was established in 1913 with the passage of the 16th Amendment to the Constitution. In the original structure of the income tax, the individual was the unit of taxation, so that each individual was taxed on the basis of his or her own income independently of marital status. In this setting, the income tax was largely marriage neutral. The Revenue Act of 1948 introduced income splitting for couples. Couples were now allowed to aggregate and then to divide in half their joint income in calculating their federal tax liability. In combination with progressive marginal tax rates, the introduction of income splitting created a tax reduction - a marriage subsidy - for most married couples.

The marriage tax was not widely present until the Tax Reform Act of 1969, which was enacted largely due to concerns on the part of single individuals about their tax burden relative to married couples (Rosen, 1977). This Act created a separate rate schedule for single individuals, which guaranteed that a single taxpayer could not pay more than 120 percent of the tax liability of a married couple with identical income. Changes in the income tax laws since 1969 have altered the magnitude of the marriage tax, and have also maintained the marriage subsidy for many couples, especially those with a single earner. According to the U.S. General Accounting Office (1996), there are 59 provisions in the individual income tax code that contribute to a marriage tax or subsidy, and over one thousand federal laws in which benefits received or taxes paid depend in some way upon marital status.

The magnitude of the tax change with marriage is often large. Alm and Whittington (1996) estimate that the marriage tax has averaged roughly $400 in recent years. Within

this overall average, there is substantial variation. The percentage of families that pay a tax has risen to nearly 60 percent, and these families face an average marriage penalty of roughly $1200. In contrast, the percentage of families receiving a subsidy has fallen to 30 percent, and the average subsidy for this group is $1100. [2]

The income tax treatment of the family is often misunderstood, and this confusion leads to the frequent and incorrect conclusion that single taxpayers are taxed less than married couples. Understanding the marriage tax requires answering the question: How is a married couple taxed in comparison to the taxes the individuals in the household would pay if they were instead single? The marriage tax arises because the tax burden of the combined income of two married individuals is greater than the combined tax burdens on their separate incomes were they not married. However, understanding the singles tax requires answering a different question: How is an individual taxed in comparison to a married couple with the same income? A single individual with identical income to a married couple pays in virtually all cases a greater amount in taxes than the couple. It is this latter circumstance that we have termed the singles tax.

An example may help clarify the fundamental issues. Consider first the tax treatment of a married couple with adjusted gross income (AGI) of $30,000 and no children in 1999. The couple is eligible for a married standard deduction of $7200 and 2 personal exemptions of $2750; if the couple files jointly, then its income tax liability is **$2599**. Now assume that the income is evenly split between the partners, so that each has an

---

[2] Feenberg and Rosen (1995) generate similar estimates; Congressional Budget Office (1997) estimates suggest that a higher percentage of families receives a subsidy (51 percent) and a lower percentage pays a tax (42 percent).

individual AGI of $15,000. If they were single taxpayers, each would have a standard deduction of $4300 and a personal exemption of $2750. The resulting income tax liability on each individual would be $1196, for a combined total of **$2392**. Hence, the couple faces a marriage tax because their tax liability increases by **$207** solely due to a change in their legal status as taxpayers. The existence and magnitude of the marriage tax will depend on the distribution of income across the two partners because its calculation requires comparing taxes as single versus taxes as married. This split of household income across partners is a central issue in determining the existence of a marriage tax or a marriage subsidy. If one person in this couple had most or, especially, all of the family income, then the couple would experience a reduced income tax liability - a marriage subsidy - as a result of marriage.[3]

The singles tax arises because a single individual with AGI of $30,000 pays more taxes than a married couple with the same income. With the standard deduction for singles of $4300 and a personal exemption of $2750, this individual has a income tax liability of **$3446**. Recall that the married couple with identical AGI pays taxes of **$2599**. The single individual therefore faces a singles tax of the difference between these tax bills, or **$847**. Note that the married tax liability used in determining the singles tax is independent of the split of marital income between the partners; that is, we do need to know the change in the couple's tax liability with marriage in order to calculate the singles tax, but only their tax liability as a married couple.

---

[3] For example, a married couple with an AGI split of $30,000-$0 between the two individuals faces a married tax liability of $2599 on their married AGI, as before, but their combined tax liability as single individuals is $3446.

The existence of the marriage tax or subsidy is hard to defend. Indeed, few even attempt to do, and the reduction of marital tax burdens has been a major focus in recent Congressional legislation. Again, however, the effects of the income tax on **single taxpayers** has been largely lost in the uproar over its effects on **married taxpayers**. As we demonstrate in the following sections, these singles tax effects can be substantial.

Methodology

We use various types of representative taxpayers to calculate the change in federal income tax liability that occurs with a change in marital status. We determine the federal income tax liability for different household types (e.g., single, married filing jointly, head of household, and married filing separately) with identical adjusted gross incomes (AGI). The difference in income taxes for singles versus nonsingles is our measure of the singles tax. All calculations are based upon the 1999 tax code.

Our basic calculations involve several steps. *First*, each taxpayer type is assumed to take the appropriate standard deduction and relevant number of personal exemption(s).[4] AGI is allowed to vary between $0 and $350,000, and family size is allowed to range from zero to four children. *Second*, the federal income tax liability is calculated for each taxpayer type using the 1999 tax code. If applicable, the calculations include the Earned Income Tax Credit and the Child Tax Credit. *Third*, the difference in tax liability between a single taxpayer and a non-single household is our measure of the singles tax.

---

[4] The relevant standard deductions in 1999 are $4300 for single households, $7200 for married couples filing jointly, $6350 for heads of household, and $3600 for married couples filing separately. The personal exemption is $2750.

These basic calculations are modified in several ways. Following Dickert-Conlin and Houser (1998), we include in some of our calculations the main poverty transfers for which households are eligible, using federal guidelines for the federal food stamp program and Pennsylvania guidelines (as a state with a median level of transfers) for Temporary Aid to Needy Families (TANF) transfers.[5] In these calculations, we assume that AGI represents earned income, and, because of the variety of special considerations regarding the calculation of food stamp benefits, we assume that each representative household receives the maximum benefits for the relevant income and family size categories.

In addition, we examine in some calculations the effects of taxpayer use of itemized deductions, rather than standard deductions, using estimates of itemized deductions by income level and filing status from 1996 Statistics of Income data, adjusted to 1999 levels by the rate of inflation over this period.

Finally, it is obvious that a single household and a married household with identical AGI are not truly equals, so that the simple difference in tax liabilities between singles and non-singles may not adequately measure the singles tax. Accordingly, we adjust taxpayer income by two alternative measures of household equivalence scales, and then recalculate the singles tax. One household equivalence scale uses a ratio of actual AGI and projected federal poverty thresholds for 1999 to determine equivalent AGI by household type (Congressional Budget Office, 1998, Table A-6). This calculation follows the federal usage of adjusted family income, defined as cash income divided by the

---

relevant poverty threshold, to rank families using equivalence scales that underlie official government estimates of the poverty threshold for families of different sizes. A second household equivalence scale follows the recommendation of Garner et al. (1998), who treat the needs of a child as 70 percent of those of an adult. Using the government poverty-based equivalence scales, the singles tax for a single taxpayer versus a married couple with 0 children at an (unadjusted) AGI of $30,000 is -$155, so that there is actually a "singles subsidy"; using the Garner et al. (1998) scale, the singles taxes is -$881. However, the identification of the appropriate household equivalence scale for welfare comparisons is difficult and controversial (Pollak and Wales, 1979; Fisher, 1987; Garner et al., 1998). Accordingly, we rely mainly on the unadjusted singles tax in most of our discussion.

Results

We focus on three basic sets of results in our discussion. Table 1 presents estimates of the singles tax when single individuals and married couples (of different sizes) are assumed to use the relevant standard deduction and when married couples file jointly. These calculations ignore any possible receipt of transfer payments, and they do not adjust by any equivalence scales. Table 2 allows for the presence of food stamps and TANF, while continuing to ignore equivalence scales. Table 3 then calculates the singles tax with family income adjusted in accordance with government estimates of family equivalence scales based on poverty thresholds and still incorporating transfer payments. These results are also shown in Figures 1, 2, and 3. Remember that we have made

8

estimates of the singles tax under a wide range of alternative assumptions: that taxpayers

itemize their deductions (with and without equivalence scales, and with and without

transfers), that single taxpayers are compared to heads-of-households or married couples

filing separately (again, with and without equivalence scales, and with and without

transfers), and that household equivalence scales are based upon the Garner et al. (1998)

approach rather than the poverty-threshold approach. The results conveyed in Tables 1,

2, and 3 are largely unaffected by these alternative scenarios and methods.[6]

Table 1 clearly demonstrates that single taxpayers face a substantial singles tax.

The size of this tax increases somewhat sporadically with income. For example, the

increased tax burden on singles relative to a 2-person married couple is only $443 at an

AGI of $10,000 and reaches a maximum of $7342 at an AGI of $175,000. It then falls

somewhat to roughly $6000 at income levels above $300,000 as the tax benefits of

standard deductions and personal exemptions are ultimately phased out for higher income

taxpayers. The singles tax also increases with family size, due to the tax advantage of

more personal exemptions. At an AGI of $50,000, the singles tax increases by $912 for

each additional household member, or the value of the tax savings of one personal

exemption. The corresponding increases in the singles tax are $1809 at an AGI of

$100,000 and $1108 at an AGI of $150,000, before falling to $891 at an AGI of $200,000

and eventually to $0 at AGI levels around $300,000 as tax deductions are phased out.

The introduction of food stamps and TANF modifies these results to a significant

---

[6] Some of these alternative results are shown in Appendix Figures 1 to 6. All results are available upon request.

degree (Table 2). Note that eligibility for these transfers is phased out above an AGI of $30,000, so that Table 2 does not present full results above this level. Program eligibility and transfer amounts are determined by income level and family size, so that the impact on the singles tax differs across the size and income level of the married household. In general, however, consideration of transfers increases the singles tax, by a significant amount, because single person households are eligible for smaller transfers than households with additional adults and children. Consider, for example, a single person earning $10,000 compared to a married couple with the same earnings and 0 children. Adding transfers increases the singles tax from $443 to $1727, or by $1284. If instead the married couple had 4 children, the singles tax increases by nearly $9000, or from$4246 to $13,046.

Table 3 adjusts the married couple's AGI by the family equivalence scale implied by the poverty thresholds. For example, consider the calculation of the singles tax for a single individual with AGI of $30,000 and a 2-person married couple with identical AGI. As discussed earlier, because there is an additional family member in the married couple, its AGI is not comparable to the single individual's AGI, and is in fact lower than $30,000 because of the additional family expenditures implied by the presence of an additional person. The single individual's AGI is therefore adjusted, or reduced, by the equivalence scale implied by the poverty thresholds. For a 2-person household the poverty-based adjustment factor applied to the single taxpayer's AGI is 0.777; that is, a single individual with AGI of 77.7 percent of the AGI of a 2-person married couple has equivalent purchasing power to the 2-person household, at least according to the poverty thresholds.

Similarly, the poverty-based adjustment factor for a 3-person household is 0.646, and the number adjustment factor continues to decline with increasing family size. Table 3 presents the singles tax when the single taxpayer's income is adjusted by these implied scales.[7] Note that the income levels indicated in Table 3 are the initial, or unadjusted, levels.

Not surprisingly, these adjustments substantially alter the singles tax. At lower AGI levels, singles still face a tax liability that is greater than comparable married taxpayers. However, as AGI increases beyond $30,000, and marginal tax rates accordingly increase, the reduction in the single taxpayer's tax liability implied by the adjustment of the single's income for family size becomes progressively larger. Consequently, our calculations generate a singles subsidy for nearly all income levels above $50,000. For example, at an (initial) income level of $100,000, the single taxpayer receives a subsidy that varies from $2159 to $8191. The subsidy generally increases with income and family size.

Of course, the relevant consideration here is the validity of the adjustment factors in the equivalence scales. These adjustment factors are based upon the poverty thresholds, and their application to taxpayers with income levels far in excess of these thresholds seems problematic. The use of larger adjustment factors would lead to a smaller singles subsidy and could actually restore the singles tax. Nevertheless, these poverty thresholds are widely used as equivalence scales, and there are few alternative measures that are

---

[7] Instead of reducing the single taxpayer's income by the adjustment factor, we have also increased the married couple's income by the inverse of the adjustment factor. The results are similar.

available.[8]

Conclusions

Our calculations indicate that a single individual faces a much greater income tax liability than a similarly situated married couple. This singles tax tends to rise with income and family size, at least until the various tax benefits are phased out. The incorporation of income-tested transfers generally increases the singles tax at lower income levels. The adjustment of incomes by family equivalence scales necessarily reduces this singles tax, and often creates a singles subsidy.

Despite the obvious differences in taxes paid by single taxpayers versus married couples, the vast bulk of legislative (and media) attention has been devoted to the marriage tax/subsidy. In the recent Congress, there were at least 25 proposals designed to reduce or eliminate the marriage tax/subsidy (Table 4). Many of these proposals would increase the standard deduction for married couples filing jointly to double the standard deduction for single taxpayers. Other proposals would reintroduce a secondary-earner reduction for middle income households, provide marriage tax relief for recipients of the EITC, increase the tax brackets for married couples filing jointly to double those of single taxpayers, reduce overall tax rates, or allow income splitting and separate filing for married couples. Several proposals would combine these various features into a single package. All proposals would lessen the importance of the two basic conditions that generate a

---

[8] We have calculated the adjustment factor that would be required to reduce the singles tax (or subsidy) to zero. This calculation allows the equivalence scale to vary with income level.

marriage tax or subsidy: imposing taxes based upon household income (rather than upon individual income), and imposing taxes at marginal tax rates that vary with income (rather than that are proportional to income). As a result, all proposals would reduce the size of the marriage tax paid by many married couples, and would also increase the marriage subsidy received by many other couples.

However, their effects on the singles tax are decidedly different. In fact, these proposals would in nearly all cases substantially increase the size of the singles tax. Table 5 calculates the impact of several standard and generic proposals on the singles tax: an increase in the married standard deduction to double the standard deduction of a single taxpayer, the introduction of a secondary-earner deduction equal to a percentage of the earned income of the spouse with lower earnings,[9] an increase of $3000 in the phase-out of the EITC, an increase in the tax brackets of married couples to double the brackets of single taxpayers, and an overall reduction in marginal tax rates of 5 percent for all taxpayers.[10] We present only those calculations for a single taxpayer versus a 2-person married couple; also, incomes are not adjusted for family size, and transfers are not considered.

These calculations indicate that proposals designed to aid **married taxpayers** often have the additional effect of further penalizing **single taxpayers**. For example, doubling the standard deduction for married taxpayers increases the singles tax by an amount that

---

[9] We assume income splits of 51/49 and 75/25 percent.

[10] Another approach to the marriage tax is to replace the existing income tax with a flat tax, as proposed by Rep. Armey (R-TX). The Armey flat tax plan consists of a 19 percent flat tax with a single taxpayer standard deduction of $11,600, a married household filing jointly standard deduction of $23,500, and personal exemptions of $5,000 per person.

ranges from $200 to $500. More significantly, doubling the married tax brackets increases the singles tax by an amount that increases significantly with income; at AGI levels above $100,000, the additional tax on singles always exceeds $1000, and reaches nearly $9000 at an AGI of $350,000. The only reform that reduces the singles tax is an overall reduction in marginal tax rates of 5 percent. This reform reduces taxes for all taxpayers, but reduces taxes more for single than for married taxpayers.

Much of the discussion in Congress has been framed in terms of the inequity of unequal tax treatment by marital status. Even aside from the somewhat capricious effects on the equity of the income tax, there is increasing evidence that the marriage tax (and the marriage subsidy) distorts decisions in an array of dimensions.[11] The marriage tax may also weaken the family as a basic societal institution, thereby leading to a range of social problems.

However, it is important to recognize that there is an enormous, and increasing, diversity of family structures in the United States. In 1948, when the family became the de facto unit of taxation in the individual income tax, the "traditional family" was typically a single-earner household with a stay-at-home spouse. Now, two-earner families are the norm, cohabitation among opposite and same-sex couples is common, and non-marital and extra-legal joint living arrangements are widespread. These newer types of households are, by many definitions, a family. However, they are treated very differently, and much less favorably, than the traditional households once envisioned by the tax code.

---

[11] For example, see Alm and Whittington (1999) and Dickert-Conlin (1999) for empirical evidence on marital decisions. For a more general survey of much of this literature, see Alm, Dickert-Conlin, and Whittington (1999) and Whittington and Alm (2000).

A single individual can also be seen as a type of family, and this paper demonstrates that singles are typically penalized, often quite heavily, by the income tax.

It may well be, as many argue, that the importance of the traditional family unit justifies favorable tax treatment. However, it may also be time to recognize that a diverse society can no longer treat one family structure so differently than others. Elimination of the family as the unit of taxation, and restoration of the individual as the unit, would eliminate the marriage tax/subsidy. It would also eliminate the singles tax.

References

Alm, James, Stacy Dickert-Conlin, and Leslie A. Whittington (1999). "Policy Watch: The Marriage Penalty". *The Journal of Economic Perspectives*, 13 (3), 193-204.

Alm, James and Leslie A. Whittington (1996). "The Rise and Fall and Rise...of the Marriage Tax". *National Tax Journal*, 49 (4), 571-589.

Alm, James and Leslie A. Whittington (1999). "For Love or Money? The Impact of Income Taxes on Marriage". *Economica*, 66 (261), 297-316.

Bittker, Boris I. (1975). "Federal Income Taxation and the Family". *Stanford Law Review*, 27 (4), 1392-1463.

Congressional Budget Office (1997). *For Better or For Worse: Marriage and the Federal Income Tax* (Washington, D.C.: Congress of the United States).

Congressional Budget Office (1998). *Estimates of Federal Tax Liabilities for Individuals and Families by Income Category and Family Type 1995 and 1999* (Washington, D.C.: Congress of the United States).

Dickert-Conlin, Stacy (1999). "Taxes and Transfers: Their Effect on the Decision to End a Marriage". *Journal of Public Economics*, 73 (2), 217-240.

Dickert-Conlin, Stacy and Scott Houser (1998). "Taxes and Transfers: A New Look at the Marriage Penalty". *National Tax Journal*, 51 (2), 175-217.

Feenberg, Daniel R. and Harvey S. Rosen (1995). "Recent Developments in the Marriage Tax". *National Tax Journal*, 48 (1), 91-101.

Fisher, Franklin M. (1987). "Household Equivalence Scales and Interpersonal Comparisons". *The Review of Economic Studies*, 54 (3), 519-524.

Garner, Thesia I., Kathleen Short, Stephanie Shipp, Charles Nelson, and Geoffrey Paulin (1998). "Experimental Poverty Measurement for the 1990's". *Monthly Labor Review*, 39-68.

Pollak, Robert A. and Terence J. Wales (1979). "Welfare Comparisons and Equivalence Scales". *The American Economic Review Papers and Proceedings*, 69 (2), 216-221.

Rosen, Harvey S. (1977). "Is It Time To Abandon Joint Filing?" *National Tax Journal*, 30 (4), 423-428.

Steuerle, Eugene C. (1999). "Valuing Marital Commitment: The Radical Restructuring of

our Tax and Transfer Systems". *The Responsive Community*, 9 (2), 35-45.

Whittington, Leslie A. (1999). "The Marriage Tax". In *The Encyclopedia of Taxation*, Joseph J. Cordes, Robert D. Ebel, and Jane G. Gravelle, eds. (Washington, D.C.: The Urban Institute Press).

Whittington, Leslie A. and James Alm (2000). "The Effects of Income Taxes on Marital Decisions". In *The Economics of Marriage and the Family*, Shoshana Grossbard-Shechtman, ed. (New York, NY: Cambridge University Press, Under Final Review).

Table 1.
Singles Tax for Single Taxpayer versus Married Taxpayers
(No Transfers and No Equivalence Scales) [a]

Income Level	Size of Married Household				
	2	3	4	5	6
0	0	7	8	8	8
5000	0	1362	1663	1663	1663
10,000	443	2742	4246	4246	4246
15,000	848	3095	4469	4469	4469
20,000	848	2863	4166	4166	4166
25,000	848	2064	3843	3863	3863
30,000	848	1760	2790	3560	3711
35,000	1134	2046	2959	3871	4479
40,000	1784	2696	3609	4521	5434
45,000	2434	3346	4259	5171	6084
50,000	3084	3996	4909	5821	6734
60,000	3831	5101	6209	7121	8034
70,000	3846	5116	6386	7656	8926
80,000	4146	5416	6686	7956	9226
90,000	4446	5716	6986	8256	9526
100,000	4746	6016	7286	8556	9826
125,000	5249	6101	7204	8556	9826
150,000	6082	6934	7787	8639	9492
175,000	7342	8332	9235	10,087	10,940
200,000	7342	8233	9124	10,015	10,906
225,000	7144	7837	8530	9223	9916
250,000	6946	7441	7936	8431	8926
275,000	6550	6847	7144	7441	7738
300,000	6278	6387	6496	6605	6714
350,000	6060	6060	6060	6060	6060

[a] All calculations assume the use of the relevant standard deduction and the use by married couples of the tax schedule for married couples filing a joint return.

Table 2.
Singles Tax for Single Taxpayer versus Married Taxpayers
(Transfers and No Equivalence Scales) [a]

Income Level	Size of Married Household				
	2	3	4	5	6
0	2616	4879	7100	9164	11,348
5000	2576	6194	8715	10,779	12,963
10,000	1727	5238	8798	10,862	13,046
15,000	848	7115	9581	10,541	12,293
20,000	848	2863	9278	10,238	11,450
25,000	848	2064	3843	9935	11,147
30,000	848	1760	2790	3560	3711

[a] All calculations assume the use of the relevant standard deduction and the use by married couples of the tax schedule for married couples filing a joint return.

Table 3.
Singles Tax for Single Taxpayer versus Married Taxpayers
(Transfers and Equivalence Scales) [a]

Income Level	Size of Married Household				
	2 (0.777)	3 (0.646)	4 (0.513)	5 (0.436)	6 (0.389)
0	2616	4879	7100	9164	11,348
5000	2110	5449	7688	9590	11,676
10,000	1219	4523	8021	9816	11,806
15,000	346	4754	6768	7543	9241
20,000	179	1801	6293	6908	7907
25,000	12	737	2016	7819	8693
30,000	-155	167	598	1021	811
35,000	-322	-98	116	623	986
40,000	-489	-363	-250	200	833
45,000	-373	-629	-615	-223	375
50,000	-35	-894	-980	-646	-83
60,000	89	-845	-1711	-1492	-999
70,000	-534	-1836	-3174	-3119	-2338
80,000	-1158	-2826	-4538	-4996	-4554
90,000	-1768	-3817	-5901	-6575	-6481
100,000	-2159	-4808	-7265	-8155	-8191

[a] All calculations assume the use of the relevant standard deduction and the use by married couples of the tax schedule for married couples filing a joint return. The proportion used to adjust the single individual's income is indicated in parentheses.

Table 4.
Marriage Tax Relief Legislation in the 106th Congress

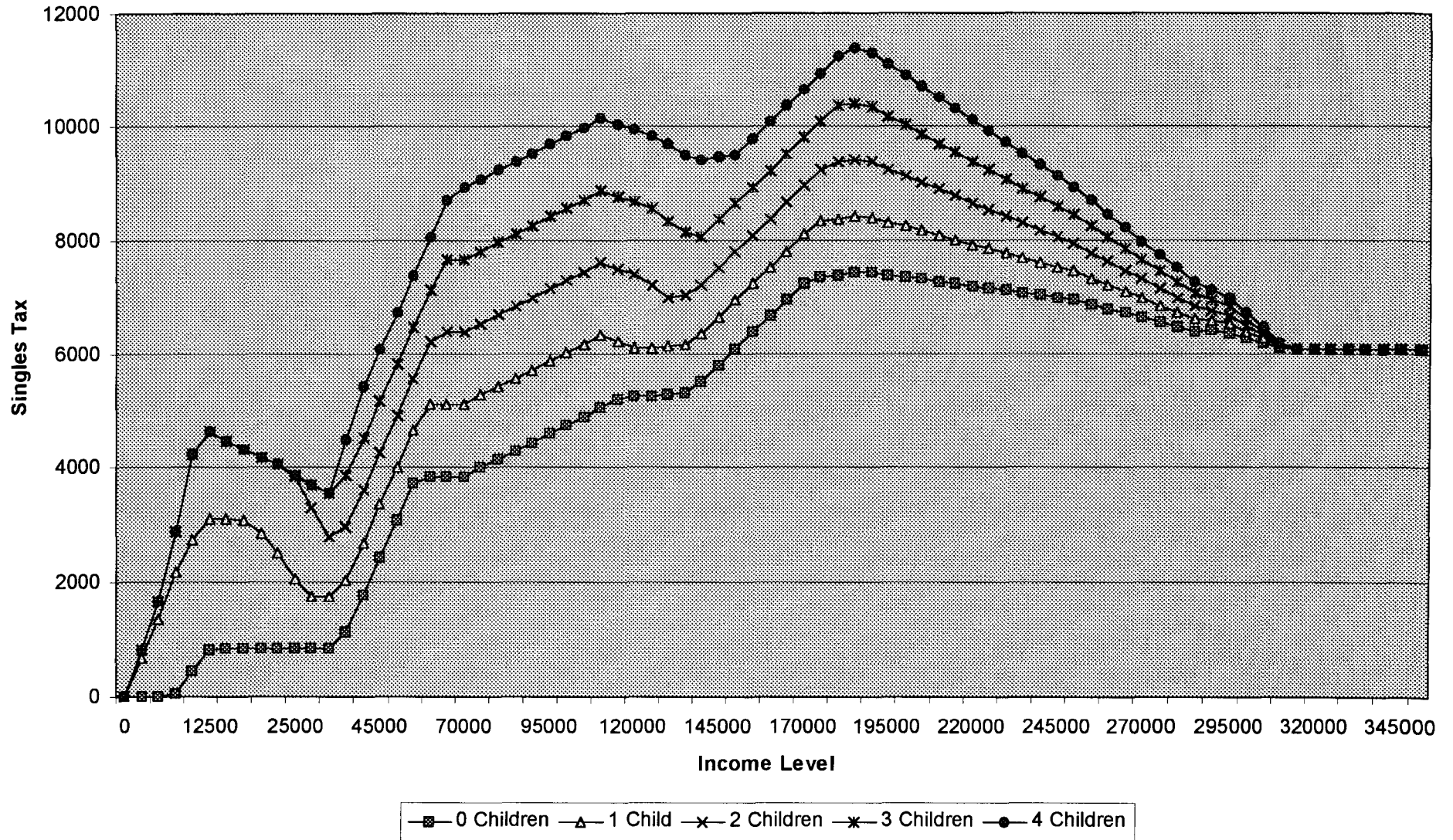| Bills	Sponsor	Main Features
H.R. 108 H.R. 725 H.R. 2020 H.R. 2085 H.R. 2574 H.R. 2646 S. 284 S. 1160	Rep. Knollenberg (R-MI) Rep. Kleczka (D-WI) Rep. Johnson (R-CN) Rep. Hooley (D-OR) Rep. Maloney (D-CN) Rep. McCarthy (D-NY) Sen. McCain (R-AZ) Sen. Grassley (R-IA)	The standard deduction for married couples filing jointly is increased to double the standard deduction for single taxpayers.
H.R. 1453 S. 8	Rep. Lampson (D-TX) Sen. Daschle (D-SD)	A deduction for two-earner married couples is allowed, specified as a percentage of the earned income of the spouse with lower earnings.
S. 2053	Sen. Jeffords (R-VT)	Marriage tax relief for recipients of the Earned Income Tax Credit is given.
S. 2305 S. 2403	Sen. Bayh (D-IN) Sen. Bayh (D-IN)	Marriage tax relief for recipients of the Earned Income Tax Credit is given, and a nonrefundable marriage tax credit is given to married couples filing jointly.
H.R. 767	Rep. Thune (R-SD)	The tax brackets for married couples filing jointly are increased to double the brackets of single taxpayers.
S. 1379	Sen. Dominici (R-NM)	The tax rates for all taxpayers are reduced, and the tax rates for low- and middle-income married couples filing jointly are further reduced.
S. 799	Sen. Campbell (R-CO)	The standard deduction for married couples filing jointly is increased to double the standard deduction for single taxpayers, and the tax rates for all taxpayers are reduced.
H.R. 2350 H.R. 2414 S. 12	Rep. Johnson (R-TX) Rep. Tancredo (R-CO) Sen. Hutchinson (R-TX)	The standard deduction for married couples filing jointly is increased to double the standard deduction for single taxpayers, and the tax brackets for married couples filing jointly are increased to double the brackets of single taxpayers.
H.R. 6	Rep. Weller (R-IL)	Marriage tax relief for recipients of the Earned Income Tax Credit is given, the standard deduction for married couples filing jointly is increased to double the standard deduction for single taxpayers, and the 15 percent tax bracket is expanded for married couples filing jointly.
S. 2346	Sen. Roth (R-DE)	Marriage tax relief for recipients of the Earned Income Tax Credit is given, the standard deduction for married couples filing jointly is increased to double the standard deduction for single taxpayers, the 15 and 28 percent tax brackets are expanded for married couples filing jointly, and family tax credits are protected from the Alternative Minimum Tax.
H.R. 2488 S. 1429	Rep. Archer (R-TX) Sen. Roth (R-DE)	Marriage tax relief for recipients of the Earned Income Tax Credit is given, the standard deduction for married couples filing jointly is increased to double the standard deduction for single taxpayers, and the tax rates for all taxpayers are reduced.
S. 15	Sen. Hutchinson (R-TX)	Income splitting and separate filing for married couples are allowed.

Table 5.

The Change in the Singles Tax from Marriage Tax Relief Legislation [a]

Income Level	Nature of Proposed Marriage Tax Relief				
	Double Standard Deduction	Add Secondary Earner Deduction, 51/49, 75/25	Increase EITC Phase-out by $3000	Double Married Tax Brackets	Reduce All Marginal Tax Rates by 5 percent
0	0	0 , 0	0	0	0
5000	0	0 , 0	0	0	0
10,000	0	0 , 0	+230	0	-148
15,000	+210	0 , 0	0	0	-283
20,000	+210	0 , 0	0	0	-283
25,000	+210	0 , 0	0	0	-283
30,000	+210	0 , 0	0	0	-283
35,000	+210	0 , 0	0	0	-283
40,000	+210	0 , 0	0	0	-283
45,000	+210	0 , 0	0	0	-283
50,000	+210	+735 , +375	0	0	-283
60,000	+392	+823 , +420	0	+553	-283
70,000	+392	0 , 0	0	+1099	-283
80,000	+392	0 , 0	0	+1099	-283
90,000	+392	0 , 0	0	+1099	-283
100,000	+392	0 , 0	0	+1099	-283
125,000	+434	0 , 0	0	+1346	-283
150,000	+434	0 , 0	0	+1724	-310
175,000	+504	0 , 0	0	+1912	-337
200,000	+504	0 , 0	0	+3189	-337
225,000	+504	0 , 0	0	+4494	-310
250,000	+504	0 , 0	0	+5799	-282
275,000	+504	0 , 0	0	+6822	-227
300,000	+555	0 , 0	0	+7149	-172
350,000	+555	0 , 0	0	+8969	-145

[a] All calculations assume the use of the relevant standard deduction, the use by 2-person married couples of the tax schedule for married couples filing a joint return, no transfer payments, and no equivalence scales.

Figure1: Singles Tax (Single Taxpayer versus Married Taxpayer): No Transfers and No Equivalence Scales

Legend: 0 Children, 1 Child, 2 Children, 3 Children, 4 Children

X-axis: Income Level (0, 12500, 25000, 45000, 70000, 95000, 120000, 145000, 170000, 195000, 220000, 245000, 270000, 295000, 320000, 345000)

Y-axis: Singles Tax (0, 2000, 4000, 6000, 8000, 10000, 12000)

Figure 2: Singles Tax (Single Taxpayer versus Married Taxpayer): Transfers and No Equivalence Scales
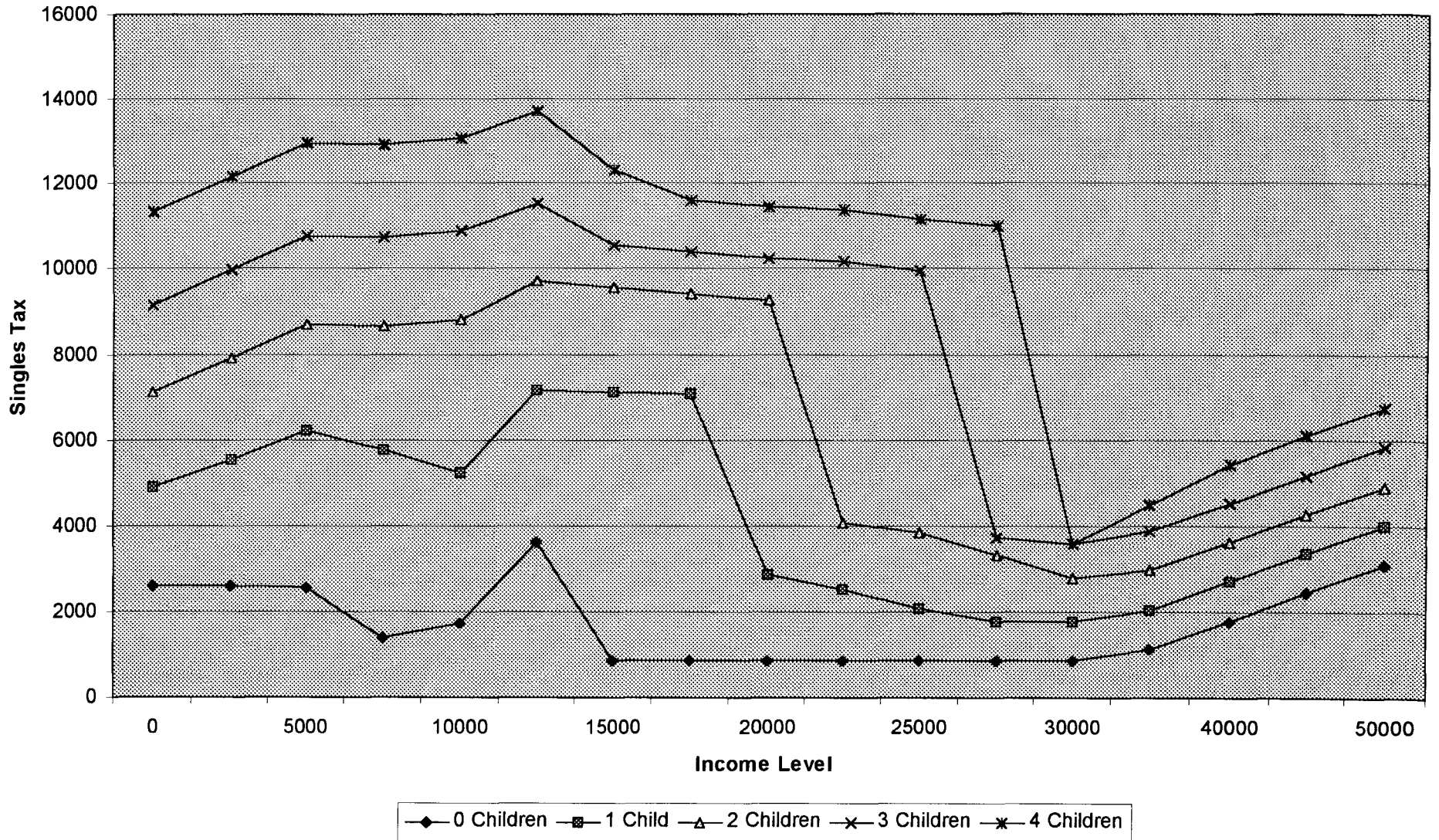
Figure 3: Singles Tax (Single Taxpayer versus Married Taxpayer): Transfers and Equivalence Scales

Legend: 0 Children (.777) — 1 Child (.646) — 2 Children (.513) — 3 Children (.436) — 4 Children (.389)

X-axis: Income Level
Y-axis: Singles Tax