

Marriage Penalty Relief



Under current law, couples with relatively equal incomes could pay more tax than they would if they were both single persons. To minimize this problem, EGTRRA 2001 both doubles the standard deduction for married couples and increases the 15% married couple bracket to equal double the 15% bracket for single persons. However, the phase-in does not start until 2005 and is not completed until 2009. This provision is obviously phased-in relatively far into the future in order to save or reduce the cost of marriage penalty relief. An added benefit for low-income married couples is that the phase-out amount for the earned income tax credit will be raised by \$1,000 in 2002, \$2,000 in 2005, and \$3,000 in 2008.