P.S. to the NEWS
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WHAT'S BEHIND THE "MARRIAGE TAX"?

Do you believe a married couple should pay the same federal income tax rate regardless of whether the income is earned by the husband or wife or both? Married couples do pay the same tax rates now, and have paid the same rates for decades.

While nobody likes to pay taxes, most people do pay their income taxes on the assumption that the tax law treats persons equally when they are similarly situated. Our voluntary tax system depends on the public faith in its fundamental fairness.

In the last ten years, the movement of millions of wives out of the home into the job market has been accompanied by far-reaching socio-economic consequences, such as a drastic decline in the birth rate. The new class of two-paycheck couples has become a formidable lobbying force in American politics.

Anybody has a right to band together with like-minded persons and lobby for a self-serving objective; that's part of the American democratic process. The trouble with the two-paycheck-couple lobby is that it is seeking a bigger piece of the pie by taking it away from the one-paycheck couples (the traditional family lifestyle), who already have less of the pie but usually have more mouths to feed.

Thus, the two-paycheck-couple lobby concocted a scheme to eliminate the Social Security benefit that has been paid to the dependent-wife in a one-paycheck family for more than 40 years. Although proposed by the Social Security Administration itself in a report in the spring of 1979, hearings across the nation produced such public opposition to the scheme that it hasn't gotten off the ground.

The two-paycheck-couple lobby was successful in getting a generous credit allowance for child-care written into the income tax code. This provides a tax benefit (inducement) to a wife if she leaves the home to take a job in the labor force and turns over the care of her children to others. No such child-care credit is allowed to the one-income family where the mother stays home to care for her own children.

The two-paycheck couples have come up with a new proposal which is designed

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to allow them to pay a lower income tax rate than one-paycheck couples. This would result in a tremendous horizontal unfairness in the federal income tax system.

It is self-evident that, if a higher tax is imposed on one-paycheck couples than on two-paycheck couples, that tax would provide a powerful incentive to induce wives to leave home and join the labor force even though they prefer the traditional family lifestyle.

The Senate Finance Committee admitted this in its report of Sept. 15, 1980, saying that present high tax rates "have a significant adverse effect on second earners' decisions to seek paying jobs." The Committee frankly stated that it wants to "offset much of this work disincentive."

The two-paycheck-couple lobby and its allies in the federal government do not have the candor to admit in plain language that their goal is to force one-paycheck couples to pay higher income taxes. Instead they have packaged their plan in a deceptive, misleading slogan: "repeal the marriage tax." Of course, nobody is in favor of taxing marriage.

The term "marriage tax" is used to refer to the fact that a married couple in which both spouses have earnings sometimes pay a higher tax than they would if they got a divorce and lived together without marriage. The so-called marriage tax does not affect the traditional one-paycheck family; it only affects the two-paycheck family, and the effect is not much unless the earnings of husband and wife are nearly equal.

This quirk in the law was created in 1971 as a result of Vivian Kellems' lifetime campaign to reduce tax rates for single persons. She succeeded so well that the 1971 change of the tax law fixed it so that, when two singles get married, they often find that their combined tax obligation increases over what both paid when single.

There is no justice in trying to solve this problem by punishing the one-paycheck (traditional) family. The so-called marriage tax can be repealed in the same way it was created, by adjusting the tax tables for single people and for married couples.

Just as the tax schedules were changed in 1971 to create the so-called marriage tax, they can be readjusted in the pre-1971 direction to eliminate it. This type of change would eliminate the marriage tax without disrupting the horizontal equity for families with the same total income.

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