Here's the Tax Beat broadcast for July 15

Subject Line: Speak Now (Or Forever Overpay)

Last weekend, the screens outside Madison Square Garden lit up with three words a couple hundred million fans had been waiting on for the better part of a year: "JUST&T MARRIED." Taylor Swift and Travis Kelce, whose courtship played out like a made-for-Netflix rom-com, finally tied the knot in front of roughly a thousand of their closest friends. Adam Sandler officiated. (Yes, that Adam Sandler.) The bride wore custom Dior Haute Couture — reportedly the house's first couture wedding gown for a world-renowned celebrity — with Louboutin shoes and Cartier jewelry. The guest list read like the seating chart at Heaven's own awards show: Bradley Cooper, Selena Gomez, Gigi Hadid, Hugh Grant, Steven Spielberg, Tom Brady, and Chiefs coach Andy Reid all filed into the Garden.

It was, by every account, a spectacular night. Somewhere between the couture and the Krispy Kreme truck spotted at the loading dock (true story), it was also one of the most expensive "I do"s in living memory.

But here's the part nobody printed on the invitations. The single priciest word spoken all night wasn't "Dior." It was "yes."

Why? Because when two people with robust incomes get married, the tax code has a little wedding gift waiting for them, and it's not on the registry. We call it the marriage penalty, and it lives in exactly one place: the top of the brackets. For 2026, married couples filing jointly, every bracket is a neat double of the single filer’s bracket — right up until the 37% rate. That one kicks in at $640,600 for a single filer but only $768,600 for a married couple. That means that two singles run all the way to $640,600 apiece — about $1.28 million combined — before hitting 37%. But, say "I do," and that ceiling collapses to $768,600. *Everything* above that gets taxed at the top.

It doesn't stop there. The 3.8% Net Investment Income Tax bites at $200,000 for a single but only $250,000 for a couple — not double. The 0.9% additional Medicare tax works the same way. And that shiny new $40,400 state and local tax deduction cap? Two singles claim it separately, for $80,800 between them. Get married, and you split one.

Now for the plot twist worthy of a Swift song plot. That marriage penalty barely scratches Taylor. Once you're pulling in tens of millions, every dollar above three-quarters of a million is taxed at 37% whether you're single or married — so the "penalty" tops out at a fixed number that, against her income, is a rounding error. She could lose it in the couch cushions of the MSG green room.

The people the marriage penalty actually clobbers? Two dentists. Two engineers. The husband-and-wife team who each pull $400,000 from the business they built together. Combine those incomes and you can pay roughly $26,000 to $27,000 more every single year than you would as two singles — not once, but annually, for as long as you both shall live. Nobody hands that couple a Tiffany box. They just get a bigger bottom line on their 1040.

Here's the good news: a marriage penalty isn't a life sentence — it's a planning problem. Entity structure, how you pay yourselves, where you park your investment income, even which state you call home (New York got Taylor's wedding, but it doesn't have to get her paycheck) all move the needle. The couple that plans keeps a whole lot more of what it earns.

So congratulations to the happy couple — may their love be evergreen and their accountants be sharp. If you and your spouse are quietly overpaying because nobody warned you the top bracket doesn't come with a plus-one, call us before your next anniversary. It won't be as glamorous as a seat at Taylor's wedding, but we can keep the tax man from being the one who catches your bouquet.

Kevin