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Marriage Penalties in Utah

Though relatively few and limited in scope, marriage penalties exist in both Utah's tax structure (primarily through income tax credits) and benefit programs. While policymakers may address penalties related to major state tax provisions, those tied to federal benefit programs remain largely out of the state's control due to federal requirements.

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The Gardner Institute created this report at the request of the Utah Marriage Commission at Utah State University.

Marriage Penalties in Utah

Analysis in Brief

Various state and federal tax provisions and programs may create a "marriage penalty" or a "marriage bonus." A marriage penalty arises when tax structures, welfare program eligibility rules, or other government programs place a disproportionate burden on a married couple compared to two unmarried individuals, effectively providing a financial disincentive to marry. Marriage bonuses occur when a married couple receives a net financial benefit compared to two unmarried individuals, providing a financial incentive to marry.

Federal tax code and assistance programs may create marriage penalties. This analysis focuses on selected state-level policies to determine whether they create different levels of marriage penalties (many of which tie directly to federal policies carried into state-administered programs). While not exhaustive, this evaluation provides an informative summary of major programs. The report provides some examples of how marriage penalties and benefits could affect certain filers. However, the distributional effects of each policy will differ based on each filer's circumstances.

Key Findings

- **Taxes** – Statutory marriage penalties typically do not exist within Utah's general tax structure (e.g., income tax, state sales tax, property tax, and gas tax) due to overall tax system design. However, marriage penalties do exist within some Utah targeted tax credits, often related to credit phaseout levels.
- **Benefit Programs** – Marriage penalties exist in various state and federal benefit programs the state administers.
- **Federal Program Ties** – Many, but not all, tax provisions or benefit programs with marriage or household penalties align with federal provisions.

Summary of Marriage Penalties in Utah on Selected Major Tax Provisions

	Single to Married – Direct Marriage Penalty	Head of Household to Married – Implicit Marriage Penalty	Household Composition – Implicit Marriage/ Cohabitation Penalty
Income Tax - Taxpayer Tax Credit	No	*Yes*	No
Income Tax - Social Security Tax Credit	*Yes*	*Yes*	No
Income Tax - Earned Income Tax Credit (EITC)	*Yes*	*Yes*	*Yes*
Income Tax - Retirement Tax Credit	*Yes*	*Yes*	No
Income Tax - Child Tax Credit (CTC)	*Yes*	*Yes*	No
Income Tax - my529 Educational Savings Tax Credit	No	No	No
Income Tax - Health Benefit Plan Credit	No	No	*Yes*
Income Tax - Taxpayer Exemption	No	*Yes*	No
Property Tax - Circuit Breaker	No	No	*Yes*

Source: Kem C. Gardner Institute analysis of Utah State Tax Commission, Utah State Statute, Utah Department of Workforce Services, and my529 data

Forms of Marriage-Related Penalties

MOST EXPLICIT ⟷ **IMPLICIT**

Single to Married
Benefit or income threshold for a married couple does not exactly double the benefit or income threshold for a single person.

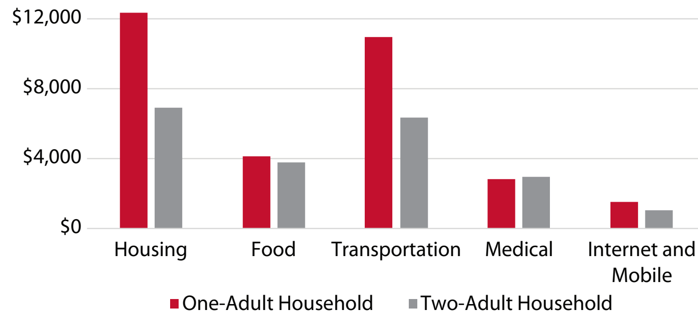
Head of Household to Married
Head of household (a single person with a dependent) receives a benefit greater than half that of a married couple.

Household Composition
Benefits scaled based on household size do not increase proportionally for each additional household member, or household income determines eligibility. This occurs with both married and cohabiting couples.

Overview

State and federal policies may introduce marriage penalties (financial disincentives to marry) or marriage bonuses (financial incentives to marry). Both marriage penalties and bonuses may either directly or implicitly impact households, yet the effects and magnitude of these incentives or disincentives vary widely based on individual circumstances.

Figure 1: Annual Per Person Cost of Basic Needs in Utah, 2024



Source: Massachusetts Institute of Technology Living Wage Calculator

Certain changes in recent years decreased marriage penalties at the federal level. For example, the federal Tax Cuts and Jobs Act of 2017 reduced marriage penalties in the federal income tax code by ensuring income tax brackets for most married filing joint taxpayers equaled exactly double the tax brackets for single taxpayers. Under current law, most of these provisions will revert back at the end of 2025.

Although not a comprehensive review of all tax provisions and assistance programs, this analysis focuses on selected state-level policies to determine whether they create different levels of marriage penalties. Many marriage penalties which do occur tie directly to federal policies carried into state-administered programs.

Single to Married - Direct Marriage Penalty

A direct marriage penalty occurs when the benefit or income threshold for a married couple does not exactly double the benefit or income threshold for a single person. If the married couple receives exactly double that of a single person, a marriage penalty does not exist. For example, in 2025 the federal individual income tax standard deduction for a single filer stands at $15,000, while the married filing jointly standard deduction totals $30,000. Since the married filing jointly standard deduction level exactly doubles the single standard deduction, this tax provision creates no marriage penalty.

Head of Household to Married - Implicit Marriage Penalty

A different type of marriage penalty could occur when a head of household (a single person with a dependent) receives a benefit greater than half that of a married couple. For example, in 2025 the head of household federal income tax standard deduction stands at $22,500, while the married filing jointly standard deduction totals $30,000. If a single filer ($15,000 standard deduction) and head of household filer ($22,500 standard deduction) examine the decision to marry or not, marrying would drop their combined standard deduction from $37,500 to $30,000, thereby increasing their taxes upon marriage. Similarly, if two single people with children claiming head of household filing status examine the decision to marry or not, marrying would drop their combined standard deduction from $45,000 to $30,000 upon marriage.

Household Composition - Implicit Marriage/ Cohabitation Penalty

Marriage/cohabitation penalties may also arise when the unit of taxation or public benefit provision applies at a household rather than individual level.[1] Such penalties occur when benefits that scale based on household size do not increase proportionally for each additional household member or when household total income determines eligibility. Determining eligibility based on household income could potentially disincentivize marriage or cohabitation due to the possibility for larger benefits if two working individuals applied as separate households and thus qualified at lower household income levels.

For example, the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) bases eligibility on household income. To qualify, a household of one must have gross monthly income below $1,632, while a household of two must have gross monthly income below $2,215. Because the combined income threshold for two one-member households ($3,264) surpasses the income threshold for one two-member household, an implicit marriage/cohabitation penalty exists.

Many programs use income from recent tax returns to determine eligibility, creating complexity when household size and income influence eligibility. In some cases, eligibility does not account for the income of a domestic partner due to separate tax returns, so cohabitation may not result in a penalty

Forms of Marriage-Related Penalties

MOST EXPLICIT ⟷ **IMPLICIT**

Single to Married	Head of Household to Married	Household Composition
Benefit or income threshold for a married couple does not exactly double the benefit or income threshold for a single person.	Head of household (a single person with a dependent) receives a benefit greater than half that of a married couple.	Benefits scaled based on household size do not increase proportionally for each additional household member, or household income determines eligibility. This occurs with both married and cohabiting couples.

while marriage could result in a penalty based on how household size and income factor into assessment. Due to the complexity of these policies, this report does not differentiate between marriage and cohabitation when weighing penalties related to household composition.

Marriage Penalties and Fiscal Tradeoffs

Marriage penalties do not exist to intentionally penalize marriage as a matter of policy. Rather, they occur as policymakers consider and balance other priorities. For example, marriage penalties may exist to reduce the costs of benefit programs or government tax expenditures. For example, extending equal eligibility or benefits to all filers, regardless of filing status, would result in higher costs than implementing income thresholds or scaling benefit amounts. Creating a hard cutoff known as a tax "cliff" (for example, a filer remains eligible for full benefits up to $50,000 in income but loses eligibility at $50,001 in income) introduces incentives to artificially reduce income below the threshold. Implementing phaseouts scales down fiscal impacts while partially reducing income incentives.

Marriage penalties may offset some economic advantages larger households gain through economies of scale. For example, per-person housing and transportation costs decrease significantly in a two-adult household without children compared to a one-adult household without children, while other per-person costs, such as for food, internet, and cell phone service, decrease slightly (Figure 1).

Marriage Penalty Impacts

While findings vary, most research concludes that marriage penalties and bonuses, particularly those tied to tax structures, have minimal effect on the decision to marry.[2] Research suggests marriage penalties may, however, impact whether or how much a spouse chooses to work.[3] A marriage bonus exists for couples with one spouse in the labor force and one outside, as the earning spouse pays taxes at a lower rate after marriage and may claim a larger standard deduction. The non-working spouse, however, now faces a higher tax rate on the next dollar of income earned (or marginal tax rate). Some studies find that this discourages the spouse outside the labor force from seeking employment.

Figure 2: Example of Federal Marginal Tax Rate Changes for Higher Earner and Non-Earner, Before and After Marriage, 2025

Scenario 1 – Two Single People

	Person 1	Person 2
Total income	**$120,000**	**$0**
Marginal tax rate	24%	0%
Federal income tax liability	$18,046	$0

Scenario 2 – Married Couple

Total income: **$120,000**
Marginal tax rate: 12%
Federal income tax liability: $10,323

Note: Assumes standard deduction and no tax credits.

Definitions

Tax credit – A dollar amount by which taxpayers may reduce the tax they owe. Tax credits may be either refundable or nonrefundable (see below). Tax credits effectively represent government costs by reducing the amount of tax revenue received.

Refundable tax credit – A type of tax credit that may result in a payment from the government to the taxpayer if the credit amount exceeds the taxpayer's total tax liability. For example, if income tax liability before credits equals $600 and the taxpayer qualifies for a $1,000 refundable tax credit, the taxpayer would receive a $400 tax refund.

Nonrefundable tax credit – A type of tax credit that can reduce the amount of income tax that a taxpayer owes to zero, but if the credit amount exceeds the taxpayer's total tax liability, the taxpayer does not receive a cash payment. For example, if income tax liability equals $600 and the taxpayer qualifies for a $1,000 nonrefundable tax credit, the tax liability would drop to $0, but would not result in a tax refund.

Federal poverty level (FPL) – A measure of income calculated annually by the U.S. Department of Health and Human Services. The measure scales based on family size. Many federal benefit programs, including health programs like Medicaid, as well as other assistance programs like Head Start and the Low-Income Home Energy Assistance Program (LIHEAP), use federal poverty levels or percentage multiples (e.g., 138% of FPL) to determine eligibility for benefits.

Table 1: Federal Poverty Level Household Income by Family Size, 2024

Household Size	50% FPL	75% FPL	100% FPL	138% FPL
1	$7,530	$11,295	$15,060	$20,783
2	$10,220	$15,330	$20,440	$28,207
3	$12,910	$19,365	$25,820	$35,632
4	$15,600	$23,400	$31,200	$43,056
5	$18,290	$27,435	$36,580	$50,480
6	$20,980	$31,470	$41,960	$57,905

Source: U.S. Department of Health and Human Services

Marriage Penalties in Utah Taxes

Utah's general tax structure for the income tax, sales tax, property tax, and gas tax typically does not include marriage penalties. However, targeted tax carveouts for certain groups, particularly within Utah's income tax, can create marriage penalties.

The system design of major Utah taxes generally does not directly vary based on household status. For example, the sales tax and gas tax apply uniformly to taxable purchases, no matter the purchaser. Similarly, the property tax ties to taxable property values, no matter the property owner.

With income tax, federal code provisions create various federal marriage penalties. For example, at the federal level, marriage penalties can occur between income tax brackets with differing rates. However, Utah's income tax system utilizes a single tax rate (currently 4.5%), bypassing these bracket- and rate-driven marriage penalties that occur federally. The marriage penalties that occur in Utah income taxes result from (a) utilizing state tax credit phaseouts to minimize the fiscal impacts of carveouts for certain taxpayers and (b) ties to federal

Table 2: Summary of Marriage Penalties in Utah on Selected Major Tax Provisions

	Single to Married – Direct Marriage Penalty	Head of Household to Married – Implicit Marriage Penalty	Household Composition - Implicit Marriage/Cohabitation Penalty	Eligibility Provisions Linked to Federal Policy	State Discretion to Impact Marriage Penalty*	Estimated Total Program Cost (State and Federal)
Income Tax - Taxpayer Tax Credit	**NO** • Phaseout • $17,652 single • $35,304 married filing jointly	***YES*** • Phaseout • $26,478 head of household • $35,304 married filing jointly	**NO**	**YES**	**YES**	$1.7 billion (Tax year 2023)
Income Tax – Social Security Tax Credit	***YES*** • Phaseout • $54,000 single • $90,000 married filing jointly	***YES*** • Phaseout • $90,000 head of household • $90,000 married filing jointly	**NO**	**NO**	**YES**	$70 million (Tax year 2023)
Income Tax - Earned Income Tax Credit (EITC) (20% of federal)	***YES*** • Credit amount and phaseout (varies) • $19,104 single no children • $26,214 married filing jointly no children	***YES*** • Credit amount and phaseout (varies) • $50,434 head of household one child • $57,554 married filing jointly one child	***YES*** • Credit amount and phaseout (varies) • $866 credit for one child • $1,430 credit for two children	**YES**	**YES**	$68 million (Tax year 2023)
Income Tax - Retirement Tax Credit	***YES*** • Phaseout • $25,000 single • $32,000 married filing jointly	***YES*** • Phaseout • $32,000 head of household • $32,000 married filing jointly	**NO**	**YES**	**YES**	$24 million (Tax year 2023)
Income Tax - Child Tax Credit (CTC)	***YES*** • Phaseout • $43,000 single • $54,000 married filing jointly	***YES*** • Phaseout • $43,000 head of household • $54,000 married filing jointly	**NO**	**YES**	**YES**	$10 million (FY 2024)
Income Tax - my529 Educational Savings Tax Credit	**NO** • Qualified investment cap • $2,410 not married • $4,820 married filing jointly	**NO** • Qualified investment cap • $2,410 not married • $4,820 married filing jointly	**NO**	**NO**	**N/A**	$5 million (Tax year 2023)
Income Tax - Health Benefit Plan Credit	**NO** • $300 single with no dependents • $600 married filing jointly with no dependents	**NO**	***YES*** • $900 for all taxpayers with dependents	**NO**	**YES**	$4 million (Tax year 2023)
Income Tax – Taxpayer Exemption	**NO** • Standard deduction • $15,000 single • $30,000 married filing jointly	***YES*** • Standard deduction • $22,500 head of household • $30,000 married filing jointly	**NO**	**YES**	**YES**	N/A
Property Tax - Circuit Breaker	**NO**	**NO**	***YES*** • Total household income below certain thresholds ($40,480 max)	**NO**	**YES**	$60 million (Tax year 2023)

*If no, marriage penalty ties directly to federal statute and cannot be changed via state policy.
Note: Where available, income thresholds and benefit amounts are for tax year 2025. In other cases, the most recent thresholds and benefits are shown.
Source: Kem C. Gardner Institute analysis of Utah State Tax Commission, Utah State Statute, Utah Department of Workforce Services, and my529 data

tax code provisions which include embedded marriage penalties such as the earned income tax credit (EITC).

Taxpayer Tax Credit

Utah's Taxpayer Tax Credit provides a non-refundable initial tax credit of 6% of the filer's state personal exemptions and federal standard or itemized deductions. The credit amount phases out starting at an income threshold that varies by filing status. A direct marriage penalty does not exist within the phaseout thresholds, which equals $17,652 for single filers and doubles to $35,304 for married filing joint filers. However, an implicit marriage penalty exists because the threshold for head of household filers equals $26,478, meaning the combined threshold of two filers with children living apart exceeds the married filing joint threshold. Thus, two individuals with children benefit from filing separately as head of household rather than combining households and filing jointly.

Social Security Tax Credit

The state Social Security tax credit allows filers to claim a nonrefundable tax credit if they receive taxable Social Security retirement, disability, or survivor benefits. Filers may not simultaneously claim the Social Security tax credit and the retirement tax credit. The income threshold for single filers equals $54,000 in tax year 2025, after which the credit phases out by $0.025 for each dollar above the income threshold. For married filing joint filers, the income threshold stands at $90,000 (approximately 167% of the single filer threshold). The head of household income threshold also equals $90,000, meaning the income threshold for two separate head of household filers doubles the income threshold for married filing joint filers.

Earned Income Tax Credit (EITC)

The state earned income tax credit (EITC) provides a nonrefundable state tax credit for filers who claim the federal EITC. Income federally defined as "earned" income (i.e., wage/W-2, self-employment, etc.) determines the credit level. Utah's add-on credit equals 20% of the federal EITC. This direct reliance on federal eligibility introduces a marriage penalty with the income thresholds impacting the maximum credit amount and phaseout ranges.

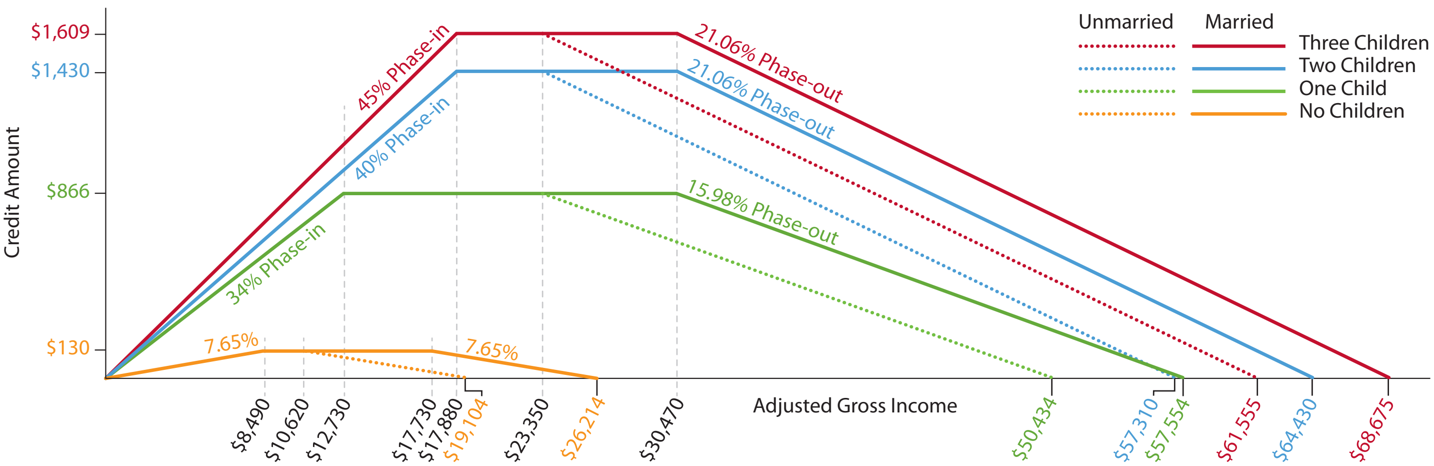
For example, for tax year 2025, the maximum income for a single person with no children equals $19,104, compared to the $26,214 maximum income for a married couple filing jointly with no children (approximately 137% of the single filer threshold). For head of household with one child, the income threshold equals $50,434 compared to $57,554 for married filing jointly. In addition, the maximum credit amount for an individual or couple with one qualifying child is $4,328, and the benefit for each additional child decreases, implying a household size penalty exists. The total benefit for an individual or couple with two qualifying children equals $7,152 but just $8,046 for a filer/filers with three or more qualifying children. Figure 4 shows both the marriage and household composition penalties.

Retirement Tax Credit

Because Utah's retirement credit provides a nonrefundable tax credit of up to $450 for single filers or $900 for married filing joint filers for those born on or before December 31, 1952, the maximum credit amount does not include a marriage penalty. Filers may claim this credit or the Social Security tax credit discussed earlier, but not both.

While the maximum credit amount doubles from single filers to married filers, the tax credit phaseout income threshold does not. The credit phaseout starts at $25,000 in income for single filers and at $32,000 for married filing joint filers (approximately 128% of the single filer threshold), implying a marriage penalty exists. In addition, the credit begins to phase out at $32,000 for head of household, meaning the threshold for two separate head of household filers essentially doubles the married filing joint threshold at $64,000, with each household beginning to phase out at $32,000.

Figure 3: Utah Earned Income Tax Credit, 2025



Source: Gardner Policy Institute analysis of Internal Revenue Service data

Child Tax Credit (CTC)

The state child tax credit provides a nonrefundable $1,000 tax credit for qualifying children ages 1 to 4 if the filer claims that same child for the federal child tax credit. The credit decreases by $0.10 for every dollar the filer's modified adjusted gross income exceeds a certain amount. The phaseout income threshold for single or head of household filers equals $43,000, whereas married filing jointly filers face a threshold of $54,000 (approximately 126% of the single or head of household filer threshold), thus representing a marriage penalty.

My529 Educational Savings Tax Credit

Utah provides a nonrefundable income tax credit for contributions to college savings accounts, called my529 accounts. Utah taxpayers may claim a tax credit equal to the current state income tax rate (4.5% in tax year 2025) multiplied by the amount the taxpayer contributes to the my529 account of the taxpayer's qualified beneficiary; the credit may be claimed for each qualified beneficiary to whose my529 account the taxpayer contributes. State statute caps the maximum allowable contribution for a credit, and thus, the maximum tax credit per beneficiary. A marriage penalty does not exist for this program; the maximum allowable contribution for joint filers equals $4,820, exactly double the maximum allowable contribution for single filers ($2,410); no separate head of household provision exists.

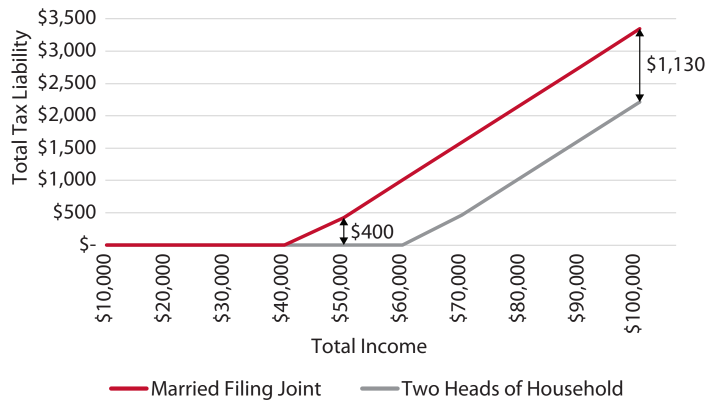
Health Benefit Plan Credit

Utah's health benefit plan credit provides a nonrefundable tax credit for filers who purchased their own health insurance and were not eligible to participate in an employer-funded health plan. While no direct marriage penalty exists (benefit doubles from $300 for single to $600 for married filing joint), an implicit household composition penalty exists. The maximum benefit amount for all filers with children, no matter how many children, totals $900.

Taxpayer Exemption

The Utah taxpayer exemption exempts Utah tax filers from Utah income tax if the filer's federal standard deduction exceeds the filer's federal adjusted gross income. While the federal standard deduction, which equals $15,000 for single filers and doubles to $30,000 for married filing joint filers in tax year 2025, does not impose a direct marriage penalty, an implicit marriage penalty exists related to head of household filers. The standard deduction for head of household filers equals $22,500, meaning two filers with children living separately and filing as head of household can claim a combined deduction of $45,000. This exceeds the $30,000 married filing joint deduction by $15,000, creating a financial incentive to live apart and file separately as head of household rather than combine households and file jointly (Figure 3).

Figure 4: Utah Income Tax Liability by Filing Status, Tax Year 2025



Note: Assumes an income tax rate of 4.5%, standard deductions, and taxpayer tax credit, including two personal exemptions for MFJ filers and one personal exemption each for HoH filer. It also assumes that each head of household filer earns income that sums to the same total income for the married filing joint filers. For example, at $60,000 total income for the married filing joint household, the graph assumes the sum of both head of household filers' income equals $60,000.
Source: Gardner Policy Institute analysis of Utah State Tax Commission and the Internal Revenue Service data

Property Tax Circuit Breaker

Utah's property tax circuit breaker provides property tax relief to low-income homeowners and renters who are elderly, surviving spouses, military veterans with disabilities, active or reserve duty members of the U.S. Armed Forces, blind, or disabled.[4] The program exempts a certain amount of a residence's taxable value from property tax, or abates a certain dollar amount of property tax, depending on the eligibility category. The credit amount scales based on household income; both the credit amount and the household income thresholds adjust annually based on inflation. Because eligibility considers household income without regard to household size, the circuit breaker includes an implicit marriage penalty.

Marriage Penalties in Utah on Public Assistance/Benefit Provisions

Eligibility determination and benefits for many state and federal programs introduce marriage or household composition penalties, with Medicaid and college tuition benefit programs at certain Utah universities creating direct marriage penalties. Other programs, such as TANF and SNAP, introduce household composition penalties that may disincentivize marriage, including income eligibility limits that do not double in a two-person household with two earners or benefits that do not double if two individuals create a single household.

While Utah holds some ability to alter certain eligibility requirements related to programs highlighted in Table 3, overall eligibility provisions often remain tied to federal policy. Of the programs analyzed, only college tuition benefits remain completely separate from federal policy.

Table 3: Summary of Marriage Penalties in Utah on Selected Public Assistance/Benefit Provisions

	Single to Married – Direct Marriage Penalty	Head of Household to Married – Implicit Marriage Penalty	Household Composition - Implicit Marriage/Cohabitation Penalty	Eligibility Provisions Linked to Federal Policy	State Discretion to Impact Marriage Penalty*	Estimated Program Cost (State and Federal)
Medicaid	**NO**	**NO**	***YES*** • Based on family income; income limits vary from 55% to 133% FPL depending on category and vary by family size	**YES**	**NO**	$4.9 billion (FY 2023)
Supplemental Nutritional Assistance Program (SNAP)	**NO**	**NO**	***YES*** • Household of one - Gross monthly income limit: $1,632 (130% FPL)[8] Maximum monthly benefit: $292 • Household of two - Gross monthly income limit: $2,215 (130% FPL) Maximum monthly benefit: $536	**YES**	**NO**	$398 million (FY 2024)
Free and Reduced Price School Meals	**NO**	**NO**	***YES*** • Household of one - Monthly income limit: $1,632-$2,322 • Household of two - Monthly income limit: $2,215-$3,152[9]	**YES**	**NO**	$252 million (FY 2024)
Children's Health Insurance Program (CHIP)	**NO**	**NO**	***YES*** • Family of two (single parent and one child) - Monthly income limit: $3,407 • Family of three - Monthly income limit: $4,304[10]	**YES**	**NO**	$133 million (FY 2023)
Temporary Assistance for Needy Families (TANF)	**NO**	**NO**	***YES*** • Family of one - Monthly income limit: $2,510 (200% FPL) • Family of two - Monthly income limit: $3,406 (200% FPL)[11]	**YES**	**YES**	$43 million (FY 2024)
Women, Infants, and Children (WIC)	**NO**	**NO**	***YES*** • Household of one - Monthly income limit: $2,322 • Household of two - Monthly income limit: $3,152[12]	**YES**	**NO**	$33 million (FY 2024)
Section 8 Housing Choice Voucher	**NO**	**NO**	***YES*** • Monthly income limit: varies by area; equal to 50% of median income by household size	**YES**	**NO**	$4.4 million (FY 2024)
College Tuition Benefits	***YES*** • Married family members ineligible to receive tuition benefits at Utah State University, Utah State University Eastern, and Utah Valley University	**NO**	**NO**	**NO**	**YES**	N/A

*If no, marriage penalty ties directly to federal statute and cannot be changed via state policy.

Note: Where available, income thresholds and benefit amounts are for 2024. In other cases, the most recent thresholds and benefits are shown. While federal policy allows states some flexibility in setting income thresholds, federal poverty guidelines scale eligibility based on household size for CHIP, Medicaid, SNAP, and WIC, preventing states from directly addressing the household composition penalty. States maintain flexibility in determining TANF eligibility thresholds and benefits levels; however, federal policy requires that TANF programs in states meet certain criteria, including work requirements and assistance for "needy" families, although federal policy does not define "needy" families.

Source: Kem C. Gardner Institute analysis of data from Utah State Tax Commission, Utah Department of Workforce Services, Utah Department of Health and Human Services, Utah System of Higher Education, Utah State Board of Education, U.S. Department of Health and Human Services, U.S. Department of Agriculture, U.S. Department of Housing and Urban Development

Medicaid

Medicaid is a joint state and federal program that subsidizes healthcare for individuals that meet certain eligibility requirements. In Utah, federal funds provided nearly 70% of funding in FY 2024, while state funds also contributed sizable amounts. Medicaid's different sub-programs each include their own set of eligibility requirements. However, most programs base eligibility on household income, which may disincentivize creation of larger households through marriage.

Additionally, the income of a domestic partner generally does not count towards income limits, whereas the income of a spouse typically does.[5]

Supplemental Nutritional Assistance Program (SNAP)

The state-administered federal Supplemental Nutritional Assistance Program (SNAP), commonly referred to as "food stamps," subsidizes the cost of groceries for eligible lower-income individuals. The federal government helps fund state program administration costs. The income threshold for two one-person households ($1,632 monthly per household, or $3,264 for two) exceeds the income threshold for one two-person household ($2,215 monthly). Additionally, the benefit for a two-person household ($536 maximum monthly) equals less than double the benefit of a one-person household ($292 maximum monthly each, or $584 for two).

Household size for SNAP eligibility includes all those who live together and purchase and prepare meals together. Income requirements include income from all members of the household.

Free and Reduced Price School Meals

The federally-assisted Free and Reduced Price School Meals programs provide free or reduced-price school meals, including lunch, breakfast, snacks, and/or milk to children in public and nonprofit private schools, as well as residential child care institutions. In Utah, the state supplements federal dollars. School districts operate the programs if they choose to participate. Students qualify for free meals if their household income equals 130% of FPL or reduced-price meals if household income equals 185% of FPL. The income thresholds scale proportionally for each additional household member. However, because a household of two faces a lower income threshold ($20,440 in FY 2025) than two households of one ($15,060 each, or $30,120 total), an implicit marriage penalty exists.

Children's Health Insurance Program (CHIP)

Under the Children's Health Insurance Program (CHIP), a joint state and federal program tied to Medicaid that provides health insurance plans for uninsured children, family size must equal at least two (single parent and child). The income threshold after adding a third family member ($4,304) does not scale proportionately with the threshold of a two-person family ($3,407).

Household income includes income from the tax filer, spouse, and all persons claimed as dependents. Except in certain circumstances, income from a domestic partner does not count towards income limits.

Temporary Assistance for Needy Families (TANF)

Temporary Assistance for Needy Families (TANF), a state-administered federal program, block grants federal funds to states to meet program goals. TANF exists to:

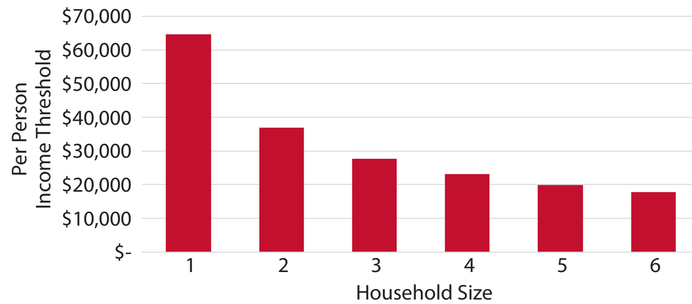
1. Provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies; and
4. Encourage the formation and maintenance of two-parent families.[6]

As of 2024, the income limit for a one-person family equaled $2,510 (200% FPL) or $3,765 (300% FPL). For every additional family member, the income limit increases $896 (200% FPL) or

Figure 5: TANF Monthly Income Thresholds by Household Size, 2024

Note: Income thresholds at 200% FPL.
Source: Utah Department of Workforce Services

Figure 6: Salt Lake City Section 8 Housing Choice Voucher per Person Income Threshold by Household Size, 2024



Note: Income limits for "Low Income" program in Salt Lake City, UT HUD Metro FMR Area.
Source: Kem C. Gardner Policy Institute analysis of U.S. Department of Housing & Urban Development data

$1,345 (300% FPL).[7] Since a family of two faces a lower income threshold than two families of one, an implicit marriage penalty exists (Figure 5). Additionally, "family" under the TANF definition represents a group of individuals in a single household related by either blood, marriage, or decree of court, meaning under most circumstances, cohabitation does not impact eligibility while marriage may alter it. Benefits vary and may introduce further household composition penalties.

Women, Infants, and Children (WIC)

Women, Infants, and Children (WIC) subsidizes nutritional and breastfeeding services, as well as supplemental food for women, mothers, and children. As part of SNAP, WIC functions as a state-administered federal program. Income thresholds scale proportionally for each additional household member ($830 monthly), and pregnant women count as two household members. However, the income threshold for two households of one ($27,861 each in FY 2025, or $55,722 total) exceeds the threshold for a household of two ($37,814), representing an implicit marriage penalty. As with TANF, benefits vary within WIC.

Section 8 Housing Choice Voucher

The Section 8 Housing Choice Voucher, a federally-funded, locally-administered rental assistance program, helps low-income families, the elderly, and people with disabilities afford housing in the private market. Qualifying participants pay up to 30% of their adjusted monthly income toward their rent payment and utilities, and the local housing authority pays the balance up to a regulated maximum, which is usually the lesser of the payment standard (market price for a moderately-priced housing unit) minus 30% of the household's income or the gross rent and 30% of the household's income. Renters' income may not exceed 50% of area (county or metropolitan area) median income. Because household income determines eligibility, an implicit marriage penalty exists. For example, in 2024, in the Salt Lake City metropolitan area, the income threshold for "low income" for two one-person households equaled $64,700 each, or $129,400 total, whereas the threshold was $73,950 for a two-person household.

Additionally, household income limits do not scale proportionally with each additional household member (Figure 6). For example, in 2024, in the Salt Lake City metropolitan area, the income threshold for "low income" increased by $9,250 for the second and third individual in the household. For the fourth individual, the income threshold increased by $9,200. For each additional individual in the household thereafter, the income threshold increased by $7,400.

College Tuition Benefits

At each of Utah's degree-granting public higher education institutions, as well as Davis Technical College, dependents of a full-time employee qualify for a tuition benefit. For most universities, marital status of the dependent does not affect eligibility. However, at Utah State University, Utah State University Eastern, and Utah Valley University, only nonmarried dependents of full-time employees may receive the tuition benefit.

Policy Options to Address Marriage Penalties

In cases of direct marriage penalties from single to married filers, policymakers may alter income thresholds and/or benefit levels for married tax filers so they exactly double those for single filers. Similarly, in the case of implicit marriage/cohabitation penalties related to household composition, household income thresholds could be changed to scale exactly proportionally with each additional household member.

To the extent policymakers want to address implicit marriage penalties related to head of household filers, they may adjust income thresholds and/or benefit levels for head of household filers to the same thresholds and levels as single filers, with the addition of child tax credits or other policy options that account for single filers with children, the population whom the head of household filing status targets.

For example, the Family Security Act 2.0, a federal policy proposal from former Utah Senator Mitt Romney, former North Carolina Senator Richard Burr, and Montana Senator Steve Daines, sought to eliminate the federal head of household filing status while expanding the current federal child tax credit. Under the proposal, the federal child credit would include an earned income provision, like the EITC, with the credit phasing in on a per-child basis based on family income with unlimited refundability.

Conclusion

Various state and federal tax provisions and programs may create a "marriage penalty" or a "marriage bonus." Federal mandates set requirements for many state provisions, limiting policy change at the state level. However, policymakers may address both direct and implicit marriage penalties in state-level provisions, such as adjusting income thresholds and/or benefit amounts or changing benefit provisions to account for differences in filing status. Considering these and similar policy options can help reduce potential disincentives for marriage.

Endnotes

1. https://taxpolicycenter.org/sites/default/files/briefing-book/4.2.9-what_are_marriage_penalties_and_bonuses_0.pdf
2. https://home.treasury.gov/system/files/131/WP-82.pdf
3. https://www.cbo.gov/sites/default/files/105th-congress-1997-1998/reports/marriage.pdf
4. Qualifying surviving spouses lose eligibility if they remarry.
5. https://www.healthreformbeyondthebasics.org/key-facts-determining-household-size-for-medicaid-and-chip/
6. https://www.acf.hhs.gov/ofa/programs/tanf/about
7. Both 200% and 300% FPL income thresholds determine eligibility for a variety of services and benefits.
8. Applicants must meet both gross monthly income limits (total household income before deductions, 130% FPL) and net monthly income limits (household income after allowable deductions, 100% FPL) unless the household includes elderly or disabled members, under which scenario only net monthly income limits apply. Net monthly income limits equal $1,632 for a household of one and $2,215 for a household of two as of October 2024. Both income limits and benefits generally scale proportionately for each additional household member ($583 for each for gross monthly income limits, $449 for net monthly income limits, and $220 for maximum benefit per person).
9. Upper limit represents income limit for reduced price meals while the lower limit represents the income limit for free meals. Income limits generally scale proportionately for each additional household member ($583-$830).
10. Income limits generally scale proportionately for each additional family member ($896 per person).
11. Monthly income guidelines equal $3,765 for a family/household of one for 300% FPL and $5,110 for a family/household of two as of January 2024. Income limits generally scale proportionately for each additional household member ($896 (200% FPL) or $1,345 (300% FPL)).
12. Income limits generally scale proportionately for each additional household member ($830 per person).

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