



May 16, 2011

Newlyweds Tax Changes

Spring and summer are wedding seasons for most couples. And for newlyweds, it's important to make those small but crucial changes to your tax status in order to avoid problems later on. Here are some of them:

1. Update your married name (if there is any change). This obviously refers to the wife. If you have taken your husband's last name, then you should inform the Social Security Administration. If you do not, and you and your husband file a joint tax submission, the computers at the IRS would not be able to match your married name with your Social Security number. The thing to do would be to update the Social Security card so your new married name matches your Social Security number. Go to the SSA website at www.ssa.gov and download Form SS-5, 'Application for a Social Security Card' or call toll-free 1-800-772-1213.

2. Report your change in address. If one or both of you change your addresses, you should report it to the IRS and US Postal Service. To report to the IRS, you can download and send in Form 8822, 'Change of Address Form' from the website, www.irs.gov. Alternatively, you can also obtain the form by calling the IRS at 1-800-TAX-FORM (1-800-829-3676).

This would ensure you do not miss any refund checks from the IRS. What's more, you should also inform your employer of your change of address (and your married name) so that you continue receiving your paychecks and W-2s.

3. Determine your filing status. Married couples have the option to choose to file taxes jointly or separately. You should determine your filing status depending on which status would allow you a lower tax rate. Filing jointly means you and your spouse are allowed to deduct combined deductions and expenses on a single tax return whereas filing separately means each spouse can take only his or her individual deductions and credits. If one of you itemizes deductions, the other must also.

4. Check your withholding. Your change in filing status may alter your taxes due at the end of the year. You can change the amount withheld from your salary by submitting to your employer a new Form W-4. You can get information on this by referring to IRS Publication 919, 'How Do I Adjust My Tax Withholding?'

5. Use the correct form to submit your tax returns. Especially if you file jointly, you may have sufficient deductions to itemize those like donations to charity, medical care payments, mortgage interest, various taxes like real estate, general sales tax etc, casualty losses and so on. Use Form 1040 when itemizing, not Form 1040EZ or Form 1040A that do not permit itemizing. Get your Form 1040 from the IRS website or call 1-800-TAX-FORM (1-800-829-3676).