



## News Release

### Media Contact only:

Nancy Kohler  
Lande Communications  
Phone: 800-993-7600, ext. 3#  
Email: [nkohler@landepr.com](mailto:nkohler@landepr.com)

Melissa Lande  
Lande Communications  
Phone: 800-993-7600, ext. 1#  
Email: [mlande@landepr.com](mailto:mlande@landepr.com)

### For Immediate Release

---

## FIVE WAYS YOUR TAXES ARE ALTERED WHEN YOU SAY “I DO” AT THE ALTAR

### RIA Senior Tax Analyst Explains Smart Tax Moves for Newlyweds to Make Now

---

NEW YORK, May 15, 2007 – “Here comes the bride”- and several opportunities for newlyweds to capitalize on their new-found “married” tax filing status. Once you’re back from the honeymoon, make sure you take time to focus on important ways your taxes will shift in the married category. “Changing your filing status from single to married presents a new set of circumstances,” says Bob D. Scharin, Senior Tax Analyst, RIA, a part of The Thomson Corporation (NYSE:TOC, TSC:TOC), and provider of tax information and software to tax professionals. “Make sure you and your spouse are aware of how the married status can affect many of your financial decisions. This will help guide you to smart choices that will have the best possible effect on your bottom line next April.”

Scharin points out the following topics that newlyweds should consider:

- **Income Tax Withholding** - With two incomes in the household, there’s a good possibility you may need to adjust your income tax withholding. While this seems like a no-brainer, you’d be surprised how many people don’t take the time to modify their withholding. *Suggested move:* “The earlier you examine your withholding, the less likely you will have an unpleasant surprise at the end of the year- either in the form of too little tax taken out, or too much withheld,” Scharin explains. The IRS website ([www.irs.gov](http://www.irs.gov)) has a “withholding calculator” that can help you determine how to set things right.
- **Flexible Spending Accounts** - Marriage is a change in family circumstance that permits mid-year changes to the pre-tax amount you elected to contribute for the year. Make sure you and your partner make any appropriate adjustments to your FSAs. *Suggested move:* “If you, but not your new spouse, are covered by a health FSA, you should consider increasing your contributions to cover your spouse’s out-of-pocket medical costs for the rest of the year,” says Scharin
- **IRA Eligibility** - Income levels and coverage in an employer-sponsored retirement plan determine eligibility for making deductible and Roth IRA contributions. Depending on your own income amount and the

combined income of you and your spouse, the fact that you are now subject to the income limits for married couples can qualify or disqualify you from making the type of IRA contribution you made in your single years. *Suggested move:* “If you already made a 2007 IRA contribution, verify whether (1) you are still eligible to have the contribution remain in that type of IRA, or (2) you can now contribute to a more favorable type of account,” advises Scharin.

- **Standard Deduction vs. Itemizing** - Marriage may trigger the need to change from claiming the standard deduction to itemizing, or vice versa. “It will be important to share all of your past tax returns to help determine this as well as review your current financial situation,” says Scharin. In 2007, the standard deduction is \$5,350 for single taxpayers and exactly double that amount--\$10,700--for joint return filers. *Suggested move:* “Suppose you have \$4,000 of deductible expenses and your spouse’s deductions total \$8,000. Now that you are married, you will need to itemize, so be sure to retain receipts for deductible items. Conversely, if your deductions come to \$7,000 and your spouse’s are \$3,000, you will no longer be itemizing. That means your do not get a tax benefit from your deductible expenses, so their real cost to you has just gone up.”
- **Home-Sale Exclusion** – The \$250,000 maximum exclusion for gain on the sale of a principal residence is doubled to \$500,000 for joint return filers—but only if both spouses used the home as a principal residence for at least a two-year period in the last five years. (A married couple can get the \$500,000 exclusion amount even if only one spouse owned the home while they both lived there.) *Suggested move:* “If one of you owns a home that has appreciated in value by more than \$250,000, and the other spouse is now moving in—but your plans are to sell the house soon, you may want to wait until you have both been living there for at least two years,” Scharin points out.

So many tax breaks have income thresholds. Even if the thresholds for married couples are double the amounts for singles, marriage may affect your eligibility for the breaks. Unless the two of you have the exact same earnings and deductions, aggregating your incomes and deductions could produce unexpected tax results.

-30-

### **The Thomson Corporation**

The Thomson Corporation ([www.thomson.com](http://www.thomson.com)) is a global leader in providing essential electronic workflow solutions to business and professional customers. With operational headquarters in Stamford, Conn., Thomson provides value-added information, software tools and applications to professionals in the fields of law, tax, accounting, financial services, scientific research and healthcare. The Corporation’s common shares are listed on the New York and Toronto stock exchanges (NYSE: TOC; TSX: TOC).

Thomson Tax & Accounting is a strategic business unit of Thomson and a leading provider of technology and integrated information solutions to accounting, tax and corporate finance professionals in accounting firms, corporations, law firms and government. Thomson Tax & Accounting includes the Professional Software & Services, Corporate Software & Services, and Research & Guidance business groups. RIA (<http://ria.thomson.com>) and PPC (<http://ppc.thomson.com>) are both brands within the Research & Guidance business.