

ABSTRACT:

**“DOES IT PAY TO BE GAY? AN EXAMINATION OF THE TAX IMPLICATIONS TO
LEGALIZING SAME-SEX MARRIAGE”**

Since 2004, with Massachusetts becoming the first U.S. state to formally and legally recognize gay marriage, the number of states passing such initiatives has continued to increase. Six states have legalized same-sex marriage, and others (e.g., California) have legalized marriage for a time and then had legislation passed (Proposition 8) which overturned the prior decision. Other states have confirmed that they will recognize the sovereignty of same-sex marriages formalized in other states even if they themselves do not allow gay marriage. The definition of marriage has always been the domain of the states until the passage of the federal “Defense of Marriage Act.” Its impact has resulted in an economic inequality in taxes and federal benefits available to a significant segment of the American population. In this paper we outline possibilities as to why the current federal law is unconstitutional. We have used the most current demographic information assembled from marriage licenses available from the state of Massachusetts. This paper provides information regarding the sex, age, profession and residency of those same-sex couples and uses tax data from hundreds of same-sex married couples who responded to our survey. Results indicate that there are financial implications both on an individual basis as well as on the government in states that do not recognize gay marriage. Our work suggests that legalizing gay marriage may result in an increase in federal tax revenue in the billions of dollars.