

UCLA

Other Recent Work

Title

The Impact on Iowa's Budget of Allowing Same-Sex Couples to Marry

Permalink

<https://escholarship.org/uc/item/4ps5c05m>

Authors

Badgett, M.V. Lee
Baumle, Amanda K
Romero, Adam P.
et al.

Publication Date

2008-04-01

THE IMPACT ON IOWA'S BUDGET OF ALLOWING SAME-SEX COUPLES TO MARRY



the
Williams
INSTITUTE

APRIL 2008

M.V. LEE BADGETT, PHD
THE WILLIAMS INSTITUTE ON SEXUAL ORIENTATION LAW AND POLICY,
UCLA SCHOOL OF LAW;
CENTER FOR PUBLIC POLICY AND ADMINISTRATION, UNIVERSITY OF
MASSACHUSETTS AMHERST

AMANDA K. BAUMLE, JD, PHD
THE WILLIAMS INSTITUTE, UCLA SCHOOL OF LAW;
DEPT. OF SOCIOLOGY, UNIVERSITY OF HOUSTON

ADAM P. ROMERO, JD
THE WILLIAMS INSTITUTE, UCLA SCHOOL OF LAW

R. BRADLEY SEARS, ESQ.
THE WILLIAMS INSTITUTE, UCLA SCHOOL OF LAW

EXECUTIVE SUMMARY

Same-sex couples marrying in Iowa would boost the state budget by \$5.3 million per year.

This analysis estimates the impact of allowing same-sex couples to marry on Iowa's state budget. Using the best data available, we estimate that allowing same-sex couples to marry will result in a net gain of approximately \$5.3 million each year for the State. This net impact will be the result of savings in expenditures on state means-tested public benefit programs and an increase in state income and sales tax revenue.

Our analysis for Iowa relies on the same methods that we used in previous studies on Washington,¹ New Mexico,² New Hampshire,³ California,⁴ Connecticut,⁵ New Jersey,⁶ and Vermont.⁷ The full methodology for our analysis is set out in *Putting a Price on Equality? The Impact of Same-Sex Marriage on California's Budget*.⁸ In these studies, we have concluded that extending the rights and obligations of marriage to same-sex couples would have a positive impact on each state's budget. Similar conclusions have been reached by legislative offices in Connecticut⁹ and Vermont¹⁰ and by the Comptroller General of New York.¹¹ In addition, the Congressional Budget Office has concluded that if all fifty states and the federal government extended the rights and obligations of marriage to same-sex couples, the federal government would benefit by nearly \$1 billion each year.¹²

We base our conclusion on the following estimates:

Approximately 2,917 of Iowa's same-sex couples would marry in the first three years.

According to the 2005 American Community Survey, Iowa has 5,833 same-sex couples. Based on the experiences of other states that have extended marriage, civil unions, or domestic partnerships to same-sex couples, we predict that half of those couples—or 2,917 couples—would choose to marry during the first three years after marriage is opened to same-sex couples.

State expenditures on means-tested public benefits programs will fall.

Extending marriage to same-sex couples will reduce the State's public assistance expenditures. Just as married spouses are obligated to provide for one another's basic needs, a same-sex spouse's income and assets would be included in assessing an individual's eligibility for means-tested public benefits after entering a marriage. This will reduce the number of people eligible for such benefits. We take into account the possibility that losing public benefits may create a disincentive for some of these couples to marry and the fact that low-income couples might still qualify for benefits. Nevertheless, using Census 2000 data we estimate that extending marriage to same-sex couples will save the State at least \$100,000 per year and as much as \$2.8 million in its spending on public benefit programs, depending on how much discretion the State is granted to determine whether the income of same-sex spouses is included in Medicaid eligibility standards.

Income tax revenues will rise when same-sex couples file jointly.

If same-sex couples are allowed to marry and file state income taxes jointly, the number of couples paying higher taxes will surpass the number whose taxes will decrease. Overall, the net positive impact on the State's income tax revenue will be over \$1.2 million per year.

Inheritance tax revenue will fall.

Allowing same-sex couples to marry will enable same-sex partners to take advantage of the marital deduction when calculating inheritance taxes owed to the State. Using conservative estimates (those that favor overestimating a loss in revenue to the State) of the size of currently taxable estates and the amount of taxes paid by unmarried same-sex couples, we project that inheritance tax revenues could fall by \$1.4 million in 2007.

Sales tax revenues will rise as a result of new spending on weddings.

We estimate allowing same-sex couples to wed could result in approximately \$160 million in new spending on weddings and tourism in the State. Because Iowa imposes a tax of 5% on the sale of most services,¹³ this spending could generate more than \$8.0 million in tax revenue over three years, or \$2.7 million per year.

Administrative cost increases will be less than fees generated.

The State will incur the cost of printing and processing marriage application and dissolution forms, but the fees paid by same-sex couples for such official documents will more than offset those expenses.

No increases in court system expenditures are likely to result.

Any increase in demands on the state court system will be very small relative to the existing average caseload of judges, and the normal year-to-year variation in total caseloads. Accordingly, we predict no increase in costs for the State's court system as a result of extending marriage to same-sex couples.

The impact on the cost of state employee retirement benefits will be negligible.

Iowa offers a number of fringe benefits to its employees, including health insurance, dental insurance, and retirement plans. In some cases, same-sex partners are already eligible for coverage under the State's domestic partner benefits, so marriage would make little difference. For some retirement benefits, however, the status as a legal spouse provides access to differential benefits, but we find little or no impact on the State's budget resulting from allowing employees to marry a same-sex partner.

Summary of impacts of extending marriage to same-sex couples on the Iowa state budget

	Fiscal Effect on the Budget
Income Tax (annually)	\$1,254,000
Inheritance Tax (annually)	(\$1,391,000)
Sales Tax (annually for the first 3 years)	\$2,668,000
Public Assistance	\$2,786,000
Employee Benefits	\$0
Administrative Costs	\$0
TOTAL	\$5,317,000

INTRODUCTION

In August 2007, an Iowa District Court ruled that the State's practice of refusing to issue marriage licenses to same-sex couples violated the equal protection and due process clauses of the Iowa Constitution.¹⁴ State officials are appealing the ruling, suggesting that a legal resolution has not yet been reached on this issue. As the debate over same-sex marriage continues in Iowa, the social and economic consequences of extending marriage rights have been raised. The economic costs of marriage rights serve as a particular object of contention, with policymakers questioning the potential impact of same-sex marriage on economic development and on state budgets.

Allowing same-sex couples to marry will result in the extension of numerous rights to same-sex couples, such as spousal health insurance and death benefits. The state budget could be affected on a variety of levels, including in areas of taxation, state-employee benefit provisions, public assistance programs, and both court and administrative costs.

In this study, we engage in a series of analyses to examine the effect of same-sex marriage on Iowa's state budget. Our analyses are grounded in the methodology employed in previous studies examining the effect of same-sex marriage on the budgets of California,¹⁵ Colorado,¹⁶ Connecticut,¹⁷ Maryland,¹⁸ Massachusetts,¹⁹ New Hampshire,²⁰ New Jersey,²¹ New Mexico,²² Vermont,²³ and Washington.²⁴ Detailed accounts of these methods can be found in *Putting a Price on Equality? The Impact of Same-Sex Marriage on California's Budget*.²⁵ Findings from all of these studies suggest that extending marriage rights to same-sex couples would result in a positive impact on state budgets. These findings are echoed in reports issued by the legislative research offices of Connecticut²⁶ and Vermont,²⁷ and the Comptroller General of New York.²⁸ The Congressional Budget Office has also concluded that the federal government would see nearly a \$1 billion annual benefit if all fifty states and the federal government extended marriage rights to same-sex couples.²⁹

Section I of this report outlines the estimated number of same-sex couples in Iowa and estimates the number of couples who will likely marry if allowed. In Section II, we present our predictions of the tax-based budgetary impact on the State, separating our analysis into each category of taxation that marriage could affect. In Section III, we estimate the state savings that additional marriages will likely bring to Iowa's public benefits programs. Section IV outlines the costs of expanding benefits to the same-sex spouses of state employees. Section V estimates other associated costs that could arise from expanding the right to marriage. In Section VI, we broaden our analysis to look at the economic impact of marriages by same-sex couples on Iowa's businesses. In section VII, we summarize the expected policy impact for each expenditure or revenue category we address.

Throughout this report, we estimate the costs and benefits of marriage conservatively. In other words, we choose assumptions that are the most cautious from the State's perspective in that they tend to predict higher costs to the State and lower savings given the range of possibilities. Even so, we find that the net effect of allowing same-sex couples to marry is an annual positive fiscal impact of approximately \$5.3 million. Moreover, evidence suggests that there are significantly more same-sex couples in the State than the U.S. Census Bureau reports.³⁰ If so, the net gains to the State will be even greater.

I. The Number of Couples Affected

In order to assess the economic impact of extending marriage rights to same-sex couples, we must first calculate the number of same-sex couples who might enter into a marriage in Iowa. Not all couples choose to enter a legally binding relationship, even when the option is afforded to them. At the very least, the decision is likely to include a weighing of the symbolic value of public and legal recognition of the relationship with the particular rights and responsibilities implied by the legal status of

marriage. We draw upon the experience of other states that have permitted same-sex marriage or similar legal statuses to estimate the number of same-sex couples who might elect to enter a marriage in Iowa.

Massachusetts is the only state in which same-sex marriage is legally permitted. Approximately 9,695 same-sex couples have married there, constituting 44% of Massachusetts's same-sex couples, as enumerated in the American Community Survey.³¹ We are also able to gain insight from states with civil unions and domestic partnerships—statuses that, though different than marriage, offer some, if not most,

If allowed, about 2,917 of Iowa's same-sex couples would marry

of the state-level rights, benefits, and obligations of marriage. In Vermont, there were 1,367 same-sex civil unions as of April 2007, meaning that about 56% of Vermont's same-sex couples have entered into a civil union.³² In California, there were 41,568 domestic partnerships as of May 2007;³³ thus, approximately 40% of California's same-sex couples have entered into a domestic partnership.³⁴

Based on the experience of these states, we predict that half of Iowa's same-sex couples would marry if they had the legal right to do so. Using 2005 American Community Survey data, there are 5,833 cohabitating same-sex couples living in Iowa, up from 3,698 counted in Census 2000. Based on other states' experiences, we predict that half of these, or about 2,917 same-sex couples, would marry if allowed to do so.

For the purpose of this analysis, a more precise estimate of the percentage of unmarried same-sex couples marrying is unnecessary for us to conclude that the policy will have a net positive effect on Iowa's budget. The main thrust of our findings is not sensitive to the number of couples marrying or registering since the effects of a larger number of couples are offsetting. In other words, if more same-sex couples marry than we predict, savings in state benefits and added tax revenue will offset any additional loss in inheritance tax revenues. Conversely, if fewer couples marry than we estimate, then both the

savings and any costs of same-sex marriage will decrease respectively.

II. Impact on Tax Revenues

Extending marriage to same-sex couples in Iowa could affect the State's taxes on income, property transfer, and inheritance. Because same-sex marriage will also trigger an increase in taxable wedding spending by same-sex couples, we include the impact on Iowa's sales tax revenue in our analysis in this section. In Section VI, we examine the effect of wedding spending on Iowa's broader economy.

A. Impact on Income Tax

Extending marriage to same-sex couples will likely impact the income tax revenues collected by the State. Same-sex couples who marry will have the right to file their income tax returns jointly, just as different-sex married couples currently do. With this change in status, two individuals who previously filed as "single" will combine their incomes, and as a result, some of these couples will end up paying more or less in income tax when they file as married. However, most couples will likely pay an average of about \$704 more in annual income taxes. Overall, our simulations suggest that extending marriage to same-sex couples in Iowa will increase state income tax revenues.

To estimate the net tax impact of allowing same-sex couples to file jointly, we use the income and household characteristics of same-sex "unmarried partner" couples living in Iowa gathered by the Census Bureau's 5% Public Use Microdata Sample (PUMS). Using the census data on total income and number of children in a household, we can estimate each couple's taxes before and after extending marriage rights to same-sex couples. First, we calculate what couples pay now when they file as a "single" individual or "head of household." Then we estimate the tax payments for the couple if they were instead married filing jointly. Using these estimates, we determine the difference between their pre- and post-joint filing taxes, calculating the net effect of same-sex marriage on the State's income tax revenue.

For the sake of this analysis, we assume that the tax consequences of marriage will have no impact on who chooses to marry. Overall, research suggests that the possibility for increased taxation has a minimal impact on the likelihood of a couple's decision to marry.³⁵ We make several other assumptions to simplify the tax calculations. First, if the "householder" reported living with one or more of his or her own children under eighteen in Census 2000, we assume that the householder filed as head of household and that the partner filed as single. Second, when the householder has no children living with him or her, we assume that both partners currently file as single and will file as married filing jointly if allowed to wed.

We then calculate taxes twice, with and without the joint filing status. Given the available data, we used a simplified tax simulation for our estimates. To calculate Iowa gross income, we added together all forms of income for the partners in the Census data; these values were then inflated to 2006 dollars. We assume each partner claimed one exemption apiece if single, another if over 65, and one dependent exemption per child. We then applied the 2006 Iowa state tax schedule to calculate the taxes

owed by each individual and couple, first when each partner files as single or as head of household (if children are present), and second when the couple files jointly.

Our model shows that state income taxes would increase for approximately 86% of same-sex couples in Iowa if they could file jointly as married couples. The average increase in their taxes would be \$704. For 4% of couples, filing jointly would have no impact on their taxes, and 9% would see their taxes decrease, with an average decrease in taxes of \$179 for those couples. Taxes rise for most couples mainly because Iowa has a progressive tax structure and because most same-sex couples have two earners. Unmarried couples with two incomes get to take greater advantage of the lower tax brackets, and those couples get pushed into higher tax brackets when they marry and combine their incomes.

Table 1 presents the average and total changes in income taxes paid by couples in the three categories. Assuming that 50% of these individuals will marry, as per our discussion in Section I, the projected increase in income tax revenue is approximately \$1,254,000.

Table 1: Summary of Income Tax Revenue Calculations

Type of couple	Percent of Couples	Average Change in Taxes Per Couple	Total Change
Increase in taxes	86.5	\$704	\$2,580,000
Same amount of taxes	4.1	0	0
Decrease in taxes	9.4	-\$179	-\$71,600
Net change in income tax revenue if all marry	--	--	\$2,508,000
Total Estimated Income Tax Revenue	--	--	\$1,254,000

B. Impact on Inheritance Tax

Allowing same-sex couples to marry would likely impact on the amount of revenue that the State collects from its inheritance tax. The inheritance tax is levied on property that passes from a decedent to her or his beneficiaries under a will or under the intestate laws of succession.³⁶ In Iowa, property passing to a legal spouse is exempt from taxation. In addition, property is exempt from taxation if it is passed to lineal ascendants or descendants or their spouses, such as parents, grandparents, great-grandparents, children (biological and adopted), stepchildren, grandchildren, or great-grandchildren.³⁷ Property passing to unrelated individuals, such as unmarried same-sex partners, is taxed at a rate between 10 and 15 percent, depending on the amount of the bequest.³⁸ Notably, these taxes do not apply for estates that are \$25,000 or less.³⁹

Calculations of the impact of extending marriage to same-sex couples on inheritance tax revenue are complicated. Same-sex couples will inevitably vary in terms of the size of their estates, the extent to which all or part of an estate is left to the surviving partner, the number of other beneficiaries, and the measures they may take to mitigate the taxation of estates that will be inherited by their partners. Accordingly, we estimate the following impact of same-sex marriage on inheritance tax revenue using the most recent and reliable data available about same-sex couples in Iowa and about households in the United States, coupled with the most conservative assumptions about them (i.e., those assumptions that will produce estimates on the high end of the likely range of costs to the State).

1. Mortality of same-sex partners

To calculate the impact of same-sex marriage on inheritance tax revenue, we first estimate the number of individuals in same-sex marriages who would die each year. Based on our prediction that 2,917 Iowan same-sex couples will marry if permitted, we calculate there will be 5,833 individuals in same-sex marriages. Iowa's annual age-adjusted death rate is .0081.⁴⁰ Then, we multiply the death rate by the total number of individuals in same-sex marriages to

estimate that 47 individuals in same-sex marriages will die each year. With this estimate, we can calculate the potential effect of same-sex marriage on Iowa's inheritance tax revenue.

2. Median transfer inheritance tax for surviving unmarried same-sex partners

If Iowa extends marriage rights to same-sex partners, inheritance tax will no longer be owed on bequests left between same-sex spouses. To calculate the impact of same-sex marriage on the state budget, then, we must estimate the amount of tax that would have been paid, in the absence of same-sex marriage rights. To do so, we calculate the median tax that would be paid by the surviving spouse. We rely on the median net worth of households in the United States from the 2004 Survey of Consumer Finances, adjusted for inflation.⁴¹ We do not use the median net worth of all couples, but instead the median net worth of couples falling into five percentile groups in terms of net worth. This allows us to capture the fact that, depending on the size of the decedent's estate, some surviving partners might pay no inheritance tax while others might pay substantial amounts. We then divide the median household net worth for each percentile group by two, assuming that unmarried couples roughly share the assets and liabilities in their households.

Next we deduct the probate and funeral expenses, as these items are not included in the taxable value of these estates. Nationally, the average cost to probate an estate ranges from 2% to 10% of the value of the estate.⁴² In Iowa, a probate fee is charged for the estate's administrative processing. These fees vary based upon the services provided by the clerk, and range from \$15 to \$25, depending on the size of the estate; we conservatively use the \$15 fee set forth for a small estate administration in these analyses.⁴³ In addition to administrative fees, fees for personal representatives and/or attorneys of the estate may be deducted. These fees are set by statute, as follows: 6% for the first \$1,000; 4% for the next \$4,000; and 2% for all amounts over \$5,000.⁴⁴ To estimate funeral expenses we use the current average cost of an adult funeral in the United States, which is \$6,500.⁴⁵

Next, in order to determine the size of the decedent's estate that would be inherited by his or her unmarried partner, we take into account two common types of bequests that do not generate inheritance taxes under Iowa law: gifts to charities and children. Many individuals, particularly those with larger estates, will make charitable bequests, the largest form of bequest after those to surviving spouses.⁴⁶ Both Iowa and the IRS exempt such bequests from taxation.⁴⁷ While a recent study revealed that 8% of the population has included charitable bequests in estate plans,⁴⁸ the best information about charitable bequests comes from federal estate tax returns, which in 2005 were required for estates worth more than \$1.5 million. The data about such returns indicate that the frequency and size of charitable bequests usually increase with the value of the estate.⁴⁹

Accordingly, we only calculate a charitable deduction for our top quartile of individuals. We assume these individuals will have charitable bequest patterns similar to decedents filing federal estate tax returns: on average 19% will make charitable bequests and such bequests will represent 14% of their net estates.⁵⁰ We use these statistics to create a weighted average charitable deduction of 3% for all decedents falling in our top quartile. Again, these estimates are conservative because members of same-sex couples in Iowa might currently make larger charitable bequests than members of married couples in order to avoid the tax consequences of leaving bequests to their unmarried partners.

In addition to bequests to charities, many of Iowa's same-sex couples who would choose marriage have children: 19% of same-sex couples in the State have children under 18 in their households.⁵¹ It is likely that some of these individuals would leave all or a portion of their estates to their children. Accordingly, we next

estimate deductions resulting from gifts to children. It is difficult to determine how many individuals will bequeath all or a share of their estate to their children. Studies of married couples reveal a majority of married testators, 50% to 85%, leave everything to their surviving spouse, even when they have surviving children.⁵² We, then, make the conservative assumption that only 15% of individuals in unmarried same-sex couples with children will leave a portion of their estate to their children; this is equivalent to the lowest estimate of married couples leaving a gift to their children. We estimate that, on average, these individuals will leave half of their estates to their children.⁵³ We then calculate a weighted average for bequests to children, 1.4%, for all individuals in unmarried partnerships.⁵⁴

After taking these deductions, we make two additional conservative assumptions. First, we assume that the decedent has deployed no other estate planning strategies to reduce inheritance tax liability. However, it is quite likely that in order to avoid inheritance taxes, decedents with unmarried partners, especially wealthy ones, already employ other measures to reduce the tax burden. Second, we assume that the remainder of the decedent's estate will be left to the unmarried partner.

Finally, to estimate the median tax burden for estates of decedents in each percentile group, we compute the Iowa inheritance tax for our estimated median taxable estates that would pass to unmarried same-sex partners. We begin with 2007, although it is likely that it would take some time before the right to marry for same-sex couples would go into effect. Table 2 summarizes the previous steps that adjust estates to determine the taxable estate for decedents in same-sex couples in each net worth group.

Table 2: 2007 Estimated Inheritance Tax for Unmarried Same-Sex Partners by Percentiles Based on Household Net Worth

Percentile Group by Net Worth	A Median Household Net Worth	B Individual Net Worth (A*0.5)	C Probate Expenses ⁵⁵ (B-probate fees)	D Funeral Expenses (C-\$6,500)	E Charitable Bequests [D-(B*0.03)]	F Children Bequests ⁵⁶ [E-(B*.014)]	G Tax Rate (10-15%) ⁵⁷	H Tax ⁵⁸	I Estimated Tax Revenue (H*9.4)
Less than 25%	\$1,860	\$930	\$915	\$0	\$0	\$0	0%	\$0	\$0
25-50%	\$47,705	\$23,853	\$23,241	\$16,741	\$16,741	\$15,371	0%	\$0	\$0
51-75%	\$186,772	\$93,386	\$91,383	\$84,883	\$84,883	\$84,549	10% on \$50,000, 12% on remainder	\$9,146	(\$85,972)
76-90%	\$554,518	\$277,259	\$271,579	\$265,079	\$257,127	\$253,245	10% on \$50,000, 12% on next \$50,000, 15% on remainder	\$33,987	(\$319,478)
91-100%	\$1,564,752	\$782,376	\$766,593	\$760,093	\$736,622	\$725,668	10% on \$50,000, 12% on next \$50,000, 15% on remainder	\$104,850	(\$985,590)
TOTAL									(\$1,391,040)

3. Aggregate impact on inheritance tax revenue

To determine the aggregate impact of same-sex couples' marriages on inheritance tax revenue, we multiply the estimated number of same-sex partners likely to die annually by the estimated median tax burden for surviving partners in each percentile group. We do this by dividing the estimated number of such decedents evenly into our net worth percentile groups, so that each group contains 9.4 potential decedents. We then multiply the median tax burden for each group by 9.4 and add the aggregate tax burdens for each group together to estimate the overall impact on inheritance tax revenue.

In 2007, we project that the State will experience a decline in income from inheritance tax of approximately \$1,391,000. Notably, this amount is likely an overestimation, given the conservative judgments we have made in

calculating items such as charitable bequests and bequests to children.

C. Impact on Transfer Tax Revenue

In Iowa, a transfer tax is imposed on sales of real estate.⁵⁹ Transfers of real estate "when there is no consideration or when the deed, instrument, or writing is executed and tendered for recording as an instrument corrective of title" are not subject to the transfer tax.⁶⁰ Same-sex partners, therefore, can transfer real estate without being subject to the transfer tax if there is no consideration for the transfer. Consideration is defined in the statute as "the full amount of the actual sale price of the real property involved."⁶¹ If real property is transferred as a gift, then the transfer should not be subject to the transfer tax. Further, Iowa does not have a state gift tax. Consequently, same-sex marriage should not have an effect on revenue generated by transfer taxes, given that

same-sex couples can already transfer property without becoming subject to these taxes.

Further, it is likely that the right to marry could generate additional sales of homes to same-sex couples, thus increasing transfer tax revenue, as argued in a recent study by the New York State Comptroller's Office.⁶² The emotional stability and financial security associated with marriage may encourage same-sex couples to purchase a house, and those sales to couples will generate new tax revenue. Indeed, census data suggest that there is room for home sales to rise with respect to same-sex couples in Iowa. The rate of home ownership among married different-sex couples in Iowa is 87%, significantly higher than the 77% rate among same-sex couples.⁶³

D. Impact on Sales Tax

Extending the right to marry to same-sex couples would likely increase spending on wedding-related goods and services by in-state and out-of-state same-sex couples. Presently, Massachusetts is alone in allowing same-sex couples to marry, but that state forbids the vast majority of non-resident couples' from marrying in the State.⁶⁴ Therefore, if Iowa were to allow same-sex couples to marry—regardless of residency status—the State's businesses could experience a large increase in wedding and tourism revenue that would also result in an increase in sales tax revenue.

Below in Section VI we outline our estimates of the new spending by same-sex couples. In addition to boosting add-on sales taxes and additional occupancy taxes, the state and local

governments would directly benefit from this increased spending through the state retail sales tax. Based on our analysis presented in Section VI, we estimate that a decision by Iowa to allow same-sex couples to wed could result in approximately \$160 million in additional spending on weddings and tourism in the State. Because Iowa imposes a tax of 5% on the sale of most services,⁶⁵ this spending could generate more than \$8.0 million in tax revenue -- \$2.7 million per year for the first three years marriage is extend to same-sex couples. Tax revenue could well be higher, depending on how much of this spending is for special services like hotel rentals, a significant source of tourist spending, taxed at 7%.⁶⁶

Same-sex marriage would not affect transfer tax revenue

We also note that sales taxes only capture the most direct tax impact of increased tourism. Businesses and individuals will also pay taxes on the new earnings generated by wedding spending, providing a further boost to the state budget.

E. Summary of tax effects

Table 3 summarizes the tax effects of allowing same-sex couples to marry. We spread the sales tax effects over three years to make it comparable with the income and inheritance tax estimates. The increase in tax revenue for income and sales taxes is higher than the predicted decrease in inheritance taxes. The net effect would be a gain to the State of approximately \$1,742,000 per year.

Table 3: Summary of Annual Tax Impact for Iowa

Tax Type	Impact After Same-Sex Marriage
Income Tax (annually)	\$1,254,000
Inheritance Tax (annually)	(\$1,391,000)
Sales Tax (annually over 3 years)	\$2,668,000
TOTAL	\$2,531,000

III. Public Assistance Savings

Marriage implies a mutual obligation of support that is reflected in public assistance eligibility calculations. This section looks at the potential savings to the State if same-sex marriage means that same-sex couples are less likely to need public assistance or are less likely to qualify for it.

A. Public Assistance Programs

Iowa funds with state and federal sources an array of public benefit programs that provide subsidies and assistance to low-income individuals and families. The Family Investment Program (FIP), Iowa's main Temporary Assistance to Needy Families (TANF) program, provides cash assistance as well as employment and training services.⁶⁷ Financial assistance is also available through SSI, FIP Diversion and Family Self-Sufficiency grants,⁶⁸ Individual Development Accounts (IDAs),⁶⁹ Refugee Cash Assistance,⁷⁰ Child Care Assistance,⁷¹ Food Assistance Program (FAP),⁷² Health Insurance Premium Payment (HIPP),⁷³ and AIDS/HIV HIPP,⁷⁴ Medicaid, Medical Assistance,⁷⁵ IowaCare,⁷⁶ Medicaid for Employed People with Disabilities (MEPD),⁷⁷ and the state Children's Health Insurance Program (SCHIP).⁷⁸

B. Savings and Same-Sex Marriage

Eligibility for public assistance is means-tested and therefore dependent on the individual applicant's income and assets, as well as, for many programs, those of the applicant's family. For the many programs that consider a spouse's income and assets, a married applicant is generally less likely to qualify for assistance than single applicants. Because same-sex couples are not permitted to marry in Iowa, people with same-sex partners are likely to be considered "single" when eligibility for these programs is assessed, for neither the State nor the federal government currently requires applicants to include an unmarried same-sex partner's income and assets. This "single" classification results in same-sex partners being more likely to qualify for public assistance. If same-sex couples were able to marry, however, both partners' income and assets could be counted in determining

eligibility, thus increasing the likelihood that income or asset thresholds would be exceeded by applicants. With fewer same-sex couples participating in public benefits programs, state expenditures will fall.

In Iowa, the main assistance programs that take marital status into account in eligibility determinations are the Family Investment Program (FIP), Medical Assistance (Medicaid), State Children's Health Insurance Program (SCHIP), and Supplemental Security Income (SSI). Our calculations below therefore focus on these programs. Yet because same-sex marriage is likely to trim state spending on many public assistance programs not included in our calculations,⁷⁹ the estimates below are conservative.

For FIP (and for individuals qualifying for other benefits such as Medical Assistance because they receive FIP) and for SCHIP, the State generally determines applicant eligibility standards.⁸⁰ With respect to these programs, then, the State will be able to count a same-sex spouse's income and assets in determining the eligibility of an individual or family. For SSI and Medicaid, however, the federal government determines the generally applicable eligibility standards, restricting the State's discretion in developing its own application standards and procedures. Because the federal Defense of Marriage Act (DOMA) purports to limit the definition of the word "spouse" to different-sex marriages, Iowa may be prohibited from including a same-sex spouse in eligibility determinations for those programs.⁸¹ Nonetheless, in assessing eligibility for Medicaid and SSI, Iowa may still be able to take into account the resources of same-sex spouses under state and federal regulations that require Iowa to consider the resources of third parties who are legally liable for health care costs.⁸² Medicaid is a provider of last resort, and federal and state law require the State to assure that Medicaid recipients utilize all other available resources, i.e., third parties, to pay for all or part of their medical care needs before turning to Medicaid. Third parties are entities or individuals who are legally responsible for paying the medical claims of Medicaid recipients.⁸³ They include any "individual who has either voluntarily accepted or been assigned

legal responsibility for the health care” of a Medicaid applicant or recipient.⁸⁴ The income and assets of a same-sex spouse might be considered under this “third party” category, resulting in essentially the same eligibility determinations as if a “spouse” category was applied.

C. Calculations of Savings

To estimate the impact of same-sex marriage, we again draw on Iowa data from Census 2000. The Census asks respondents to report the amount of income from various sources, including the amount received from Supplemental Security Income (SSI) and from “public assistance or welfare payments from the state or local welfare office” in 1999.⁸⁵ In 1999, same-sex couples in Iowa received \$362,800 in SSI and \$452,800 in public assistance, according to the Census. These totals represent,

The total savings in public assistance expenditures would be about \$2.8 million annually

respectively, 0.16% of all SSI income and 0.54% of all public assistance received in Iowa in 1999.⁸⁶ If we assume that the proportions of SSI and public assistance to same-sex couples remain the same in 2006, we can estimate current spending by multiplying those percentages by the total amount of money Iowa currently spends on those programs.⁸⁷ Because the Census does not define with any precision “public assistance,” we utilize the 0.54% for every type of public assistance, with the exception of SSI, which is reported separately on the Census.

To calculate Iowa’s savings from same-sex marriage, we again assume that half of people in same-sex couples will marry. This assumption takes into account the fact that the possible loss of benefits will deter some same-sex couples from entering marriages.⁸⁸ However, an adjustment must be made to account for the fact that some same-sex spouses, though married, will continue to qualify for benefits,⁸⁹ just as some currently married couples do. According to the Census, in Iowa in 1999,

0.88% of same-sex couples received SSI and 1.9% of same-sex couples received public assistance; 0.95% of married couples received SSI and 0.78% of married couples received public assistance.⁹⁰ For the half of same-sex couples who will marry, we assume they will receive public assistance at the same rate as different-sex spouses, i.e. 0.78%. With respect to SSI, however, we assume same-sex spouses will continue to receive benefits at a rate of 0.88%, rather than at the slightly higher rate for married couples (0.95%). We do this because marriage will result in a consideration of both spouses’ incomes and therefore is likely to decrease, rather than increase, SSI eligibility.⁹¹ For the half of same-sex couples whom we predict will remain unmarried, we assume they will continue to receive SSI and public assistance at the currently observed rates, i.e. .88% and 1.9%, respectively. We estimate, then, that with same-sex marriage state expenditures on same-sex couples will remain the same for SSI and be reduced by about 30% for public assistance.⁹²

With same-sex marriage, we anticipate the total savings to the State in public assistance expenditures to be approximately \$2.8 million per year. This estimate includes savings in both state funds and federal FIP/TANF funds because the TANF block grant Iowa receives from the federal government is not likely to be reduced if fewer people in same-sex couples qualify. That is, if same-sex marriage means fewer FIP recipients, but not less federal funding, savings will accrue to the State in the form of freed federal monies. These calculations also assume that DOMA will not bar the State from including a same-sex spouse’s income and assets to calculate eligibility for Medicaid and SSI. If DOMA does prevent the State from including same-sex spouses in eligibility determinations for Medicaid and SSI, then the savings from public benefit programs where the State determines eligibility would be approximately \$132,000. As noted above, however, even if DOMA prevents the State from directly counting same-sex marriages, the State may still be able to count both spouses’ incomes and assets via regulations concerning the financial obligations of legally responsible third-parties.

Table 4: Expenditures and Savings on Major Public Assistance Programs

	Estimated State Spending on Same-Sex Couples in 2006	Estimated Savings in State Funds After Same-Sex Marriage
FIP/TANF	\$360,900	\$106,000
SCHIP	\$88,000	\$26,000
SUBTOTAL	\$448,900	\$132,000
Medicaid	\$9,004,000	\$2,654,000
SSI	\$34,500	\$0
TOTAL	\$9,487,400	\$2,786,000

IV. Expansion of Employee Benefits to Iowa's Same-Sex Couples

Iowa offers a number of fringe benefits to its employees, including health insurance, dental insurance, and retirement plans. In some cases, same-sex partners are already eligible for coverage under the State's domestic partner benefits. For some retirement benefits, however, the status as a legal spouse provides access to differential benefits. Below, we assess the implications of same-sex marriage for the State's expenditures on employee benefits. We find little or no impact on the States' budget resulting from same-sex marriage.

A. Health and Dental Benefits

Same-sex partners who meet the State's definition of domestic partners may obtain the same health and dental benefits coverage as different-sex married couples.⁹³ To qualify as a domestic partner, the couple must complete an "Affidavit of Domestic Partnership," providing indication of a relationship comparable to marriage (i.e. exclusivity, mental competence, financial interdependence, etc.).⁹⁴ The state contributions for the health insurance of domestic partners are identical to those of married couples.⁹⁵ In the case of dental benefits, the State does not subsidize any of the cost for obtaining family coverage, regardless of marital or domestic partner status.⁹⁶ Given that Iowa already offers benefits to domestic partners that are identical to those of married

individuals, same-sex marriage will not affect the State's expenditures on health and dental benefits.

B. Survivor Benefits under Iowa's Employee Retirement Plans

Public employees in Iowa are automatically enrolled in the Iowa Public Employees' Retirement System (IPERS).⁹⁷ Employees have a choice of six methods of payment upon retirement; these options differ based on the chosen death benefit. Two of the options are joint and survivor annuities which, in lieu of a lump sum payout, provide the beneficiary with a percentage of the employee's benefits for the remainder of the beneficiary's life.⁹⁸ While any beneficiary can be named under these joint survivor annuities, non-spousal beneficiaries who are more than ten years younger than the employee are limited to a smaller percentage of the employee's benefits. A same-sex partner who is ten years younger than the employee could receive up to 75% of the employee's benefits, whereas a spouse would be entitled to up to 100%.⁹⁹

If equal marriage rights were granted, the number of same-sex spouses that could potentially receive a higher payment would likely be quite small. Approximately 0.2% of Iowa's active employees who enroll in employee benefits have signed up a same-sex domestic partner;¹⁰⁰ consequently, we predict that approximately 0.2% of Iowa's active employees would sign up a same-sex spouse. Given that Iowa has approximately 61,131 employees, this translates into around 122 employees choosing

benefits for a same-sex spouse. Of those individuals, some employees would opt for one of the other four death benefit options which do not have a spousal element.

For those electing a joint and survivor annuity, the number with a spouse who is ten years younger would likely be quite small. Data from the 2000 U.S. Census indicate that approximately 17% of same-sex couples are in relationships with a ten year or greater age difference.¹⁰¹ We make the conservative assumption that all employees would elect a joint survivor annuity death benefit, and that 17% of these individuals would have a 10+ year age difference. We also conservatively assume that in all of these cases the state employee is the older partner. This suggests that same-sex marriage would result in no more than 21 same-sex spouses receiving the full benefit, who would normally only be entitled to receive a reduced percentage. Given that some of these individuals would likely have chosen the joint survivor annuity even in the absence of marriage rights, the added expenses from equal marriage rights would only amount to the 25% difference between the 100% benefit a spousal survivor can receive and the 75% that a nonspousal survivor is entitled to receive. Further, it is possible that some same-sex partners are already choosing this option, and labeling their child as a beneficiary; in this case, the age difference would result in lower benefits, and same-sex marriage would have no effect on this outcome. Consequently, additional expenditures in survivor benefits that would result from same-sex marriage would be quite small.

C. Total Change in Employee Benefits Coverage

Extending marriage rights to same-sex couples would have no effect on the state's contributions to health, prescription, or dental plans, as same-sex partners are already entitled to domestic partner coverage. Further, same-sex marriage would have little impact on the State's expenditures on retirement benefits, given that the plans largely offer the same options to both spousal and nonspousal survivors. Overall, therefore, we estimate a negligible effect on

employee benefits expenditures resulting from same-sex marriage.

V. Other Associated Costs

A. Administrative Costs of Issuing Marriage Licenses to Same-Sex Couples

If Iowa extends marriage rights to same-sex couples, the procedure for obtaining a license should follow the process and regulations already in place for opposite-sex couples.¹⁰² As a result, we estimate no start-up and few administrative costs associated with same-sex marriage. Furthermore, any costs that the State may experience would be covered by the fees charged to obtain a marriage license, which is currently \$35 per couple.¹⁰³ If 2,917 same-sex couples marry in Iowa, an additional \$102,095 in revenue would be generated from license fees. Therefore, we estimate no net administrative burden given that the revenues acquired via licensing fees will offset any administrative costs.

B. Dissolution of Marriages between Same-Sex Partners

Divorces of married same-sex couples would follow the same basic procedures as those for different-sex couples.¹⁰⁴ As the number of marriages increase in Iowa, the number of divorce filings added to the dockets of the Iowa District Courts will slightly increase. In predicting the number of marriages between same-sex couples that would dissolve each year, we have very little experience upon which to draw. However, approximately 1% of Vermont's civil unions have dissolved each year since 2000.¹⁰⁵ If half, or 2,917, of Iowa's same-sex couples marry and their unions are dissolved at the same rates as in Vermont, approximately 30 same-sex marriages will dissolve each year.

In 2006, there were more than 1 million cases filed in Iowa District Courts, almost 17,000 of which involved marital dissolutions.¹⁰⁶ The addition of 30 same-sex marriage dissolutions to the district court docket would therefore be insignificant, constituting an increase of .003% in total caseload and .2% in marriage dissolutions. Even in the highly unlikely scenario

that 30 same-sex marriage dissolutions were added to the docket of a single District Court,¹⁰⁷ that court would experience an increase of only .02% in total cases and 1.4% in marriage dissolutions filed.

Because the effect of same-sex marriage dissolutions on district court caseloads in Iowa would be very minor, it is unlikely that the judicial system would need to hire additional personnel or add infrastructure in order to process dissolutions of same-sex marriages. Further, any administrative costs resulting from these cases should be covered by the filing fees associated with each case.¹⁰⁸ Overall, then, we estimate little or no impact on state expenditures resulting from the marital dissolutions of same-sex couples.

VI. The Impact of Weddings on Iowa Businesses

In addition to the economic gains from sales tax revenue (discussed in Section I), the extension of marriage rights to same-sex couples would generate economic gains for Iowa businesses. Weddings create economic activity as well as jobs, providing a boost to the economy. Indeed, a new niche in the wedding industry exists for same-sex couples, projected by some to reach as high as \$16.8 billion dollars if same-sex marriage rights are granted nation-wide.¹⁰⁹ When same-sex marriage was offered in San Francisco¹¹⁰ and, later, in Portland,¹¹¹ weddings for both in-state and out-of-state couples resulted in large expenditures on wedding-related goods and services. Businesses in Massachusetts also experienced increased spending on hotels, catering, and other wedding-related expenditures with the legalization of same-sex marriage there.¹¹² If Iowa extended marriage rights to same-sex couples, it could experience similar economic benefits from wedding spending. In this section, we estimate the potential economic impact of same-sex weddings via these sources. The sales tax revenues generated by wedding spending were already considered in Section II.

A. Allowing for Marriages of Out-Of-State Same-Sex Couples

In order to calculate the economic effects of weddings of same-sex couples, we must estimate the number of marriages which could occur in Iowa. Previously, we estimated the number of same-sex couples in Iowa who might marry. It is likely, however, that if Iowa were to extend marriage rights to same-sex couples, couples from other states would also choose to marry in Iowa. The experiences of cities permitting same-sex marriage support this notion. When same-sex marriage was available in San Francisco for one month in 2004, couples came from 46 states and eight countries to marry.¹¹³ These out-of-state couples generated notable wedding-related spending. Research suggests that if out-of-state

The State would experience positive economic growth in its wedding industry

same-sex couples were permitted to marry in Massachusetts they could produce more than \$100 million in spending.¹¹⁴ Scholars have noted that the first state that allows out-of-state same-sex couples to marry would likely experience large economic gains both for businesses in the wedding industry and in tax revenues.¹¹⁵ If Iowa were to extend marriage rights to out-of-state same-sex couples, then, it is likely that the State would experience positive economic growth in the wedding industry as well as increased tax revenues.

Prior to estimating wedding expenditures, we first calculate the number of out-of-state same-sex couples who might marry in Iowa. According to the Tourism Office in the Iowa Department of Economic Development, 74 percent of travelers to Iowa were from Illinois, Minnesota, Nebraska, Missouri, South Dakota, Kansas, and Wisconsin.¹¹⁶ Data from 2005 indicate that there are approximately 87,357 same-sex partners in these states,¹¹⁷ as indicated in Table 6. As highlighted earlier, we estimate that half of same-sex partners in Iowa would marry in the first three years after marriage rights are extended. If we applied this same principle to the seven states with high levels of tourism to Iowa, we would predict that 43,679 couples in

these states would want to marry if permitted. Given that none of these states have extended marriage rights to same-sex couples, these couples might consider marrying in Iowa.

There are, however, some deterrents to marrying in Iowa for out-of-state couples. Travel costs could prove prohibitive for many couples wishing to take advantage of the new law. In addition, some individuals might be discouraged from marrying if their home state does not honor the Iowa marriage. It is unlikely, then, that all out-of-state couples who might wish to marry, will actually do so.

We take a number of steps to account for these disincentives. First, we assume that travel costs will be less of a deterrent for individuals originating from states which already send a significant number of tourists to Iowa – the seven states noted above which constitute 74 percent of Iowa’s tourism. Given that these states are contiguous to Iowa, it would be reasonable to assume that individuals wishing to marry would be willing to incur the associated travel costs. Nonetheless, it is unlikely that, even

within these seven states, all couples who wish to marry would travel to Iowa to do so. Consequently, we assume that half of those who wish to marry, or 25 percent of the 2005 same-sex partner count, will actually do so. Some individuals located in more far-reaching states would also choose to incur the costs associated with marrying in Iowa. We assume that 5% of couples in the remaining 40 states (excluding Massachusetts and Rhode Island) and the District of Columbia would travel to Iowa to marry. Massachusetts is excluded, given that it is the only state that has extended marriage rights to same-sex couples; Rhode Island is also excluded, since same-sex couples in Rhode Island are allowed to marry in Massachusetts.¹¹⁸ We include states with domestic partner benefits and civil unions; some individuals with these benefits would still choose to marry in order to receive the added social and emotional benefits that might be associated with marriage. In Table 6, we have set forth the estimated numbers of out-of-state same-sex couples who would travel to Iowa to marry. Our calculations reflect that approximately 54,723 out-of-state same-sex couples would marry in Iowa.

Table 6: Same-Sex Couples Who Would Marry in Iowa

State	Number of Same-Sex Couples ¹¹⁹	Number of Same-Sex Couples Traveling to Iowa to Marry (50% for Iowa, 25% for named states, 5% for “other 40 states”)
Iowa	5,833	2,917
Illinois	30,013	7,503
Kansas	6,663	1,666
Minnesota	16,081	4,020
Missouri	14,722	3,681
Nebraska	3,986	997
South Dakota	998	250
Wisconsin	14,894	3,724
Other 40 states (excluding MA and RI) and DC	657,633	32,882
TOTAL	776,943	57,640

In order to account for tourism expenditures derived from the 54,723 out-of-state couples who would marry in Iowa if permitted, we draw on tourism data that indicate the average per diem spending for a two-person household visiting Iowa is approximately \$103.¹²⁰ Iowa requires a three-day waiting period prior to the issuance of a marriage license.¹²¹ As a result, we expect out-of-state couples to stay at least three days in the state. We estimate, then, that these couples would spend an average of \$309 on travel-related expenses during their stay in Iowa.

In addition to tourism expenses, spending is also generated by the wedding preparations themselves, including items such as ceremonies, meals, parties, transportation, flowers, photographs, and other expenses. According to *The Wedding Report*, a wedding industry research group, the average cost of a wedding in 2006 in the state of Iowa was \$23,090.¹²² We conservatively assume that out-of-state couples would spend less than different-sex couples on weddings, given the challenges of planning a wedding from another state and the travel costs already in place. Nonetheless, out-of-state same-sex couples would typically spend more than the typical tourist, as they will likely purchase accommodations, meals, clothing, flowers, gifts, and other wedding-related items. We also expect additional spending by friends or family members who might accompany the couple, which is spending not included in the average wedding cost. Therefore, we conservatively assume that the additional wedding spending by out-of-state couples will be one-tenth of the typical wedding expense, or \$2,309. Thus, we estimate wedding spending at

\$2,618 for out-of-state couples. Multiplying our estimate of out-of-state couples by this figure, we determine that the projected spending by these 54,723 couples over the course of three years would be over \$143.3 million; this is an increase of approximately \$47.8 million per year.

B. Wedding Spending by In-State Couples

As previously noted, we estimate that 2,917, or half, of Iowa's same-sex couples would choose to marry if permitted. The weddings of these in-state couples would perhaps be larger than those of out-of-state couples, given that they will be better able to plan a large wedding and their friends and families are more likely to be local. However, due to societal discrimination, same-sex couples may receive less financial support from their parents and other family members to cover wedding costs. Additionally, only spending that comes from couples' savings would truly be "new spending" for the State's businesses, rather than money diverted from some other expenditure. Accordingly, we assume that same-sex couples will spend only 25% of the average amount, or just over \$5,772. The total for 2,917 couples would come to over \$16.8 million in additional wedding spending in three years, or approximately \$5.6 million per year.

Table 7 adds the spending by in-state and out-of-state same-sex couples to estimate a grand total of \$160 million in wedding spending over the first three years, or approximately \$53 million per year.

Table 7: Expenditures on Iowa Weddings by Same-Sex Couples in First Three Years

State Group	Couples Marrying in Iowa	Spending per Couple	Total Spending per State Group (in millions)
Out of State	54,723	\$2,618	\$143,300,000
Iowa	2,917	\$5,772	\$16,800,000
TOTAL	57,640	--	\$160,100,000

SUMMARY AND CONCLUSIONS

Table 8: Summary of Fiscal Effects on State Budget

	Fiscal Effect on the Budget
Income Tax (annually)	\$1,254,000
Inheritance Tax (annually)	(\$1,391,000)
Sales Tax (annually for the first 3 years)	\$2,668,000
Public Assistance	\$2,786,000
Employee Benefits	\$0
Administrative Costs	\$0
TOTAL	\$5,317,000

Using U.S. Census Bureau data from Iowa residents and drawing on the experience of Massachusetts and other states, this study quantifies the likely fiscal and economic effects of allowing same-sex couples to marry in Iowa.

- The State will experience a loss in inheritance tax revenues, but a significant increase in sales tax and income tax revenue, for a net gain of approximately \$2.5 million annually in tax revenues.
- The State will likely save over \$2.8 million in avoided public assistance expenditures from extending marriage to same-sex couples.
- Health and dental benefits of same-sex partners are already covered in Iowa, and spousal death benefits will result in a negligible effect on the State's budget.
- Extending marriage to same-sex couples will not generate additional administrative or court costs beyond those already covered by license and filing fees.
- If same-sex couples are allowed to marry, Iowa's wedding and tourism-related business sectors will see \$53 million per year in spending by in-state and out-of-state same-sex couples.

Our analysis projects that giving equal marriage rights to same-sex couples will have a positive impact on the state budget of approximately \$5.3 million per year and a revenue gain to state businesses of over \$53 million per year during the first three years that marriage is extended to same-sex couples. The analysis shows that same-sex marriage is not just good for same-sex couples, but good for the state budget and economy, too.

ACKNOWLEDGEMENTS

We thank Pat Cain for reading and offering input on this report. Thanks also to Darcy Pottle for her help with formatting.

ABOUT THE AUTHORS

M.V. Lee Badgett is Research Director at the Williams Institute, UCLA School of Law, and Director of the Center for Public Policy and Administration at the University of Massachusetts Amherst, where she is also on the faculty of the Department of Economics. She studies family policy and employment discrimination related to sexual orientation.

Amanda Baumle is Public Policy Fellow at the Williams Institute, UCLA School of Law as well as Assistant Professor of Sociology at the University of Houston. She specializes in demography, social inequality, and the sociology of law.

Adam P. Romero is Public Policy Fellow at the Williams Institute, UCLA School of Law. His current research examines the significance of family in society and law, especially as relevant to disabled adults without family.

Brad Sears is Executive Director of the Williams Institute, UCLA School of Law, where he is also an Adjunct Professor of Law and teaches sexual orientation and disability law courses. His current research focuses on HIV discrimination by health care providers.

For more information, contact:

The Williams Institute

UCLA School of Law

Box 951476

Los Angeles, CA 90095-1476

T (310)267-4382

F (310)825-7270

williamsinstitute@law.ucla.edu

www.law.ucla.edu/williamsinstitute

REFERENCES

- ¹ Badgett, M.V. Lee, R. Bradley Sears, Elizabeth Kukura, and Holning S. Lau. 2006. *The Impact on Washington's Budget of Allowing Same-Sex Couples to Marry*. <http://www.law.ucla.edu/williamsinstitute/publications/washington%20econ%20study.pdf> (accessed March 2008).
- ² Badgett, M.V. Lee et al. 2006. *The Impact on New Mexico's Budget of Allowing Same-Sex Couples to Marry*. <http://www.law.ucla.edu/williamsinstitute/publications/new%20mexico%20econ%20study.pdf> (accessed March 2008).
- ³ Badgett, M.V. Lee, R. Bradley Sears and Elizabeth Kukura. 2005. *The Impact on New Hampshire's Budget of Allowing Same-Sex Couples to Marry*. <http://www.law.ucla.edu/williamsproj/publications/New%20Hampshire%20Econ%20Study.pdf> (accessed March 2008).
- ⁴ Sears, R. Bradley and M.V. Lee Badgett. 2004. *The Impact on California's Budget of Allowing Same-Sex Couples to Marry*. <http://www.law.ucla.edu/williamsproj/publications/CASameSexMarriage.pdf> (accessed March 2008).
- ⁵ Badgett, M.V. Lee, R. Bradley Sears, Patrice Curtis and Elizabeth Kukura. 2005. *Counting on Couples: Fiscal Savings from Allowing Same-Sex Couples to Marry in Connecticut*. <http://www.law.ucla.edu/williamsproj/pdf/CountingOnCouples.doc> (accessed March 2008).
- ⁶ Badgett, M.V. Lee, R. Bradley Sears and Suzanne Goldberg. 2003. *Supporting Families, Saving Funds: A Fiscal Analysis of New Jersey's Family Equality Act*. <http://www.law.ucla.edu/williamsproj/publications/NJ-DPASTudy.pdf> (accessed March 2008).
- ⁷ Badgett, M.V. Lee. 1998. *The Fiscal Impact on the State of Vermont of Allowing Same-Sex Couples to Marry*. Amherst: Institute for Gay and Lesbian Strategic Studies. <http://www.igls.org/media/files/techrpt981.pdf> (accessed March 2008).
- ⁸ Badgett, M.V. Lee and R. Bradley Sears. 2005. "Putting a Price on Equality? The Impact of Same-Sex Marriage on California's Budget." *Stanford Law & Policy Review* 16(1):197-232. http://www.law.ucla.edu/williamsproj/publications/16_Stan_L_&_Poly_Rev_197.pdf (accessed March 2008).
- ⁹ Connecticut General Assembly, Office of Legislative Research. 2002. *Office of Fiscal Analysis Report on HB 5001*. http://www1.law.ucla.edu/~williamsproj/connstudy_files/connstudy.htm (accessed March 2008).
- ¹⁰ Office of Legislative Council. 2002. *Report of the Vermont Domestic Partnership Review Commission*. <http://www.leg.state.vt.us/baker/Final%20CURC%20Report%20for%202002.htm> (accessed March 2008).
- ¹¹ Hevesi, Alan G. 2004. *Testimony of New York State Comptroller Alan G. Hevesi to New York City Council in Support of the Right to Civil Marriage for Same-Sex Couples in New York State*, March 3. New York: Office of the New York State Comptroller. <http://www.osc.state.ny.us/press/releases/mar04/030304b.htm> (accessed March 2008).
- ¹² Holtz-Eakin, Douglas (Director, Congressional Budget Office). 2004. "The Potential Budgetary Impact of Recognizing Same-Sex Marriages." Letter to Chairman of House Subcommittee on the Constitution, June 21. <http://www.cbo.gov/ftpdocs/55xx/doc5559/06-21-SameSexMarriage.pdf> (accessed March 2008).
- ¹³ Iowa Department of Revenue. "Iowa Tax/Fee Descriptions and Rates." Available at <http://www.state.ia.us/tax/taxlaw/taxtypes.html#hm> (last retrieved on September 24, 2007).
- ¹⁴ *Varnum v. Brien*, Case No. CV5965 (Iowa Dist Ct. August 30, 2007) (unpublished).
- ¹⁵ Badgett and Sears, *supra* note 4.
- ¹⁶ Badgett, M.V. Lee et al. 2006. *The Impact of the Colorado Domestic Partnership Act on Colorado's State Budget*. <http://www.law.ucla.edu/williamsinstitute/publications/Colorado%20DP%20benefits%20on%20Econ%20Report.pdf> (accessed November 2007).
- ¹⁷ Badgett, Sears, Curtis, and Kukura, *supra* note 5.
- ¹⁸ Badgett, M.V. Lee, Amanda K. Baumle, Shawn Kravich, Adam P. Romero, and Brad Sears. 2007. *The Impact on Maryland's Budget of Allowing Same-Sex Couples to Marry*. <http://www.law.ucla.edu/williamsinstitute/publications/marylandfiscalimpact.pdf> (accessed March 2008).
- ¹⁹ Albelda, Randy et al. 2005. "Now That We Do: Same-Sex Couples and Marriage in Massachusetts: A Demographic and Economic Perspective." *Massachusetts Benchmarks* 7:23.
- ²⁰ Badgett, Sears and Kukura, *supra* note 3.
- ²¹ Badgett, Sears and Goldberg, *supra* note 6.
- ²² Badgett et al., *supra* note 2.
- ²³ Badgett, *supra* note 7.
- ²⁴ Badgett et al., *supra* note 1.
- ²⁵ Badgett, Sears, *supra* note 8.
- ²⁶ Office of Legislative Research, Connecticut General Assembly. 2002. *Office of Fiscal Analysis Report on HB 5001*. http://www1.law.ucla.edu/~williamsproj/connstudy_files/connstudy.htm (accessed November 2007).
- ²⁷ Office of Legislative Council, *supra* note 10.
- ²⁸ Office of the New York State Comptroller, *supra* note 11.

- ²⁹ Holtz-Eakin, Douglas, Director, Congressional Budget Office. 2004. *The Potential Budgetary Impact of Recognizing Same-Sex Marriages*. Letter to Chairman of the House Subcommittee on the Constitution. <http://www.cbo.gov/ftpdocs/55xx/doc5559/06-21-SameSexMarriage.pdf> (accessed November 2007).
- ³⁰ For evidence that the 2000 Census undercounted the number of cohabitating same-sex couples in the United States, see Badgett, M.V. Lee and Marc A. Rogers. 2003. *Left Out of the Count: Missing Same-Sex Couples in Census 2000*. Amherst: Institute for Gay and Lesbian Strategic Studies (noting that two surveys estimated the undercount at 16% to 19%). http://www.iglss.org/media/files/c2k_leftout.pdf (accessed May 21, 2007); Smith David M. and Gary J. Gates. 2001. *Gay And Lesbian Families In The United States: Same-Sex Unmarried Partner Households*. Washington, DC: Human Rights Campaign (estimating undercount at 62%) http://www.hrc.org/Template.cfm?Section=Census_20001&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=23&ContentID=27201 (accessed May 21, 2007).
- ³¹ Email from Kevin Foster, Office of Vital Statistics, Massachusetts, to Deborah Ho (May 1, 2007) (reporting that 9,695 same-sex couples have married in the state). According to the American Community Survey, an average of 21,956 same-sex couples lived in Massachusetts during the years 2004, 2005, and 2006.
- ³² See Cindy Chooley, Vermont Department of Health. Apr. 2007. *Monthly Report on Civil Unions* (reporting that 1,367 same-sex couples have entered a civil union in the state). According to the American Community Survey, an average of 2,435 same-sex couples lived in Vermont during the years 2004, 2005, and 2006.
- ³³ E-mail from Special Filings/Domestic Partnership Unit, Secretary of State, California, to Shawn Kravich (June 12, 2007) (reporting that 43,756 same-sex couples have entered a domestic partnership in the state). Though domestic partnerships are available to different-sex couples under specific circumstances, we conservatively assume that 95% of domestic partners in California are same-sex couples.
- ³⁴ See supra note 33. According to the American Community Survey, an average of 102,639 same-sex couples lived in California during the years 2004, 2005, and 2006.
- ³⁵ See Alm, James and Leslie A. Whittington. 1999. "For Love or Money? The Impact of Income Taxes on Marriage." *Economica* 66: 297, 309-10 (finding that the "marriage penalty"—the situation in which some couples pay more taxes when they marry than if they remain single—has a relatively small effect on an individual woman's decision to marry whereas there is statistically no negative effect on men).
- ³⁶ Iowa Code. 2007. § 450.3.
- ³⁷ Iowa Code. 2007. § 450.9.
- ³⁸ Iowa Code. 2007. § 450.10.
- ³⁹ Iowa Code 2007. § 450.4.
- ⁴⁰ The Joint Center, "Age-Adjusted Death Rates", using data from Centers for Disease Control and Prevention, National Center for Health Statistics Table 29 "All Persons 1997-1999", available at: http://www.jointcenter.org/DB/table/census_2000/Alcoa/health/ageadjusted_deathrate_99.pdf (accessed June 29, 2007).
- ⁴¹ <http://www.federalreserve.gov/Pubs/Bulletin/2006/financesurvey.pdf> (last visited on May 23, 2007).
- ⁴² American Association of Retired Persons. 1990. *A Report on Probate: Consumer Perspectives and Concerns* (concluding that the average cost of probate is from 2% to 10% of the gross estate).
- ⁴³ Iowa Code. 2007. § 633.31.
- ⁴⁴ Iowa Code. 2007. § 633.197.
- ⁴⁵ National Funeral Directors Association. 2007. *NFDA Fact Sheets* (average cost of an adult funeral in the United States is \$6,500). <http://www.nfda.org/nfdafactsheets.php> (accessed March 2008).
- ⁴⁶ Internal Revenue Service. Estate Tax Returns Filed in 2004 with Total Gross Estate Greater than \$1 Million: Gross Estate by Type of Property, Deductions, Taxable Estate, Estate Tax and Tax Credits, by Size of Gross Estate. 2005. SOI Unpublished Data ("SOI Estate Tax 2004 Data"). Washington, DC: United States Department of Treasury. <http://www.irs.gov/taxstats/indtaxstats/article/0,,id=96442,00.html>. (accessed May 18, 2007); Bass, Gary D. and John S. Irons. 2003. "The Estate Tax and Charitable Giving." OMB Watch. Washington, DC: Congressional Budget Office.
- ⁴⁷ See supra note 39.
- ⁴⁸ National Committee on Planned Giving. 2000. *Planned Giving in the United States: A Survey of Donors*.
- ⁴⁹ Internal Revenue Service, Estate Tax Returns Filed in 2005 by Tax Status and Size of Gross Estate, SOI Estate Tax 2005 Data Table (last visited on May 29, 2007 <http://www.irs.gov/pub/irs-soi/05es01fyr.xls>).
- ⁵⁰ *Id.*
- ⁵¹ MacCartney, Danielle, M.V. Lee Badgett, and Gary Gates. 2007. "Census Snapshot: Iowa." Available at <http://www.law.ucla.edu/williamsinstitute/publications/IowaCensusSnapshot.pdf> (last retrieved on September 18, 2007).
- ⁵² Oldham, J. Thomas. 1999. "What Does the U.S. System Regarding Inheritance Rights of Children Reveal About American Families?" *Family Law Quarterly* 33: 265.

⁵³ Obviously, some individuals might leave all of their estates to their children while others may only leave a fraction of their estates. We choose 50%, in part, based on our conservative assumption about the percentage of unmarried individuals who are leaving a portion of their estate to their children.

⁵⁴ Thus, we assume 81% of individuals in same-sex couples in Iowa do not have children and will leave no bequests to children. Of the 19% who do have children, we assume that 85% will leave nothing to their children and the remaining 15% will leave 50% of their estates to their children. Thus, the weighted average for the size of the bequest to children is $[(81*0) + (16.15*0) + (2.85*0.5)] / 100$.

⁵⁵ Probate expense calculations in Table 2 include both administrative and personal representative/attorneys' fees costs.

⁵⁶ Charitable deductions are only taken for the top quartile.

⁵⁷ Iowa Code. 2007. § 450.10.

⁵⁸ Property passing to unrelated individuals is taxed, as follows: 10% for any amount up to \$50,000; 12% on any amount between \$50,000 and \$100,000; 15% on amounts over \$100,000. Further, estates valued at less than \$25,000 are not subject to the estate tax.

⁵⁹ Iowa Code. 2007. § 428A.1.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² Office of the New York State Comptroller. 2007. *Love Counts: The Economic Benefits of Marriage Equality for New York*. <http://www.comptroller.nyc.gov/bureaus/bud/07reports/Jun07LoveCountBudgetnotes.pdf> (accessed November 2007).

⁶³ MacCartney, Badgett and Gates, *supra* note 51.

⁶⁴ Massachusetts General Laws. 1998. ch. 207, § 11. Massachusetts has interpreted a 1913 marriage evasion law to forbid all marriages that would be illegal in the state in which the out-of-state couples reside.

⁶⁵ Iowa Department of Revenue. "Iowa Tax/Fee Descriptions and Rates." Available at <http://www.state.ia.us/tax/taxlaw/taxtypes.html#hm> (last retrieved on September 24, 2007).

⁶⁶ *Id.*

⁶⁷ http://www.dhs.state.ia.us/docs/narrative_fip.doc (accessed March 2008).

⁶⁸ http://www.dhs.state.ia.us/Consumers/Assistance_Programs/CashAssistance/FamilyInvestmentProgram.html (accessed March 2008).

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ http://www.dhs.state.ia.us/Consumers/Child_Care/CCAssistance/CCAforConsumers.html (accessed March 2008).

⁷² http://www.dhs.state.ia.us/docs/narrative_foodstamps.doc (accessed March 2008).

⁷³ http://www.dhs.state.ia.us/Consumers/Health/Medical_Insurance/HIPP.html (accessed March 2008).

⁷⁴ http://www.dhs.state.ia.us/medical_assistance/medicaid/AIDS_HIV%20HIPP.html (accessed March 2008).

⁷⁵ http://www.dhs.state.ia.us/docs/narrative_medicaid06.doc (accessed March 2008).

⁷⁶ <http://www.ime.state.ia.us/IowaCare/index.html> (accessed March 2008).

⁷⁷ <http://www.dhs.state.ia.us/mhdd/mepd/index.html> (accessed March 2008).

⁷⁸ Iowa's State Children's Health Insurance Program (SCHIP) aims to increase the number of children with health insurance. Iowa's SCHIP program includes both a Medicaid expansion and separate program called Healthy and Well Kids in Iowa (hawk-i). The hawk-i portion of SCHIP provides health care coverage to Iowa children in families who have too much income to qualify for Medicaid but who do not have health care coverage. There were 21,924 children enrolled at the end of SFY07. <http://www.hawk-i.org/>. The Medicaid expansion portion of SCHIP provides Medicaid coverage to Iowa children, aged 6-19, whose family income is between 100 percent and 133 percent of federal poverty guidelines, and infants whose family income is between 185 percent and 200 percent of FPL. There were 11,850 children covered in the expansion program at the end of SFY07.

⁷⁹ Once permitted to marry, some same-sex couples' families may become eligible for some family-related benefits. However, the relative amount of money expended on such programs is very small, and such family-related benefits are not in the form of direct financial assistance; rather, they take the form of assistance via educational and similar programs. Consequently, we do not offset our calculations to account for this possibility.

⁸⁰ With respect to FIP, see Reauthorization of the Temporary Assistance for Needy Families Program, Federal Register 71: 37,454 (June 29, 2006 (interim final rule) (supplemental information)). With respect to SCHIP, see U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Overview of National SCHIP Policy, <http://www.cms.hhs.gov/NationalSCHIPPolicy/>.

⁸¹ DOMA is a federal law that limits the definition of "spouse" in all federal laws and regulations to refer "only to a person of the opposite sex who is a husband or a wife." Defense of Marriage Act, Public Law 104-199, § 1, 100 Stat. 2419 (1996) (codified at 1 U.S.C. § 7 (1997)). "Spouse" is the term used to specify individuals whose assets and income may be counted for SSI and Medicaid eligibility purposes. Thus, arguably, DOMA would prevent the state

from interpreting the term “spouse” in the regulations to include a same-sex spouse. A related issue has arisen in Vermont with respect to that state’s treatment of couples in a civil union within the Medicaid program. Mace, David. 2003. “Critics Say Rule Change Violates Domestic partnerships.” *The Times Argus*, April 17. Recent correspondence from the Centers for Medicare and Medicaid Services to state agencies in Vermont and Massachusetts suggests that the states cannot treat same-sex spouses in the same way that different-sex spouses are treated in the Medicaid program.

⁸² With respect to federal law, for example, federal law mandates that states must “take all reasonable measures to ascertain the legal liability of third parties to pay for care and services available under” Medicaid and to seek reimbursement in cases “where such legal liability is found to exist.” 42 United States Code 1396a. With respect to state law, see, for example, Iowa Code § 249A.6 (“When payment is made by the department for medical care or expenses through the medical assistance program on behalf of a recipient, the department shall have a lien, to the extent of those payments, upon all monetary claims which the recipient may have against third parties... For purposes of this section the term ‘third party’ includes an attorney, individual, institution, corporation, or public or private agency which is or may be liable to pay part or all of the medical costs incurred as a result of injury, disease or disability by or on behalf of an applicant for or recipient of assistance under the medical assistance program.”)

⁸³ Code of Federal Regulations. 2004. 42: 433.135. (“Third party means any individual, entity, or program that is or may be liable to pay all or part of the expenditures for medical assistance furnished under a State plan.”).

⁸⁴ See generally Centers for Medicare and Medicaid Services. 2003. *State Medicaid Manual* 3900-3910.15, 3900.1 and 3900.2.

⁸⁵ Wording from the Census questionnaire, published in U.S. Department of Commerce, U.S. Census Bureau, Public Use Microdata Sample, 2000 Census of Population and Housing, Technical Documentation, (April 2003), at D-8.

⁸⁶ For each category (SSI and public assistance), percentages were calculated by dividing the amount received in that category by same-sex couples by the total amount received in that category in Iowa, according to Census 2000.

⁸⁷ We do not merely inflate the 1999 numbers to 2007 levels because expenditures in 1999 are vastly different than more recent years. Therefore, we use the most recent data available on expenditures because they are more likely to reflect current and future expenditures than 1999 levels.

⁸⁸ Research on welfare benefits finds at most a very small disincentive effect. See Moffitt, Robert. 1992. “Incentive Effects of the U.S. Welfare System: A Review.” *Journal of Economic Literature* 30:27-31.

⁸⁹ For example, when a couple marries, the applicant’s partner may have few assets and low income, allowing the program recipient to remain in the public assistance program.

⁹⁰ For each category (SSI and public assistance), percentages were calculated by dividing the number of married same-sex couples that receive benefits by the total number of married or same-sex couples in Iowa according to Census 2000.

⁹¹ Even in the unlikely scenario that same-sex spouses receive SSI at the same percentage as currently married couples (0.95%), the increase in Iowa’s expenditures would be only \$1,400. Therefore, our assumption that same-sex spouses will continue to receive SSI at present levels (0.88%) is inconsequential.

⁹² The reduction rate for SSI was calculated as follows: $.5[1-(.88/.88)] = -.00$, or 0%. The reduction rate for public assistance was calculated as follows: $.5[1-(.78/1.9)] = .295$, or 29.5%.

⁹³ Iowa Department of Human Resources, “Domestic Partner Benefits.” http://das.hre.iowa.gov/benefits/benefit_pages/bene_domestic_partner.html (accessed on September 18, 2007).

⁹⁴ Iowa Department of Human Resources, “Affidavit of Domestic Partnership.” [http://das.hre.iowa.gov/benefits/benefit_forms/domestic%20partner%20affidavit%20\(552-0693\).pdf](http://das.hre.iowa.gov/benefits/benefit_forms/domestic%20partner%20affidavit%20(552-0693).pdf) (accessed on September 18, 2007).

⁹⁵ Iowa Department of Human Resources, *supra* note 93.

⁹⁶ State of Iowa, “State of Iowa Employee Benefits Handbook.”

⁹⁷ State of Iowa, “Iowa Public Employees Retirement System: Member Handbook.”

⁹⁸ *Id.*

⁹⁹ Iowa Public Employees Retirement System, “Getting Started: Information for Retirement Benefit Application.” March 2007.

¹⁰⁰ Holland, Ed, Risk and Benefits, Iowa Department of Human Resources. 2007. Email to Amanda Baumle, November 27.

¹⁰¹ Gates, Gary. 2006. “Characteristics and Predictors of Coresidential Stability.” Working paper, California Center for Population Research On-Line Working Paper Series.

¹⁰² See Iowa Code. 2007. § 595.

¹⁰³ See, e.g., Story County, Iowa. 2007. “Marriage License Instructions.” <http://www.storycounty.com/index.aspx?DN=775,22,6,1,Documents> (accessed November 2007).

¹⁰⁴ See Iowa Code. 2007. § 598.

¹⁰⁵ Vermont has recorded 7,800 civil unions from 2000 through 2005, of which 1,234 involved Vermont residents. In this same time period, there have been 92 dissolutions of civil unions entered by Vermont’s family courts, or an

average of 15 per year (civil unions may only be dissolved by Vermont residents). Cummings, Patrick, Office of Vital Records, Vermont Department of Health. 2006. Email to R. Bradley Sears, July 14.

¹⁰⁶ In 2006, 1,011,314 total cases and 16,665 marriage dissolutions or modifications of dissolutions were filed in Iowa District Courts. Beatty, Jerry, Director of Iowa Judicial Branch Education. 2007. "Total Caseload Activity Report for 2006."

¹⁰⁷ Iowa has eight District Courts distributed geographically across the state. See Iowa Judicial Branch. 2007. "Iowa Judicial Districts." http://www.judicial.state.ia.us/District_Courts/ (accessed November 2007). Divorces are handled in the judicial district in which either party resides. See Iowa Code § 598.2. Dissolution of same-sex marriages would therefore likely be spread out among the eight District Courts, resulting in only a handful of additional cases per court.

¹⁰⁸ Currently, the State charges \$100 to file a petition, \$50 to enter a file divorce decree, and \$50 modify a divorce decree. See Iowa Judicial Branch. 2007. "Civil Court Fees." http://www.judicial.state.ia.us/Self_Help/Civil_Law/Civil_Court_Fees/

¹⁰⁹ Lagorce, Aude. 2004. "The Gay Marriage Windfall: \$16.8 Billion." *Forbes.com*, April 5. http://www.forbes.com/commerce/2004/04/05/cx_al_0405gaymarriage.html.

¹¹⁰ See Jung, Helen. 2004. "Gay Marriages May Bring Joy to Tourism." *Oregonian*, Mar. 5: D1 (reporting that hotels in Vancouver had atypically high bookings and Macy's department store ran out of wedding rings during the month that San Francisco let same-sex couples marry); Knight, Heather. 2004. "Windfall in Castro: 'Giddy' Newlyweds Have Been Boon For S.F. Neighborhood." *San Francisco Chronicle*, February 18: A1 (reporting that extending marriages to same-sex couples was "great for businesses as newlyweds throw their money at the neighborhood's florists, jewelry stores, liquor shops, bookstores, and photo processors."); Bly, Laura. 2004. "Localities Cashing in on Same-Sex Marriages." *USA Today*, Feb. 27: 1D; see also Murphy, Dean E. "San Francisco Toasts Gay Weddings," *New York Times*, February 29: 3.

¹¹¹ See Jung, *supra* note 110; Joe D'Alessandro, president of the Portland Oregon Visitors Association, is quoted as saying that extending marriage to same-sex couples has provided an "economic boost" to Portland as same-sex couples and their families fly in for weddings. *Id.* David Sarasohn also quotes D'Alessandro as saying, "It's definitely having a positive impact, because more people are coming to Portland." Sarasohn, David. 2004. "Gay Marriage, Tourism: A Package Deal," *Oregonian*, April 11: C4. "They fly in, sometimes with families, friends, children, whatever. I've talked to the hotel people, and they say they've seen an increase in gay and lesbian customers." *Id.*

¹¹² Singer, Thea. 2004. "Three Swank Cities are Becoming Marriage Meccas for Gay Couples." *Boston Herald*, March 22: 27 (reporting that wedding-related businesses such as hotels, banquet halls, florists, and jewelers, in Boston, Cambridge, and Northhampton have seen "an upsurge of 10 to 100 percent in inquiries and bookings from gay couples" looking to marry); see also Szaniszló, Marie. 2004. "P'town Set for Gay-Wed Rush," *Boston Herald*, April 11:10; Belkin, Douglas. 2004. "Wedding Bell Bonanza Tourism, Marriage Industry Foresee Boom in Same-Sex Nuptials." *Boston Globe*, February 26: 1.

¹¹³ Teng, Mabel S., San Francisco Assessor-Recorder. 2004. *Demographics Breakdown of Same Gender Marriages*. <http://www.alicebolkas.org/abt/samesexmarriagestats.ppt> (accessed May 20, 2007).

¹¹⁴ Singer, *supra* note 112.

¹¹⁵ Brown, Jennifer Gerarda. 1995. *Competitive Federalism and the Legislative Incentives to Recognize Same-Sex Marriage*, Southern California Law Review 68: 745, 772; *How Will Same-Sex Marriage Affect Hawaii's Tourism Industry?: Hearing Before the Commission on Sexual Orientation and the Law*, 18th Legislative Session (Hawaii 1995) (testimony of Sumner Lacroix & James Mak).

¹¹⁶ Tourism Office of the Iowa Department of Economic Development, "Iowa Tourism Results for FY 2006" http://www.traveliowa.com/downloads/06_results.pdf (accessed on September 7, 2007).

¹¹⁷ Gates, Gary J. 2006. *Same-sex Couples and the Gay, Lesbian, Bisexual Population: New Estimates from the American Community Survey*. <http://www.law.ucla.edu/williamsinstitute/publications/SameSexCouplesandGLBpopACS.pdf> (accessed November 2007).

¹¹⁸ On September 29, 2006, Massachusetts Superior Court Justice Thomas E. Connolly ruled that same-sex couples who live in Rhode Island can marry in Massachusetts because the former does not explicitly forbid marriages between same-sex couples. On February 20 of the next year, Attorney General Patrick Lynch issued an opinion that marriages between same-sex couples, performed in Massachusetts, would be recognized in Rhode Island. On July 18, 2007, the state's registrar of Vital Records and Statistics issued a notice indicating that a Supreme Judicial Court ruling did not prohibit same-sex couples from New Mexico from marrying in Massachusetts. Nonetheless, we do not exclude New Mexico from our calculations of couples who might choose to marry in Iowa, as we do Rhode Island. Couples in Rhode Island are unlikely to travel to Iowa to marry, given the proximity to Massachusetts. Those in New Mexico, however, are geographically closer to Iowa than to Massachusetts, and would not be similarly deterred from traveling to Iowa to marry.

¹¹⁹ Gates, *supra* note 117, at appx. 1.

¹²⁰ The average household of 1.95 people spends an average of \$249 on a trip of 2.41 nights. Reinders, LuAnn, Tourism Office, Iowa Department of Economic Development. 2007. Email to Amanda Baumle, September 18.

¹²¹ Iowa Code. 2007. § 595.4.

¹²² Badgett, M.V. Lee and Gary J. Gates. 2006. *The Effect of Marriage Equality and Domestic Partnership on Business and the Economy*. <http://www.law.ucla.edu/williamsinstitute/publications/MarriageEqualityontheEconomy.pdf> (accessed March 2008).