

# IRS Gay Marriage Decision Makes Economic Sense, Too

---



By [Brian Frydenborg](#) August 30, 2013

4 upvotes

Barely two months [after the Supreme Court struck down part of the Defense of Marriage Act \(DOMA\)](#) as unconstitutional, [the IRS and the Treasury today announced](#) that they will recognize any same-sex marriages as having the exact same status as opposite-sex marriages regardless of where the couple resides. That means that a gay couple that was married in Massachusetts (which recognizes same-sex marriages) and now lives in Alabama (which does not recognize same-sex marriages) will be entitled to all federal tax benefits for married couples.

Couples can even file amended returns going back to 2010, and in some cases, 2009, to receive higher refunds than they received if they filed as single when they were already married. A legal marriage will be good for these purposes not only if it originates or originated from any U.S. state, but also from the District of Columbia, U.S. Territories, and any foreign country as well. The ruling does not apply to civil unions, domestic partnerships, or other similar relationships that are not defined as a marriage.

The impact of this ruling should be clear: thousands of Americans who are gay, lesbian, or bisexual in their sexual orientation and legally married

to a member of the opposite sex will be able to save thousands of dollars. While this means less tax revenue, it also will mean more consumer spending and investment. [For 2013, the IRS standard deduction](#) was \$6,100 for an individual, and \$12,200 for a married couple. If, for example, a lesbian couple has one breadwinner and one person who is a full-time student or a stay-at-home parent, there is little that non-working person would gain from an individual standard deduction. But the breadwinner, filing with her spouse, would be able to double their standard deduction on her income. Married couples also have [significantly higher income thresholds](#) to pass than individuals before being bumped into a higher tax-bracket. Exemptions, credits, IRA taxes, and employee benefits are also now more favorable for same-sex couples.

Instead of opting to enforce a "state of residency" standard, one which would have only allowed couples living in states that legally recognized same-sex marriages to file their taxes jointly, [the Obama Administration opted for a "state of celebration" standard](#) that allows these couples that are legally married to file jointly regardless of orientation or residency. The Tax Foundation [noted](#) that the 24 states that do not recognize same-sex marriage and also make taxpayers refer to their federal tax forms when they file their state returns will need to provide further guidance to taxpayers.

Human Rights Campaign President Chad Griffin [exclaimed](#) "With today's ruling, committed and loving gay and lesbian married couples will now be treated equally under our nation's federal tax laws, regardless of the state they call home," and that now those "families finally have access to crucial tax benefits and protections previously denied to them under the discriminatory Defense of Marriage Act."