

March 14, 2005

PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM

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Advisory Panel on Federal Tax Reform  
1440 New York Avenue NW Suite 2100  
Washington, DC 20220

Dear Advisory Panel on Federal Tax Reform:

Every year, my life-partner and I are discriminated against at the local, state, and federal levels concerning taxation. We are a same-sex couple living in Houston, Texas. Since the advisory panel was setup to review the federal tax system, I will focus this letter at that level.

The current federal tax system adversely affects me and my partner and every same-sex couple living in the United States today. Here's how it discriminates:

1. **Health Insurance for Partners - A Taxing Proposition:** Employees pay income and payroll tax on the health insurance premiums their employers provide for domestic partners who do not otherwise qualify as dependents. Benefits for different-sex spouses are not subject to this tax.
2. **Flexible Spending Accounts Not So Flexible:** Employees can use flexible spending accounts to pay for a different-sex spouse's medical expenses, including eyeglasses, prescriptions, and co-pays, on a pre-tax basis. These accounts cannot be used for a same-sex partner, or even a same-sex spouse.
3. **Retirement Savings - Death and Taxes:** Tax treatment of retirement savings, such as those found in 401(k) plans, privileges spouses and penalizes same-sex couples. This means that on the death of a partner, the surviving partner is left not only with the same emotional loss that a different-sex spouse experiences, but also with an unfair tax bill. This problem is made even more acute by the fact that same-sex couples are denied survivors' benefits under Social Security, even though they pay the same payroll taxes as heterosexual workers.
4. **Estate and Gift Taxes - Strangers Under the Law:** Different-sex spouses get a complete exemption from estate and gift taxes. But same-sex partners, even ones who are married in Massachusetts or parties to civil unions in Vermont, are treated as strangers under the tax code. So when a partner dies, their estate is subject to taxation.
5. **Filing Federal Income Taxes Jointly:** Despite my partner and I having been together for more than 10 years, we are not able to file federal income taxes jointly. However, every state in the United States honors marriages performed in Canada, the state of Massachusetts, and elsewhere where same-sex marriage is legal. Perhaps California will be next. The panel needs to take into consideration the vast number of same-sex households in the United States and acts accordingly. All marriages must be honored by the code and same-sex couples should be allowed to file jointly.

In addition, Social Security has its own adverse consequences for same-sex couples. Please consider this:

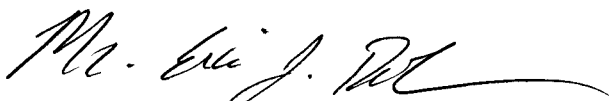
1. **Equal Contribution, Unequal Benefits:** All GLBT people pay into Social Security on an equal basis with their heterosexual counterparts, but are not eligible for equal benefits.
2. **No Survivors' Benefits:** Same-sex partners do not receive survivors' benefits when a partner dies, even though they pay for them equally.
3. **No Disability Benefits:** Same-sex partners are not eligible for spouse's benefits when a partner becomes disabled, even though they pay equally into the program.

4. **Children Are Left Unprotected:** Sixty percent of children being raised by same-sex couples live in a jurisdiction where second-parent adoption is unavailable, meaning that these children cannot secure a recognized legal relationship with one of their parents. When a parent dies without such a legal relationship, the surviving child is not eligible for surviving child benefits under Social Security, even though the deceased parent paid into the program, and even if the parent supported the child for her whole life.
5. **Even When a Child is Legally Adopted by Same-Sex Partner, Benefits are STILL Unavailable:** Social Security provides "surviving parent" benefits to the parent caring for a minor child when the other parent dies. But all children raised by same-sex couples are excluded from this benefit, even though their parents pay equally into Social Security, because it is only given to couples who are recognized as "spouses" under federal law, which same-sex couples are not. Even though the benefit is for children and not spouses, children being raised by GLBT people are ~~denied it because their parents cannot marry.~~

As you can see, this is clearly taxation without representation. I hope that the panel genuinely takes into consideration how same-sex couples are discriminated against and adversely affected by the current tax code. Without a doubt, the fight for gay and lesbian equality is here. The gay and lesbian community's fight for equal taxation is a part of it.

I welcome your reply to this letter. Thank you for considering these facts.

Sincerely,



Mr. Eric J. Roberson  
4406 Donna Bell Lane  
Houston, TX 77018  
e-mail: eric.roberson@ptk.org