



HUMAN
RIGHTS
CAMPAIGN[™]

April 29, 2005

The President's Advisory Panel on Federal Tax Reform
1440 New York Avenue, N.W.
Suite 2100
Washington, D.C. 20220

**RE: Comment Letter on Revising the Internal Revenue Code to Make it Simpler
and Fairer for American Families**

Dear Panel Members:

The Human Rights Campaign (“HRC”) supports the efforts of the President's Advisory Panel on Federal Tax Reform (the “Panel”) to construct a fairer and simpler Internal Revenue Code (the “Code”) for American families. HRC is a bipartisan organization that works to advance equality based on sexual orientation and gender identity and expression to ensure that gay, lesbian, bisexual and transgender Americans can be open, honest and safe at home, at work and in the community. Founded in 1980, HRC has close to 600,000 members.

As we stated in our March 4, 2005 comment letter on revising the Code to make it simpler and fairer for American families, the federal tax laws – in their current form – result in unequal treatment of numerous American families headed by lesbian and gay couples. In addition to the inequities discussed in our prior comment letter, same-sex couples who are married in Massachusetts or parties to civil unions in Vermont (and soon in Connecticut) are required under state law to file a joint state tax return and under federal law to file separate

federal tax returns. HRC strongly encourages the Panel to adopt a proposal that will require couples filing joint state tax returns also to file joint federal tax returns.

Same-sex couples who must file joint state tax returns currently are required to prepare at least four returns -- a "phantom" joint federal tax return that will not be filed, but that must be prepared in order to determine the couple's state taxes, a joint state tax return in the state that sanctioned the couple's marriage or union, and two individual filings with the federal government because it does not recognize the marriage or union. This is twice as many returns as most married couples must prepare. Some accountants and other tax professionals have found it necessary to charge same-sex couples nearly double the cost of preparing annual tax returns for different-sex couples due to the additional time it takes to prepare four returns and the costs of training their workforces. In order to promote fairness and consistency in our nation's tax system, same-sex couples who file joint state tax returns should also file joint returns for federal purposes. This will ensure that -- with respect to their federal tax filing status -- same-sex couples have the same benefits, rights, and obligations as opposite sex couples.

The Panel's efforts to make the tax laws simpler and fairer presents an opportunity to address this inequity and relieve American families from inconsistent tax regimes. We would welcome the opportunity to meet with or testify before the Panel to discuss in greater detail the inequitable treatment of gay and lesbian families under the Code. We are hopeful that your consideration of our views and your examination of current policies will contribute to meaningful reform of the Internal Revenue Code.

We appreciate the opportunity to provide our views on this very important subject.

Sincerely,

A handwritten signature in black ink that reads "Christopher Labonte". The signature is written in a cursive style with a large, prominent initial "C".

Christopher Labonte, Deputy Political Director/Federal Legislative Director

Lara Schwartz, Senior Counsel
/s/