



NEWS



from the Office of the
New York City Comptroller
William C. Thompson, Jr.

1 Centre Street, New York, NY 10007 . (212) 669-3747 . press@comptroller.nyc.gov . www.comptroller.nyc.gov

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Contact: Jeff Simmons, (212) 669-2636

THOMPSON: NYC ECONOMY WOULD GAIN \$142 MILLION AFTER LEGALIZATION OF MARRIAGE FOR SAME-SEX COUPLES

-- Part of larger New York State gain of \$184 million --

New York City Comptroller William C. Thompson, Jr. today issued a study finding that the legalization of marriage for same-sex partners could yield \$142 million in economic benefits to New York City.

The report, *Love Counts: The Economic Benefits of Marriage Equality for New York*, concluded that the \$142 million largely would be generated in the three years immediately following enactment of legislation, and would be derived from the spending of residents and visitors on their weddings, along with the spending of their out-of-town guests.

“Legalizing marriage for same-sex couples in New York would have impacts beyond allowing individuals to make the full legal commitments to their partners that opposite-sex couples take for granted,” Comptroller Thompson said in the report.

The report – which can be viewed at www.comptroller.nyc.gov - analyzed both the economic effects on the state and the fiscal impacts on government.

Thompson concluded that enacting marriage equality would entail costs to businesses and in particular those that offer health insurance to employee spouses. However, the report notes that any additional costs would be partly offset by the fact that many firms already provide domestic partner coverage. Among the Comptroller’s findings:

- The economic impact of legalizing marriage for same-sex couples would add, on a net basis, about \$184 million in spending to the State's economy for the three years after legislative approval.
- The \$142 million benefit to New York City's economy would include spending on weddings by New York State residents who live outside the City but choose to marry there.
- The fiscal benefits would be over \$117 million for New York State and about \$7 million for New York City.

Table 1. Summary of Three-Year Economic and Fiscal Impacts of Legalizing Marriage for Same-Sex Couples

	NYS	NYC
Economic impacts		
Weddings	\$247,000,000	\$175,000,000
Employee health insurance	(63,000,000)	(33,000,000)
Net economic impact	\$184,000,000	\$142,000,000
Fiscal impacts		
Sales & Hotel Occupancy	5,500,000	5,100,000
Personal income tax	2,100,000	negligible
Estate tax	negligible	—
Fees ^a	—	1,800,000
Health	110,000,000	0
Public assistance	0	0
Net fiscal impact	\$117,600,000	\$6,900,000

^a Marriage license fees are paid to local municipalities.

Thompson pointed out that the figures do not capture all of the potential impacts of legalizing marriage for same-sex couples. For instance, firms may face lower recruiting costs or an expanded pool of qualified candidates if same-sex couples are more likely to move to New York as a result of the change. As well, greater economic security resulting from marriage may prompt more couples to buy homes, thereby generating greater tax revenue.

Additionally, there would be fiscal impacts including higher sales and personal income tax collections and marriage license fees, lower estate tax collections, and public savings on means-tested government transfer programs.

In 2005, there were 50,854 same-sex couples living together and residing in New York State who can be identified as partners, according to the U.S. Census Bureau. That same year, there were 23,321 such couples in New York City. Nationally, the Census Bureau reported there were an estimated 777,000 same-sex couples at that time.

Using Massachusetts' experience as a guidepost, the Comptroller's Office study reasoned that 51 percent of same-sex couples identified through the Census Bureau's American

Community Survey would marry if given the opportunity. The Comptroller's Office adopted a conservative approach to produce the estimates in the report.

The Comptroller estimated that in the three years following legalization more than 56,000 couples would travel from out-of-state to marry in New York State, generating spending of approximately \$137 million. This includes the fact that New York State requires a minimum of 24 hours between the issuance of a marriage license and the performance of a ceremony, so couples who traveled to the State would either stay overnight or attempt to make two day-trips to the State.

Same-sex couples planning to marry and stay overnight in New York State would spend almost \$60 million and generate about \$77 million in destination wedding guest spending. Destination weddings involve travel by couples and their guests. The \$77 million would consist of \$60 million generated by those staying overnight in hotels, \$16 million from guests staying with friends and family, and more than \$1 million from day-trippers.

New York City, meanwhile, would receive a boost of about \$175 million to its economy during the first three years after legislative approval of marriage for same-sex couples in the State, accounting for 71 percent of the added economic activity in the State. Again, the benefit to the City's economy would largely derive from overnight stays.

Same-sex couples are projected to spend \$53 million, with \$17 million coming from couples who have simple weddings, and more than \$35 million from couples hosting destination weddings.

The \$63 million that would come from destination wedding guests would consist of \$49 million generated by those who stay in hotels, \$13 million from those staying with family and friends, and about \$1 million attributed to day-trippers from other parts of New York, and New Jersey, Connecticut and Pennsylvania.

The Comptroller estimates that New York City business establishments (about 211,000) would pay a total of \$11 million per year in increased health insurance costs for employee spouses and families, while New York State establishments (a total of 503,000) would pay about \$21 million annually for the additional coverage.

Thompson further examined the overall impact on legalized marriage for same-sex couples on the City's budget, concluding that it would draw in \$7 million in revenue over the three years.

Additional tax revenues would amount to \$5.1 million, largely driven by \$4.3 million in sales tax revenues resulting from an increase in wedding-related tourism. The personal income tax and estate taxes also would witness small impacts.

The Metropolitan Transportation Authority, which receives a portion of the sales tax, would benefit by about \$500,000, and the City also would collect an additional \$767,000 in Hotel Occupancy Tax revenue.

Same-sex couples currently are not allowed a “married” filing status on their federal tax returns. Since the State and City use federal adjusted gross income as a starting point for applying tax provisions, the State would have to make adjustments in the tax code to accommodate same-sex married couples who wish to file as married. If this occurs, there would be virtually no change in the City’s income tax collections and State collections would increase \$2.1 million for the three-year period.

Revenues from marriage licenses would total \$3 million statewide, based on 50,458 applications at \$35 each in New York City, and 32,012 applications elsewhere in the State at \$40 each.

Legalization of marriage for same-sex couples could prompt an increase in homeownership rates. Thompson estimated that additional collections of real estate taxes in New York City could total as much as \$40 million over several years and the State could collect nearly \$50 million. (These figures are not included in the overall total.)

Thompson further noted that since domestic partners of New York State and City employees already are eligible for health benefits under the law, it’s unlikely that the public sector would incur additional costs due to spousal health benefits if marriage for same-sex couples is legalized.

Additionally, individuals who receive assistance under certain means-tested programs – such as the State’s Medicaid program - may become ineligible for them if they marry someone whose income or assets are sufficient to lift them above the income and asset thresholds for these programs. Thompson estimated that the State would save about \$110 million in Medicaid outlays over the three-year period looked at in the report.

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