



Taxpayers: Broken-Hearted or Just Plain Broke? Government Drives Up the Cost of Valentine's Day

Matchmaker, matchmaker, make me a match. Fine me a fine, tax me a tax...

Taxpayers are unlucky in love this Valentine's Day. Of an identified \$17 billion in Valentine's Day related spending on candy, flowers, dinner, jewelry, greetings cards, clothing, and hotels, government composes 33.14 percent of those costs—approximately \$5.6 billion in revenues. But how does government love thee? Let us tax the ways....

This year's average Valentine's Day spending is estimated to be \$126.03 a person, an 8 percent increase in spending since last year. Valentine's Day spending is subject to income taxes, payroll taxes, corporate income taxes, and other taxes on business activity. Government then includes additional fees, excise taxes, and international tariffs that further increase the cost of giving a special day to your loved one.

First, the government takes a good bite out of your box of chocolates. Of the \$2.63 billion of chocolate purchased during Valentine's Day, 30.81 percent of the price goes to the government. And make sure you save a space at your romantic dinner for a third wheel – Uncle Sam is driving up the cost of your night out by 30.84 percent. Total bill: \$3.2 billion.

A token to show your affection won't come cheap either: Depending on how much you're willing to splurge on a Valentine's Day gift, tariffs on jewelry will make even the most committed paramours think twice. Gold necklaces and diamonds owe 35.82 percent of their price to government taxation. If you think your loved one won't notice that you didn't spring for the real thing, you certainly will when you hand over the cash: government demands an extra 6 percent for the knock-off bling. Together with taxes on flowers and greeting cards, government cashes in another \$1.1 billion.

If parting is such a sweet sorrow, government makes traveling with your loved anything but saccharine. Whether you're hoping to hit the slopes or the beach, any clothes purchased for a romantic getaway, the government taxes nearly all types of apparel. Of the \$1.1 billion of clothing purchased for Valentine's Day, 45.52 percent of the price is the result of government taxation.

The getaway location for the weekend will cost you too; 39.39 percent of the hotel room's price is owed to Uncle Sam. If you have to rent a car for your trip, government piles on another 38.77 percent of the cost. Altogether, your romantic memories mean another \$1.3 billion for government.

Valentine's Day is usually a time to reflect on that special someone in your life. However, with government making up 33.14 percent of the cost of the holiday, it may mean it's time for taxpayers and government to spend some time apart.

Uncle Sam? We need to talk...and it's not me. It's you.

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.atr.org