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The Devaluation of Women's Labor and the Internal Revenue Code

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By Margaret Quartararo

I. INTRODUCTION[1]

In 2015, the labor force participation rate for women with children under age 18 was 69.9 percent.[2] This means that almost 30 percent of women choose an alternative lifestyle, which may likely involve raising children and caring for their homes.[3] Focusing on the development and growth of that component of their lives is a challenging and noble task and will not be disparaged by this article. However, of that group of women who choose not to partake in the labor market, a portion of them chose to attend to the upkeep of their home or the care of an elderly relative living in their household because it was too expensive for her to continue working.[4] When a woman's pay is below a certain level, it may not be cost-effective for her to continue working outside of the household.[5]

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[1] It is important to note that the research contained in this article and the conclusions that it may draw do not specifically account for age, race, education level, or sexual orientation. While the intersectionality of those identities with the ability of an individual to fully engage with the labor market is crucial to understanding just how deeply ingrained disparate treatment of different peoples runs within the Internal Revenue Code (because, after all, the Code was originally written by an all-white, all male Congress in 1913), there simply is not enough space in this article to adequately and appropriately address all of these individual facets of identity. That being said, this article addresses all women together.

[2] *Employment Characteristics of Families Summary*, U.S. DEP'T LAB.: BUREAU LAB. STAT. (2017), http://www.bls.gov/news.release/famee.nr0.htm [https://perma.cc/L5D2-FQBL].

[3] *Id.*

[4] Mark Hamrick, *Workforce Mystery: Why are Women Dropping Out?*, BANKRATE (Oct. 1, 2014), http://www.bankrate.com/finance/jobs-careers/why-are-women-leaving-the-workforce-1.aspx [https://perma.cc/KGR7-VY3P].

[5] MICHAEL J. GRAETZ & DEBORAH H. SCHENK, FEDERAL INCOME TAXATION: PRINCIPLES AND POLICIES 455 (7th ed. 2013).

This article calls for an amendment to the Internal Revenue Code reflecting the value a woman adds to the market when she chooses to care for her home or an elderly family member. Additionally, this article will call for punishment to companies that seek to profit from the devaluation of women's labor. The primary focus of this article is amending a portion of the Internal Revenue Code to properly address this issue.

The Internal Revenue Code, which governs how much of an individual's income contributes to the sustenance of the federal government, reflects our social mores in a pragmatic manner because money is the lifeblood that flows between public and private life.[6] Essentially, the things we value as a society are codified into law.[7] When these societal valuations concern labor and the income that may or may not be produced from this labor, they fall under the governance of the Internal Revenue Code.[8] Therefore, it may reasonably be deduced that the lack of a tax credit for domestic care involving the upkeep of a taxpayer's home and/or an elderly relative who may be living with them is a passive contribution indicating that the work that goes into caring for a home and/or an elderly relative is not valued by our society.

It is crucial to note that the Internal Revenue Code explicitly denies any deduction for "personal, living, or family expenses," while the remainder of the Code is filled with various deductions for business expenses and other expenses pertaining to goods produced by engaging with the labor market.[9] This distinction between business and personal expenses is deeply entrenched in American society, and it "enjoys wide support as one of the most basic elements of the income tax system."[10] This article advocates for

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[6] Boris I. Bittker, *Federal Income Taxation and the Family,* 27 STAN. L. REV. 1389, 1392 (1975).
[7] *Id.* at 1392.
[8] *Id.*
[9] I.R.C. § 262(a) (2016).
[10] Tsilly Dagan, *Ordinary People, Necessary Choices: A Comparative Study of Childcare Expenses*, 11 THEORETICAL INQUIRIES L. 589, 593–94 (2010).

a domestic care tax credit that fairly values the labor women put into ensuring that their homes and elderly relatives may be efficiently and effectively cared for.

It is fundamentally unjust for the Internal Revenue Code to contribute to the societal devaluation of women's labor by dis-incentivizing women from working due to the non-existence of a domestic care tax credit. Due to the non-existence of such a credit, women who earn an income below a certain level may increase their household expenses by being employed instead of quitting their jobs to care for the upkeep of their homes and/or the care of an elderly relative.[11]

While a market-oriented approach acknowledges the material costs of performing unpaid labor and the detriment women generally experience as a result of being paid unfairly in the workplace, this perspective falls short by failing to acknowledge the contribution the Internal Revenue Code continually makes to this conundrum by lacking a tax credit for domestic care.[12] Unless a domestic care tax credit is implemented, we as a society risk placing yet another generation of women in the incredibly unfair position of being forced to choose between actively engaging in the labor market by pursuing a career and caring for the upkeep of their home or an elderly relative.

An additional facet of this conundrum faced by many young women looking to actively engage with the labor market is the issue of gender pay equality.[13] Gender pay equality is not the focus of this article but should be mentioned here because it would substantially contribute to the resolution

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[11] Tamar Lewin, *Ideas & Trends; For Some Two-Paycheck Families, The Economics Don't Add Up*, N.Y. TIMES (Apr. 21, 1991), http://www.nytimes.com/1991/04/21/weekinreview/ideas-trends-for-some-two-paycheck-families-the-economics-don-t-add-up.html [https://perma.cc/964Q-T57B].

[12] Edward J. McCaffery, *Taxation and the Family: A Fresh Look at Behavioral Gender Biases in the Code*, 40 UCLA L. REV. 983, 1032 (1993).

[13] *AAUW Issues: Gender Pay Gap*, AM. ASS'N U. WOMEN (2016), http://www.aauw.org/what-we-do/public-policy/aauw-issues/gender-pay-gap/ [https://perma.cc/BE4H-GPNJ].

of the societal crisis known as the devaluation of women's labor. The American Association of University Women, an equality advocacy organization based in Washington, D.C., found that "the total estimated loss of earnings of women compared to men are $700,000 for a high school graduate, $1.2 million for a college graduate and $2 million for a professional school graduate."[14] Although it is not new or extraordinarily refreshing to argue that women deserve to be paid a wage equivalent to their male counterparts, more emphasis ought to be placed upon punishing companies that seek to profit from women's labor devaluation.[15] While sanctioning companies that engage in unfair labor practices is also not the focus of this article, it would certainly be a strong step in the right direction and could result in the societal change our capitalist community so desperately needs.

Even with this suggested change to punish companies for wage discrimination, the Internal Revenue Code should be modified as well because the federal government must be held accountable for its passive contribution to the devaluation of women's labor. The first step toward accountability should be the establishment of an independent and diverse committee to review the Internal Revenue Code in its entirety for instances of passive bias and disparate treatment of various identities.

Following this committee, the implementation of a revised Internal Revenue Code permitting a credit against the imposed income tax (for half of the cost spent on domestic care, an amount equal to and not exceeding $10,000 for each taxable year) is needed to create the societal change that our progressive society should properly reflect. This proposed change to the Code could provide a proactive solution to a problem that many Millennial

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[14] *Id.*

[15] James Sherk, *Paycheck Fairness Act Unfairly Burdens Employees and Employers,* HERITAGE FOUND. (June 5, 2012), http://www.heritage.org/research/reports/2012/06/paycheck-fairness-act-unfairly-burdens-employees-and-employers [https://perma.cc/GTT6-VJWD].

women may soon face as the generation of Baby Boomers lives on into old age because women, in general, provide approximately 70 percent of all elder care.[16] By implementing a domestic care tax credit as part of a revised Internal Revenue Code, the federal government can work toward equitably addressing the economic disparity faced by women who are forced to choose between caring for their families and pursuing their careers.

Part II of this article will expand on the dysfunctional problems that coincide with our society's devaluation of women's labor. This section will include a brief discussion of the gender-wage gap, the societal-gender stereotypes at play in this conundrum, and the larger social justice implications that come from properly valuing the labor of women. Part II will also explain the importance of a societal shift toward valuing the labor of women. Part III will delve into the intersection of historical patterns of sexism and the Internal Revenue Code. This section will expand on, define, and clarify the implications of imputed income, tax expenditures, and tax credits and deductions. Part IV will explain what a revised Internal Revenue Code would look like. This section will include a discussion of the First-Time Homebuyer Tax Credit example, along with an in-depth examination of the proposed domestic care credit. The proposed domestic care credit will include the benefits and downfalls of the costs, benefits, and the socio-ethical responsibility to implement this credit. Additionally, this section will examine the norm-based framework for implementing this credit which will include a discussion of efficiency, equity, and societal values behind the proposed tax credit and will explain why this credit appropriately fits within the Internal Revenue Code. Part V explores alternative perspectives and thoughts in opposition to the introduction of this proposed credit.

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[16] Peggie R. Smith, *Elder Care, Gender, and Work: The Work-Family Issue of the 21st Century*, 25 BERKELEY J. EMP. & LAB. L. 351, 360 (2004).

II. BACKGROUND TO THE PROBLEM OF DEVALUED WOMEN'S LABOR

The Supreme Court has established that, while not a fundamental right, the right to work is "of the very essence of personal freedom and opportunity."[17] The workplace exodus briefly described above impacts women, in particular, because women are generally paid less than men for their labor in the workforce.[18] The gender-wage gap will be described in more detail below. The only fair assumptions that may be made regarding nonmarket labor are that "(1) women, and not men, do the work, and (2) this work does not entitle women to wages or other economic benefits tied to traditional market employment."[19] The labor of women is severely devalued when it becomes necessary for a woman to drop out of the workforce to care for their home or an elderly relative.[20] This section will: (1) explain the gender-wage gap; (2) discuss the societal gender stereotypes that are particularly relevant to the devaluation of women's labor; and (3) explore the social justice implications of implementing changes to properly value women's labor.

A. The Gender-Wage Gap

The gender-wage gap results from a societal pattern of behavior in which women are paid substantially less than men for equal labor in equal employment when they choose to sell their labor in a capitalist society.[21] The Institute for Women's Policy Research, a non-profit organization

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[17] Truax v. Raich*,* 239 U.S. 33, 41 (1999).

[18] *The Wage Gap Over Time: In Real Dollars, Women See a Continuing Gap*, NAT'L COMMITTEE ON PAY EQUITY (Sept. 2016), http://www.pay-equity.org/info-time.html [https://perma.cc/V39H-WX4P].

[19] Nancy C. Staudt, *Taxing Housework*, 84 GEO. L.J. 1571, 1573 (1996).

[20] Philip N. Cohen & Matt L. Huffman, *Occupational Segregation and the Devaluation of Women's Work across U.S. Labor Markets*, 81 SOC. FORCES 881, 881–908 (2003) (discussing whether macro-level gender inequality influences the devaluation of women's labor).

[21] *Pay Equity & Discrimination*, INSTITUTE FOR WOMEN'S POL'Y RES. (2016), http://www.iwpr.org/initiatives/pay-equity-and-discrimination [http://perma.cc/7JCS-TE6R].

dedicated to researching issues of poverty, employment, and women's civic and political participation, estimates that a woman in the United States makes 80 cents for every dollar made by a man, leaving a gender wage gap of 20 percent.[22] This brief statistic falls short of telling the whole story, however, because it does not account for race or age within the gender gap, both of which produce an additional layer of discrimination and devalued labor.

While the issues of race and age within the gender gap are far too vast to be discussed in sufficient detail in this article, it should be noted that this problem varies so vastly that in 2014 the "wage gap was largest for Hispanic and Latina women, who were paid only 54 percent of what white men were paid."[23] The inclusion of this statistic is intended to express the prevalence and vastness of the problem of the gender-wage gap.

B. Relevant Societal Gender Stereotypes

Congress devised the original Internal Revenue Code in 1913, and while many progressive steps have been taken since then, the consequences for women have not been altered to any sort of noteworthy degree.[24] Accordingly, the Internal Revenue Code was developed by male legislators and attorneys nearly a century ago, to largely reflect, benefit, and sustain people in positions similar to their own.[25] Therefore, it may be reasonably deduced that the Code was designed to exclude or marginalize the voices and experiences of all others except for professionally successful, white men. Academic commentators have observed the underlying and blatant assumptions of the Internal Revenue Code, and the active and passive contributions it has made, even as it has developed and expanded in the last century, to the economic insecurity and dependency of women by

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22 *Id.*
23 *AAUW Issues: Gender Pay Gap*, *supra* note 13.
24 Tariff Act of 1913, H.R. 63-86 (1913).
25 Lucinda M. Finley, *Breaking Women's Silence in Law: The Dilemma of the Gendered Nature of Legal Reasoning*, 64 NOTRE DAME L. REV. 886, 892 (1989).

encouraging their reliance on men.[26] This phenomena will be expanded on below in a discussion of the particulars associated with wage equity and marriage tax benefits and penalties.

Essentially, the Internal Revenue Code places women in an archaic stereotype from long ago of being dependent upon men for financial support in all forms. The tragically inadequate childcare tax credit is another prime example of the Internal Revenue Code's ingrained subordination of women and direct devaluation of their labor.[27] As briefly mentioned above, the Internal Revenue Code codifies our social mores. Therefore, as a progressive society, we have a social responsibility to cultivate a tax code that does not force women out of engaging with the labor market due to a societal devaluation of their labor and ingrained stereotypes of dependency upon their male counterparts.[28]

C. Social Justice Implications

As a progressive and productive society, we have a responsibility to all citizens to promote and encourage the value of all labor, regardless of whether the labor solely benefits the individual and their economic unit or society as a whole. A woman must be enabled to choose freely between caretaking responsibilities in her home or an elderly relative and a career in our market economy.[29] The World Bank estimates that 49.558 percent of the global population is women.[30] To consider as acceptable anything less than working toward this goal of equally valued societal contributions is a disservice to society as a whole because, as briefly indicated previously, women make up half of the global population.[31]

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[26] Staudt, *supra* note 20, at 1572.
[27] I.R.C. § 21 (2016).
[28] Bittker, *supra* note 6, at 1399.
[29] Staudt, *supra* note 20, at 1573.
[30] *Population: Female*, WORLD BANK (last visited March 5, 2018), http://data.worldbank.org/indicator/SP.POP.TOTL.FE.ZS [https://perma.cc/L5C4-4TYK].
[31] *Id.*

Kathryn Branch, a founding member of the Duke Journal of Gender Law and Policy, states that the low valuation placed on tasks associated with the home, "combined with the social and legal assignment of that responsibility to women, results in a devaluation of women and the work they do."[32] American society places such low value on the work that falls to women that this lack of importance translates to all other labors conducted by women. This, in turn, produces the gender wage gap along with a variety of other labor disparities faced by women.[33] As a purported world leader in democracy and capitalistic values, we have a duty to women of past and future generations to ensure that there is a place for them to actively engage with the labor market instead of being forced to tend to the upkeep of their homes or the care of an elderly relative.

While women may be more empowered presently than they have been in the past, the pervasive codification of sexism in the Internal Revenue Code makes it challenging to work past many of the hurdles that remain today. The United States is generally classified as a progressive society, and as such, it should provide an Internal Revenue Code that does not casually and consistently devalue the labor of women and place them in archaic stereotypes of dependency upon men for financial support.

III. SEXISM IN THE INTERNAL REVENUE CODE: BACKGROUND

The existing Internal Revenue Code's attempt at addressing the pragmatic needs of families consists of I.R.C. § 21.[34] Additionally, the needs of women are minimally acknowledged throughout this vast collection of statutes. This section will: (1) explain imputed income; (2) discuss tax expenditures in relation to government funding; and (3) address tax credits and deductions.

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[32] Kathryn Branch, *Are Women Worth As Much as Men?: Employment Inequities, Gender Roles, and Public Policy*, 1 DUKE J. GENDER L. & POL'Y 119, 133 (1994).
[33] *Id.* at 153.
[34] I.R.C. § 21 (2016).

A. Imputed Income

Imputed income, most commonly known as a term used in tax law classrooms around the country, is also a moderately esoteric concept that affects a variety of households. In 1943, Donald Marsh defined imputed income as "a flow of satisfactions from durable goods owned and used by the taxpayer, or from goods and services arising out of the personal exertions of the taxpayer on his own behalf."[35] The Internal Revenue Code passively codifies the exclusion of imputed income from aggregated gross income (which is taxable).[36] Essentially, imputed income consists of all things a person does for the benefit of themselves and their household, instead of paying for another individual to conduct that service.[37] It would be incredibly unreasonable for the Internal Revenue Service to directly tax an individual or their household for services they chose not to pay for because they opted to do that particular thing for themselves. Such behavior would operate in opposition to many of the individual "do-it-yourself" values that permeate our society.

While this rationale for not taxing the imputed income cultivated by an individual makes sound pragmatic sense, the Internal Revenue Code does not provide the counter to a tax (a deduction or credit) for imputed income.[38] As has been mentioned above, this passivity results in the devaluation of women's labor because a vast amount of imputed income that goes into the success of a home is produced by women.[39]

Theoretically, all income that comes from the market through things produced by an individual's labor is subject to a federal income tax.[40] Imputed income differs from market income because it is not nearly as easy

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35 Donald B. Marsh, *The Taxation of Imputed Income*, 58 POL. SCI. Q. 514, 514 (1943).
36 I.R.C. § 61(a) (2016).
37 Marsh, *supra* note 36, at 514.
38 *See generally,* I.R.C (2016).
39 Branch, *supra* note 32, at 133.
40 Marsh, *supra* note 36, at 515.

to identify or simply quantify.[41] For example, an individual produces imputed income when she chooses to mow her household's lawn instead of paying someone else to conduct this service. Additionally, when an individual chooses to care for an elderly relative instead of placing this family member in a nursing home and paying for the costs associated with that facility (or paying for someone else to conduct the service of caring for that individual within the taxpayer's home), they are cultivating imputed income for their household and that of the elderly relative.

While it would be unreasonable and incredibly inequitable to tax people for goods and services they actively choose not to engage in, the Internal Revenue Code provides no means of valuing this work in any capacity. The Code consists of an expansive collection of statutes that describe what is to be included and not included in an individual's taxable income and, further, what they may deduct from that taxable income.[42] However, there is no reference to any means of valuing the type of labor a woman engages in when she places value in her home or the care of an elderly relative.

B. Tax Expenditures

Tax expenditures are generally understood to be codified "revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability." [43] These exceptions may be viewed as alternatives to other policy instruments, such as spending or regulatory programs.[44] Essentially, these exceptions enable the federal government to spend money to incentivize certain patterns of behavior without ever actually writing a check for a program.

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[41] *Id.*
[42] *See generally,* I.R.C. (2016).
[43] *Tax Expenditures*, U.S. TREASURY, https://www.treasury.gov/resource-center/tax-policy/Documents/Tax-Expenditures-FY2016.pdf (last visited March 5, 2018). [https://perma.cc/8GAN-PWKH].
[44] *Id.*

The Office of Management and Budget (OMB) and the Congressional Joint Committee on Taxation (JCT) publish annual lists of tax expenditures.[45] The Tax Expenditure Budgets list out the estimated revenue losses (the money that has been spent without any direct governmental action) attributable to preferences in the Internal Revenue Code that the agencies describe as exceptions to "normal" or "reference" provisions of the income tax law.[46] As was briefly mentioned above, a tax expenditure allows the federal government to spend money through the tax code.[47] By not collecting a certain amount of money through a specific section of the Internal Revenue Code, the federal government effectively spends money and directs societal change in a targeted manner.

Tax expenditures "reduce the income tax liabilities of individuals and businesses that undertake activities Congress specifically encourages."[48] The deduction of contributions to charitable and non-profit organizations, for example, "reduces tax liability for people who donate to qualifying organizations."[49] The suggested societal behavioral shift (valuing the labor of women who may not be able to afford to work) would be subtly guided by the federal government without the spending of any actual money if conducted as a tax credit.

The First-Time Homebuyer Credit is an excellent example of this method of indirect funding toward a societal behavioral shift and will be discussed in more detail in Part IV.

[45] *What is the tax expenditure budget?*, TAX POL'Y CTR. (2016), http://www.taxpolicycenter.org/briefing-book/what-tax-expenditure-budget [https://perma.cc/656G-GCED].
[46] *Id.*
[47] U.S. TREASURY, TAX EXPENDITURES (2016), *supra* note 43.
[48] *What is the tax expenditure budget?*, *supra* note 45.
[49] *What is the tax expenditure budget?*, *supra* note 45.

C. Tax Credits and Deductions

Before diving into the proposed domestic care credit, it is important to understand the intentionality behind the selection of this method. Taxpayers receive tax relief in two forms: tax credits and tax deductions. Tax credits generally provide the greatest degree of relief to the taxpayer because it pertains to their tax liability.[50] Tax deductions, on the other hand, still provide a modicum of relief, but are less useful than credits because they pertain to the taxpayer's after-tax income.[51] Thus, a tax credit was selected as the proposed change for this article because it provides the greatest impact for taxpayers.

Tax credits are designed to create vast social change, as will be discussed in later pages regarding homeownership.[52] The Internal Revenue Code is a massive collection of statutes pertaining to a variety of patterns of behavior that result in the production of income. Statutes, in turn, are laws. Laws are put in place for many reasons, but not to exploit taxpayers for their labor. This section will explain: (1) how tax credits impact the taxpayer and (2) how tax deductions impact the taxpayer.

1. Credits

Tax credits provide a dollar-for-dollar reduction in an individual's income tax liability.[53] For example, a $1,000 tax credit will save a person $1,000 in taxes. Tax credits are far less common than tax deductions because they tend to result in a disproportionately good deal for taxpayers.[54] Tax credits cannot reduce an individual's income tax liability to less than

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[50] *Tax Credits vs. Tax Deductions*, U.S. TAX CTR, https://www.irs.com/articles/tax-credits-vs-tax-deductions [https://perma.cc/B7T4-MU9Y].
[51] *Id.*
[52] Kenya Covington & Rodney Harrell, *From Renting to Homeownership: Using Tax Incentives to Encourage Homeownership Among Renters*, 44 HARV. J. ON LEGIS. 97, 106 (2007).
[53] *Tax Credits vs. Tax Deductions*, *supra* note 50.
[54] *Id.*

zero because his or her gross income tax liability is the amount that they would be responsible for paying before any credits are applied.[55] Most tax credits are non-refundable, which means that any excess amount expires in the same year in which it was used, and the additional amount is not refunded to the taxpayer.[56] Essentially, a tax credit enables the taxpayer to deduct a specific amount from their taxable income before calculating the amount of federal income taxes they owe.[57]

2. Deductions

Tax deductions lower an individual's taxable income and are equal to the percentage of his or her marginal tax bracket.[58] For example, if an individual is in the 25 percent tax bracket, a $1,000 deduction would save him or her $250 in taxes (0.25 x $1,000 = $250).[59] The two primary types of tax deductions are the standard deduction and itemized deductions.[60]

The standard deduction is a specific dollar amount that reduces an individual's taxable income and is adjusted for inflation each year.[61] This deduction is based on a person's tax filing status and is subtracted from his or her adjusted gross income.[62] Itemized deductions are typically only utilized by taxpayers who do not qualify for the standard deduction.[63] A taxpayer will usually choose to itemize deductions if it offers them more benefits than the standard deduction, such as "when the amount of qualified deductible expenses totals more than the standard deduction."[64]

55 *Id.*
56 *Id.*
57 *Id.*
58 *Id.*
59 *Id.*
60 *Id.*
61 *Id.*
62 *Id.*
63 *Id.*
64 *Id.*

Generally speaking, the proposed domestic care tax credit will be most beneficial to households and taxpayers who merely qualify for the standard deduction (those in the lowest tax bracket).

IV. A Revised Internal Revenue Code

The solution to the devaluation of women's labor is multifaceted and complex; however, a thorough revision of the Internal Revenue Code would be a strong step in the right direction. A complete overhaul of this vast collection of statutes in a single year is unreasonable, but the implementation of a domestic care tax credit would be far more doable because this is an introduction of a single statute. This section will: (1) discuss the successes and failures of a previously implemented tax credit; (2) explain the proposed domestic care tax credit; and (3) explore the norm-based framework for implementing this tax credit.

A. First-Time Homebuyer Tax Credit Example

The First-Time Homebuyer Tax Credit is a prime example of a tax credit designed to reshape societal values via the Internal Revenue Code.[65] This First-Time Homebuyer Tax Credit was designed to boost homeownership between April 2008 and May 2010.[66] This tax credit is no longer available, but it is evidence of a good faith effort made by Congress to steady the economy and repair the devastated housing market left in the wake of The Great Recession of 2008.[67] This tax credit was designed to open the door to homeownership for many people who lost nearly everything in the 2008 market downturn; essentially, this tax credit operated like an interest free loan for two years.[68]

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[65] Covington, *supra* note 52, at 106.
[66] I.R.C. § 36 (2010).
[67] *Tax Credit to Aid First-Time Homebuyers,* I.R.S., (Sept. 16, 2008), https://www.irs.gov/newsroom/tax-credit-to-aid-first-time-homebuyers-must-be-repaid-over-15-years [https://perma.cc/4KXZ-CQF3].
[68] *Id.*

For example, if an eligible taxpayer purchased a home during the available window,[69] and then claimed the maximum available credit of $8,000[70] on his or her 2008 federal income tax return, then he or she must repay the credit by one-fifteenth of this amount as an additional tax on his or her 2010 return.[71] This statutorily structured two year grace-period between the purchase of the home and the beginning of the repayment period was designed to provide taxpayers with a reasonable window of time to get their finances in order and have a roof over their heads while The Great Recession ran its course.[72]

However, the rate of homeownership in the United States has been in a pattern of steady decline since 2004 (prior to even the Great Recession).[73] While this tax credit may have been designed to influence taxpayers to invest funds into the purchase of a home and, simultaneously, stabilize the economy, Congress erred in using the Internal Revenue Code to implement this change because it was largely inefficient and complicated to police.[74] Essentially, the portion of the American public who qualified for this tax credit did not take advantage of it because" (1) it too strongly influenced consumer interaction with the market (the mark of an inefficient tax policy which will be discussed in more detail below), and (2) was too detailed for the average qualifying taxpayer to properly understand and utilize.[75]

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[69] I.R.C. § 36 (h)(1) (2010).
[70] I.R.C. § 36 (b)(1)(A) (2010).
[71] I.R.C. § 36 (f)(7) (2010).
[72] Sarah J. Webber, *Don't Burst the Bubble: An Analysis of the First-Time Homebuyer Credit and Its Use as an Economic Policy Tool*, 45 J. MARSHALL L. REV. 23, 33 (2011).
[73] Prashnat Gopal, *Homeownership Rate in the U.S. Drops to Lowest Since 1965,* BLOOMBERG (July 28, 2016), http://www.bloomberg.com/news/articles/2016-07-28/homeownership-rate-in-the-u-s-tumbles-to-the-lowest-since-1965 [https://perma.cc/EQQ4-UW9X].
[74] Webber, *supra* note 72, at 33.
[75] *Id.*

B. Proposed Domestic Care Credit

The domestic care credit proposed in this article differs from the First-Time Homebuyer Tax Credit because it is efficient, equitable, and provides a socio-ethically responsible solution to an archaic position faced by women in our modern and progressive society. This, in turn, provides a productive and reasonable space for change in societal patterns of behavior instead of merely attempting to alter consumer behavior patterns in investment purchasing.

As was briefly mentioned above, the proposed domestic care tax credit will apply to an individual taxpayer (or a household, depending on the filing status of the individual(s) involved) who pays for the labor of another person for services relating to the upkeep of a home or the care of an elderly relative who resides with the individual and their household. Services relating to children and childcare, while crucial to the success of women engaging with the labor market, are far too expansive of an issue to adequately address within the confines of this article and tax credit; thus, these services are not included in the discussion of a revised Internal Revenue Code. However, it should be noted that the Code's attempt at codifying a deduction for the care of dependents is limited to a single statute.[76]

Logistically speaking, in the case of an individual who has paid for the services of another person to care for the upkeep of their home or an elderly relative residing within their household during a single taxable year, they would be allowed a credit against their gross income for a taxable year (prior to the calculation of that year's taxable income) in an amount equal to 50 percent of the total cost of that person who cares for the first person's home. There would, of course, be a dollar limitation: the credit shall not exceed $10,000 annually. It may sound as though the proposed credit may be unnecessary to successfully remedy a real problem facing American

[76] I.R.C. § 21 (2016).

women, but the following example accurately illustrates the importance of such a credit to American livelihoods in general.

The Internal Revenue Code emphasizes the importance of marriage and the dependency of women through the unlabeled, but colloquially referred to, "marriage bonus."[77] A marriage bonus occurs "where one taxpayer in a couple earns substantially more than the other," and if they marry "their combined taxes will decline."[78] For example, if a man and a woman marry and the man's taxable income is $400,000, while the woman's taxable income is non-existent, they would only pay taxes on his income. If they did not get married, then the man would pay $115,606 in federal income taxes.[79] However, if the man and woman get married and filed their income taxes jointly, then their tax bill would be knocked down to $107,529.[80] The marriage bonus in this case would be $8,077.[81]

Now then, if both the man and the woman in the previous example made $200,000 each and did not get married, their combined federal income taxes would be $99,212.[82] However, if this couple had followed traditional societal patterns of behavior and got married, their married-filing-jointly federal income tax bill would be $107,529.[83] The equitably paid couple experiences a $8,317 penalty for getting married.[84] Marriage tax penalties occur under the current law for couples in which each spouse earns relatively equal amounts of income.[85] Therefore, it may be reasonably deduced from these calculations that the Internal Revenue Code contributes

[77] Graetz, *supra* note 5, at 453.
[78] *Id.*
[79] *What is my tax bracket?*, TAX ACT (2016), https://www.taxact.com/tools/tax-bracket-calculator [https://perma.cc/C45Z-JR3B]. (This is derived from this source because the source is a calculator. I inserted the income described and the calculator produced this tax number.)
[80] *Id.*
[81] *Id.*
[82] *Id.*
[83] *Id.*
[84] *Id.*
[85] Graetz, *supra* note 5, at 453.

to the reinforcement of the gender-wage gap and explicitly places higher value on the dependency of women on men for their financial livelihoods.

Due to this devaluation of the income and labor of women by the Internal Revenue Code, our society must repair this injustice through a tax credit for domestic care. A tax credit, as opposed to any other form of fiscal reparation or policy change, directly alters the portion of the federal laws that specifically codify and value the dependency of women on their male counterparts who earn more money for similar tasks. A domestic care tax credit would concisely address one of the foundational issues of the gender-wage gap because it would empower women to engage with the labor market while still ensuring that their homes and/or elderly relatives are adequately cared for.

Additionally, income tax scholars Michael J. Graetz and Deborah H. Schenk argue that the failure of the Internal Revenue Code to "tax imputed income has significant efficiency effects."[86] Graetz and Schenk explain that "it may be prohibitively expensive for the second spouse (usually the wife) to enter the labor market…[because] not only would her salary be subject to income tax, but it will be taxed at a rate set by the primary earner's rate."[87] Essentially, her wages would be placed on top of her husband's wages to determine their rate bracket.[88] This imbalance skews labor market decisions and reinforces gender bias throughout the workforce.[89] A domestic care tax credit would remedy this imbalance by targeting the source: the lack of acknowledgement of imputed income by the Internal Revenue Code.

The following section will explore a few concerns that may go hand-in-hand with proposed alterations to the Internal Revue Code: (1) the cost to implement the proposed credit; (2) the ideal benefit from the proposed

[86] *Id.* at 455.
[87] *Id.*
[88] *Id.*
[89] *Id.*

change; and (3) the ethical responsibility the federal government and we as a society have to implement this change.

1. Cost

According to the Urban-Brookings Tax Policy Center, a joint venture of the Urban Institute and Brookings Institution that conducts analyses of current and emerging tax policy issues, approximately 93.8 million people (out of 171.3 million total) paid federal income tax in 2015.[90] If each of those households took advantage of this proposed domestic care tax credit to the fullest extent possible, then the United States would be in an even more tragic amount of debt (93.8 million people x $10,000 annually = an infeasibly large number). However, adding a layer of tax bracket limitations to this credit would intentionally target women who need it most. The specific tax bracket limitations proposed are discussed below.

Limiting the eligibility for the proposed domestic care tax credit to households with women who fall into the 10 percent tax bracket (single filers with a taxable income of less than $9,275; married joint filers with a taxable income of less than $18,550; and head of household filers with a taxable income of less than $13,250) would limit the credit to reaching only those who may need it the most.[91] While it may be rationally argued that this tax credit may not be as useful as it sounds because the taxpayers whose incomes fall into the higher echelons of American society pay the largest share of all federal income taxes, those people are also not the

[90] Roberton C. Williams, *New Estimates of How Many Households Pay No Federal Income Tax,* TAX POL'Y CTR (Oct. 6, 2015), http://www.taxpolicycenter.org/taxvox/new-estimates-how-many-households-pay-no-federal-income-tax [https://perma.cc/A6VN-AV4V].
[91] Kyle Pomerleau, *2016 Tax Brackets*, TAX FOUND. (Oct. 14, 2015), http://taxfoundation.org/article/2016-tax-brackets [https://perma.cc/7VQL-CMCG].

individuals who may be forced to make the archaic choice discussed in this article.[92]

2. Benefit

The tax credit this article proposes is designed to benefit women who are stuck in an incredibly complicated situation. These women are forced to choose between continuing to partake in the labor market or leaving their employment to care for the upkeep of their home or an elderly relative who may be living in their household. The tasks associated with this challenging choice typically fall to women instead of men because men consistently make more money than women in a two-wage-earner household. [93]

Additionally, American society and the legal structures contained within have consistently codified the subordination of women.[94] Lucinda Finley, a law professor at the University of Buffalo whose research includes the intersectionality of women and the law, explains that this codification stems from the fact that law is "a language, a form of discourse, and a system through which meanings are reflected and construed and cultural practices organized. Law is a language of power, a particularly authoritative discourse. Law can pronounce definitively what something is or is not and how a situation or event is to be understood."[95] When the language of the statutes and codes that fund our federal government and bind our society reflect a disparity in interests and treatment, along with a valuation of policies that do not account for a fair portion of our society, then the verbiage of these statutes must be made relevant.

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[92] Catey Hill, *45% of Americans Pay No Federal Income Tax*, MARKETWATCH (Apr. 18, 2016), http://www.marketwatch.com/story/45-of-americans-pay-no-federal-income-tax-2016-02-24 [https://perma.cc/A83B-ES4M].
[93] Gillian B. White, *What's Really Behind Why Women Earn Less Than Men?*, THE ATLANTIC (Feb. 11, 2016), http://www.theatlantic.com/business/archive/2016/02/whats-really-behind-the-gender-wage-gap/462363/ [https://perma.cc/XNY5-FHEZ].
[94] Finley, *supra* note 25, at 888.
[95] *Id.*

Simply, it is time for the language of the Internal Revenue Code to pronounce equality for women in all financial situations, but particularly for those who want to successfully participate in the labor market.

3. Ethical Responsibility to Implement

If the United States considers itself a world power and a global leader, then it is high time the federal government began treating the labor of women as something of value. There is a societal and governmental responsibility to implement the domestic care tax credit proposed in this article because women are the backbone of our society and should not be punished for choosing to pursue a career they love outside of the confines of their home.

For example, Susan Swain left her part time job in community relations at a Connecticut utilities company because when she sat down with her husband and reviewed their finances, they found that her employment was actually costing their family more money than she was making.[96] They further discovered that her salary, "which was in the $35-$40,000 range," was bumping their household into a higher tax bracket in addition to spending the majority of her taxable income on caring for things concerning the house that neither of them had time to attend to because they were both working.[97] While Susan Swain does not specifically fall into the tax bracket suggested by this article to be the most in need of assistance, her story resonates with women in various positions up and down the economic ladder.

Additionally, Elizabeth, another young woman in a similar position to Susan, worked for almost ten years as a magazine researcher before she discovered that after taxes and additional expenses, her work was losing money for her family.[98] While both women had children to attend to at

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[96] Lewin, *supra* note 11.
[97] *Id.*
[98] McCaffery, *supra* note 12, at 984.

home as well, the sentiment they experienced goes right along with that of today's women who cannot afford to work because of their need to attend to the care of their homes and/or an elderly relative.

The explicit rationale for a woman finding her employment too expensive is extremely crucial to a modern discussion of fair employment policies. The fact of the matter is simply that the labor of women is unfairly devalued by our society. This translates to imbalanced incomes and women being forced into these terribly compromising positions of having to choose between engaging with the labor market or caring for their homes or elderly relatives.

Thus, there is a societal and governmental responsibility to these women to bridge the gender-wage gap; however, as was briefly mentioned before, that is a separate topic for a separate article, as it is quite expansive. It is crucial to implement some form of amends into the Internal Revenue Code because that is where the problem stems from. The lack of acknowledgement by the Internal Revenue Code of the work that women like Susan and Elizabeth do for their families instead of on the labor market makes this collection of statutes an ideal starting place to adjust and realign our societal values. Thus, we can begin prioritizing the labor of these women in a meaningful manner.

C. A Norm-Based Framework for a Domestic Care Credit

To put it simply, the federal government is funded by income taxes.[99] The federal government generally seeks to allocate these costs in an equitable and efficient manner.[100] Deductions are a negative component of income, and items required to be included in the taxpayer's gross income increase her tax liability.[101] A taxpayer's tax liability (the federal income taxes they

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[99] *Briefing Book: What are the Sources of Revenue for the Federal Government?*, TAX POL'Y CTR (2016), http://www.taxpolicycenter.org/briefing-book/what-are-sources-revenue-federal-government-0 [https://perma.cc/DM53-SFUU].
[100] Graetz, *supra* note 5, at 27.
[101] Dagan, *supra* note 10, at 621.

would pay on their taxable income) is reduced by deductions. A tax credit provides a dollar-for-dollar reduction in an individual's income tax liability.[102] Both of these tax tools contribute to the allocation of the costs of government.[103]

When taxes are designed, they must meet basic standards of efficiency and equity so as to avoid unfairly allocating the responsibility of funding our federal government, while also mirroring societal values.[104] As the Internal Revenue Code is a collection of statutes and it has already been established that our laws reflect our societal values, we are obligated to cultivate a Code that reflects our societal values. Therefore, it is not a large jump to apply the standard normative conditions that go into imposing taxes and deductions to tax credits as well. This section will explore the following concerns: (1) efficiency of the proposed tax credit; (2) the equity of the value that could be produced by the proposed tax credit; and (3) the responsibility our society has to future generations for implementing this proposed tax credit.

1. Efficiency

The tax credit proposed in this article addresses the basic levels of efficiency required by human behavior. Michael J. Graetz, a leading expert on national and international tax law, articulates that "the efficiency criterion requires that a tax interferes as little as possible with people's economic behavior."[105] An efficiency-improving change to the tax code would, by definition, aid the most members of society.[106] Ideally, an efficient tax is one that does not interfere in any capacity with the way people engage with the free market.

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[102] *Tax Credits vs. Tax Deductions*, *supra* note 50.
[103] Dagan, *supra* note 10, at 621.
[104] *Id.*
[105] Graetz, *supra* note 5, at 27.
[106] David A. Weisbach, *Line Drawing, Doctrine, and Efficiency in the Tax Law*, 84 CORNELL L. REV. 1627, 1655 (1999).

Optimal taxation, which is a newer approach to tax efficiency, focuses on "minimizing the deadweight loss caused by taxation. Optimal taxation thus recommends that we impose higher taxes on inelastic activities than elastic ones, as the effect of tax on the latter would be greater, and with it the deadweight loss."[107] The ideally efficient tax policy is centered on stable patterns of behavior that minimally interact with a taxpayer's decision to engage with the market.

By that same accord, maximizing social welfare must mean that the Internal Revenue Code permits tax credits "that contribute to the maximization of the aggregate social welfare by minimizing the deadweight loss."[108] An individual who chooses to care for the maintenance and upkeep of her home, or attend to the needs of an elderly relative living within that household, is cultivating imputed income. This individual may not be able to afford sacrificing that imputed income because it is greater than the taxable income she may earn engaging in the labor market.

As was discussed above, the Internal Revenue Code does not tax imputed income or acknowledge the contribution it makes to the success of the household economic unit.[109] Thus, taxes painfully tilt the decision between working and staying home in favor of the latter. The resulting tax imbalance is incredibly inefficient because it subtly forces women who work in lower-income forms of employment to drop out of the workforce to care for things they may not be able to afford to care for otherwise. Thus, this tax imbalance that is effortlessly woven into the Internal Revenue Code allocates the cost of funding the federal government in an inequitable manner that does not place value on women's labor contributions.

The above-described tax bias could be substantially mitigated if the Internal Revenue Code allowed for the implementation of the domestic care tax credit proposed by this article. Permitting the domestic care tax credit

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[107] Dagan, *supra* note 10, at 621.
[108] *Id.* at 622.
[109] *See Generally,* I.R.C. (2016).

would improve the efficiency of the federal income tax system because it would enable women who previously could not afford to engage with the labor market to contribute and be taxed accordingly. While analysis of tax code efficiency cannot be limited to the particular behavior of women who only earn a certain income level in the labor market, these are certainly important policy considerations to acknowledge.

In her article, Tsilly Dagan advocates for the implementation of a form of tax relief for childcare expenses, "a good policy decision – even one that focuses on the efficiency perspective only – would have to take into account a wider perspective and consider other policy alternatives."[110] In this particular case, these other policy alternatives may include direct subsidies or highly specialized benefits for employers who fairly compensate their female employees.

2. Equity

Tax equity requires that the individuals who possess a greater ability to pay taxes should pay a greater portion of tax. For a tax to be fair, "it should not impose significantly different burdens on those in similar economic circumstance."[111] Determining fairness requires making a further determination regarding what similar circumstances may look like.[112] This generally involves determining what should be taxed and what composes taxable income. More specifically, this requires making tough decisions regarding "the attributes and activities that are relevant to the income tax context, where the purpose of comparing people is to equitably allocate the costs of government."[113] The idea behind implementing equitable tax policies is simply that people who are on the better-off end of the financial

[110] Dagan, *supra* note 10, at 623.
[111] Graetz, *supra* note 5, at 28.
[112] *Id.* at 27.
[113] Dagan, *supra* note 10, at 623–24.

spectrum should carry a proportionately increased burden of the cost to fund the federal government.

Regarding tax credits, allocating government costs equitably requires the Internal Revenue Code to permit a credit pertaining to behaviors that vastly increase the differences between groups of taxpayers. Credits should not be allowed for frivolous expenditures or be available to those who have no express economic use for them.

The question of equitability regarding the proposed domestic care tax credit requires the readers to ask themselves if they have things they need to be doing at home or an elderly relative who may need to live with them in the near future, if they do not already. The vast majority of taxpayers within the tax bracket previously described would benefit from this tax credit in some capacity because there is always more to be done at home, particularly when the taxpayer is gainfully employed.

While the proposed domestic care tax credit would most certainly benefit women who are forced to choose between engaging with the labor market and caring for their home or an elderly relative, it would also assist many other individuals beyond this group who have the same needs. While this credit may be particularly useful to the aforementioned group of women in our society, the impact is far larger because an increased labor market does nothing more than benefit a free-market society.

The final issue regarding equity that must be considered in order to fully engage in a proper policy analysis is that of equity among households. Some households may require more upkeep assistance than others, and some elderly relatives may require additional assistance; these variances must be accounted for in an equitable tax credit. The domestic care tax credit proposed in this article accounts for these variances by limiting the credit to 50 percent of the total amount spent annually and not exceeding $10,000 total (or $5,000 for an individual taxpayer).

The existing Internal Revenue Code devalues the contributions of women to the point that many may not be able to afford to work and thus cannot contribute to the funding of our federal government because they need to attend to the care of their homes or an elderly relative. The fact that these women are forced out of the work force is an inefficient and inequitable element of existing tax policy. Thus, the proposed credit seeks to remedy a facet of the inefficiencies and inequities that currently exist in the Internal Revenue Code.

3. A Responsibility to the Future

While the focus of this article is not specifically the reflection of societal values in the Internal Revenue Code, it most certainly pertains to the ways in which certain credits and deductions are implemented and who receives the greatest benefit from them. As has been mentioned, our laws are a reflection of our societal values and how we determine the value of various individuals.

Richard D. Wolff, a Professor of Economics Emeritus at the University of Massachusetts, Amherst, explains that American taxpayers historically have defined their individual self-worth and measured their successes in life according to a constantly rising standard of consumption.[114] He argues that in a capitalist society that so prevalently values consumption and increased levels of comfort, we must focus on the systemic nature of inefficiencies and inequities to remedy what has resulted from such a capitalist crisis.[115] His specific explanation and solution involves identifying the system in and of itself as being the very thing that devalues the labor of various individuals and perpetuates systems of inequity.[116] Thus, he argues that to do away with the existing organization of business enterprise in the United States would result in a socio-economic structure that makes meaningful all contributions in any form.[117]

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[114] Rick Wolff, *Teaching Capitalism's Crisis,* 87 RADICAL TEACHER 10, 12 (2010).
[115] *Id.* at 17.
[116] *Id.*
[117] *Id.*

These concerns are relevant and should be adequately addressed because many people argue that the issues facing the valuation of the labor of women are systemic and so deeply entrenched in our society that the system itself must be flipped in order to adequately address these issues. However, flipping the table and completely undoing the system produces increased levels of frustration and wastes valuable time that may be more suited for critically addressing the specific issue of providing women an adequate and fair opportunity to engage with the labor market.

While Professor Wolff's perspective addresses a crucial concern that stems from the Internal Revenue Code and the massive flaws in our larger capitalist society, our society continues to place value in the accomplishments of individuals who successfully engage with the labor market. Therefore, valuing the labor of women who may be unable to fairly engage with the market must be prioritized in our society if we intend to go on addressing ourselves as a progressive society.

When the Internal Revenue Code "ignores certain differences while acknowledging others, we rely on (and reinforce) certain conceptions of a taxpayer and undermine the alternatives."[118] How taxpayers are perceived by each other and the government that imposes these taxes affects, and is affected by, the decision to permit this domestic care tax credit.

If the United States seeks to be a global leader in social justice and equality, then our Internal Revenue Code should include a tax credit that permits women a fair chance at actively engaging in the labor market. This goal could be achieved by revising the Internal Revenue Code to promote and encourage women to engage with the labor market. Further, the institution of a domestic care tax credit would reflect and appropriately address the importance of valuing the labor of women and the contribution they make to the growth and development of our economy and society

[118] Dagan, *supra* note 10, at 626.

instead of forcing them to choose between caring for their homes or elderly relatives and being gainfully employed.

V. ALTERNATIVE PERSPECTIVES

Some may argue that adding an additional credit to an already over-burdened system of tax expenditures does not make pragmatic financial sense on the grander scale of national finances. However, if a small portion of the budget for each of the already existing tax expenditures was simply re-allocated toward this domestic care tax credit, then there would be no reason to be alarmed by impractical spending or irresponsible fiscal decisions.

Many people may further argue that the domestic care tax credit is not efficient because it is attempting to alter societal behaviors and values, and the theory behind efficient tax codes is that they interfere as little as possible with the economic behaviors of those engaging with the labor market.[119] While that argument articulately expresses the definition of an efficient selection of tax policy, the fact of the matter is that the proposed domestic tax credit enables increased market participation while not swaying the taxpayer in any particular direction. The proposed tax credit encourages and enables the taxpayer to engage with labor market and produce taxable income instead of being trapped into disengaging from the labor market and solely attending to the needs of her home or an elderly relative. Essentially, this credit encourages the engagement of the taxpayer with the market without specifically manipulating her behavior in any particular manner. Thus, the proposed domestic care tax credit is efficient.

Further, it may be argued that this credit seems to permit households with greater means to discount a large portion of home upkeep services and expenses associated with in-home elder care, but there is a cap on the income of the individuals seeking to make use of this credit. As was briefly

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[119] Graetz, *supra* note 5, at 27.

mentioned above, the credit is only available to single filers with a taxable income of less than $9,275; married joint filers with a taxable income of less than $18,550; and head of household filers with a taxable income of less than $13,250 (those who fall within the 10 percent tax bracket). This tax bracket cap ensures that the wealthiest portion of our society continues to pay their fair portion of income tax and is not permitted to exploit tax benefits designed to assist those who are less fortunate.

Additionally, it may be argued that in the case of an individual filing a separate or single return, the proposed dollar limitation should be proportionately decreased to an annual amount of $5,000. However, the purpose of this article is to lift women in their ability to fairly and equitably engage with the labor market and not to reward or punish them via the Internal Revenue Code based on their marital status. Marriage tax bonuses and penalties were briefly discussed in earlier pages, and it should be noted that they are yet another passive contribution made by the Internal Revenue Code to keep women in an archaically stereotypical position of financial dependency.[120]

Some people may further argue that the proposed domestic care tax credit is providing an unnecessary tax break for frivolous expenditures because we as a society value caring for our own homes and not outsourcing the care of our elderly relatives to other people. It may be argued that providing a tax credit for the care of an elderly relative commoditizes older generations and may result in the devaluation of their care and the role they play in our society. However, one of the primary focuses of the proposed tax credit is to enable people to pay their taxes equitably and engage with the labor market in a way that permits them to fairly contribute to our society. The upkeep of a home and caring for elderly relatives has been historically held in high esteem by our society, and this article does not advocate for the devaluations of those principles. Rather, this article advocates for the

[120] *Id.* at 453.

implementation of an equitable domestic care tax credit that would enable women who cannot afford to work to fairly engage with the labor market, while also ensuring that their homes and/or an elderly relative who may live with them are cared for.

Some may further argue that permitting only those on the lower end of the tax bracket system access to this proposed tax credit violates the aforementioned policy consideration of efficiency, along with equity, because it is seeking to alter the behavior of only a certain portion of the population. While this argument speaks to the definitional components of the efficiency and equity, it does not account for society in its entirety. The tax credit proposed in this article addresses a defect in the Internal Revenue Code that is currently promoting an inefficient and inequitable tax policy to permeate our society.

VI. CONCLUSION

The devaluation of women's labor stems from a collection of issues that permeate the fabric of our theoretically progressive society. Included in this society are the gender-wage gap and various passive contributions made by the Internal Revenue Code that perpetuate the financial dependence of women upon their male counterparts. Due to the Internal Revenue Code's failure to acknowledge the value of imputed income to the financial success of a household and the corresponding ability of that household to pay annual federal income taxes, some women have been forced to leave their employment to attend to the needs of their home or an elderly relative who may live with them.

It is fundamentally unjust for the Internal Revenue Code to contribute to the societal devaluation of women's labor by dis-incentivizing these women from engaging with the labor market and passively contributing to the perpetuation of gender wage imbalances throughout the employment sphere. The domestic care tax credit proposed in this article addresses the issues faced by these women forced into this archaic decision between a career and needing to attend to their home and/or an elderly relative.

If the passively codified sexism in the Internal Revenue Code is permitted and encouraged to continue, we risk setting up a generation of millennial young women to continue to be forced into making the above-mentioned archaic choice. The proposed domestic care tax credit fits within the classically reviewed components of a norm-based framework for tax policies; it is efficient, equitable, and appropriately expresses the progressive social values that the United States so frequently enjoys trumpeting about on the world stage.

We have a responsibility to empower women who seek to actively engage with the labor market and to realign our societal norms to adequately value the work of women who already engage with the market. Through gender-pay equity and the implementation of the domestic care tax credit proposed in this article, our society may rapidly be headed in the right direction.