

Article

Taxing Sugar Babies

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How people talk about tax reflects both personal beliefs and larger cultural attitudes. In many cases, whether and how a potential taxpayer understands their activities in tax terms may also reveal attitudes about themselves and the value that society assigns to those activities. This Article examines how sugar daddies and sugar babies talk about taxes in two Internet discussion forums to reveal the ongoing stigma associated with sex work. Through mostly content analysis, the focus is on the attitudes of sugar daddies and sugar babies toward taxation and the filing positions they take, as well as how tax professionals intervene in online discourse at the intersection of tax laws and sugaring.

This Article makes three principal claims—one descriptive, one normative, and one interpretative. First, the dominant discourse among sugar daddies and sugar babies is that a sugar baby receives “gifts,” not income in exchange for companionship

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that usually (but not always) includes a sexual element. A discernible counternarrative emerges from apparent tax professionals who take the view that a sugar baby's receipts are income. Second, this Article explains that this latter position is likely true as a technical tax matter. However, it is unlikely that tax authorities will seek to prosecute sugar babies for failing to report income. Sugaring occupies a gray area between private, intimate relationships, on the one hand, and commercial sex work, on the other. Third, the persistence of tax talk that a sugar baby's receipts are gifts helps maintain this gray area, even though the non-taxation of a sugar baby's receipts hurts both the government, in the form of lost tax revenue, and sugar babies themselves, who do not receive work credit toward Social Security and other programs that depend on years of market labor. The persistence of the gift rhetoric further devalues the sugar baby's efforts, ignores the emotional and physical risks associated with sugaring, and perpetuates longstanding stigmas against sex work.

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INTRODUCTION

A four-night stay in a luxury hotel on the water in Thailand.¹ An Aston Martin V12 Vanquish sports car.² A platinum chain collar with “Princess” spelled out in diamonds.³ These are a few of the benefits that “sugar babies” report receiving from “sugar daddies.”⁴ “Sugaring,” “sugar dating,” and “sugar relationships” are popular terms for arrangements whereby one partner makes cash payments or property transfers to or for the benefit of the other in return for companionship.⁵ Although there is scant empirical information about sugaring relationships, anecdotal evidence suggests that sugaring relationships frequently

1. User 1, *Post 1*, REDDIT: FORUM 1 (2016), <https://www.reddit.com> (“Was escorted to the hotel on a boat. Gorgeous accommodation and view. Nothing like an outside shower in nature. We ate delicious Thai food, had massages, road [sic] on elephants, visited Burma, had a romantic private dinner.”). In this Article, citations are to an anonymized list of forty-four different user handles denoted User 1, User 2, etc., made to one of two Reddit forums that provided the data for this study sample. *See infra* Part II. Post identifiers include all comments traceable to an original post in a forum—multiple users may have commented on a single post. An additional forum from which certain anecdotal evidence is taken is anonymized as Forum 3.

2. User 2, *Post 2*, REDDIT: FORUM 3 (2022), <https://www.reddit.com> (describing a car salesman’s experience helping a sugar daddy buy his sugar baby an Aston Martin).

3. User 3, *Post 3*, REDDIT: FORUM 1 (2023), <https://www.reddit.com>.

4. Other reported benefits include monthly allowances, tuition payments, cars, and luxury travel opportunities. *See, e.g.*, User 4, *Post 4*, REDDIT: FORUM 1 (2021), <https://www.reddit.com> (“When I was younger and not married I wanted trendy clothing and jewelry, spas and fancy trips and hotels. Lots of shopping. My taste started changing and becoming more expensive around 20. When I had my daughter, I wanted things for her and money to finish school and a car.”). This Article uses the labels “sugar babies” and “sugar daddies” because the participants themselves do. However, these terms are not without criticism. *See, e.g.*, *Concept of “Sugar Baby” Misogynistic and Demeaning Towards Women*, TODAYONLINE.COM (Feb. 9, 2018), <https://www.todayonline.com/voices/concept-sugar-baby-misogynistic-demeaning-towards-women> [<https://perma.cc/V6WK-PMMZ>] (“The very concept of ‘sugar daddies’ and ‘sugar babies’ is misogynistic and demeaning towards women.”).

5. *See Glossary: What are Common Words and Acronyms?*, REDDIT: R/SUGARLIFESTYLEFORUM, https://www.reddit.com/r/sugarlifestyleforum/wiki/glossary/#wiki_sugaring [<https://perma.cc/83T8-P4VP>]; Béla Birkás et al., *Providing Sexual Companionship for Resources: Development, Validation, and Personality Correlates of the Acceptance of Sugar Relationships in Young Women and Men Scale (ASR-YWMS)*, 11 FRONTIERS PSYCH., 2020, at 1, 1 (describing sugar culture and offering a broad sketch of sugar relationships).

(but not always) come with the expectation of sex.⁶ According to a popular Internet discussion forum for people involved in sugaring relationships, “[p]latonic sugar relationships are *extremely* uncommon.”⁷ An experienced participant advises newcomers that “[i]t is important that a woman considering becoming [a sugar baby] not fool herself into thinking that she will find [a sugar daddy] who will be happy with a platonic relationship. Because the chance of that occurring is so unlikely that she should treat it as impossible.”⁸

The gendered nature of this advice is not coincidental. Typically (but not invariably), the monied partner tends to be older and male (hence the name sugar *daddy*); the less-monied partner/payee tends to be younger (hence the name sugar *baby*) and female.⁹ That said, people of diverse gender identities and sexual orientations participate in sugaring relationships.¹⁰ This Article mostly refers to male sugar daddies and female sugar babies—a common pairing—without minimizing or ignoring the existence of female sugar mamas, male sugar babies, or other

6. See, e.g., Aaron Ben-Zeév, *Why Sugar-Daddy Relationships Are on the Rise*, PSYCH. TODAY (June 18, 2020), <https://www.psychologytoday.com/us/blog/in-the-name-of-love/202006/why-sugar-daddy-relationships-are-on-the-rise> [<https://perma.cc/C65K-HNRR>] (“While sugaring ranges from hand-holding and cuddling to a full sexual encounter, sugar daddies usually seek both companionship and sex.”); see also Birkás et al., *supra* note 5, at 1 (defining “sugar relationship” as “a transactional sexual relationship in which a younger partner (sugar baby/boy) offers companionship and sexual services to a much older partner (sugar daddy/mommy) in return for material compensation”).

7. *What Is a Platonic Sugar Relationship? How Common Are They?*, REDDIT: R/SUGARLIFESTYLEFORUM, https://www.reddit.com/r/sugarlifestyleforum/wiki/index/#wiki_what_is_a_platonic_sugar_relationship.3F_how_common_are_they.3F [<https://perma.cc/QSE7-9YHK>] (explaining that non-sexual sugar relationships may involve active deceit on the part of a sugar baby or occur when the sugar daddy and sugar baby are getting to know each other).

8. *Id.*

9. See *Sugar Daddy*, DICTIONARY.COM, <https://www.dictionary.com/browse/sugar-daddy> [<https://perma.cc/3JGF-85NC>] (defining a “sugar daddy” as “a wealthy man who spends freely on a younger person, generally a woman or a gay man, in return for companionship or sexual intimacy”); Kayla Kibbe, *Why Aren’t There More Sugar Mamas?*, INSIDEHOOK (May 7, 2021), <https://www.insidehook.com/sex-and-dating/why-arent-there-more-sugar-mamas> [<https://perma.cc/WE5D-SJBY>].

10. Otamere Guobadia, *The Secret Life of Gay Sugar Babies*, ANOTHER MAN MAG. (Apr. 23, 2020), <https://www.anothermanmag.com/life-culture/11193/the-secret-life-of-gay-sugar-babies> [<https://perma.cc/9LK7-XH8E>] (detailing the realities of gay sugaring relationships).

arrangements. The focus is on the male sugar daddy/female sugar baby simply because this is the most salient pairing, based on stories in the popular press and other publicly available sources.¹¹

In many ways, sugaring is a modern twist on relationships that have existed in one form or another for centuries, if not millennia. Paid companionate, non-sexual relationships are amply documented throughout history.¹² Indeed, the compensated female companion is a well-known trope in nineteenth- and twentieth-century English novels.¹³ Paid companionate relationships are not merely vestiges of the past, either. In modern times, there are compensated companions for older adults or persons with disabilities,¹⁴ and even paid online “friends,”¹⁵ to give just two examples. Likewise, paid companionate relationships with a

11. See *infra* Part I.A (describing the demographics of the sugar marketplace).

12. See Caroline zum Kolk, *The Household of the Queen of France in the Sixteenth Century*, 14 CT. HISTORIAN 3, 6–7 (2009) (noting that, as early as 1286, the household of Queen Jeanne de Navarre included “five ladies and maidens-in-waiting”). By the time of Catherine de Medici, Queen of France 1547–1559, many women of high nobility served in various paid positions in the queen’s household. See *id.* at 12–17.

13. See, e.g., Lauren Nicole Hoffer, *“That Inevitable Woman”: The Paid Female Companion and Sympathy in the Victorian Novel* (Aug. 2009) (Ph.D. dissertation, Vanderbilt University) (on file with Minnesota Law Review). One twentieth-century example comes from Daphne DuMaurier’s *Rebecca*; the unnamed female narrator first meets Max de Winter when working as a lady’s companion in Monte Carlo. DAPHNE DUMAURIER, *REBECCA* 10 (Harper 2006) (1997) (“[T]he waiter, with the uncanny swiftness of his kind, had long sensed my position as inferior and subservient to [that of Mrs. Hopper, her employer] . . . Odd, that resentment of servants, and their obvious impatience.”).

14. See, e.g., Lauren Levy, *Companion Care for Seniors: How Much It Costs and How to Pay for It*, CARE.COM (Sept. 30, 2024), <https://www.care.com/c/how-much-does-companion-care-cost> [<https://perma.cc/KC7N-S2Z9>] (“Companion care is a non-medical, in-home care service offering companionship to aging adults, senior citizens and individuals with disabilities . . . [T]he median national hourly cost for homemaker services, or companion care, is \$30.00, but this can drastically change depending on location . . .”).

15. See, e.g., *10 Legit Ways to Get Paid to Be an Online Friend: Up to \$50 an Hour from Home*, SIDE HUSTLE NATION (May 15, 2024), <https://www.sidehustlenation.com/online-friend> [<https://perma.cc/T8EL-N8EH>] (“It might seem over the top to pay for a virtual friend. But the fact is, there are many people who really struggle to make friends ‘in real life.’ Social anxiety, depression, agoraphobia, and just being an introvert are a few reasons why. Loneliness is another reason, even with the connectivity of the Internet.”).

sexual component have an equally long and reported history.¹⁶ The Bible, for example, is replete with references to prostitution.¹⁷ In ancient Greece, historical references document the (often) immigrant women who “traded sex, companionship and friendship for valuable gifts and money.”¹⁸ Now, in the contemporary United States, there are an estimated one million to two million in-person sex workers, “an umbrella term for the provision of sexual services or performances by one person for which a second person, the client or customer, provides money or other markers of economic value (i.e., goods, services).”¹⁹ In short, paid companionship, both without and with a sexual element, is nothing new.

Relatedly, the federal income tax treatment of amounts received from providing paid companionship or personal services—whether those services are legal or illegal—is well settled. Compensation is taxable income.²⁰ Specifically with regard to sexual services, U.S. courts have consistently found that income from

16. See GEORGE RYLEY SCOTT, *A HISTORY OF PROSTITUTION: FROM ANTIQUITY TO THE PRESENT DAY* 50 (2005) (“As money or its equivalent enters into the thing, prostitution tends to develop.”).

17. See, e.g., *Proverbs* 29:3 (“Whoever loves wisdom brings joy to his father; but a companion of prostitutes squanders his wealth.”); *Micah* 1:7 (“All her idols will be beaten to pieces, and all her temple gifts will be burned with fire, and all her images I will destroy; for of the hire of a prostitute has she gathered them, and to the hire of a prostitute shall they return.”); *Matthew* 21:31 (“Which of the two did the will of his father?” They said, ‘The first.’ Jesus said to them, ‘Truly I tell you that the tax collectors and the prostitutes are entering into the Kingdom of God before you.’); see also SCOTT, *supra* note 16, at 63 (“The Bible, and particularly the Old Testament, contains a good many references to, and a certain amount of information about, prostitution before the advent of Christianity.”).

18. ELIZABETH ABBOTT, *A HISTORY OF MISTRESSES* 15 (Duckworth Overlook, 2d ed. 2010) (2003).

19. Danielle A. Sawicki et al., *Culturally Competent Health Care for Sex Workers: An Examination of Myths That Stigmatize Sex Work and Hinder Access to Care*, 34 *SEXUAL & RELATIONSHIP THERAPY* 355, 355–56 (2019) (“Sex work refers to prostitutes, escorts, strippers, porn actors, sex phone operators, or dominatrixes. It should be noted that not all people who participate in these acts identify as sex workers.”).

20. See 26 U.S.C. § 61(a)(1) (defining gross income as including “[c]ompensation for services”); *James v. United States*, 366 U.S. 213, 219–20 (1961) (requiring illegally gotten gains to be included in gross income). Therefore, the commercial selling of sex results in taxable income to the seller. This is true whether the selling is legally permitted, as in some counties in Nevada, or criminalized. See *infra* notes 138–141 and accompanying text (discussing prostitution’s legal status in the United States).

the commercial sale of sex is taxable.²¹ At first glance, then, it would appear that the tax consequences of sugaring should be well understood by taxpayers, their advisors, and the federal government. Yet sugaring relationships tend not to fit neatly into existing paradigms for understanding either “work” or “taxable income.”²²

There are three aspects of sugaring which, taken together, distinguish these relationships from other forms of paid companionship. First, digital platforms and social media play a crucial role in connecting intended and established participants in the sugar marketplace,²³ making sugaring visible in the mainstream media and to the general public.²⁴ Second, there is an increasing openness, at least on the part of some sugar babies, to speak publicly and without shame about their participation in an activity

21. See, e.g., *Toner v. Comm’r*, 60 T.C.M. (CCH) 1016 (1990) (determining that a taxpayer earned and then failed to report or pay tax on income earned as a prostitute and that the taxpayer and her husband failed to report and pay taxes on a prostitution business they managed); *United States v. Ochs*, 490 F. Supp. 1206, 1213, 1218–19 (S.D.N.Y. 1980) (denying a taxpayer’s application for a reduction of a prison sentence after filing false income tax returns and failing to report income from prostitution, among other things), *aff’d*, 636 F.2d 1205 (2d Cir. 1980); *Taylor v. Comm’r*, 56 T.C.M. (CCH) 26 (1988) (upholding the IRS’s determination of a deficiency where the taxpayer failed to report his income from acting as an agent and receiving money from prostitutes who worked for him).

22. In the context of women’s household labor, Nancy Staudt has explored the “possibility of valuing and taxing nonmarket labor in the same manner as market labor. Congress could broaden the tax base to include the value of women’s household labor, thereby subjecting the benefits of housework to the same tax structure as waged labor.” Nancy C. Staudt, *Taxing Housework*, 84 GEO. L.J. 1571, 1574 (1996). For a tax case involving a relationship with some sugaring-like characteristics, see *United States v. Harris*, 942 F.2d 1125, 1127 (7th Cir. 1991) (reversing the criminal convictions of twin sisters who, over a period of several years, each had received more than \$500,000 from “a wealthy widower partial to the company of young women”).

23. See, e.g., SEEKING, <https://www.seeking.com> [<https://perma.cc/BR8Q-95KY>] (presenting a popular online platform for finding sugaring arrangements); REDDIT: R/SUGARLIFESTYLEFORUM, <https://www.reddit.com/r/sugarlifestyleforum> [<https://perma.cc/R3UY-FJ2R>] (offering a digital forum to share common experiences and advice within the sugaring community).

24. See, e.g., *Government Employees Flocking to Sugar Daddy Website*, USA TODAY (Sept. 16, 2015), <https://www.usatoday.com/videos/news/nation/2015/09/16/32501219> [<https://perma.cc/RE2E-AM6H>] (reporting on a recent increase in the number of users using email addresses with a “.gov” at Sugar D, a sugar daddy website).

that many people characterize as prostitution or sex work.²⁵ Thirdly, participants on both sides of sugaring relationships have diverse views regarding their tax obligations, prompting the analysis presented in this Article.²⁶ If one person were to make a payment to another to provide companionship for an older adult, the payor would readily identify the transfer as a form of salary; the payee would understand their obligation to report the income on their annual tax return.²⁷ Yet many sugar daddies and sugar babies insist that analogous transfers are tax-free gifts.²⁸ This Article argues that, despite a seeming mainstreaming of sugaring, stigmas around sex work persist, and that, somewhat counterintuitively, the ways that parties to sugaring relationships talk about taxes both contribute to and reflect that stigma.

To investigate how parties in sugaring relationships talk about their tax obligations, I turned to posts from the Internet discussion forum, Reddit.com.²⁹ I assembled a limited dataset of discussion threads and analyzed them under a system of substantive and in vivo codes.³⁰ Departing from a traditional empirical analysis (i.e., counting which words or phrases appeared how often in how many posts), the project sought largely

25. See, e.g., User 5, *Post 5*, REDDIT: FORUM 1, <https://www.reddit.com> (acknowledging sugaring as sex work); Sawicki et al., *supra* note 19, at 355–56 (“[T]here is a long-standing debate about utilizing terminology such as ‘sex work’ versus ‘prostitution.’ We use ‘sex work’ here to emphasize the labor aspect of commercial sex and find it to be a less pejorative and gendered term.”).

26. See *infra* Part IV.

27. See, e.g., Anne-Marie Botek, *Tax Implications of Hiring an Independent Caregiver*, AGINGCARE, <https://www.agingcare.com/articles/hiring-in-home-caregiver-affects-taxes-171023.htm> [<https://perma.cc/W88Q-NSQK>] (providing advice for those seeking elder care clarifying that companions earn taxable income).

28. See *infra* Part IV.

29. See *generally About*, REDDIT, <https://www.redditinc.com> [<https://perma.cc/353Y-FCCN>] (“Reddit is home to thousands of communities, endless conversation, and authentic human connection. Whether you’re into breaking news, sports, TV fan theories, or a never-ending stream of the internet’s cutest animals, there’s a community on Reddit for you.”); Matt Silverman, *Reddit: A Beginner’s Guide*, MASHABLE (June 6, 2012), <http://mashable.com/2012/06/06/reddit-for-beginners> [<https://perma.cc/7RYN-5X4C>] (describing Reddit as “a message board wherein users submit links”); *id.* (“[T]he stream of content is curated by the community. Items of value are ‘upvoted,’ and those deemed unworthy are ‘downvoted.’ This determines a post’s position on the site . . .”).

30. See *infra* Part II.

qualitative data to address four main research questions: (1) How, if at all, do sugar babies and sugar daddies talk about the intersection of tax laws and sugaring? (2) How do sugar daddies treat transfers to sugar babies for federal tax purposes? (3) How do sugar babies say they treat the same receipts—as gifts or income? (4) To what extent are tax professionals involved in shaping the discourse around the intersection of tax laws and sugaring, and how do participants in the “sugar bowl” (as some insiders call the sugar lifestyle) respond to those interventions?³¹ To preview the answer, in short, forum participants have widely divergent views of their tax obligations, and both sugar daddies and sugar babies vary in their understanding of and self-reported compliance with the tax law.

Based on these findings, this Article concludes that this Internet-based “tax talk” reveals a reluctance on the part of many participants in sugaring relationships to characterize sugaring as a form of sex work.³² That reluctance undercuts the narrative of female empowerment that is equally salient in the data set. Paradoxically, these deeply entrenched taboos against the provision of sexual services in return for compensation co-exist with seemingly stigma-free discussions of sugaring. Acknowledging the ways that sugaring differs from other forms of sex work such as prostitution, escorting, exotic dancing, appearing in pornography, operating a sex phone line or webcam, or even serving as a paid dominatrix, sugaring is taxable work, just like most other employment. Legal silence about the tax aspects of sugaring relationships operates to the participants’ and the government’s long-term financial detriment.³³

Part I of this Article provides an overview of sugaring and sugar culture. It attempts to sketch a picture of the number and identities of people participating in the sugar bowl, their reasons

31. See S. Kit Ying & S.M. Zhooriyati, *The Self-Perception of Sugar Relationship and Self-Esteem Among Young Adults: A Qualitative Study*, 12 INT’L J. ACAD. RSCH. BUS. & SOC. SCIS. 1412, 1413 (2022) (“Sugar bowl is an internet slang term that alludes to the lifestyle of a sugar baby. It is also a financial relationship between a sugar baby and his or her sugar daddy or sugar mommy.”). Sometimes the phrase “sugar bowl” is shortened to “the bowl.” See *Glossary: What Are Common Words and Acronyms?*, *supra* note 5 (defining the bowl as “Short for ‘sugar bowl’. The sugar lifestyle”).

32. See *infra* Part III.

33. See *infra* Part IV.

for doing so, and the language that they use.³⁴ Part II sets forth the research questions and design of this study of sugar-specific Internet discussion forums on Reddit. Part III presents and analyzes the qualitative findings, exploring the dominant narrative that a sugar baby's receipts are tax-free gifts, not taxable income, as well as the counter-refrain that sugar babies are sex workers who must file income tax returns and pay tax on their receipts. Part IV explains why both sugar babies themselves and the government would be better off if the Internal Revenue Service provided clear guidance on the tax consequences of sugaring. It also predicts that the taxing authorities are unlikely to become entangled in the gray area between romance and commercial sex that is propped up by the dominant refrain that sugar babies receive "gifts," not income. Part V posits that tax talk is a constituent part of the narrative around sugaring. By placing some distance between sugaring and sex work, this tax talk reveals that many sugar daddies and sugar babies are eager to distance themselves from the buying and selling of sex, even though sugaring is, at its core, a form of sex work.

I. OVERVIEW OF SUGAR CULTURE

As a general topic, sugaring has received scant attention in the legal literature.³⁵ The intersection of sugaring and income taxation is notably unexplored.³⁶ This Part lays the foundation

34. *See infra* Part I.

35. A quick Westlaw search for the terms "sugar baby" or "sugar babies" returns twenty articles, of which eleven refer to sugaring relationships (as opposed to a candy called "Sugar Babies" or a song or art installation of the same name). WESTLAW, <https://1.next.westlaw.com/Search/Home.html?transitionType=Default&contextData=%28sc.Default%29> (search in search bar for "adv: 'sugar baby' or 'sugar babies'"; then choose "Secondary Sources" from "Content types"; then choose "Law Reviews & Journals" under "Publication Type" from "Filters").

36. Repeating the same search with "tax" as an added search term yields only one article that mentions taxation in the context of sugaring, explaining that by tracking cryptocurrency transactions, investigators may be able to investigate sex trafficking offenses. WESTLAW, <https://1.next.westlaw.com/Search/Home.html?transitionType=Default&contextData=%28sc.Default%29> (search in search bar for "adv: ('sugar baby' or 'sugar babies') and tax"; then choose "Secondary Sources" from "Content types"; then choose "Law Reviews & Journals" under "Publication Type" from "Filters"); Jane Khodarkovsky et al., *Prosecuting Sex Trafficking Cases in the Wake of the Backpage Takedown and the World of Cryptocurrency*, 69 DOJ J. FED. L. & PRAC. 101, 122 (2021)

for the rest of the Article by exploring key aspects of sugaring: what is known demographically about sugar daddies, sugar babies, and other participants in the sugar bowl; a concise exploration of why these relationships exist; an overview of what sugaring entails; and a brief consideration of whether sugaring is prostitution or not.

A. DEMOGRAPHICS OF THE SUGAR MARKETPLACE

While the term “sugar daddy” appears to be a twentieth-century invention,³⁷ there are many longstanding, time-honored approaches to meeting a potential partner for transactional, intimate relationships. Common pathways include introductions by acquaintances, meeting via shared social networks, encounters in private gatherings, taking out or responding to a newspaper ad, or even patronizing certain business establishments.³⁸ At the end of the twentieth century, though, as personal computers and home Internet access became widely available,³⁹ websites became a new way to identify potential partners for both

(“[V]irtual currency transactions must be reported to the IRS, and tax returns may therefore provide useful information.”).

37. See *Sugar Daddy*, OXFORD ENG. DICTIONARY, https://www.oed.com/dictionary/sugar-daddy_n?tab=meaning_and_use [<https://perma.cc/LL9B-HEN6>] (citing 1926 as the first published mention of the term).

38. See, e.g., THOMAS A.J. MCGINN, *THE ECONOMY OF PROSTITUTION IN THE ROMAN WORLD: A STUDY OF SOCIAL HISTORY & THE BROTHEL* 15–36 (4th ed. 2007) (discussing the economics of prostitution and various venues in which the enterprise occurred in the Roman world); Scott Cunningham & Todd D. Kendall, *Prostitution, Technology, and the Law: New Data and Directions* (discussing massage parlors’ role in the facilitation of transactional sex), in *RESEARCH HANDBOOK ON THE ECONOMICS OF FAMILY LAW* 221, 225 (Lloyd R. Cohen & Joshua D. Wright eds., 2011).

39. In 1993, only 22.8% of U.S. households had a computer at home. Eric C. Newburger, *Home Computers and Internet Use in the United States: August 2000*, U.S. CENSUS BUREAU 1 (Sept. 2001), <https://www.census.gov/content/dam/Census/library/publications/2001/demo/p23-207.pdf> [<https://perma.cc/X8FD-JT35>]. By 1997, that number had increased to 36.6%; the same year, 18.0% of all U.S. households had Internet access. *Id.* By 2000, 51.0% of all households had a computer and 41.5% had Internet access. *Id.* In 2021, 95.0% of all households had a computer and 90.3% had Internet access. See Daniela Mejia, *Computer and Internet Use in the United States: 2021*, U.S. CENSUS BUREAU 2 (June 2024), <https://www2.census.gov/library/publications/2024/demo/acs-56.pdf> [<https://perma.cc/NYG6-F42C>].

transactional intimacy and traditional dating.⁴⁰ For example, 1995 was the launch year for both the classified ad website Craigslist.org—with its advertisement for “adult services”⁴¹—and the traditional dating website Match.com,⁴² which registered 100,000 users in the first eighteen months alone.⁴³ Numerous similar facilitative websites have followed since.⁴⁴

40. Two websites associated with the selling of sex and even sex-trafficking are Craigslist.org and the now-defunct Backpage.com. See A.F. Levy, *The Virtues of Unvirtuous Spaces*, 52 WAKE FOREST L. REV. 403, 404 (2017) (“Even though some traffickers make use of these platforms, there is neither an empirical foundation for the assumption that the platforms cause trafficking, nor any evidence that shuttering them would reduce trafficking.”). One website used to identify traditional dating partners is Match.com. *About Match.com*, MATCH, <https://www.match.com/help/aboutus.aspx> [<https://perma.cc/2L68-BQP4>] (“Our mission is simple: to help singles find the kind of relationship they’re looking for.”).

41. See James Doubek & Mary Louise Kelley, *At 25 Years, Understanding the Longevity of Craigslist*, NPR (Feb. 24, 2020), <https://www.npr.org/2020/02/24/808965078/at-25-years-understanding-the-longevity-of-craigslist> [<https://perma.cc/5AW4-JYTC>]. Craigslist quickly became known for its personal advertisements that later morphed to include an explicit category for “Adult Services.” See Olivia Parise, Note, *Little Pink Flower with a Darker Story to Tell: The Role of Emojis in Online Human Trafficking and Potential FOSTA-SESTA Liability*, 11 U. MIA. RACE & SOC. JUST. L. REV. 52, 60 (2020) (“[A]mong the advertisements for used cars and used couches were categories labeled ‘personal advertisements’ that allowed for much more lewd exchanges These classified websites operated as third party mediums where people could post advertisements for many different categories.”). Craigslist.org closed its Adult Services section in 2010 and stopped all personal ads in 2018. Merrit Kennedy, *Craigslist Shuts Down Personals Section After Congress Passes Bill on Trafficking*, NPR (Mar. 23, 2018), <https://www.npr.org/sections/thetwo-way/2018/03/23/596460672/craigslist-shuts-down-personals-section-after-congress-passes-bill-on-trafficin> [<https://perma.cc/3M6B-66D2>] (discussing the history and changes to the website’s classified ads).

42. See *About Match.com*, *supra* note 40.

43. *Timeline: How Match.com Got Where It Is*, FOX BUSINESS, <https://www.foxbusiness.com/features/timeline-how-match-com-got-where-it-is> [<https://perma.cc/7UUM-VADU>] (providing founding information and enrollment data). As of 2024, there were an estimated thirty-nine million users of Match.com. Kathleen Wong, *Is Match.com Worth Trying in 2024? A Full Review of the Classic Dating App*, MINDBODYGREEN (Sept. 17, 2024), <https://www.mindbodygreen.com/articles/match-dating-app-review> [<https://perma.cc/J2ZE-AUZW>] (“Currently over 39 million people use Match, with a majority of members being ages 30 to 49 years old [T]he site’s fastest-growing demographic is the 50+ age group”).

44. See generally Azad I. Ali & Kustim Wibowo, *Online Dating Services – Chronology and Key Features Comparison with Traditional Dating*, 9

The first sugaring website, Seeking.com (originally SeekingArrangement.com), entered into this cyber marketplace in 2006.⁴⁵ In addition to Seeking.com, popular contemporary sugaring websites include SugarDaddy.com,⁴⁶ SugarDaddyMeet.com,⁴⁷ and SecretBenefits.com.⁴⁸ Websites like these appear to be the primary ways that participants in sugaring relationships identify each other.⁴⁹ While there is no reliable empirical evidence of the size of the sugaring community, some sugar dating sites tout their membership numbers—presumably to entice prospective sugar daddies and sugar babies to join the site.⁵⁰ For example, SugarDaddyMeet.com claims that it has

COMPETITION F. 481, 482–83 (2011) (describing late-twentieth century origins and expansion of contemporary online dating sites).

45. See Lena Gunnarsson, *The Allure of Transactional Intimacy in Sugar Dating*, 67 SOCIO. PERSPS. 25, 26 (2024) (calling Seeking.com “the first sugar dating Web site in the Global North”); Melanie Berliet, *Desperately Seeking Sugar Daddies*, VANITY FAIR (May 26, 2010), <https://www.vanityfair.com/culture/2010/05/seeking-arrangement-201005> [<https://perma.cc/ZP7D-8PYZ>] (providing 2006 as the launch year of Seeking Arrangements); see also *About Us*, SEEKING, <https://www.seeking.com/about-us> [<https://perma.cc/S5KJ-VCSM>] (“Seeking.com is the largest luxury dating site for the beautiful, wealthy, and successful, with over 46+ million members worldwide.”).

46. See *Who’s Online*, SUGARDADDY.COM, <https://www.sugardaddy.com/who-is-online> [<https://perma.cc/3SED-H6Q2>] (“To search for sugar daddies or sugar babies in a specific location, use the quick search function.”).

47. See SUGARDADDYMEET, <https://www.sugardaddymeet.com> [<https://perma.cc/6KD4-ZALQ>] (“SugarDaddyMeet®, also known as SDM®, is the most visited sugar daddy site & app for successful men and attractive women looking for mutually fulfilling relationships.”).

48. See SECRET BENEFITS, <https://www.secretbenefits.com> [<https://perma.cc/CQ76-YJCW>] (including the tagline “[f]inding the perfect Sugar Daddy or Sugar Baby has never been easier”). For a recent list of popular sugar websites, see *Best Sugar Daddy Websites for Sugar Daddies and Sugar Babies to Meet (2024)*, CHI. READER (Aug. 16, 2024), <https://chicagoreader.com/reader-partners/sugar-daddy-sites> [<https://perma.cc/5SG-RD36>].

49. See Rocío Palomeque Recio, *Blurred Lines: Technologies of Heterosexual Coercion in “Sugar Dating,”* 32 FEMINISM & PSYCH. 44, 45 (2021) (“The search for a ‘sugar’ partner is predominantly conducted online, through specialized sugaring websites whose aim is to link prospective Sugar Daddies with Sugar Babies.”). For a list of other popular sites, see Emma Drackford & David E. Maxwell, *Top 11 Sugar Daddy Sites to Meet Sugar Babies and Daddies Online in 2023*, WASH. CITY PAPER (Jan. 30, 2023), <https://washingtoncitypaper.com/article/540727/sugar-daddy-sites> [<https://perma.cc/32F8-GMEX>].

50. See, e.g., Ditto Bang, *Top 5 Best Sugar Babies Websites Online in 2024*, LINKEDIN (Apr. 30, 2024), <https://www.linkedin.com/pulse/top-5-best-sugar-babies-websites-online-2024-ditto-bang-myh1f> [<https://perma.cc/4F9E-G6QD>]

over 8.2 million active users.⁵¹ Seeking.com boasts serving over 46 million members from over 146 countries.⁵² In comparison, Match.com has exceeded 50 million users in the United States alone.⁵³ For other sugaring sites, website traffic statistics offer some evidence of popularity, but it is not possible to know how many visits come from those actively seeking to engage or already participating in sugaring relationships versus those who are merely curious. For example, according to website traffic data monitor Similarweb, SugarDaddy.com received over 3.1 million visits in September 2024.⁵⁴ For the same period, SecretBenefits.com received more than an estimated 8.8 million visits.⁵⁵ Visitors to these websites are estimated to be mainly from the United States, male, and between the ages of twenty-five to thirty-four.⁵⁶ While these web traffic numbers cannot reveal precisely how many people are actually involved in sugaring relationships, they at least suggest that sugar dating is not uncommon.⁵⁷ Indeed, one survey found that, as of 2017, 61% of adults

(“As of today, the Secret Benefits dating website proudly hosts a user base of over one million registered members, a remarkable achievement since its inception on January 2, 2016. This platform primarily caters to mature and financially secure men in search of meaningful connections with attractive women.”).

51. See SUGARDADDYMEET, *supra* note 47 (reporting over 8.2 million “selective members” comprised of over 1.7 million “generous men” and over 6.5 million “attractive women”).

52. *Our Story*, SEEKING, <https://www.seeking.com/our-story> [<https://perma.cc/WFZ3-7CRT>] (“Brandon Wade’s struggle with relationships inspired a revolution in online dating with the creation of SeekingArrangement.com. Seeking has since become the most successful luxury dating website in the world . . .”).

53. *Match.com Statistics in 2024: All You Need to Know About the App*, ROAST, <https://roast.dating/blog/match-com-statistics> [<https://perma.cc/Y5N5-FXPK>]. Worldwide, Match.com has accumulated over 75 million users. *Id.*

54. *SugarDaddy.com*, SIMILARWEB, <https://www.similarweb.com/website/sugardaddy.com> [<https://perma.cc/X2V9-4ND4>].

55. *SecretBenefits.com*, SIMILARWEB, <https://www.similarweb.com/website/secretbenefits.com> [<https://perma.cc/P4V2-6ZGT>].

56. In September 2024, 87.75% of visitors to SugarDaddy.com were from the United States, 30.86% were between the ages of twenty-five and thirty-four, and 56.78% were male. See *SugarDaddy.com*, *supra* note 54; For SecretBenefits.com, visitors were 71.99% from the United States, 26.29% between the ages of twenty-five and thirty-four, and 77.94% male. *SecretBenefits.com*, *supra* note 55.

57. In 2013, one researcher estimated that there were over twenty “sugar daddy dating sites.” See Jacqueline Motyl, Comment, *Trading Sex for College Tuition: How Sugar Daddy “Dating” Sites May Be Sugar Coating Prostitution*, 117 PENN ST. L. REV. 927, 929 (2013) (explaining sugar daddy dating websites).

in the United States had heard of the term “sugar baby” and an estimated 8% of millennials were reported to be actively involved in a sugaring relationship as a sugar baby, sugar daddy, or sugar mama.⁵⁸ More recent estimates are not readily available.

Generally speaking, the imagery and language used on sugaring websites tend to be organized around a traditional model of a sugar daddy who is a middle-aged white or Asian man and a sugar baby who is a comparatively younger white or Asian woman.⁵⁹ The predominance of this heterosexual male daddy/female baby archetype tracks the limited publicly available data about users of sugaring sites. For example, as of 2020, the gender breakdown of registered users in the United Kingdom for Seeking.com was 2,058,362 female sugar babies, 150,354 male sugar babies, 501,459 sugar daddies, and 14,126 sugar mamas.⁶⁰ That is, 95.7% of sugar babies self-identified “female” and 97.4% of those seeking a sugar baby self-identified as “male.”⁶¹ While demographics likely vary country by country, there is no suggestion that the gender ratios would differ.⁶² In fact, one researcher has called female sugar mama/male sugar baby relationships “atypical,” based on a review of profiles on Seeking.com and related discussion forums.⁶³

That number undoubtedly has increased. See Pleasure Seeker, *25 Best Sugar Daddy Sites and Apps in 2022 for Real Sugar Dating Online*, VILLAGE VOICE (Mar. 31, 2022), <https://www.villagevoice.com/top-sugar-daddy-websites-25-of-the-best-sites-for-finding-a-sugar-baby-or-daddy> [<https://perma.cc/TZ3E-DUDA>] (rating sites by number of active users, identity verification options, ease of use, and other factors).

58. See Yael Bame, *Do You Know What a Sugar Baby Is? 61% of Americans Do*, YOUNGOV (June 20, 2017), <https://today.yougov.com/society/articles/18412-do-you-know-what-sugar-baby-61-americans-do> [<https://perma.cc/S2D6-6D3C>] (providing data about the incidence of and familiarity with sugaring relationships).

59. See, e.g., SEEKING, *supra* note 23 (depicting an older white man with a younger white woman); *About Us*, *supra* note 45 (depicting an older Asian man with a younger white woman); SECRETBENEFITS, *supra* note 48 (depicting young white and Asian women and older white men).

60. Rocío Palomeque Recio, *‘I Have Bills to Pay!’ Sugar Dating in British Higher Education Institutions*, 34 GENDER & EDUC. 545, 547 (2022) (“The numbers show the acute gendered nature of sugar dating . . .”).

61. *Id.*

62. See Seeking.com, SIMILARWEB, <https://www.similarweb.com/website/seeking.com/#demographics> [<https://perma.cc/29H7-QZ5Z>] (discussing the website traffic demographics of Seeking.com).

63. Srushti Upadhyay, *Sugaring: Understanding the World of Sugar Daddies and Sugar Babies*, 58 J. SEX RSCH. 775, 777 (2021).

Compared with information about the gender of users of sugar dating sites, race-based data are less abundant. One can only piece together a picture of the users' racial identities through scattered and anecdotal sources.⁶⁴ For example, according to one news report that is over ten years old, 4% of sugar daddies on Seeking.com identified as African American.⁶⁵ One researcher who collected a convenience sample of profiles on Seeking.com found that approximately 80% of all sugar daddies self-identified as white, with no other racial or ethnic group exceeding 4% of all sugar daddies.⁶⁶

In the same study, a convenience sample of sugar babies found that most sugar babies self-identified as white (54%), followed by those of mixed race (19%) and "Latino/Hispanic" (15%).⁶⁷ No data was provided for sugar babies of other races.⁶⁸ In a popular Internet discussion group, one (presumed) sugar daddy self-reported the racial demographics of the sugar babies that came up in his search within a thirty-mile radius in the Atlanta area: 42% Black, 16% mixed race, 29% white, 2% Asian, and 11% Latina.⁶⁹

The stated sexual preferences of registered users of sugar dating websites are generally not advertised as broadly as the

64. *E.g., Sugar Daddy Survey Reveals African Americans Are Most Desired by Women*, SAN DIEGO VOICE & VIEWPOINT (June 19, 2013), <https://sdvoice.info/sugar-daddy-survey-reveals-african-americans-are-most-desired-by-women> [<https://perma.cc/R9JX-ZTEL>] (discussing the number of African Americans on SeekingArrangement.com); Upadhyay, *supra* note 63, at 777–78 (identifying racial identities among a collected group of Seeking.com users).

65. *Sugar Daddy Survey Reveals African Americans Are Most Desired by Women*, *supra* note 64 (describing African Americans as "the third largest demographic amongst wealthy benefactors" registered for SeekingArrangement.com (now Seeking.com)); *see id.* ("Because only a fraction of our Sugar Daddy population are African American, the demand amongst babies is extremely high." (quoting CEO Brandon Wade)).

66. Upadhyay, *supra* note 63, at 778.

67. *Id.* (noting that the population sample of sugar babies was "more racially and ethnically diverse" than the sample of sugar daddies).

68. There was no report of the percentage of Black sugar babies. *See id.* (noting only white, mixed race and Hispanic sugar babies).

69. User 6, *Post 6*, REDDIT: FORUM 1, <https://www.reddit.com> ("Here were the numbers, by ethnicity: 8121 – black[:] 3116 – mixed[:] 5543 – white[:] 411 – Asian[:] 2056 – latino . . .").

number of overall users.⁷⁰ However, Seeking.com historically has made certain demographic information available on request.⁷¹ Indeed, many of the sugaring sites cater to users of all sexual preferences.⁷² SugarDaddy.com, for example, allows users to specifically search for gay or lesbian sugar babies and daddies/mamas.⁷³ Some sites cater specifically to gay male sugar daddies/babies.⁷⁴ While there do not appear to be any sites that are devoted wholly to lesbian sugar mamas/babies, there is at

70. See, e.g., *Our Story*, *supra* note 52 and accompanying text (providing the number of site registrants on Seeking.com, but not the sexual preferences/orientation of users).

71. For example, in 2012, Dallas Voice reported that 3.8% of male sugar daddies were seeking male sugar babies and 0.6% of sugar daddies were bisexual. *Dallas Makes Top 20 List for Its Sugar Daddy Population, but No. 1 for Gay Men*, DALL. VOICE (Mar. 30, 2012), <https://dallasvoice.com/dallas-top-20-list-sugar-daddy-population-no-1-gay-men> [<https://perma.cc/5L4L-K2XP>] (quoting data provided by SeekingArrangement.com's (now Seeking.com's) public relations manager, Jenn Gwynn, in response to a reporter's inquiry).

72. See *4 Best Free Sugar Lesbian Momma Sites and Apps to Join in 2023*, SUGARDATING REVIEW, <https://sugardatingreview.com/lesbian-sugar-momma-websites> [<https://perma.cc/2YY8-HNKK>] (identifying four sugar sites that cater to lesbian women).

73. See *Pleasure Seeker*, *supra* note 57 (“The LGBTQ-friendly approach makes SugarDaddy one of the most interesting sites for wealthy daddies and babies who are more complex than just a man seeking a woman.”). *But cf.* SECRET BENEFITS, *supra* note 48 (advertising itself without reference to sexual preference by boasting that “[m]illions of like-minded people are finding each other & starting relationships on Secret Benefits”). If one clicks the button, “I’m a Woman,” the site takes the user to a registration form with the tagline, “Meet wealthy & successful men for free!” *100% Free Signup*, SECRET BENEFITS, <https://www.secretbenefits.com/signup/woman> [<https://perma.cc/T4C3-SXNN>]. If one clicks the button, “I’m a Man,” the site takes the user to a registration form with the tagline, “Meet attractive women for free!” *100% Free Signup*, SECRET BENEFITS, <https://www.secretbenefits.com/signup/man> [<https://perma.cc/H497-HFXR>].

74. E.g., GAY ARRANGEMENT, <https://gayarrangement.com> [<https://perma.cc/RWU9-AWFK>] (“The Leading Gay Dating Site for Gay Daddies and Gay Boys Seeking Secret Arrangements. Gay Dating Matchmaking Exclusively for Successful and Attractive Gay Men.”); SUGAR ELITE GAY, <https://gay.sugarelite.com> [<https://perma.cc/CPH3-FP2R>] (permitting users to identify as a “Male Sugar Baby seeking Sugar Daddy,” “Male Sugar Baby seeking Male Sugar Baby,” “Sugar Daddy seeking Sugar Daddy,” or a “Sugar Daddy seeking Male Sugar Baby”).

least one site that focuses primarily on sugar mamas seeking male sugar babies.⁷⁵

Apart from gender, race, and sexuality, an important demographic factor in the sugaring community is the average age of the participants. According to data provided by Seeking.com, the average sugar daddy is thirty-eight years old and has \$250,000 in annual income; the average sugar baby is twenty-five years old and receives \$2,800 monthly from sugaring activities.⁷⁶ Large numbers of students, in particular, are seeking to act as sugar babies.⁷⁷ According to a representative of Seeking.com, of the approximately four million hopeful sugar babies registered for its site, sixty-two percent are students in the United States.⁷⁸ At one point, Seeking.com even had a “Sugar Baby University”⁷⁹ program that gave free “premium” membership to students in the United Kingdom and United States who enrolled with their academic email address.⁸⁰ According to data provided by the company, in 2020, there were 1,676 sugar babies registered on

75. *E.g.*, COUGAR LIFE, <https://www.cougarlife.com> [<https://perma.cc/7LYX-LT34>] (“Cougar Life is a place for men looking to date older women-and for women interested in dating younger men.”); *see also* *4 Best Free Sugar Lesbian Momma Sites and Apps to Join in 2023*, *supra* note 72 (calling CougarLife.com “one of the best lesbian sugar baby dating sites”); *id.* (“It’s focused on sugar mommas, and even though lesbian/bisexual sugar mommies are not in the majority, there are still thousands of women searching for a hot girl on this platform.”); *Glossary: What are Common Words and Acronyms*, *supra* note 5 (stating that sugar mamas are “exceedingly rare for lesbian [sugar babies] and essentially non-existent for male [sugar babies]”).

76. Ben-Zeév, *supra* note 6.

77. *See* Matthew McGrath, *College Students Pay Tuition by Hooking Up with Sugar Daddies, Mommas*, FOX BUSINESS (Jan. 14, 2020), <https://www.foxbusiness.com/money/seeking-arrangements-sugaring-sugar-daddy-online-dating-college-tuition> [<https://perma.cc/YMU8-XG9T>] (noting that 2.48 million college students signed up for SeekingArrangement.com (now Seeking.com)).

78. *Id.*

79. Recio, *supra* note 60, at 557 n.2.

80. Imogen Horton & Georgiana F. Scott, *Students Share the Sour Reality of Sugar Dating*, EPIGRAM (Feb. 24, 2020), <https://epigram.org.uk/2020/02/24/the-sour-reality-of-sugar-dating> [<https://perma.cc/23LN-8Q6L>] (referring to SeekingArrangement.com, the predecessor of Seeking.com, and saying that the site “gives a free premium membership to all students who sign up with a university email address”); *see also* Recio, *supra* note 60, at 546 (observing that Seeking.com advertised sugar dating “as a mechanism to cope with student debt and living expenses” and “connects the increasing number of students who are sugar dating with the systematic increase in tuition fees”).

the site from New York University alone.⁸¹ Other schools with over 1,000 sugar babies using their school email addresses were Georgia State University (1,304), University of Central Florida (1,068), and Columbia University (1,008).⁸² To be sure, just because one has an email address ending in “.edu” does not mean that one is a student. As of August 2024, the free premium membership was offered automatically to the author who attempted to sign up for the site using her law school email address, real name, and real age (even though she is a university employee, not a student, and well beyond the age of the average undergraduate).⁸³

B. MOTIVATION FOR SUGAR RELATIONSHIPS

The motivations for participating in sugaring relationships undoubtedly vary from person to person. At least from the sugar baby’s perspective, the high cost of higher education and uncertain post-graduation employment prospects may drive many college students to seek financial support from a sugar daddy.⁸⁴ As other researchers have documented, many college students may seek to sugar because of the high cost of higher education and uncertainty in the post-graduation employment market.⁸⁵ The cost of attendance at a university that offers bachelor’s, master’s,

81. Megan Martin, *Top 20 American Universities with Most Sugar Babies 2020*, SUGARDADDYSITES.CO (Dec. 3, 2020), <https://sugardaddysites.co/top-20-american-universities-with-most-sugar-babies> [<https://perma.cc/2UNH-QJ3Z>]. Martin also reported that New York University was the school with the “highest sugar baby proportion” at 3.23% of all students, calculated by dividing the number of sugar babies on Seeking.com by the total number of students at the university. *Id.*

82. *Id.* (listing the twenty universities with the highest aggregate number of sugar babies registered on SeekingArrangement.com (now Seeking.com)).

83. See *Membership and Billing*, SEEKING, <https://members.seeking.com/billing/subscription> (signup results on file with author) (showing Bridget Crawford was able to create an account using a .edu email). Bridget Crawford is fifty-five years old.

84. See Recio, *supra* note 60, at 551 (discussing several users’ rationale for sugar dating as high cost of living during university).

85. See, e.g., Motyl, *supra* note 57, at 928–29 (“In an effort to pay off their loans and graduate debt free, young undergraduates have signed up for websites such as SeekingArrangement.com that offer a selection of ‘sugar daddies’ who are waiting to pluck Cinderella from her plebian lifestyle and introduce her to the riches of the world.”).

and doctoral degrees has doubled in the last twenty years.⁸⁶ According to the National Center for Education Statistics, the average total cost of attending a four-year public university during the 2022–2023 academic year was between \$15,708 and \$27,756, depending on whether a student lived at home.⁸⁷ At four-year private nonprofit universities, the total average cost of attendance ranged from \$46,280 to \$56,628, again depending on living arrangements.⁸⁸ Approximately 61% of all college graduates in 2022 reported taking on some student loans.⁸⁹ The average debt of bachelor's degree-earning graduates in 2022 was \$29,417.⁹⁰ The distribution of debt load is not equal, though: women represent 64% of all student loan debt, with 49% of all female undergraduates taking out student loans, compared to 42% of male undergraduates.⁹¹ Among female undergraduates, Black women have the highest average student loan debt (\$37,558), followed by white women (\$31,346), Hispanic/Latinx women (\$27,029), and Asian women (\$25,252).⁹² No data is available for the

86. Sarah Wood, *How Much Student Loan Debt Does the Average College Graduate Have?*, U.S. NEWS & WORLD REP. (Sept. 22, 2023), <https://www.usnews.com/education/best-colleges/paying-for-college/articles/see-how-student-loan-borrowing-has-changed> [<https://perma.cc/WE5J-YSUN>].

87. See *Price of Attending an Undergraduate Institution*, NAT'L CTR. FOR EDUC. STAT. (last updated May 2024), <https://nces.ed.gov/programs/coe/indicator/cua> [<https://perma.cc/D5BL-N3WQ>] (showing for students attending four-year, public institutions, the lowest average total cost was for students living off-campus with family, and the highest total cost was for students living off-campus, not with family).

88. *Id.* (showing that for students attending four-year, private nonprofit universities, the lowest average total cost was for students living off-campus with family and the highest total cost was for students living on campus).

89. See Wood, *supra* note 86 (“In 2009, about 68% of college graduates had taken on student loan debt, while in 2022, 61% of graduates had borrowed . . .”).

90. See *id.* (“[G]raduates from the class of 2022 who took out student loans en route to a bachelor’s degree borrowed \$29,417 on average. That’s about \$2,200 more than borrowers from the class of 2012 had to shoulder, representing a roughly 8% increase in the amount students borrowed over that decade.”).

91. Melanie Hanson, *Student Loan Debt by Gender*, EDUC. DATA INITIATIVE (June 20, 2024), <https://educationdata.org/student-loan-debt-by-gender> [<https://perma.cc/5D6T-S2R7>].

92. *Fast Facts: Women & Student Debt*, AM. ASS’N OF UNIV. WOMEN, <https://www.aauw.org/resources/article/fast-facts-student-debt> [<https://perma.cc/36V8-2HVB>] (providing average total borrowing by gender and race/ethnicity).

student debt burden of Indigenous Americans, Alaska Natives, Native Hawaiians, Pacific Islanders, or mixed-race borrowers.⁹³

The employment rate for people aged twenty-five to thirty-four years old with a bachelor's (or higher) degree was 80% in 2023, with men employed at a higher rate (85%) than women (76%).⁹⁴ Generally speaking, women with bachelor's degrees who work full time earn 26% less than their male counterparts, making it more difficult for women to repay their debt obligations quickly or at all.⁹⁵ The recent average wage for workers aged twenty-one to twenty-four years old and having a college degree is \$25.34 per hour for women, compared to \$30.64 for their male counterparts.⁹⁶ These average wages differ by race, too: \$33.77 for Asian American/Pacific Islanders, \$27.51 for whites, \$25.44 for Hispanics, and \$24.27 for Blacks.⁹⁷ While it would appear that 2022 college graduates faced a more favorable job market than their immediate predecessors,⁹⁸ the high cost of college combined with heavy debt loads places many students and recent graduates in financially precarious positions.⁹⁹

93. *Id.*

94. *Employment Rates of Young Adults*, NAT'L CTR. FOR EDUC. STAT., <https://nces.ed.gov/fastfacts/display.asp?id=561> [<https://perma.cc/2UMK-E4VC>] (providing employment rates of twenty-five- to thirty-four-year-olds).

95. *See Fast Facts: Women & Student Debt*, *supra* note 92 (noting that women's comparatively lower earnings are "hampering women's ability to quickly pay off debt"); *see also* Hanson, *supra* note 91 (observing that "12 years after college graduation, white men have paid off up to 44% of their student loan debt, while white women have only paid off up to 28%" and that women repay loans "at a lower amount per month than men as well").

96. Katherine deCourcy & Elise Gould, *Class of 2024: Young College Graduates Have Experienced a Rapid Economic Recovery*, ECON. POL'Y INST.: WORKING ECON. BLOG, at fig.D (May 9, 2024), <https://www.epi.org/blog/class-of-2024-young-college-graduates-have-experienced-a-rapid-economic-recovery> [<https://perma.cc/LFM8-FVHX>] (providing "average real wages" for workers with a college degree, with a breakdown by gender and race/ethnicity).

97. *Id.* (providing average real wages by gender and by race, but not differentiating between men and women within the race/ethnicity categories).

98. *See, e.g.*, Lindsay Ellis, *The Class of 2022 Is in Demand. What Do New Grads Want?*, WALL ST. J. (May 18, 2022), <https://www.wsj.com/articles/the-class-of-2022-is-in-demand-what-do-new-grads-want-11651896042> [<https://perma.cc/8MS3-MZW8>] ("In a survey of 196 employers during February and March [of 2022], 16% told the National Association of Colleges and Employers they would double new-graduate hires from last year.").

99. One commentator has critiqued "this figure of the studious, dressed-down college student who turns to sugaring to pay for her studies. This felt, to

Financial benefit is the dominant, but not sole, motivation for young women who are seeking a sugar daddy. According to one study of ninety sugar baby profiles on Seeking.com, “almost all” sugar babies said that they were seeking payments or benefits such as “allowances, travel grants, and/or direct payments.”¹⁰⁰ A majority of sugar babies also said that they wanted some companionship beyond a sexual relationship.¹⁰¹ In contrast, some sugar babies stated a preference for “NSA” (no strings attached) relationships; a tiny portion of sugar babies tended to be seeking long-term relationships.¹⁰²

From the sugar daddy side of these relationships, the expectations for the length of a sugaring arrangement vary. According to a study of profiles on Seeking.com, approximately 31% of sugar daddy profiles used the term “long-term” to describe their relationship goals.¹⁰³ Thirty-seven percent expressed an interest in a relationship they described as “casual,” “Friends with Benefits,” and “NSA.”¹⁰⁴ Fifteen percent of all sugar daddies said that they were “Married but Looking” and 35% of all sugar daddies explicitly requested “discretion” in their prospective

me, like a justification: It’s only okay that [the person] sugars because she needs to do it. She doesn’t just want money to spend, she wants money to do something ‘good’—to get her B.A. Being a sugar baby is just part of a high achievement lifestyle . . .” Malaika K. Tapper, *Enrolling in Sugar Baby University*, HARV. CRIMSON (May 20, 2019), <https://www.thecrimson.com/article/2019/5/20/sugar-baby-university> [<https://perma.cc/87NC-SR59>].

100. Upadhyay, *supra* note 63, at 780.

101. For example, one sugar baby, an eighteen-year-old the author calls “Luna,” was quoted saying, “I’m currently looking for someone who can help me financially, so I can cut back on my hours since I work full time . . . I want the relationship to be professional/friendly while learning and experiencing new things together.” *Id.*

102. *See id.* at 778–79 (reporting that of the ninety sugar baby profiles studied, “40 specifically used the terms, ‘no-strings-attached/NSA,’ ‘attached/NSA,’ ‘casual arrangement,’ or ‘casual relationship’”).

103. *See id.* at 778 (reporting that out of 108 sugar daddy profiles, thirty-four indicated a desire for a “long-term” relationship and hypothesizing that many of these users “specified their openness to engage in a short-term relationship while expressing their desire to be in a long-lasting one too” because of a potential awareness that most sugar babies are not interested in long-term relationships).

104. *See id.* at 779 (“Only a few individuals on [SeekingArrangement.com, now Seeking.com] desired a relationship where they (52, White, single) ‘can be friends and actually care about each other’s well-being’. Rather, the [sugar daddies] were (45, White, divorced) ‘not looking for a girlfriend, just someone [they] can have fun with and enjoy being around.’”).

sugaring relationships.¹⁰⁵ With this background information about who participates in sugaring relationships and why, the discussion turns in the next section to what precisely sugaring entails.

C. WHAT SUGARING ENTAILS

Because of the popularity of Seeking.com, that site, along with its related blogs,¹⁰⁶ and social media accounts,¹⁰⁷ can provide crucial insight into the sugar culture's operation, substance, and vocabulary.¹⁰⁸ So, too, do posts to the Internet discussion forum Reddit with its many sugar-relevant "subreddits," or specific communities that function as stand-alone discussion boards.¹⁰⁹ Popular sugaring subreddits include "r/sugarlifestyleforum,"¹¹⁰ "r/SugarDatingForum,"¹¹¹ and

105. See *id.* (hypothesizing that requests by sugar daddies for discretion may be a way that sugar daddies "not only manage the stigma associated with an age-disparate relationship, but also the stigma associated with being recognized as someone who was involved in an extramarital affair").

106. See SEEKING BLOG, <https://blog.seeking.com> [<https://perma.cc/BX9P-Q7JZ>] (including posts with headings such as "Why Gen Z Women Prefer Dating Older Men").

107. See *Seeking (@seeking)*, X (formerly TWITTER), <https://twitter.com/seeking> [<https://perma.cc/V6QW-HEZB>] (account on the X social media platform for Seeking.com).

108. See, e.g., Recio, *supra* note 49, at 44 (opining that Seeking.com functions as "the matrix where the 'sugar' discourse is constructed" and that the website, and presumably its sponsored products, are "a discursive producer of the subject, inasmuch as Sugar Babies and Daddies are subjected and subjugated through a process of *assujettissement* by this kind of discursive power").

109. See *What Are Communities or "Subreddits"?*, REDDIT, <https://support.reddithelp.com/hc/en-us/articles/204533569-What-are-communities-or-subreddits> [<https://perma.cc/C5MM-5VP3>] ("Reddit is a large community made up of thousands of smaller communities. These smaller, sub-communities within Reddit are also known as 'subreddits' and are created and moderated by redditors like you.").

110. See REDDIT: R/SUGARLIFESTYLEFORUM, <https://www.reddit.com/r/sugarlifestyleforum> [<https://perma.cc/5SRG-EFMB>] (providing "[a] forum where [sugar daddies] and [sugar babies] discuss the sugar lifestyle, share experiences, and learn from one another" with 224,000 members as of September 2024).

111. See REDDIT: R/SUGARDATINGFORUM, <https://www.reddit.com/r/SugarDatingForum> [<https://perma.cc/A4ZA-DFPU>] ("This is a forum for real sugar daddies and sugar babies, legit sugar daddies and sugar babies, enjoying or looking for genuine sugar dating relationships."). This forum has 72,000 members as of September 2024. *Id.*

“r/SugarBABYOnlyForum”¹¹² to name a few. Collectively, these sources introduce an outsider or new participant in sugar culture to essential terms and concepts; they also help establish norms and guidelines for sugar babies and sugar daddies.

Generally speaking, parties discuss and agree upon the specific terms of a sugaring relationship before engaging in sexual intimacy. After an initial (typically platonic) “date,” often called a “meet and greet” (or “M&G”), the sugar parent and sugar baby decide what type of relationship they will have, including how often they will meet and what type of financial or material benefits the sugar parent will provide to the sugar baby.¹¹³ The initial M&G is typically not compensated, but the sugar parent commonly gives a small gift to the sugar baby.¹¹⁴ Scheduling and financial arrangements are among the most salient terms of any sugaring relationship. By way of illustration, one student at the University of Tennessee who wrote about her experiences on a sugar website reported that “each Sugar Daddy I encountered was very specific about wanting to meet either once weekly, two

112. See REDDIT: R/SUGARBABYONLYFORUM, <https://www.reddit.com/r/SugarBABYonlyforum> [<https://perma.cc/F9AC-9E98>] (“A safe discussion space for women who are part of in-person sugar relationships to come for advice, safety tips, or to vent. No [sugar daddies], clients, or random men—they will be permanently banned.”). This subreddit has 51,000 members as of September 2024. *Id.*

113. See, e.g., *I’m a “Sugar Baby” Who Gets Paid \$500 a Date—Here’s What It’s Really Like to Date Sugar Daddies and Get Cash, Gifts, and 5-Star Hotel Stays*, BUS. INSIDER (Aug. 8, 2022), <https://www.businessinsider.com/sugar-baby-relationship-sugar-daddy-what-its-like-2019-8> [<https://perma.cc/G8BK-R8V4>] [hereinafter *I’m a “Sugar Baby”*] (introducing the term “Meet and Greet” as part of the unique vocabulary in the sugaring community); see also Violet Lee, *Top 10 Sugar Baby Universities in the US 2023*, SUGARBOOK (Feb. 13, 2023), <https://sugarbook.com/blog/top-10-sugar-baby-universities-in-the-us-2023> [<https://perma.cc/EYR2-ZLGL>] (“Sugar relationships are based on an agreed arrangement. After the initial first dates to get to know one another, you and your daddy/mommy decide upfront the type of relationship you want to have, set boundaries, and other details that you want to discuss before going into the relationship.”); *Glossary: What Are Common Words and Acronyms?*, *supra* note 5 (“The M&G is designed to be completely platonic so as to avoid pressure to move the relationship along before both of you are ready.”).

114. See *I’m a “Sugar Baby”*, *supra* note 113 (“Usually, money doesn’t change hands [at the M&G], though it’s not unusual for the sugar baby to receive a small gift. Some of the things I’ve received on my first dates include stuffed animals, books, and \$300 cash.”).

to three times a month or even less frequently.”¹¹⁵ The same sugar baby reported receiving offers ranging from \$200 per meeting to a monthly “allowance” of \$1,000.¹¹⁶

For the most part, when a sugaring relationship includes an allowance, the payment is made regularly, such as per week or per month.¹¹⁷ Depending on parties’ location and the expected frequency of contact, a sugar baby’s monthly allowance may range anywhere from \$1,000 to \$10,000.¹¹⁸ Payments may be in cash or via electronic transfer through platforms like Venmo.¹¹⁹ The sugar daddy likely would begin paying an allowance only after the M&G.¹²⁰

The sugaring relationship may employ a “pay per meet” (PPM) structure if the sugar daddy does not provide an allowance.¹²¹ In other words, the sugar daddy provides the sugar baby with a set amount at each “date” or meeting.¹²² As one former

115. See Bradi Musil, *Discretion, Submission and Fetish: My Experience as a (Potential) Sugar Baby*, UNIV. TENN. DAILY BEACON (Feb. 10, 2017), https://www.utdailybeacon.com/modernlove/discretion-submission-and-fetish-my-experience-as-a-potential-sugar-baby/article_96d820ec-ef38-11e6-9a56-7b6f14df91fa.html [<https://perma.cc/D5SP-FR6R>] (saying that she signed up for Seeking.com to interview sugar daddies, sugar mamas, and sugar babies, but soon “decided the best way to get some answers without getting kicked off the site was to play along and ask the Sugar Daddies who messaged my account as many questions as I could before they got tired of me”).

116. *Id.*

117. See, e.g., *I’m a “Sugar Baby”*, *supra* note 113.

118. See, e.g., Laura E. Deeks, Note, *A Website by Any Other Name? Sex, Sugar, and Section 230*, 34 WOMEN’S RTS. L. REP. 245, 254–55 (2013) (“An estimated third of daddies on [Seeking.com] pay allowances ranging from \$1,000 to \$10,000 a month, while others compensate their babies with spending cash, expensive gifts, shopping spree . . .”); see also Upadhyay, *supra* note 63, at 775 (reporting that according to Seeking.com, sugar babies receive an average of \$2,800 per month “in allowances and gifts”).

119. See, e.g., *I’m a “Sugar Baby”*, *supra* note 113 (containing a former sugar baby’s definition of the term “allowance” as used in the context of sugaring relationships).

120. *Id.* (introducing the term “Meet and Greet” to develop the vocabulary within sugaring relationships and expand on the nature of forming arrangements).

121. See, e.g., *Glossary: What Are Common Words and Acronyms?*, *supra* note 5 (“[P]ay per meet (PPM) [is a] compensation style that occurs each time the [sugar daddy] and [sugar baby] meet. This method is often used at the start of a sugar relationship as trust is being built. Over time, many opt to move to an allowance.”).

122. *Id.*

sugar baby explained, “[m]any relationships start out PPM, as it’s less risky for the sugar daddy than setting up an allowance right away.”¹²³ According to participants in the sugar bowl, beginning a relationship with a PPM may minimize the likelihood of a “pump and dump,” when either the sugar daddy or sugar baby claims they are interested in a long-term relationship but then does not keep up communication after the first meeting.¹²⁴ Like allowances, the average PPM can vary based on region and supply/demand. For example, sugar babies in the New York City area have reported receiving from just under \$300 to just under \$1,000 PPM.¹²⁵ In South Carolina, sugar babies have reported receiving between \$300 and almost \$800 PPM.¹²⁶

Given the number of sugaring relationships—or at least the apparent interest in the sugaring lifestyle as suggested by the number of registered users of sugaring sites¹²⁷—it is not surprising that a specific vocabulary has developed to describe different types of sugar daddies and their transfers. An “experience daddy” does not transfer cash or other property to his sugar baby, but instead provides the sugar baby with “gifts” and experiences like dinners, hotel stays, and luxurious vacations.¹²⁸ A “Splenda daddy” is a sugar daddy willing to spend less than the

123. See *I’m a “Sugar Baby”*, *supra* note 113 (introducing another term to characterize the dynamics of sugaring relationships and sugar daddies’ concerns with committing to an allowance).

124. See, e.g., *Glossary: What Are Common Words and Acronyms?*, *supra* note 5 (“[P]ump & dump (PnD) [is] [w]hen one party deceitfully claims their intention to engage in a long-term arrangement, but cuts contact after the first intimate encounter. Note that the risk of a PnD can be reduced by beginning an arrangement with a PPM rather than an allowance.”).

125. See User 7, Post 7, REDDIT: FORUM 1, <https://www.reddit.com> (linking to Google Drive spreadsheet providing allowance questionnaire results) (results on file with the Author); see also *Allowance Results*, GOOGLE DRIVE, <https://docs.google.com/spreadsheets/d/e/2PACX-1vSgVjvdI8Qe5--d6PlbVxJx1ec1pRrrFx84k3BaEYSebj5-a8BKJyrsvdVM2Nqq3LStKpgT6Z9UvLsg/pubhtml> [<https://perma.cc/KFH5-ZAGE>] (providing monthly allowance and PPM data by location in the United States, Australia, Canada, Europe, the United Kingdom, and other locations).

126. *Allowance Results*, *supra* note 125.

127. See *supra* notes 51–53 and accompanying text.

128. See *I’m a “Sugar Baby”*, *supra* note 113 (defining an “experience daddy”); *id.* (“Some men don’t wish to provide an allowance, and I avoid meeting and dating those men.”).

average sugar daddy.¹²⁹ A “salt daddy” is someone who holds themselves out as a sugar daddy but then tries to negotiate with the sugar baby for a lower allowance or PPM or no payment at all.¹³⁰ “Rinsing” occurs when a sugar baby induces the payment of an allowance or PPM with the promise of sexual intimacy but then does not follow through.¹³¹

A key feature of many, if not most, sugaring relationships is a payment to or for the benefit of the sugar baby in return for sexual intimacy.¹³² Indeed, the term “sugar” refers to either or both the sexual access provided by the sugar baby and the financial benefit provided by the sugar daddy.¹³³ One sugar baby has warned others that in order to avoid a situation where a sugar daddy does not follow through on promises for an allowance or PPM: “you should never initiate any intimacy with a sugar daddy unless you’ve already received your sugar.”¹³⁴ The provision of sex is thus directly correlated to the receipt of a financial benefit.¹³⁵ Given the transactional nature of sugar dating, the inevitable question, then, is whether sugaring is prostitution.¹³⁶

129. See, e.g., *id.* (contributing another type of sugar daddy and expanding on sugar culture associations with higher and lower-level spenders).

130. See, e.g., *Glossary: What Are Common Words and Acronyms?*, *supra* note 5 (“Someone claiming to be a sugar daddy but unwilling to provide sugar . . . Usually reserved for ‘salty’ people—for example, men who have signed up for an arrangement website but scoff at the idea of ‘paying’ women for companionship, or those who attempt to shame or ‘neg’ the [sugar baby] into accepting a lower (or no) allowance.”).

131. See, e.g., *id.* (explaining that rinsing “is often intentional, but can also happen when both parties do not properly communicate terms or expectations”).

132. See *supra* notes 6–8 and accompanying text (arguing that sugar relationships without sexual intimacy are rare).

133. See, e.g., *Glossary: What Are Common Words and Acronyms?*, *supra* note 5 (“Depending on the circumstances, [sugar] can refer to money and gifts and/or to sexual gratification. It is what differentiates a sugar relationship from a vanilla girlfriend/boyfriend.”).

134. See *I’m a “Sugar Baby”*, *supra* note 113 (“[S]ugar babies have to be wary of what the community calls a ‘pump and dump’—the common occurrence of a false sugar daddy not providing any allowance or PPM, getting intimate with a sugar baby, and ghosting.”).

135. See *supra* note 134 and accompanying text (discussing warnings to ensure compensation before providing intimacy).

136. See, e.g., NEV. REV. STAT. § 201.295 (2023) (defining prostitution as “engaging in sexual conduct with another person in return for a fee, monetary consideration or other thing of value”).

D. IS SUGARING PROSTITUTION?

The broad category of sex work includes more than “prostitution,” the term that some people use to refer to stereotypical sexual street solicitation of strangers for sex.¹³⁷ In fact, the statutory definitions of prostitution vary from jurisdiction to jurisdiction throughout the United States.¹³⁸ To give just two examples, Nevada defines prostitution as “engaging in sexual conduct with another person in return for a fee, monetary consideration or other thing of value.”¹³⁹ Pennsylvania defines prostitution as engaging in “sexual activity as a business.”¹⁴⁰ In all parts of the country, except specific counties in Nevada, either the buying or selling of sex is criminalized.¹⁴¹ Yet, at the same time, there are many forms of paid and sexualized work, such as performing escort services, erotic dancing, acting in pornography, operating a phone sex line, performing sexual acts on the Internet for others

137. See generally Ann M. Lucas, *Race, Class, Gender, and Deviancy: The Criminalization of Prostitution*, 10 BERKELEY WOMEN’S L.J. 47, 48–49 (1995) (“While the most familiar and attention-getting form of prostitution is street prostitution, best estimates indicate that only ten to twenty percent of prostitutes solicit on the streets . . . [E]ighty to ninety percent work off the streets, in brothels, massage parlors, escort services, and similar establishments, or as independent ‘call girls.’”). See also *supra* note 19 and accompanying text (defining the term “sex worker”).

138. See, e.g., 63C AM. JR. 2D *Prostitution* § 1 (2024) (noting multiple definitions of prostitution, including “the act or practice of engaging in sexual activity for money or its equivalent, or as the performance of sexual intercourse for a fee, giving or receiving the body for sexual intercourse for hire or for licentious sexual intercourse without hire, or engaging in sexual activity as a business . . .” (footnotes omitted)); see also Drake Hagner, *Prostitution and Sex Work*, 10 GEO. J. GENDER & L. 433, 437–40 (2009) (providing an overview of multiple states’ laws defining and criminalizing prostitution).

139. NEV. REV. STAT. § 201.295(5) (2023); see also 73 C.J.S. *Prostitution and Related Offenses* § 1 (2024) (calling Nevada’s “the most succinct statutory definition of prostitution”).

140. 18 PA. CONS. STAT. § 5902(a) (2024).

141. See, e.g., NEV. REV. STAT. § 201.354 (2023) (making it illegal “to engage in prostitution or solicitation therefor, except in a licensed house of prostitution”); *Nevada Prostitution Laws*, DECRIMINALIZE SEX WORK, <https://decriminalizensex.work/Nevada-prostitution-laws> [<https://perma.cc/6XEZ-S5AS>] (listing the ten Nevada counties permitting prostitution in regulated locations and the six counties where there actually are legal brothels, as of September 2023); Margaret Davis, *Modern Courts and the Oldest Profession: The Litigious Development of Legalized Brothels in Ontario and Nevada*, 18 LOY. PUB. INT. L. REP. 66, 66–67 (2012) (noting that sixty-one percent of 100 international jurisdictions surveyed, including the United States, allow for some form of the legal selling of sex).

to view, or acting as a dominatrix, that are not illegal or criminalized in fact, even if they technically might meet a state's broad definition of prostitution.¹⁴² The consideration of sugaring, then, invites two focused questions: Is sugaring prostitution, sex work, or something else entirely? What is at stake in the answer? The short answer to both questions is, "It's complicated."

At an initial level, it would appear that sugaring—to the extent that it includes a sexual element—fits squarely in the definition of prostitution: sexual activity in return for financial remuneration.¹⁴³ But for the promise of an allowance or receipt of a PPM, it is doubtful that a sugar baby would agree to sexual intimacy; without receiving sexual gratification, it is unlikely that a sugar daddy would agree to provide the sugar baby with an allowance or PPM.¹⁴⁴ Curiously, though, courts have consistently held that "sex plus," regardless of whether the "plus" is paid companionship, a meal, or other non-sexual services, is not prostitution.¹⁴⁵ That said, it is not clear how much "plus" there

142. See, e.g., I. India Thusi, *Reality Porn*, 96 N.Y.U. L. REV. 738, 741–42 (2021) (observing that "prostitution is illegal, while pornography is constitutionally protected" and that "sexually explicit materials or experiences that are facilitated through online virtual platforms" blur the distinction between prostitution and pornography).

143. See *supra* notes 134–135 and accompanying text. Furthermore, if the particular sugaring relationship does not have a sexual element, then a close analogy would be to a paid companion for an elderly or disabled individual. See *supra* notes 14–15 and accompanying text (discussing paid companionate relationships).

144. See *supra* notes 134–135 and accompanying text. The same analysis would apply in the case of a nonsexual sugaring relationship: But for the allowance or receipt of a PPM, it is doubtful that a sugar baby would agree to spend time with the sugar daddy; without receiving the companionship, it is unlikely the sugar daddy would agree to provide the sugar baby with an allowance or PPM.

145. See, e.g., *People v. Johnson*, 376 N.E.2d 381, 384 (Ill. App. Ct. 1978) (affirming a defendant's conviction for prostitution and explaining that "the Illinois prostitution statute applies only to those who offer, perform or agree to perform a sexual act for money; the statute does not discourage exchanges of sexual acts as a part of social companionship or for gifts of material goods"); *Commonwealth v. Potts*, 460 A.2d 1127, 1135 (Pa. Super. Ct. 1983) (explaining that the statute at hand was not outlawing "noncommercial sexual activity, such as the exchange of sexual acts as a part of social companionship"); *Commonwealth v. Pok Sun Chang*, No. 248 EDA 2018, 2019 WL 2622379, at *5 (Pa. Super. Ct. 2019) (finding that where an undercover police officer paid for and received a massage, and then requested sex, the massage therapist was not engaged in prostitution because she did not receive any additional compensation

needs to be in order to move sex-in-exchange-for-payment-or-property outside a particular state's definition of prostitution.¹⁴⁶ Except in the most transactional of circumstances, then, sugaring is not likely to be considered prostitution.

The question of whether sugaring is prostitution inspires fierce debates on all sides.¹⁴⁷ In writing for a popular magazine, one psychologist opined that sugar babies “walk a thin line” between being a girlfriend and being a sex worker.¹⁴⁸ In that context, it is not clear whether the author was using “sex worker” as a synonym for prostitution, as opposed to a broader term for a group that excludes prostitutes but includes “escorts, strippers, porn actors, sex phone operators, or dominatrixes.”¹⁴⁹ Indeed, better understanding the boundaries between sugaring and prostitution was the goal of one reporter who created a sugar baby profile on Seeking.com using her own name.¹⁵⁰ Writing for a popular newspaper, the reporter detailed an online correspondence she had with one potential sugar daddy who boasted of eight seemingly one-time encounters for which he paid by the hour, which the reporter then opined smacked of prostitution.¹⁵¹

for her sexual services); *see also* Motyl, *supra* note 57, at 930 (“[S]ince the 1970s, courts have agreed that sexual acts are not deemed to fall within the realm of prostitution if there is something accompanying the sex, such as companionship, dinner, or even cleaning the house.”).

146. *See, e.g.*, *Muse v. United States*, 522 A.2d 888, 889, 891 (D.C. 1987) (finding that where a man offered an undercover police officer a gold chain in return for a “date,” the man had engaged in solicitation for the purpose of prostitution, where the law defines prostitution to include “offering to engage in sexual acts or contacts with another person in return for a fee”).

147. *See, e.g.*, Birkás et al., *supra* note 5, at 2 (“One of the most debated legal issues is whether sugar relationships are to be considered a form of prostitution.”).

148. *See* Ben-Zeév, *supra* note 6 (“Sugaring may be disparaged for blurring important moral boundaries, thereby increasing risks and marring romantic love. Clear-cut categories can be quite nice. They impart a sense of stability to our often-rocky reality. But life is infrequently clear-cut, and our attitudes and practices ought to reflect that truth.”).

149. *See* Sawicki et. al., *supra* note 19, at 355 (providing a broad definition of sex work).

150. *See* Tracy Motz, *Sugar Daddy Website Has Coeds Justifying Prostitution*, N.Y. POST (Feb. 9, 2014), <https://nypost.com/2014/02/09/sugar-daddy-website-has-coeds-rationalizing-prostitution> [<https://perma.cc/Y8HW-CDKC>].

151. *See id.* (“Those who are seeking straight prostitution are removed from the site How, then, was it so easy to encounter someone who confessed to no less than eight pay-to-play encounters arranged through

For the same article, the reporter interviewed a female NYU graduate student who disclosed receiving \$300 per week from her sugar daddy.¹⁵² While the student said that she did not consider herself to be a prostitute, she believed that other people most certainly would apply that label to her situation.¹⁵³ The sugar baby further opined, “And that’s OK with me because I just have to worry about myself. I can’t be concerned with that. It’s not something that’s weighing on my conscience.”¹⁵⁴

That said, many backers of sugaring websites and participants in the sugar bowl assert forcefully and consistently that sugaring is not prostitution, seemingly conflating (illegal) prostitution with (very often) legal sex work. For example, one representative of the website SugarMatchmaking.com has claimed that her site’s membership fees of \$2,500 to \$20,000 per year for sugar daddies are what distinguishes sugaring from so-called “pay-to-play” or prostitution schemes: “I’m not dealing with someone that’s paying me \$30 a month for a membership. It’s different. You’re making sure [the babies] are on point, they’re not gold-diggers. I don’t sell sex. I sell relationships.”¹⁵⁵ It is not entirely clear, however, why a membership fee paid to a website means that sugaring does not meet some definitions of prostitution, such as “sexual conduct . . . in return for a fee, monetary consideration or other thing of value.”¹⁵⁶ All the same, as one researcher has observed, the sugar bowl “distinguishes itself from commercial sex outlets through its insistence that the relationship involves emotional intimacy, chemistry, and connection.”¹⁵⁷

SeekingArrangement, and in his correspondence used key words like ‘300 to 500 per meeting,’ ‘hotel room’ and ‘paid this girl?’”).

152. *See id.*

153. *Id.* (characterizing the payments she receives as the bounty of “legitimately generous people who really do have the extra money and who really do want to help someone out and feel good about doing it” (quoting “Megan”)).

154. *Id.* (quoting “Megan,” in a response to the reporter’s question how others, “like her mother,” would view Megan’s arrangement with the sugar daddy).

155. *See id.* (quoting SugarMatchmaking.com CEO, Lisa Schmidt).

156. *See supra* note 139 and accompanying text (providing the Nevada state law definition of prostitution).

157. Upadhyay, *supra* note 63, at 777 (further noting that many sugar babies “distance themselves from both sex workers and traditional daters”).

One notable subreddit features an entire post devoted to the question, “Is sugar dating prostitution?”¹⁵⁸ The author confidently asserts that it is not, providing two reasons.¹⁵⁹ First, sugaring is a “lifestyle choice” that shares “features of both traditional dating and escorting” (although it is not clear why labeling sugaring as a “lifestyle choice” means that it is, by definition, not prostitution).¹⁶⁰ Second, the author notes that “no news articles have been found covering a solicitation arrest (let alone a successful prosecution) based on a sugar relationship.”¹⁶¹ While the absence of news reports is hardly conclusive support for the legal position that sugaring is *not* prostitution, the criminal law indeed has shown a general reluctance to intervene in relationships that go beyond the simplest forms of sex-for-money transactions.¹⁶² It is perhaps for this reason that experienced sugar participants recommend a platonic M&G as a “best practice,” as this is a supposedly “clear differentiator between sugaring and escorting.”¹⁶³ Indeed, whether sugaring is or is not prostitution may be primarily an academic question in the absence of sugar-related prosecutions.

Even so, it is essential to recognize that the characterization of sugaring as prostitution (or not) may be significant for the way participants in sugaring relationships think about themselves. Ultimately, a “sugar daddy does not want to feel like he is a john and a sugar baby does not want to feel like she is a prostitute.”¹⁶⁴ Unsurprisingly, one representative sugar baby insists that any

158. See Wiki, REDDIT: R/SUGARLIFESTYLEFORUM, https://www.reddit.com/r/sugarlifestyleforum/wiki/index/#wiki_is_sugar_dating_prostitution.3F [<https://perma.cc/VD4M-PNJ7>].

159. See *id.*

160. See *id.* (“While sugar relationships almost always include sex, they also normally include emotional and non-sexual components (e.g., experiences) that are far more similar to vanilla dating.”).

161. See *id.* (noting that there have been, however, “prosecutions for solicitation of underage girls” and urging would-be sugar daddies to “verify that [the sugar baby is] at least 18 by asking her to show her birth date on her government-issued ID, perhaps while she covers the name with her thumb to preserve her anonymity”).

162. See Motyl, *supra* note 57, at 930 (describing courts’ approach to cases involving sex “plus” companionship, a meal, or other activity).

163. See Motz, *supra* note 150 (explaining that it is not a “transactional relationship”); see also Wiki, *supra* note 158 (describing the non-sexual M&G as “the recommended [Sugar Lifestyle Forum] best practice”).

164. See Ben-Zeév, *supra* note 6 (saying that to avoid feeling like a john or prostitute, “sugaring aims for mutual respect between the partners”).

amounts she receives are “gifts,” not payments.¹⁶⁵ This kind of language allows sugar babies and sugar daddies to obscure the fact that their relationship likely would not exist but for the exchange of sex and payments. Indeed, the very vocabulary used by participants in sugaring relationships—“M&G,” “dating,” “sugar,” “gifts,” and similar terms—allows participants in the sugar bowl to avoid words like “payment,” “sex,” and “transaction,” words traditionally associated with sex work.¹⁶⁶

A close look at how sugar babies and sugar daddies talk about the tax aspects of arrangements provides unique insight into their subjective understandings of their roles. Often, both the tax positions they say they take and the advice they give are at odds with the claim that sugaring is not prostitution or sex work. The next Part introduces the questions motivating this study of the ways that sugar babies and sugar daddies talk about tax. Such “tax talk” reveals a clash between the “dating” narrative and other vocabulary favored by sugar babies and daddies, on the one hand, and the economic realities of their relationship, on the other. Reluctance on the part of lawmakers, policymakers, and even participants in the sugar bowl itself to embrace sugaring as sex work reveals this work’s ongoing stigma in law and society.¹⁶⁷

II. RESEARCH QUESTIONS AND STUDY DESIGN

This study of the tax talk of sugar babies and sugar daddies arises from three separate observations. First, contemporary definitions of “sex work” extend beyond stereotypical street-based prostitution to activities such as appearing in

165. See *id.* (“Sugar babies aren’t paid. They’re given gifts.” (quoting sugar baby, Brook Urick)); see also *Sugar Babies With Brook Urick*, THE SHIFT (May 19, 2020), <https://podcasts.apple.com/us/podcast/sugar-babies-with-brook-urick/id1452827299?i=1000475060316> [<https://perma.cc/36DE-3P82>].

166. See Ben-Zeév, *supra* note 6 (pointing out that “sugaring terminology” differs from the words people use to describe a customer “ordering” or “going to” a sex worker).

167. For a related discussion of the importance of “tax talk,” see Bridget J. Crawford, *Tax Talk and Reproductive Technology*, 99 B.U. L. REV. 1757, 1762 (2019) (arguing that the resistance to “tax talk” in the fertility context allows a multi-billion dollar industry to flourish while minimizing amounts that women can earn for reproductive labor).

pornography, escorting, and operating an OnlyFans account.¹⁶⁸ Second, from within the sugaring community itself, there is a robust commitment to the view that sugaring is *not* prostitution.¹⁶⁹ Third, it is not unusual to read accounts by sugar babies who proclaim that sugaring is “liberating” and a form of self-expression.¹⁷⁰ On the one hand, this is consistent with social science research suggesting that young people in the United States tend to have more liberal attitudes toward sex work than people in older age groups do, and the average age of a sugar baby is twenty-five.¹⁷¹ At the same time, however, the seeming lack of willingness by sugar babies to call their activities either “prostitution” or “sex work” might suggest that some sugar babies have internalized longstanding social stigmas against sex work.¹⁷²

168. See Sawicki et. al., *supra* note 19, at 355 and accompanying text (defining “sex work”); see also Valeria Rubatto et al., ‘*Cam Girls and Adult Performers Are Enjoying a Boom in Business: The Reportage on the Pandemic Impact on Virtual Sex Work*’, SOC. SCIS., Feb. 2023, at 1 (using the phrase “online sex workers” to describe OnlyFans performers).

169. See *supra* notes 155–161 and accompanying text (discussing whether sugaring is equivalent to being a prostitute).

170. See, e.g., User 8, *Post 8*, REDDIT: FORUM 1, <https://reddit.com> (containing a sugar daddy’s report that at a M&G, the sugar baby “went on about feeling sexually liberated and free to express her deepest desires without being judged”).

171. See, e.g., Benedikt P. Langenbach et al., *Attitudes Towards Sex Workers: A Nationwide Cross-Sectional Survey Among German Healthcare Providers*, FRONTIERS PUB. HEALTH, Sept. 6, 2023, at 4 (finding in a study of German healthcare professionals that “older participants tended to rate sex work as less of a choice and sex workers as more victimized than younger participants”); Bonnie Pearson, *How Old Is a Sugar Daddy? – Sugar Daddy & Sugar Baby Age Limits*, SUGARLIFESTYLE.COM (Feb. 3, 2023), <https://sugar-lifestyle.com/blog/age-difference-in-sugar-dating> [<https://perma.cc/XQA4-BSBW>] (reporting that the mean age for sugar babies was twenty-six in 2015, but twenty-five in 2018, and that in 2020, “the trend for 25[-year olds] and even younger sugar babies among sugar daddies continued”).

172. See, e.g., Jenny Valentish, *The Fantasy of Sugar Dating: ‘They Don’t Want You to Be a Sex Worker – They Just Want to Pay You for Sex’*, GUARDIAN (Feb. 3, 2023), <https://www.theguardian.com/books/2023/feb/03/the-fantasy-of-sugar-dating-they-dont-want-you-to-be-a-sex-worker-they-just-want-to-pay-you-for-sex> [<https://perma.cc/5SAH-SVQ9>] (quoting Lotte Lathan, a sugar baby-turned-escort talking about the stigma against sex work that both the purchasers and sellers may internalize: “The stigma of being a John doesn’t get talked about as much as the stigma of being a sex worker, but the idea of being a John is seen as desperate The fantasy is that it’s old-fashioned chivalry.”).

A. MOTIVATIONS FOR RESEARCH

Four questions guided this research: (1) How, if at all, do sugar babies and sugar daddies talk about the intersection of tax laws and sugaring? (2) How do sugar daddies say they treat transfers to sugar babies for federal tax purposes? (3) How do sugar babies say they treat the same receipts—as gifts or income? (4) To what extent are tax professionals involved in shaping the discourse around the intersection of tax laws and sugaring, and how do participants in the sugar bowl respond to those interventions? The hypothesis was that the way sugar babies and sugar daddies talk about the tax consequences of sugaring, and how they react to professional advice on the topic, might reveal something about both taxpayer behavior and unspoken attitudes toward sex work.

In order to understand how participants in the sugar bowl and adjacent advisors talk about tax, I set out to study anonymous Internet posts on the large worldwide online discussion forum, Reddit.¹⁷³ Although all posts are publicly available, I was mindful of the potential to collect sensitive data about people's private lives, including their intimate relationships and tax reporting positions.¹⁷⁴ I further understood that there is a

173. In that sense, this study was inspired and informed by the work of Shu-Yi Oei and Diane Ring. See generally Shu-Yi Oei & Diane M. Ring, *The Tax Lives of Uber Drivers: Evidence from Internet Discussion Forums*, 8 COLUM. J. TAX. L. 56, 59 (2017) (“Internet discussion forums can provide a timely picture of the tax and related issues that concern ridesharing drivers, particularly in an environment where drivers are learning how to navigate an emerging sector and where there may be a lag in obtaining tax return and other data.”); Alexey N. Medvedev et al., *The Anatomy of Reddit: An Overview of Academic Research* (describing the importance of Reddit as a source of scholarly research), in DYNAMICS ON AND OF COMPLEX NETWORKS III: MACHINE LEARNING AND STATISTICAL PHYSICS APPROACHES 183, 184 (Fakhteh Ghanbarnejad et al. eds., 2019) (ebook).

174. See, e.g., Michael Zimmer, *OkCupid Study Reveals the Perils of Big-Data Science*, WIRED (May 14, 2016), <https://www.wired.com/2016/05/okcupid-study-reveals-perils-big-data-science> [<https://perma.cc/E3RK-GX6G>] (critiquing researchers for failing to anonymize data scraped from the OkCupid online dating site “including usernames, age, gender, location, what kind of relationship (or sex) they’re interested in, personality traits, and answers to thousands of profiling questions used by the site,” even though the data was publicly accessible); see also Michael Zimmer, *Addressing Conceptual Gaps in Big Data Research Ethics: An Application of Contextual Integrity*, SOC. MEDIA & SOC’Y, Apr.–June 2018, at 1, 3 (arguing that working with publicly available data from social networking sites presents “new challenges to obtaining informed consent in online environments” and “protecting subject privacy and confidentiality”).

legitimate question about whether posters to Reddit intend for their information, even if posted anonymously, to be used for research purposes.¹⁷⁵ While some other researchers report that their studies of public social media posts did not require Institutional Review Board (IRB) approval,¹⁷⁶ I sought and received approval from my school's IRB.¹⁷⁷ In connection with that process, I agreed to anonymize any specific user names and the names of forums from which cited material came, in order to protect the identities of the posters.¹⁷⁸ Cites to general descriptions of subreddits or resources posted to them are not anonymized.¹⁷⁹

B. METHODOLOGY

To understand how sugar daddies and sugar babies talk about taxes, I chose to examine publicly available Internet posts

175. See, e.g., Brianna Dym & Casey Fiesler, *Ethical and Privacy Considerations for Research Using Online Fandom Data*, FAN STUD. METHODOLOGIES, June 13, 2020, <https://journal.transformativeworks.org/index.php/twc/article/view/1733/2445> [<https://perma.cc/CY35-BZFF>] (cautioning researchers who study publicly available online fandom communities “to consider the weight and context of a fan’s data, and the consequences of elevating them beyond their intended audience,” given that most fan content “is created and shared within highly contextual, semipublic spaces that have a specific audience in mind”).

176. See, e.g., Lauren D. Ellis et al., “*Becoming a Sugar Baby Will Change Your Life. Let’s Talk About How*”: *Sugar Dating Advice on Tumblr*, 27 *SEXUALITY & CULTURE* 484, 490 (2023) (reporting that the Institutional Review Board at Northern Arizona University, for example, determined that “the proposed study (i.e., an investigation of digital images publicly available on an online platform) did not require an IRB application”).

177. See generally Sharona Hoffman & Jessica Wilen Berg, *The Suitability of IRB Liability*, 67 *U. PITT. L. REV.* 365, 365 (2005) (describing institutional review boards as “local review entities . . . charged [by the federal government] with responsibility for safeguarding the welfare of research participants and ensuring that clinical studies involving human subjects comply with federal regulations”).

178. Not all Institutional Review Boards will require researchers to receive approval for their studies. See, e.g., Nicholas Proferes et al., *Studying Reddit: A Systematic Overview of Disciplines, Approaches, Methods, and Ethics*, *SOC. MEDIA & SOC’Y*, Apr.–June 2021, at 1, 2 (noting that among researchers and Institutional Review Boards, “there is disagreement about the ethical practices that should follow from the use of public data for research purposes and if, or when, using social media constitutes human subject research [T]he use of publicly available data from social media platforms often does not meet the threshold criteria of ‘research involving human subjects’ according to many IRBs.”).

179. See, e.g., *supra* notes 110–112 and accompanying text (listing common sugar daddy websites).

in lieu of conducting face-to-face interviews with sugar daddies and sugar babies. Focusing on Internet posts allowed me to gather the most amount of data in a limited time and to sidestep concerns about recruiting a sufficient number of subjects who would be willing to talk about potentially sensitive subjects.¹⁸⁰ Reddit is appealing because it allows users to start their own “communities” (referred to as subreddits) and to post anonymously.¹⁸¹ Because there are specific communities devoted to sugaring and to taxation, it was possible to gather data that captured how sugar daddies, sugar babies, and tax professionals talk about taxes. Indeed, as other scholars have noted, studying posts in particular Reddit communities has the potential to “shed light on the fundamental mechanisms by which collective thinking emerges in a group of individuals.”¹⁸² Because sugar dating is often not discussed openly,¹⁸³ the expectation is that the anonymity provided by Reddit might make participants more likely to speak freely about their experiences or views. Admittedly, though, there is no way to confirm the truthfulness of many posts.¹⁸⁴ By studying online forums, I was able to gather

180. See, e.g., Isaac Bonisteel et al., *Reconceptualizing Recruitment in Qualitative Research*, INT’L J. QUALITATIVE METHODS, Jan.–Dec. 2021, at 1, 1 (describing difficulties in participant recruitment in qualitative studies).

181. See *About*, supra note 29.

182. Medvedev et al., supra note 173, at 183.

183. See, e.g., *The Stigma of Sugar Babies Needs to Disappear*, AM. RIVER CURRENT (Mar. 12, 2021), <https://www.arcurent.com/opinion/2021/03/12/the-stigma-of-sugar-babies-needs-to-disappear> [<https://perma.cc/93EZ-Y6SF>] (containing the reflections of a sugar baby who requested anonymity “to protect their privacy” and noting that when she tells people that she is a sugar baby, the reactions are not always positive: “Getting a second job as a bartender to cover your bills? Great hustle! Tutoring? Throw that on your resume! Have dinner with a rich man while you regale him with interesting stories, ending the night with a kiss? Shameful. That shaming needs to stop.”).

184. See generally Jeff Grabmeier, *True Stories Can Win Out on Social Media, Study Finds*, OHIO ST. NEWS (Feb. 2, 2023), <https://news.osu.edu/true-stories-can-win-out-on-social-media-study-finds> [<https://perma.cc/8YBP-UPAW>] (“Reddit is a community that has watchdogs, both the moderators and other users. They often look for untrue information and correct it, and the community is responsive to those corrections . . .” (quoting Kelly Garrett, Professor, Ohio State University)). That being said, it is not obvious what might motivate someone who was not an actual sugar daddy, sugar baby, or tax professional to go on Reddit and pose as such, but identity deception is not unknown on the Internet. See, e.g., Aideen Lawlor & Jurek Kirakowski, *Claiming Someone Else’s Pain: A Grounded Theory Analysis of Online Community*

data from a large group of (presumed) sugar daddies and sugar babies that might otherwise not be easily reached through traditional surveys or other social science methods.¹⁸⁵

To identify a subgroup of relevant Reddit posts, I first searched Reddit using the term “r/sugar” for subreddits devoted to sugar dating. This search yielded over 340 subreddits.¹⁸⁶ Subreddits focused on food, diabetes, or general dietary concerns related to sugar consumption were excluded.¹⁸⁷ Further, subreddits with vague or unclear subject-matter descriptions were reviewed; if none of a subreddit’s ten (or fewer) most recent posts related to sugar dating, it was also excluded.¹⁸⁸ Remaining subreddits were then ranked by total number of members. I then selected a subreddit with over 1,000 members as my primary target, referred to in this Article as “Forum 1.” From Forum 1, I collected a convenience sample of eighty posts made between June 2017 through July 2023 that included any one or more of the words “gift,” “income,” or “tax.”¹⁸⁹ This selection process aimed to create a robust and relevant dataset for analysis.

After assembling this dataset—the posters subjectively appeared to be a mix of sugar babies and sugar daddies—I searched Reddit for subreddits devoted to tax matters, using the search

Participants Experiences of Munchausen by Internet, 74 COMPUTERS IN HUM. BEHAVIOR 101, 101 (2017) (discussing identity deception for the purposes of eliciting displays of sympathy from others).

185. See, e.g., RESEARCH METHODS IN THE SOCIAL SCIENCES (Bridget Somekh & Cathy Lewin eds., 2005) (providing overview of social science research methods such as interviewing, focus groups, and case studies).

186. See *r/sugar*, REDDIT: R/SUGAR, <https://www.reddit.com/r/sugar> (type “r/sugar” in the “Search Reddit” toolbar; from list of results, click “Communities” at the top of the page to display list of subreddits) (on file with author).

187. See, e.g., *r/Baking*, REDDIT: R/BAKING, <https://www.reddit.com/r/Baking> [<https://perma.cc/M9FR-73W2>] (“For all your baking needs! Recipes, ideas and all things baking related. Cakes, cookies, pies, tarts, muffins, scones, breads, rolls, biscuits, cheesecakes, snack bars, etc are all welcome.”); REDDIT: R/DIABETES, <https://www.reddit.com/r/diabetes> [<https://perma.cc/U5E7-BMJA>] (“For humans living with diabetes: discussion, issues, and news.”).

188. See e.g., *r/Watermelon_Sugar*, REDDIT: R/WATERMELON_SUGAR, https://www.reddit.com/r/Watermelon_Sugar [<https://perma.cc/8WE2-LK3U>] (discussing “Harry Styles’ ‘Watermelon Sugar’ Lyrics”).

189. See generally RESEARCH METHODS IN THE SOCIAL SCIENCES, *supra* note 185, at 219 (describing a convenience sample as a function of access and availability).

term “r/tax.” This search yielded over 100 subreddits.¹⁹⁰ I eliminated from the list any subreddits focused on politics generally, a specific tax deduction and/or credit, or general business news.¹⁹¹ As before, I further narrowed the list by removing subreddits with descriptions that clearly signaled no relevance to sugar dating¹⁹² or that were sufficiently vague or unclear and, upon substantive review of the ten (or fewer) most recent posts in that particular community, I determined were not directly relevant to sugar dating.¹⁹³ I then ranked the list based on the number of members each subreddit had. I selected one that had over 1,000 members. From this targeted forum, which I refer to in this Article as “Forum 2,” I collected a convenience sample of fourteen posts that contained the word “sugar” and related to sugar dating in some way. All posts were published within the same period as the posts from Forum 1: June 2017 through July 2023.¹⁹⁴

For each of the ninety-four posts in these combined convenience samples, I examined all of the comments and sub-comments. Most of the posts had between one and one hundred. These comments and sub-comments were added to the sample as well.

Using Nvivo version 12, a software that facilitates qualitative data analysis, I coded posts, comments, and sub-comments based on the poster’s handle, the seeming identity of the poster (e.g., female sugar baby, male sugar daddy, or tax

190. See *r/tax*, REDDIT: R/TAX, <https://www.reddit.com/r/tax> (type “r/tax” in the “Search Reddit” toolbar; from the list of results, click “Communities” at the top of the page to display list of subreddits) (on file with author).

191. See, e.g., *r/CanadaPolitics*, REDDIT: R/CANADAPOLITICS, <https://www.reddit.com/r/CanadaPolitics> [<https://perma.cc/K5FT-AVLK>] (“Polite discussions about Canadian politics.”); *r/ChildTaxCredit*, REDDIT: R/CHILDTAXCREDIT, <https://www.reddit.com/r/ChildTaxCredit> [<https://perma.cc/M4FN-EWF5>] (“A community to discuss the upcoming Advanced Child tax credit.”); and *r/economy*, REDDIT: R/ECONOMY, <https://www.reddit.com/r/economy> [<https://perma.cc/2RHM-GSLH>] (“Forum for economy, business, politics, stocks, bonds, product releases, IPOs, advice, news, investment, videos, predictions, government, money, politics, debate, capitalism, current trends, and more.”).

192. See, e.g., *r/Taxidermy*, REDDIT: R/TAXIDERMYP, <https://www.reddit.com/r/Taxidermy> [<https://perma.cc/W3FE-SCRW>] (“Taxidermy and preservation.”).

193. See, e.g., *r/DogeChainLowTAX*, REDDIT: R/DOGECHAINLOWTAX, <https://www.reddit.com/r/DogeChainLowTAX> [<https://perma.cc/6V3Q-HV8L>].

194. See *supra* note 189 and accompanying text (describing how the convenience sample from Forum 1 was collected).

professional),¹⁹⁵ the general topic under discussion (such as an allowance or PPM), and whether (and how) the poster characterized transfers/receipts for federal tax purposes (as gifts vs. income). Once I reached saturation in content (i.e., no new themes or topics emerged from continuing to review posts), data collection ceased.¹⁹⁶ I then proceeded to *in vivo* code distinct and representative quotations from the sample.¹⁹⁷ The chosen methodology facilitates an exploration of lived experiences, insider perspectives, and professional and personal attitudes to generate new insight about both sugaring and taxation.

C. LIMITATIONS

Any study of an online discussion forum like Reddit has many limitations. First, in most cases, it is impossible to know whether any particular post is authentic (i.e., that post's author is an actual sugar baby, sugar daddy, or tax professional).¹⁹⁸ Second, based on the demographics of the sugar bowl and the information contained in the posts, the coding makes assumptions

195. No posts in the sample appeared to be authored by either male sugar babies or female sugar mamas. Such absence corresponds with similar data samples by other qualitative researchers of participants in the sugar lifestyle. See Upadhyay, *supra* note 63, at 777 (reporting that, based on her study of profiles on Seeking.com, “[h]eterosexual arrangements with a female provider (sugar momma) and a male sugar baby are atypical”). The same researcher did not report encountering any sugar babies or sugar daddies seeking same-sex arrangements. *Id.* That said, gender-binary coding may be incomplete or inaccurate. See *infra* notes 199–200 and accompanying text (acknowledging that humans have different identities and the study will ultimately leave out certain experiences of individuals who do not fall into the typical heterosexual arrangement between a male sugar daddy and female sugar baby).

196. See, e.g., Benjamin Saunders et al., 52 QUALITY & QUANTITY 1893, 1893 (2017) (“Saturation has attained widespread acceptance as a methodological principle in qualitative research. It is commonly taken to indicate that, on the basis of the data that have been collected or analysed hitherto, further data collection and/or analysis are unnecessary.”).

197. See generally Marla Rogers, *Coding Qualitative Data* (“[I]f someone is coding in vivo, where they use the participants’ own words as a code, it is the coder who systematically selects those words which they deem important.”), in VARIETIES OF QUALITATIVE RESEARCH METHODS: SELECTED CONTEXTUAL PERSPECTIVES 73, 74 (Janet Mola Okoko et. al. eds., 2023) (ebook).

198. See, e.g., User 44, *Post 27*, REDDIT: FORUM 3 (2015) (lamenting Reddit’s reliance on the “value of the anonymous profile” and characterizing the space more accurately as “partial anonymity,” insofar as unique usernames “can be traced through use of tags” and noting that some accounts “use their actual identities”).

about the poster's gender (male or female) which may not be accurate.¹⁹⁹ Admittedly, this study relies on the gender binary and traditional gendered associations that do not reflect the full range of human experience and identity.²⁰⁰ While there are no posts in the study sample in which the poster self-identified as trans, gender nonbinary, gay, lesbian, or bisexual, there likely are people of all gender identities and sexual preferences participating in sugaring relationships.²⁰¹ A further limitation is that posters to Reddit may or may not represent attitudes or tax practices of participants in sugaring relationships or tax professionals who provide advice about such matters.²⁰² Furthermore, researcher subjectivity infuses the study with bias, because of the lack of a multi-person research team to reach consensus on the coding of posts, comments, and sub-comments.²⁰³ Finally, the non-random nature of the sample necessarily limits generalizability.²⁰⁴ These findings reported below thus cannot be

199. See *supra* note 195 and accompanying text (discussing the common gender dynamics of sugaring relationships).

200. See generally Jessica J. Cameron & Danu Anthony Stinson, *Gender (Mis)measurement: Guidelines for Respecting Gender Diversity in Psychological Research*, SOC. & PERSONALITY PSYCH. COMPASS, Nov. 2019, at 1, 2 (“[M]easuring gender as a binary construct not only fails to represent social scientists’ current understanding of gender, resulting in misclassifications in research . . . but it also stands in stark contrast to growing public acceptance of and support for transgender and nonbinary individuals.”).

201. “Gender identity” refers to a person’s “internal, deeply held knowledge of their own gender.” See *Glossary of Terms: Transgender*, GLAAD, <https://glaad.org/reference/trans-terms> [<https://perma.cc/6W4Q-EX93>]. “Sexual orientation” is a “person’s enduring physical, romantic, and/or emotional attraction to another person . . . [that] may be straight, lesbian, gay, bisexual, pansexual, queer, asexual, etc.” *Id.*

202. See Oei & Ring, *supra* note 173, at 67 (noting in their study of Uber drivers’ contributions to online discussion forums that they have “limited information about how forum participants skew in terms of demographics, attitudes towards driving, or attitudes towards tax compliance”).

203. See generally Liora Bresler et al., *Beyond the Lone Ranger Researcher: Team Work in Qualitative Research*, 7 RSCH. STUD. IN MUSIC EDUC. 13, 19 (1996) (“That quality [of research] emerged as a part of . . . attentive listening and sharing, targeted toward common goals and endeavors . . .”).

204. See generally Paula Vicente, *Sampling Twitter Users for Social Science Research: Evidence from a Systematic Review of the Literature*, 57 QUALITY & QUANTITY 5449, 5473 (2023) (reporting the results of a literature review of social science research relying on a sample of Twitter users and noting that some of these studies “warn of the non-generalizability of the findings to other populations and acknowledge that Twitter users may differ either from other social network users . . . or from other general or specific off-line populations”).

understood as making definitive claims about sugaring culture or members of the sugaring community. The results suggest overall trends, attitudes, and behaviors at the intersection of sugaring and taxation. Genuine tax reporting practices of sugar babies and sugar daddies, as well as actual advice of tax practitioners, may differ from that reported.

Despite these limitations, this study's qualitative approach provides a valuable lens for understanding how people conceptualize both sugaring and their tax obligations. By analyzing the candid, mostly anonymous communications of subreddit participants, this research helps to develop a deeper understanding of the evolving landscape of how taxpayers understand some of their most intimate relationships and the role that the tax system plays in both reflecting and creating values, especially around the taboo topic of sex work.²⁰⁵

III. HOW SUGAR BABIES, SUGAR DADDIES, AND OTHERS TALK ABOUT TAX

Using content analysis to address the research questions,²⁰⁶ four interrelated themes and observations emerge from this convenience sample of online discourse: (1) many sugar babies are concerned about complying with any tax filing requirements and are actively seeking guidance from their peers and from tax professionals; (2) there is widespread disagreement among participants in the sugar bowl about whether transfers by a sugar daddy to a sugar baby constitute taxable income or a tax-free gift; (3) many sugar babies and sugar daddies invoke business-law terms when discussing the tax consequences of sugaring;

205. See ANTHONY C. INFANTI, OUR SELFISH TAX LAWS: TOWARD TAX REFORM THAT MIRRORS OUR BETTER SELVES 108 (2018) (“The construction of a tax system . . . involves political, social, and cultural questions that different countries answer differently—and in ways that send messages about how those societies see themselves, what and whom they value, and how they wish to be seen in the future.”); see also Kitty Richards, *An Expressive Theory of Tax*, 27 CORNELL J.L. & PUB. POL’Y 301 (2017) (discussing the many ways that tax laws express larger social values); Tsilly Dagan, *The Currency of Taxation*, 84 FORDHAM L. REV. 2537, 2537 (2016) (arguing that tax law plays a role in identity formation, because it assigns monetary value to certain human behaviors and not others). Dagan persuasively argues that taxes play a complex role in distinguishing what she calls the “market” and “nonmarket” realms. Tsilly Dagan, *Itemizing Personhood*, 29 VA. TAX REV. 93, 93 (2009).

206. See *supra* Part II (providing an overview of the research design for this article).

some explicitly deploy business terms and entities (e.g., sole proprietorships or limited liability companies), with the attendant attention to maintaining business books and records; and (4) sugar babies and sugar daddies self-report widely divergent levels of compliance (or non-compliance) with the letter of tax laws. Indeed, participants in the sugar bowl, as well as outside professionals, are using Reddit with some frequency to share perspectives on the intersection of sugaring and taxation, even if solely for the purpose of denying that the two topics have anything to do with each other. This Part explores each of the identified themes, highlighting the actual words of Reddit posters and commentators.²⁰⁷

A. TAX UNCERTAINTY

Within Forum 1, where the vast majority of participants appear to be sugar babies and sugar daddies, over 220 posts from the last nine years—including many in the convenience sample²⁰⁸—contain the word “tax.”²⁰⁹ A small minority of these posts and comments use the word “tax” in a metaphorical sense.²¹⁰ The vast majority of posts concern literal taxes, i.e., income tax liability, gift tax liability, or both—in the United States and other

207. Qualitative analysis of how (and why) taxpayers talk about taxes reveals insights about attitudes toward taxation. *See generally* Crawford, *supra* note 167 (discussing the “tax talk” and reproductive labor). Qualitative research focuses on the study participants as a source of knowledge. *See, e.g.*, Leigh Goodmark, *Telling Stories: Saving Lives; The Battered Mothers’ Testimony Project, Women’s Narratives, and Court Reform*, 37 ARIZ. ST. L.J. 709, 720 (2005) (explaining that “the driving force behind qualitative research is the prominence of the voices of the people under study” and that qualitative research methodology is especially effective as a way “to document the lived experiences of individuals and to give participants the opportunity to describe, in their own words, the social, cultural, and political phenomena affecting them”).

208. *See supra* note 189 and accompanying text.

209. *See* REDDIT: FORUM 1, <https://www.reddit.com> (after searching r/Forum 1, enter the word “tax” in the search bar) (results on file with author).

210. *See, e.g.*, User 9, *Post 9*, REDDIT: FORUM 1, <https://www.reddit.com> (announcing, “Cat Tax Time” and directing other posters, “Let’s see the real Sugar in your lives. Time to pay the tax!”); User 10, *Post 10*, REDDIT: FORUM 1, <https://www.reddit.com> (“I guess I [sic] been spoilt by having 25 year old sugar babies previously, as I don’t pay old man or ugly taxes as one suggested to me lol.”). On tax metaphors generally, see, for example, Bridget J. Crawford, *Pink Tax and Other Tropes*, 34 YALE J.L. & FEMINISM 88, 96 (2023) (distinguishing between tax talk that describes “literal taxes: government imposed duties” and “figurative taxes: burdens akin to government-imposed duties, but either not imposed by the government or not financial, or both”).

countries.²¹¹ In several posts, sugar babies express concern about their tax reporting obligations. For example, in one post with the headline, “SBs-do you file taxes or no?” a sugar baby solicits inputs from her peers: “I have . . . been told that if you deposit a fair amount in your bank regularly and often with no recordable job, you can get flagged by the IRS and audited F*ck no I don’t want to pay taxes, but . . . how do y’all handle it? I also don’t want to get audited.”²¹² One respondent to this post shared, “Yes, but I don’t report what I don’t have to. If rich people can shove their sh*t in off shore accounts to not pay taxes, I will only report what’s required of me. Fair is fair, right?”²¹³ The responding sugar baby went on to say that “my SD’s tax guy did my taxes so that all of my gift money/expenses were covered for him, and I didn’t have to worry about the things that needed to be reported (like a new car I was given a new car a few weeks ago).”²¹⁴ It is not clear, however, what it means that the sugar baby’s “gift money/expenses were covered,” presumably on the sugar baby’s tax return.²¹⁵

A different respondent to the same original post counseled that sugar babies should receive transfers from a sugar daddy in cash and to “[p]ay as much of your daily bills in cash Best way is to have your sd declare it on his taxes.”²¹⁶ Again, though,

211. See, e.g., User 11, *Post 11*, REDDIT: FORUM 1, <https://www.reddit.com> (posting under the heading “SB Taxes UK?” and asking whether money from a sugaring relationship must be “declared/taxed” by UK taxing authorities); User 12, *Post 11*, REDDIT: FORUM 1, <https://www.reddit.com> (responding to User 11 that “if you were to earn over £7k per month in your [sugaring relationship] then you would also need to register and pay VAT on your income (for Americans, VAT is British sales tax) - this is not a joke” and that “[s]ex work has been taxed in the UK for the last 25 years and there is even a special [governmental] unit that investigates sex workers and escort agencies”).

212. User 13, *Post 12*, REDDIT: FORUM 1, <https://www.reddit.com>. Here, “SB” means sugar baby. See also *Glossary: What Are Common Words and Acronyms?*, *supra* note 5. The asterisk is mine, not the original poster’s, to facilitate focus on the tax question in the post, rather than the language. Cf. Christopher M. Fairman, *Fuck*, 28 CARDOZO L. REV. 1711, 1726 (2007) (“Word taboo is irrational.”).

213. User 14, *Post 12*, REDDIT: FORUM 1, <https://www.reddit.com> (replying to User 13 in *Post 12*).

214. See *id.*

215. See *id.*

216. User 15, *Post 12*, REDDIT: FORUM 1, <https://www.reddit.com> (replying to User 13 in *Post 12*).

it is not clear what the respondent meant.²¹⁷ Presumably the advice to deal in cash is an income tax avoidance strategy.²¹⁸ As to what the sugar daddy would “declare” on his taxes, the poster may have been referring to a transfer of assets by gift (and potentially filing a gift tax return) or the payment of compensation to an employee, but it is not clear.²¹⁹

Any concern on the part of sugar babies about their income tax reporting obligations likely increased as a result of a 2021 change in the law.²²⁰ Initially intended to be effective January 1, 2022, the new law requires all third-party settlement organizations (i.e., mobile payment apps including PayPal, Venmo, Zelle, and Cash App) to report to the Internal Revenue Service aggregate payments in commercial transactions greater than \$600 annually with respect to a payee.²²¹ The third-party settlement app also must issue a Form 1099-K, Payment Card and Third Party Network Transactions, to the payee showing the reportable transactions.²²² For many years prior, the reportable threshold had been \$20,000, and the number of transactions with the payee had to exceed 200.²²³ In other words, reporting was an

217. *See id.*

218. *See, e.g.,* James Alm et al., *New Technologies and the Evolution of Tax Compliance*, 39 VA. TAX REV. 287, 305 (2020) (“During the course of the twentieth century, the Service has brought case after case after case against taxpayers who, in the endeavor to minimize their tax burdens, utilized cash payments and/or cash receipts to hide their transactions.” (footnotes omitted)).

219. *See* User 15, *supra* note 216 (recommending that sugar babies should have their sugar daddy declare the payments as gifts on a gift return).

220. *See* American Rescue Plan Act of 2021, Pub. L. No. 117-2, § 9674, 135 Stat. 4, 185 (amending 26 U.S.C. § 6050W by changing the de minimis reporting exceptions for third party settlement organizations); *see also* Tim Fitzsimons, *Venmo, PayPal, Cash App Must Report \$600+ in Business Transactions to IRS*, NBC NEWS (Jan. 6, 2022), <https://www.nbcnews.com/news/venmo-paypal-zelle-must-report-600-transactions-irs-rcna11260> [<https://perma.cc/8H8E-4FPC>] (explaining the change to the tax law). Hereinafter, all statutory citations to “I.R.C.” are to Title 26 of the U.S. Code, the Internal Revenue Code of 1986 as amended.

221. *See* I.R.C. § 6050W(e).

222. *See id.* § 6050W(f) (detailing the substantive contents of the statement to be furnished to the payee); *see also* *Form 1099-K, Payment Card and Third Party Network Transactions*, INTERNAL REVENUE SERV., <https://www.irs.gov/pub/irs-pdf/f1099k.pdf> [<https://perma.cc/J5DD-WR7B>].

223. *See* Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, § 3091, 122 Stat. 2654, 2853 (2008) (amended 2021) (establishing the notice and filing threshold). For a discussion of the change in law, see Ken Russell et al.,

obligation for users who relied frequently on cash apps for large transactions.²²⁴

Although the IRS ultimately delayed the implementation of this new rule until 2024 and changed the reporting threshold to \$5,000 in most cases,²²⁵ the 2021 change to the law nevertheless caused concern in the sugaring community, as evidenced in posts made to Forum 1.²²⁶ Shortly after the news of delayed implementation, a sugar daddy posted to Forum 1 a link to a news article describing the IRS's actions.²²⁷ A commenter quickly took issue with the relevance of the post, saying, "They can delay it or not, it's immaterial to a sugar relationship as it's for BUSINESS payments."²²⁸ That commenter was pointing out that the IRS's rule applies only to commercial transfers, which he implicitly suggested are different from sugar.²²⁹ Another commentator then chimed in, "This is why I sugar strictly in cash," suggesting an awareness of the possibility of being found non-compliant with

Does the IRS Know About Venmo? Changes in Reporting Requirements of Digital Payments, 69 PRAC. LAW. 35, 36 (2023) (noting the considerable challenges faced by the government in "maintain[ing] pace with technological developments").

224. See Russell et al., *supra* note 223, at 35–36 (discussing the pre-2021 state of the law).

225. See I.R.S. Notice 2023-10, 2023-3 I.R.B. 403, 404 (Jan. 3, 2023) (providing that for calendar years prior to 2023, third-party settlement organizations were "not required to report payments in settlement of third party network transactions with respect to a participating payee unless the gross amount to be reported exceeds \$20,000 and the number of such transactions with that participating payee exceeds 200"); I.R.S. Notice 2023-74, 2023-51 I.R.B. 1484 (Dec. 18, 2023) (delaying the implementation of the law to the 2024 tax year and requiring the issuance of a Form 1099-K only to taxpayers with over \$5,000 in transactions unless an e-commerce customer is unable to confirm their status).

226. See, e.g., User 16, *Post 13*, REDDIT: FORUM 1, <https://www.reddit.com> (linking to a news article about the initial change to the law and generating over twenty-five comments in response).

227. See User 17, *Post 14*, REDDIT: FORUM 1, <https://www.reddit.com> ("I've seen so many posts in the sub announcing the changes to 1099K requirements over and over and over but haven't seen one yet sharing the news that this was delayed by a year.").

228. User 18, *Post 14*, REDDIT: FORUM 1, <https://www.reddit.com> (replying to User 17 on Post 14).

229. See I.R.C. § 6050W(a), (d) (imposing a reporting obligation with respect to certain central organizations that make payments to persons who "provide goods and services").

any tax obligations, without suggesting any concrete understanding of what those obligations may be.²³⁰

B. INCOME VS. GIFTS

In addition to the general interest that many sugar babies have in understanding their tax reporting obligations, an inter-related and highly contested subject surfaces repeatedly in the study sample. Commentators both within and outside the sugaring community take divergent views on whether the proper characterization of a transfer by a sugar daddy to a sugar baby is income or a gift.²³¹ If the former, then the sugar baby has taxable income; if the latter, then the sugar baby receives a tax-free transfer, but the sugar daddy may have gift tax liability.²³² The evidence from Reddit reveals that there is no agreement within the sugaring community, or even among tax professionals, on the question of whether these transfers are income or gifts.²³³

One sugar baby took to Reddit to explain her first-hand experience with sugar daddies who had conflicting views about the tax nature of their transfers:

Last tax season my ex sugar daddy advised me to not file anything because the allowance that I received from him was considered a gift and therefore didn't need to be taxed. But we broke up a bit ago, and my new sugar daddy told me that if I neglect to file anything this year[,] I would be committing tax evasion!²³⁴

230. User 19, *Post 14*, REDDIT: FORUM 1, <https://www.reddit.com> (replying to User 17 on Post 14).

231. *Compare, e.g.*, User 20, *Post 15*, REDDIT: FORUM 2, <https://www.reddit.com> (stating that a sugar baby should report “the gross amount of income she receives and can then deduct any expenses related to her activities as a sugar baby”), *and* User 21, *Post 15*, REDDIT: FORUM 2, <https://www.reddit.com> (“Anyone who suggests this is a gift has some pretty messed up thinking.”), *with* User 22, *Post 16*, REDDIT: FORUM 1, <https://www.reddit.com> (replying to User 23 on Post 16 to say “[t]he money you get from an SD, as your previous one told you, is a gift, and a gift recipient doesn't pay or file taxes on gifts”).

232. *See* I.R.C. § 1 (imposing tax on “taxable income”); *id.* § 63 (defining taxable income as “gross income minus” . . . “deductions”); *id.* § 61 (defining gross income as “all income from whatever source derived, including (but not limited to)” fourteen enumerated items); *id.* § 102 (excluding gifts from gross income); *id.* § 2501 (imposing a tax on transfers of property by gift); *id.* § 2512 (defining a gift as “the amount by which the value of property exceeded the value of consideration” where “property is transferred for less than an adequate and full consideration in money or money's worth”).

233. *See supra* note 231 (discussing representative dialogue showing different views held by members of the sugaring community).

234. User 23, *Post 16*, REDDIT: FORUM 1, <https://www.reddit.com>.

In technical tax terms, the disagreement is over whether the sugar baby receives “compensation for services,”²³⁵ and thus the sugar baby must include the value of these transfers in gross income under I.R.C. § 61(a)(1), or whether the transfers are the product of a “detached and disinterested generosity . . . affection, respect, admiration, charity or like impulses” on the part of the sugar daddy, such that the sugar baby may exclude the transfers from gross income as gifts under I.R.C. § 102.²³⁶

1. Sugar as Gifts

The dominant refrain among sugar babies, exemplified by posts to the Forum 1 “wiki” that features answers to frequently asked questions, is that sugar payments are gifts and thus not included in the sugar baby’s gross income for federal income tax purposes.²³⁷ The wiki begins with a self-aware caveat: “Who owes US taxes on sugar payments? First, you should obviously be skeptical about tax advice offered by an anonymously-authored wiki on a sugar dating subreddit.”²³⁸ The wiki author or authors nevertheless proceed to give detailed tax advice with seeming confidence:

[G]ift taxes in the US are owed by the gifter (the SD) not the giftee (the SB). Specifically, the IRS says that SDs need to report any gifts in excess of \$15,000 per year. Interestingly, tuition payments and medical expenses (such as SD-funded breast implants!) do not need to be reported. Also, gifts only need to be reported when they exceed \$15,000 in a year per person, not in aggregate In reality, very few SDs report their sugar payments as gifts, and there are no news reports of an SD being audited or otherwise getting in trouble for not reporting sugar payments.

For SBs, the answer is much more straightforward: as long as the sugar has been provided in the context of a relationship, and not as a fee for service . . . there are no taxes owed, and no reporting is necessary.²³⁹

235. See I.R.C. § 61(a)(1) (defining gross income).

236. *Comm’r v. Duberstein*, 363 U.S. 278, 285 (1960) (first quoting *Comm’r v. LoBue*, 351 U.S. 243, 246 (1956); and then quoting *Robertson v. United States*, 343 U.S. 711, 714 (1952)); see also I.R.C. § 102 (discussing taxation of gifts and inheritances).

237. See, e.g., I.R.C. § 102(a) (excluding gifts, bequests, devises, and inheritances from gross income); see generally *Wiki*, REDDIT: FORUM 1, <https://www.reddit.com> (posting under the heading “Who Owes US Taxes on Sugar Payments?”).

238. *Wiki*, *supra* note 237.

239. *Id.*

From a legal perspective, aspects of this advice are spot-on. Generally speaking, gifts are not income,²⁴⁰ the giver pays the gift tax,²⁴¹ there is a generous exemption from wealth transfer taxes,²⁴² and certain annual exclusion gifts and payment of direct medical or educational expenses are not subject to gift tax.²⁴³ What is less obviously accurate, though, is the wiki's conclusion that transfers by a sugar daddy to a sugar baby are always gifts and that transfers "in the context of a relationship" are thus always non-taxable.²⁴⁴

While there is case law to support the conclusion that sugaring is not, technically speaking, prostitution in a criminal law sense, it does not necessarily follow that transfers to a sugar baby are *never* payments for (sexual) services in an income or wealth transfer tax sense.²⁴⁵ After all, recall the former sugar baby's advice to others to "never initiate any intimacy with a sugar daddy unless you've already received your sugar."²⁴⁶ In fact, on Reddit, sugar daddies routinely lament being "rinsed," or not receiving sexual intimacy after making payments to their sugar babies.²⁴⁷ In that sense, both the economics and dynamics of sugaring relationships give rise to a reasonable inference, at least at the initial stages of a relationship, that transfers to a sugar baby are indeed compensation for services in an income

240. See *supra* note 236 and accompanying text (discussing the exclusion of gifts from gross income).

241. See *infra* notes 257–258 and accompanying text (discussing taxes paid on gifts).

242. See *infra* notes 259–262 and accompanying text (discussing wealth transfer tax exemptions).

243. See *infra* note 258 and accompanying text (discussing gift tax exemptions).

244. See discussion *infra* Part III.B.2 (discussing sugar as income).

245. See *supra* note 145 and accompanying text (discussing cases where courts have found that "sex plus" does not constitute prostitution).

246. *I'm a "Sugar Baby"*, *supra* note 113.

247. See, e.g., User 24, *Post 17*, REDDIT: FORUM 1, <https://www.reddit.com> (explaining that he was "charmed by a beautiful SB. I showed a lot of generosity. I got strung along without an indication of when intimacy would happen because of unclear expectations. Ended up cutting the relationship when she drunk-called me and asked for an expensive vacation and had not held up her side of the arrangement after 4 dates"); see also *supra* note 131 and accompanying text (defining "rinsing").

tax sense.²⁴⁸ This is especially true in the case of a cash allowance or PPM, as opposed to, say, flowers or chocolate presented by a sugar daddy to a sugar baby at an M&G.²⁴⁹

There is a better argument that transfers made *after* the formation of a relationship—whether in the form of trips, jewelry, cars, PPMs, or allowances—proceed from the requisite “detached and disinterested generosity,” and thus are arguably non-taxable gifts to the sugar baby.²⁵⁰ The rationale would be that it is not unreasonable for a monied partner (i.e., sugar daddy) to make donative transfers to a less monied partner (i.e., a sugar baby) in the context of a companionate relationship, with or without a sexual element.²⁵¹

Separate and apart from the question of how transfers by a sugar daddy are treated for federal income tax purposes, such transfers may give rise to liability on the part of the sugar daddy

248. See I.R.C. § 61(a)(1) (including compensation for services in gross income). That the expectation of sexual access comes from payments is reflected in the experience of one sugar baby: “Just now, [my sugar daddy] docked my allowance (without talking to me about it) by 30% because my period started a day early, and a bit of blood got on his condom . . . He said he cut the allowance so that I would be incentivized to not let it happen again.” User 25, *Post 18*, REDDIT: FORUM 1, <https://www.reddit.com>. While it is not clear that the sugar daddy understands the involuntary nature of menstruation, the report of his actions does suggest that, at least in his mind, the sugar daddy is paying for a certain kind of sexual access (e.g., one in which no menstrual blood is present). See *id.*

249. See User 26, *Post 19*, REDDIT: FORUM 1, <https://www.reddit.com> (“Honestly, I don’t expect much from M&Gs so any gift is a pleasant surprise. Once I had received some fancy chocolates . . . and I thought it was very nice of him. As someone has said, even flowers are appreciated. It’s a M&G, so basically anything seems thoughtful to me.”).

250. *Comm’r v. Duberstein*, 363 U.S. 278, 285 (1960); see I.R.C. § 61 (defining gross income); *id.* § 102 (discussing gifts and inheritances).

251. See, e.g., *V. Stiviano, I Was Sterling’s Sugar Baby for 4 Years*, TMZ (Apr. 28, 2014), <https://www.tMZ.com/2014/04/28/v-stiviano-donald-sterling-girlfriend-sex-racist-clippers-sugar-baby> [<https://perma.cc/ER59-LQCZ>] (quoting court filings in which a young female companion of the married owner of the Los Angeles Clippers, Donald Sterling, asserted that her relationship with Sterling was “open notorious, obvious and long standing” and that Sterling transferred more than \$2 million to her during their years-long relationship); SI Staff, *Woman Loses Home, Other Gifts to Wife of Ex-Clippers Owner*, SPORTS ILLUSTRATED (Apr. 15, 2015), <https://www.si.com/nba/2015/04/15/ap-bkn-sterling-stiviano-suit-0> [<https://perma.cc/FAQ9-4X2D>] (reporting a court’s determination that Shelly Sterling, the wife of Donald Sterling, could recover a \$1.8 million home and \$800,000 in other gifts transferred by Donald Sterling to his alleged “sugar baby,” V. Stiviano).

for gift taxes²⁵² because the transferor is not receiving “adequate and full consideration in money or money’s worth” in return.²⁵³ Companionship and sexual intimacy undoubtedly have value in many senses, but they are not money or money’s worth, at least for gift tax purposes.²⁵⁴

If transfers by a sugar daddy are treated as gifts, then the transfers may be subject to federal gift tax.²⁵⁵ Transfers in excess of the annual exclusion amount (\$18,000 in 2024)²⁵⁶ subject the transferor to gift tax²⁵⁷ unless the sugar daddy has made a “qualified transfer” in the form of a direct payment of the sugar baby’s tuition or to a medical provider as payment for the sugar baby’s medical care.²⁵⁸ As a practical matter, however, the transferor

252. See I.R.C. § 2501 (imposing a tax on transfers of property by gift); see also Douglas A. Kahn & Jeffrey H. Kahn, “Gifts, Gifts, and Gifts”—*The Income Tax Definition and Treatment of Private and Charitable “Gifts” and a Principled Policy Justification for the Exclusion of Gifts from Income*, 78 NOTRE DAME L. REV. 441, 476–83 (2003) (discussing differences between income tax and gift tax definitions of “gift”).

253. See I.R.C. § 2512(b) (defining a gift as “the amount by which the value of property exceeded the value of consideration” where “property is transferred for less than an adequate and full consideration in money or money’s worth”).

254. See Treas. Reg. § 25.2512-8 (1992) (“A consideration not reducible to a value in money or money’s worth, as love and affection, promise of marriage, etc., is to be wholly disregarded, and the entire value of the property transferred constitutes the amount of the gift.”); cf. *Comm’r v. Wemyss*, 324 U.S. 303, 306–07 (1945) (finding that a transfer by a taxpayer in trust to an intended spouse was not supported by “adequate and full consideration in money or money’s worth” merely because the transfer was intended to compensate the intended spouse for income she would forfeit upon marriage to the taxpayer).

255. The discussion focuses on federal gift taxes because only one state, Connecticut, imposes gift taxes. See, e.g., *Estate and Gift Tax Information*, CONN. STATE DEP’T OF REV. SERVS. (July 3, 2024), <https://portal.ct.gov/drs/individuals/individual-income-tax-portal/estate-and-gift-taxes/tax-information#GiftTaxOverview> [<https://perma.cc/ZKY6-XQLQ>] (providing an overview of the Connecticut gift tax); see also Grayson M.P. McCouch, *Adversity, Inconsistency, and the Incomplete Nongrantor Trust*, 39 VA. TAX REV. 419, 424 n.27 (2020) (noting that Connecticut is the only state that imposes a state gift tax).

256. See Rev. Proc. 2023-34, 2023-48 I.R.B. 1287 (setting the gift tax annual exclusion for transfers in 2024 at \$18,000).

257. See I.R.C. § 2501 (imposing a tax on transfers of property by gift); *id.* § 2503(b)(1)–(2) (excluding from the total amount of taxable gifts the first \$10,000 of such gifts to such person, subject to an adjustment for inflation).

258. See *id.* § 2501 (imposing a tax on transfers of property by gift); *id.* § 2503(e) (“Exclusion for certain transfers for educational expenses or medical expenses”). Without referring to the Internal Revenue Code section by number, one contributor to a popular Reddit forum called out the exclusion from gift tax

may not owe any gift tax on non-qualified transfers if he allocates to any gift a portion of his applicable credit against the estate and gift tax under I.R.C. §§ 2010 and 2505.²⁵⁹ For the year 2024, this means, practically speaking, that a taxpayer can make a lifetime total of gifts of up to \$13,610,000 without actually paying any federal gift tax.²⁶⁰ For a married couple, that amount is \$27,220,000.²⁶¹ In most cases, a sugar daddy is not likely to owe any gift tax on any transfers, but he must disclose taxable transfers on a timely filed gift tax return in order to allocate the lifetime exemption to those gifts.²⁶²

Interestingly, assuming for argument's sake that sugar is treated as a taxable gift by a sugar daddy to the sugar baby, the responsibility for paying any gift tax rests with the transferor.²⁶³ But if the sugar daddy files a gift tax return, it is possible that the IRS might turn its attention to the sugar baby, even if the sugar baby had no obligation to report the transfers as income. That is, the IRS might be inspired to inquire into the sugar

of direct payments of tuition under I.R.C. § 2503(e), noting that “[o]ne overlooked opportunity is the ability for an SD to pay tuition directly to an institution on behalf of the SB.” User 27, *Post 14*, REDDIT: FORUM 1, <https://www.reddit.com>.

259. See I.R.C. § 2505 (identifying the “unified credit against gift tax”); *id.* § 2010(c) (defining the applicable credit amount).

260. See Rev. Proc. 2023-34, 2023-48 I.R.B. 1287, 1294 (providing the inflation-adjusted amount for 2024 for the unified credit under I.R.C. § 2010).

261. See *id.* To take advantage of both spouses’ gift tax exclusions, the spouses must agree to split the gifts. See I.R.C. § 2513(a) (“Gift by husband or wife to third party”). It is unlikely, but certainly not impossible, that a spouse might agree to split a gift to her spouse’s sugar baby. See, e.g., Jessica Chou, *My Sugar Daddy Pays Me £10,000 a Month—& Marriage Is on the Table*, REFINERY29 (June 1, 2017), <https://www.refinery29.com/en-gb/sugar-baby-marriage-dating-arrangement-experience> [<https://perma.cc/W8YK-L7Z3>] (“He has a kid, and his kid and his ex-wife know me, but it was never presented as, ‘This is my sugar baby, I’m her sugar daddy.’” (quoting one sugar baby who is in a relationship with an older man)). It is not clear whether the wife met the sugar baby before or after her marriage ended. See *id.*

262. See, e.g., *Instructions for Form 709 (2023)*, INTERNAL REVENUE SERV., <https://www.irs.gov/instructions/i709> [<https://perma.cc/W44M-4GU6>] (instructing taxpayers to file a gift tax return filing all reportable gifts made during the calendar year).

263. Generally speaking, a gift tax is the responsibility of the giver. See I.R.C. § 2502(c) (providing that the gift tax “shall be paid by the donor”).

baby's financial life to see if she is complying with appropriate banking laws.²⁶⁴

Ultimately, while posts to Reddit offer practical (and partially accurate) advice to both sugar babies and sugar daddies, the Internet discourse oversimplifies complex legal issues. Sugar baby arrangements may attract scrutiny of the taxing authorities, and participants have reason to be cautious.

2. Sugar as Income

Parallel with the dominant sugar-as-gift narrative promulgated by sugar babies and sponsors of sugar websites,²⁶⁵ there is a distinct strain of online discourse that understands a sugar baby's receipts as income. Practically speaking, the characterization of transfers by a sugar daddy to a sugar baby as gifts versus income is a determination with real-world consequences under U.S. law.²⁶⁶ If such transfers are income for tax purposes, then the sugar baby ordinarily must file a federal income tax return if her income exceeds a particular threshold.²⁶⁷ Indeed, because of the lack of clear guidance about the tax consequences of sugaring, many sugar babies turn to Reddit for advice.²⁶⁸

Included in the study sample are several posts to the tax-specific Forum 2 subreddit by sugar babies who seemingly want

264. See User 28, *Post 20*, REDDIT: FORUM 1, <https://www.reddit.com> (containing a response by a self-identified "709-filing SD" to a sugar baby's post asking whether her receipts are income and advising that it is the sugar daddy's responsibility to file a gift tax return).

265. See, e.g., *supra* Part III.B.1 (discussing sugar as a gift); *supra* note 155 and accompanying text (explaining the nature of sugar relationships).

266. See *Who Needs to File a Tax Return*, INTERNAL REVENUE SERV. (Jan. 2023), <https://www.irs.gov/newsroom/who-needs-to-file-a-tax-return> [<https://perma.cc/BXY4-QBGU>].

267. See, e.g., *id.* (explaining that, for the tax year 2022, a single taxpayer must file an income tax return of their gross income was at least \$12,950). State income tax filing thresholds may vary from the federal threshold and/or from the thresholds of other states. Compare, e.g., *Tax Rates, Exemptions, & Deductions*, STATE OF MISS. DEPT OF REV., <https://www.dor.ms.gov/individual/tax-rates> [<https://perma.cc/3ZWW-PFLZ>] (providing that a single Mississippi resident must file if they have gross income in excess of \$8,300 plus \$1,500 for each dependent), with *Who Must File*, N.Y. ST. DEPT. TAX'N & FIN. (last updated Mar. 22, 2022), <https://www.tax.ny.gov/help/taxpayer-education/financial/5-filing-taxes-2.htm> [<https://perma.cc/8FRH-ZUGR>] ("If you did not have to file a federal return, but your federal adjusted gross income plus New York State additions were more than \$4,000 . . . then you are required to file a state return.").

268. See User 29, *Post 21*, REDDIT: FORUM 2, <https://www.reddit.com>.

to comply with the tax laws—or at least avoid getting caught out of compliance—but are not certain whether their receipts are taxable.²⁶⁹ One sugar baby took to Forum 2, with details about her particular situation:

I want to do everything in my power to go through this legally. Currently I am in a sugar relationship where I receive an allowance of 1k /cash/ per month. I am NOT an escort, I'm lucky enough that this arrangement is basically a regular relationship. We have dinners, outings (concerts, museums, food festivals, movies, shopping), and plenty of time together where we do not have intimacy for days or weeks at a time. If it wasn't this way, I would be an escort, I know that I would have to file and pay taxes. Because this money I receive monthly is a gift, it should be okay to deposit it and not worry about anything, right? I am familiar with structuring and how illegal that is, I am also aware that depositing 1k a month might trigger a SAR from my bank. It is a bit frustrating because I am not really doing anything wrong yet I may still be audited. Accepting gifts isn't illegal! I have also read to just suck it up and create an LLC cover up type business, where I label myself as an entertainer. That way the money being deposited is accounted for, I pay taxes, and ultimately everything would be okay.²⁷⁰

This sugar baby distinguishes her situation from escorting in both name (“I am NOT an escort”) and deed (“this arrangement is basically a regular relationship,” with “days or weeks” without “intimacy,” presumably referring to physical, as opposed to emotional or even intellectual, intimacy).²⁷¹ Under this sugar baby’s reasoning, the absence of physical intimacy at every meeting means that her receipts are non-taxable gifts, whereas an escort’s receipts would be taxable income (“If it wasn’t this way, I would be an escort”).²⁷²

At the same time, however, note how this sugar baby both asserts that she is not “really doing anything wrong,” and also worries about being audited and out of compliance with any

269. *See id.* (“Because this money I receive monthly is a gift, it should be okay to deposit it and not worry about anything, right?”).

270. *Id.* “SAR” is shorthand for “suspicious activity report.” *See, e.g.,* IRM 5.1.18.16 (Aug. 13, 2024) (explaining that a “SAR report” is made by a financial institution to report “suspicious or potentially suspicious activity”); *id.* (“[SARs] are useful tools in tax compliance cases where the taxpayer’s location or banking information is unknown, or when potential fraud indicators point to hidden income or assets. SARs can also reveal indicators that a taxpayer is operating on a cash-basis to avoid reporting income or to evade collection. Examining SARs can open new case avenues to pursue.”).

271. User 29, *supra* note 268.

272. *Id.*

income tax liabilities.²⁷³ The sugar baby seemingly constructs herself as a law-abiding citizen (“I want to do everything in my power to go through this legally.”).²⁷⁴ The sugar baby then asks the presumed tax professionals who read and contribute to Forum 2 if she should “make an LLC” to conceal monies from her mother, who treats the sugar baby/daughter as a dependent for income tax purposes.²⁷⁵

The tax advice responding to this post was swift and straightforward: commentators advised the sugar baby that she must treat her receipts as income for tax purposes and file a tax return.²⁷⁶ Note, however, that commentators also emphasized the factual nature of any inquiry about gifts versus income, explaining that, “[i]n the real world it would be a facts and circumstances situation,”²⁷⁷ and “what you are describing isn’t necessarily black or white. The surrounding facts would probably determine whether this is a gift or business income.”²⁷⁸ The commentators cited as relevant factors how the sugar baby and sugar daddy meet, how many sugar daddies the sugar baby may have at a time, and how long the relationships last, suggesting that “[m]eeting at a bar, social events, or a legitimate dating site, one at a time, multiple months each would lean towards a gift situation.”²⁷⁹ In other words, the less the sugaring relationship resembles a “regular” dating arrangement (i.e., one without regular transfers in the form of a PPM or allowance), the more likely it is that the sugar baby is earning income, not receiving gifts.²⁸⁰

273. *Id.*

274. *Id.*

275. *See id.* (“I am 21, my mom claims me on her taxes as I live at home, she pays for my phone, car insurance and college tuition.”). The sugar baby further asked:

If I make more than a certain amount of income, would she not be able to claim me anymore? And through claiming me on her taxes if I were to make an LLC is there anyway she would find out? Obviously this is something I hide from my family, so my privacy is also a concern.

Id.

276. *See, e.g.*, User 30, *Post 21*, REDDIT: FORUM 2, <https://www.reddit.com> (replying to User 29 in Post 21) (“Based on that you’ve said it’s income.”).

277. *See id.*

278. User 31, *Post 21*, REDDIT: FORUM 2, <https://www.reddit.com> (replying to User 29 in Post 21).

279. User 30, *supra* note 276.

280. *See id.* (“How do you meet these people? To put it blunt do you have multiple daddies at a time? How long do your ‘relationships’ last?”); *see also*

At least one apparent tax professional gave little credence to the sugar baby's self-evaluation that her activities are qualitatively different (at least in an income tax sense) from an escort's.²⁸¹ "A business is receiving something (cash or otherwise) in exchange for goods or services. In this case, you walk like a duck, talk like a duck . . . [sic] you're a duck. Just accept that fact and move on," the commentator wrote.²⁸² While sympathetic to the original poster's situation, that commentator judges the sugar baby as unable to see her own situation clearly, saying to her, "I can almost see the mental hoops you're trying to work through, but from an objective perspective (and, also, more than likely an IRS agents [sic]) I'm hard pressed to come to your same conclusions."²⁸³ In other words, the sugar baby's receipts are income and she should treat them as such for income tax purposes.²⁸⁴ The commentator invokes his status as a tax professional as evidence of the correctness of his own advice, predicting that any other tax professional would be bound by applicable ethics rules to reach the same conclusion.²⁸⁵

The original sugar baby poster thanks the professional commentators for the "great advice."²⁸⁶ In an "edit" added at the end of the original post, the sugar baby declares her intention to find "an industry friendly CPA in my area to help me with everything else because I'm really new to this."²⁸⁷ After all, the sugar baby

User 31, *supra* note 278 (urging the original poster to consider questions such as when in arc of the relationship she began to receive payments, whether the payments depend on the performance of certain services, and who dictates the nature of the relationship, saying that, "[i]f your answers to following questions seem like your relationship is more of a business-client relationship, rather than a person giving money to a person special to them, than it should be considered business income").

281. User 32, *Post 21*, REDDIT: FORUM 2, <https://www.reddit.com> (replying to User 29 in *Post 21* and comparing the sugar baby's situation to that of an escort).

282. *Id.*

283. *Id.*

284. *See id.* ("I've done taxes for professionals in a similar kind of work, and have done self-employment returns for them—but they did report their income and kept track of expenses.").

285. *See id.* ("[O]ur profession is governed by strict rules, and based on those rules, you're going to get 'you need to claim that income on a schedule C, at a minimum, and pay income taxes on it.'").

286. User 29, *supra* note 268.

287. *Id.*

says, she “doesn’t mind” paying taxes.²⁸⁸ In response to the commentators in Forum 2, the sugar baby appears to have accepted the view that she is engaged in business activity that generates taxable income.²⁸⁹

The posts to the tax-specific Forum 2 reveal a prevalent discourse of confusion and concern among sugar babies about their tax obligations. Despite many sugar babies’ framing of their receipts as gifts, the advice from tax professionals leans toward treating these receipts as income.²⁹⁰ That being said, tax professionals also acknowledge the ambiguities inherent in sugaring, beyond the most transactional relationships, emphasizing the need for more nuanced analysis.²⁹¹ At least for sugar babies, confusion about tax obligations seems common.

If anything is clear from the study sample, it is that participants in the sugar bowl do not speak with one voice about whether a sugar baby’s receipts constitute gifts or income.²⁹² Any post by a sugar baby asking for guidance on how to treat allowances or PPMs invariably draws commentary from both the pro-income and pro-gift camps. For example, in response to one sugar baby’s post about her allowance, a commentator says, “[n]o tax professional would ever classify an allowance as a gift. A gift is something that is given with no expectation of anything in return.”²⁹³ In response to that same post, a different commentator insists that allowances are a “gift,” but then goes on to provide tips on how to avoid scrutiny from banks, suggesting that “if you are receiving large amounts each month best to spread this around to different institutions but in the end your [sic] not doing anything wrong so don’t worry.”²⁹⁴ Still another user advises

288. *Id.* (replying to User 32 in Post 21).

289. *See id.* (claiming that she plans to seek out a tax professional to help file her earnings as income).

290. *See, e.g.,* User 32, *supra* note 281 (indicating that in previous tax work for individuals in similar lines of work the commentor treated the earnings as income).

291. *See, e.g.,* User 31, *supra* note 278 (imploring the sugar baby to consider questions regarding the nature of the sugar baby’s relationship with the sugar daddy).

292. *See, e.g.,* User 23, *supra* note 234 (noting conflicting advice over whether the sugar baby should file taxes).

293. User 33, *Post 22*, REDDIT: FORUM 1, <https://www.reddit.com>.

294. *See* User 34, *Post 22*, REDDIT: FORUM 1, <https://www.reddit.com> (disagreeing with the comment that allowances are taxable income suggesting specific deposit practices for large amounts of cash).

not to declare allowances as income for fear of criminal prosecution: “Call the money a gift. I would think you get yourself in more trouble by saying it is income because it could be interpreted as escorting or sex work.”²⁹⁵ This poster’s reasoning appears to be that a taxpayer’s subjective income tax characterization of an item somehow has the potential to impact how sugaring is treated for purposes of the criminal law (i.e., whether the arrangement is “escorting or sex work” as opposed to a traditionally romantic relationship).²⁹⁶ While information on a federal income tax return is indeed admissible in a criminal case,²⁹⁷ it does not have any bearing on whether the underlying activity is (or is not) a crime.²⁹⁸ Furthermore, the failure to report income from illegal (or legal) activity is itself a crime.²⁹⁹ Indeed, the failure to report income is itself a violation of the tax laws, and so non-reporting could expose a sugar baby to risk of prosecution for tax evasion, if sugaring were treated as income.³⁰⁰

Beyond the tax implications, a sugar baby’s insistence that her receipts are gifts underscores a deeper resistance to characterizing her activities as a form of work and specifically as a type of sex work.³⁰¹ The effort to draw a distinct line between sugaring, on the one hand, and prostitution or escorting, on the other, props up the narrative that sugaring is a minor variation on a traditional romantic relationship. This permits sugar babies and sugar daddies, too, to avoid potential social scorn or negative

295. User 35, *Post 22*, REDDIT: FORUM 1, <https://www.reddit.com>.

296. *See id.* (calling attention to the fact that the poster could get in more trouble if the income is perceived as stemming from sex work).

297. *See* I.R.C. § 6011(a) (requiring the filing of tax returns by those liable for income tax); *see also* *Garner v. United States*, 424 U.S. 648 (1976) (holding that voluntary disclosures on a taxpayer’s return are not compelled self-incriminations and therefore can be used against the taxpayer in a criminal prosecution).

298. *See Garner*, 424 U.S. at 660 (discussing the admissibility of federal income tax returns as evidence of illegal activity and failing to hold that the returns had any bearing on if the activity was illegal).

299. *See supra* Part I.D (explaining how various jurisdictions define prostitution, without any mention to the income tax reporting position of the person receiving payments).

300. *See* I.R.C. § 7203 (addressing the willful failure to file a tax return, supply information, or pay tax); *see also* *James v. United States*, 366 U.S. 213 (1961) (requiring embezzled funds to be included in criminal’s taxable income in the year the misappropriation of the funds took place).

301. *See* Sawicki et al., *supra* note 19, at 355–56 (explaining the term “sex work” and reasons to use it).

self-perception otherwise associated in some people's minds with sex work.³⁰² The complex interplay between these social norms, self-perceptions, and legal realities is further explored later in this Article, after a brief overview of some of the ways that sugar daddies are treating their transfers for tax purposes.³⁰³

C. SUGARING AS A BUSINESS

1. Sugar on the Payroll

Embedded in this robust online conversation about whether sugar is taxable income or a nontaxable gift, there is a distinct strain of dialogue focused on the best legal form for a sugaring business. As an initial matter, over 100 posts in Forum 1 mention the word "payroll."³⁰⁴ One of the most "upvoted" posts mentioning the word "payroll" in Forum 1 is by a self-identified "Sugar Mentor" who remarks on the sheer number of posts in Forum 1 "regarding taxes and being placed on an SDs payroll."³⁰⁵ The "Sugar Mentor" cautions sugar daddies and sugar babies against having a sugar baby on a company's payroll.³⁰⁶ The "Sugar Mentor" reasons that if the sugar baby were to become an official employee of a sugar daddy, the sugar baby's receipts are per se income.³⁰⁷ On its face, this comment is accurate: income from employment is included in gross income under I.R.C. § 61(a)(1).³⁰⁸ On the other hand, the poster argues that "[b]eing

302. See *infra* Part V (noting that gift-rhetoric tax talk for sugaring allows sugar babies to distance themselves from social stigmas around sex work).

303. See *infra* Part III.C (discussing the different ways sugaring may be treated for tax purposes).

304. See REDDIT: FORUM 1, <https://www.reddit.com> (type "r/payroll" in the "Search in r/Forum 1" toolbar) (results on file with author) (returning over 100 posts in Forum 1 in response to the search "r/payroll" within Forum 1).

305. See User 36, *Post 23*, REDDIT: FORUM 1, <https://www.reddit.com> (attempting to dispel misinformation regarding sugaring, taxes and payrolls). Reddit users may "upvote" or "downvote" content as an indication of its helpfulness. See *What Are Upvotes and Downvotes?*, REDDIT HELP, <https://support.reddit.com/hc/en-us/articles/7419626610708-What-are-upvotes-and-downvotes> [<https://perma.cc/4L4Y-SU2M>] ("Upvotes show that redditors think content is positively contributing to a community or the site as a whole. Downvotes mean redditors think that content should never see the light of day. If you like something . . . upvote it!").

306. See User 36, *supra* note 305 (explaining the potential consequences for a sugar baby of being on a sugar daddy's company payroll).

307. See *id.*

308. See I.R.C. § 61(a)(1).

a man's girlfriend" is not on the list of the types of employees or service providers that constitute a "worker" for tax purposes, and therefore the sugar baby should never pay tax on her receipts.³⁰⁹ Factually speaking, while this comment is true, insofar as "girlfriend" does not appear on any official lists of employee classifications,³¹⁰ it is not clear why that would be outcome-determinative for income tax purposes. Where the self-identified "Sugar Mentor" is entirely correct is in cautioning that a sugar baby's payment from a company's payroll might lead to legal exposure for the sugar daddy: "If for any reason, his company is audited, personal expenses being paid through his business (including paying you) will be considered fraud. Do not get yourself caught up."³¹¹

The possibility that some sugar daddies are, in fact, using a company payroll for such personal expenses is suggested by one sugar baby's post to Forum 2.³¹² The sugar baby asked others how to respond to a sugar daddy's query about whether the baby would "prefer a W-2 or 1099."³¹³ The sugar baby explained that she was treated as a dependent on her parents' income tax return and did not want to disclose to them the \$8,000 a month she anticipated receiving from her sugar daddy.³¹⁴ Given that the average age of a sugar baby is twenty-five,³¹⁵ it is not unexpected that a sugar baby may lack familiarity with the difference between a salaried employee and an independent contractor, as well as the simple fact that an employee arrangement would generate various obligations on the part of the sugar daddy to

309. See User 36, *supra* note 305.

310. See, e.g., *Occupational Employment and Wage Statistics*, U.S. BUREAU OF LAB. STAT. (last updated Apr. 3, 2024), https://www.bls.gov/oes/current/oes_stru.htm [<https://perma.cc/KR95-P6X4>] (listing recognized employee classifications).

311. User 36, *supra* note 305.

312. See User 37, *Post 24*, REDDIT: FORUM 2, <https://www.reddit.com> ("I don't exactly want to tell my parents about this mysterious income, and I'm wondering if I even have to. I've done quite a bit of research and found many different answers.").

313. *Id.*

314. See *id.* (explaining her worry regarding her sugaring earnings impacting her dependent tax status).

315. See Ben-Zeév, *supra* note 6 (noting the average age of sugar babies).

withhold and pay payroll taxes (as opposed to self-employment taxes that an independent contractor would pay).³¹⁶

Several commentators responded to the sugar baby's request for advice by citing official IRS resources and referring to specific lines on Form 1040, U.S. Individual Income Tax Return.³¹⁷ The tone and content of the responses—in a subreddit devoted to taxation—create an overall impression that the respondents are tax professionals. However, most posts on Reddit are made pseudonymously, so it is not possible to know whether the respondents are actual tax professionals.³¹⁸ One respondent counseled the sugar baby to file her own tax returns or hire an independent accountant to assist her in doing so.³¹⁹ A different respondent counseled the sugar baby about the tax savings derived from being paid as an employee instead of an independent contractor.³²⁰ This respondent hypothesized about the sugar daddy's intentions: "What I presume he has in mind is to just put you on the payroll for an entity that he owns. That's probably the most practical solution. You'll get a W-2 that you'll file on your

316. These obligations include: 12.4% in social security taxes (6.2% for the employer and 6.2% for the employee) and 2.9% in Medicare taxes (1.45% for the employer and 1.45% for the employee). See I.R.C. § 3101 (excise tax imposed on employers); *id.* § 3509 (liability for certain taxes and withholding when employees are treated as nonemployees); INTERNAL REVENUE SERV., PUBLICATION 15 (CIRCULAR E), EMPLOYER'S TAX GUIDE 11 (2024), <https://www.irs.gov/publications/p15> [<https://perma.cc/E2U3-TD64>] (explaining employer and employee rates).

317. See, e.g., User 38, *Post 24*, REDDIT: FORUM 2, <https://www.reddit.com> (replying to User 37 in *Post 24*) (first citing INTERNAL REVENUE SERV., PUBLICATION 17: YOUR FEDERAL INCOME TAX 27 (2016), <https://www.irs.gov/pub/irs-prior/p17--2016.pdf> [<https://perma.cc/SGE4-C35R>]; and then citing *Form 1040*, INTERNAL REVENUE SERV. (2016), <https://www.irs.gov/pub/irs-prior/f1040--2016.pdf> [<https://perma.cc/5WZA-WEBL>]) (pointing the original poster to official IRS material and referring to lines seven and twelve of Form 1040 for reporting income from wages and self-employment, respectively).

318. See, e.g., User 38, *supra* note 317 (showing no formal indication of if the commentator was a tax professional despite presenting as one).

319. See *id.* ("[I]f you are concerned about your parents knowing about this income, you would probably want to handle filing your own taxes yourself and would not need to do it in conjunction with their accountant. You have a filing requirement.").

320. User 39, *Post 24*, REDDIT: FORUM 2, <https://www.reddit.com> ("You would save about 7.65% if you were paid as an employee The 7.65% comes from the self employment tax which would be 15.3% for a contractor. As an employee, you pay half and he pays half - as a contractor, you pay the whole thing").

own return and your parents can still claim you as a dependent.”³²¹ There was no mention by this possible tax professional that such an arrangement may violate various laws, including tax laws, if the sugar baby does not actually work in the sugar daddy’s business.³²²

Still a third user responded to the sugar baby’s original post about being paid as an employee or an independent contractor with a familiar refrain: “something about employee status in this situation makes me think it would be an issue with prostitution laws,” that commentator observed.³²³ This is yet another illustration of the ways that questions about how the tax treatment of a sugar baby’s receipts intertwine in online dialogue with questions about what sugaring relationships truly are.³²⁴

2. Sugar Babies as (Unlikely) Household Employees

If putting a sugar baby on a company’s payroll would be fraud unless the sugar baby is receiving compensation for work done for the company, consider another scenario: a sugar daddy might seek to treat a sugar baby as a household employee. In other words, the sugar daddy might try to put a sugar baby on a household’s “payroll,” effectively treating the sugar baby for tax purposes as the equivalent of a gardener, cook, housekeeper, or similar employee.³²⁵ In such a case, the sugar daddy would be obligated to withhold, report, and pay Social Security and Medicare taxes (commonly called FICA) and federal unemployment

321. *Id.* (gesturing towards the intentions and strategies of a sugar daddy, a Reddit user attempts to comfort a sugar baby who is looking for advice regarding employment and dependency status as a taxpayer).

322. *See id.* (containing no mention of the legality of the sugar daddy’s treating the sugar baby as an employee). *See generally* J.T. WELLS ET AL., FRAUD EXAMINERS MANUAL § 1.555 (2008) (defining a “ghost employee” as “someone on the payroll who does not actually work for the victim company”).

323. User 40, *Post 24*, REDDIT: FORUM 2, <https://www.reddit.com> (replying to User 39 in *Post 24*).

324. *See supra* Part I.D (discussing the debate concerning whether sugaring constitutes sex work).

325. *See, e.g., Topic No. 756, Employment Taxes for Household Employees*, INTERNAL REVENUE SERV. (Nov. 8, 2024), <https://www.irs.gov/taxtopics/tc756> [<https://perma.cc/QPB9-Z6U9>] (“Household employees include housekeepers, maids, babysitters, gardeners, and others who work in or around your private residence as your employee.”).

taxes (commonly called FUTA).³²⁶ However, it is unlikely that this is a tenable tax position on the part of the sugar daddy either; a “household employee” for income tax purposes is limited to someone who performs services in or around the employer’s private home.³²⁷ Even if the sugar baby met with the sugar daddy only in the latter’s home (and not in a restaurant, a hotel, etc.), and even if the sugar baby were only providing companionship and sexual intimacy, her “services” are not of a household nature.³²⁸ Such a sugar baby properly would not be considered a household employee for income tax purposes.³²⁹ For all of these reasons, it seems unlikely that a sugar baby could properly be treated for tax purposes as a household employee of the sugar daddy if the only “services” the sugar baby is providing are those typically associated with sugaring relationships.³³⁰

3. Sugar Babies as Sole Proprietors

Many posters to Forum 1 and Forum 2 who accept the premise that sugaring is taxable work focus on the question of whether the sugar baby is better off, from an income tax perspective, being treated as an “employee” or an “independent contractor” of the sugar daddy.³³¹ Generally speaking, an employee is “generally considered anyone who performs services, if the business can control the details of what will be done and how it will be done.”³³² An independent contractor, in contrast, is someone “in an independent trade, business or profession in which they

326. See, e.g., INTERNAL REVENUE SERV., PUBLICATION 926: HOUSEHOLD EMPLOYER’S TAX GUIDE 4–9 (2024), <https://www.irs.gov/pub/irs-pdf/p926.pdf> [<https://perma.cc/H7X7-EUEW>] (detailing a household employer’s obligation to pay FICA and FUTA).

327. See *id.* at 4 (“Services not of a household nature, such as services performed as a private secretary, tutor, or librarian, even though performed in your home, aren’t considered household work.”).

328. See *id.* (outlining a narrow definition of what qualifies as services of a household employee).

329. See *id.* (explaining that not all services performed in one’s home qualifies the worker for household employee status).

330. See *supra* Part I.C (describing the typical structures for exchange of a financial allowance for sexual intimacy in sugaring relationships).

331. See, e.g., User 39, *supra* note 320 (discussing the income tax consequences of classifying sugar babies as employees or independent contractors).

332. *Worker Classification 101: Employee or Independent Contractor*, INTERNAL REVENUE SERV. (Aug. 2, 2022), <https://www.irs.gov/newsroom/worker-classification-101-employee-or-independent-contractor> [<https://perma.cc/MWZ2-VQVP>].

offer their services to the public.”³³³ Being able to fit squarely within a particular category recognized by the IRS is not a prerequisite to a finding that a particular worker is an employee versus an independent contractor.³³⁴

Unlike a salaried employee subject to withholding, a self-employed sugar baby might be responsible for self-employment taxes at a rate of 15.3%, representing 12.4% for old-age, survivors, and disability insurance (commonly called “social security”) and 2.9% for hospital insurance (commonly called Medicare).³³⁵ Generally speaking, self-employed individuals must pay to the IRS the equivalent of the Social Security and Medicare taxes that an employer ordinarily withholds from a salaried employee.³³⁶ For 2024, the social security tax wage base is \$168,600, meaning that the first \$168,600 of a taxpayer’s earnings from self-employment or other employment is subject to this tax.³³⁷

333. *Id.* (further explaining that the classification of a worker for income tax purposes depends on “behavioral control,” “financial control,” and the “relationship of the parties,” meaning the existence of “written contracts or employee type benefits such as pension plan, insurance, vacation pay”).

334. *See generally* INTERNAL REVENUE SERV., PUBLICATION 1779: INDEPENDENT CONTRACTOR OR EMPLOYEE? 1 (2023), <https://www.irs.gov/pub/irs-pdf/p1779.pdf> [<https://perma.cc/K327-NGNN>] (identifying “three main categories” of facts that determine whether a worker is an employee or independent contractor for income tax purposes: “behavioral control; financial control; and relationship of the parties”).

335. *See, e.g.,* Liza Simmons, *Sugar Baby Taxes: Should You Pay Them?*, SUGARDADDY GURU (Aug. 2, 2023), <https://sugardaddy.guru/should-sugar-baby-taxes> [<https://perma.cc/J9V6-7WRY>] (observing that especially “if the sugar baby has multiple arrangements or earns a significant income from sugar dating,” where the sugar baby “engages in a formal agreement where services are exchanged for financial support, they may be considered self-employed” with attendant responsibility for Social Security and Medicare taxes); *see also Self-Employment Tax (Social Security and Medicare Taxes)*, INTERNAL REVENUE SERV. (last updated Aug. 25, 2024), <https://www.irs.gov/businesses/small-businesses-self-employed/self-employment-tax-social-security-and-medicare-taxes> [<https://perma.cc/92GD-PYRF>] (explaining the two components of the 15.3% self-employment tax: a social security tax of 12.4% and a Medicare tax of 2.9%).

336. *See Self-Employment Tax (Social Security and Medicare Taxes)*, *supra* note 335 (“Self-employment tax is a tax consisting of Social Security and Medicare taxes primarily for individuals who work for themselves. It is similar to the Social Security and Medicare taxes withheld from the pay of most wage earners.”).

337. *See generally Contribution and Benefit Base*, U.S. SOC. SEC. ADMIN., <https://www.ssa.gov/oact/COLA/cbb.html> [<https://perma.cc/N7FJ-4Y9M>]

The self-employment tax gives rise to a distinct reporting obligation on the part of the sugar baby separate and apart from the need to declare her receipts as taxable income.³³⁸

Some Reddit commentators focus less on whether a sugar baby legitimately can be treated as a salaried employee of the sugar daddy and more on the comparative tax savings (presumably to all workers) of being an employee as opposed to an independent contractor.³³⁹ For example, one self-identified accountant attempted to show his expertise through specific calculations:

You would save about 7.65% if you were paid as an employee (W-2) vs a contractor (1099). The 7.65% comes from the self-employment tax which would be 15.3% for a contractor. As an employee, you pay half and he pays half - as a contractor, you pay the whole thing (you can deduct 1/2 of that on your return but we are getting granular in detail).³⁴⁰

This commentator also sought to remind readers that independent contractors, unlike employees, likely will need to make estimated tax payments throughout the year.³⁴¹ For these commentators, the focus is more on compliance with tax laws than whether sugar is properly characterized as income or gifts.

One of the more interesting pieces of advice in the discussion of whether a sugar baby is (or should be) an employee versus an independent contractor is the possibility that deductions may be available to a small business owner operating as a sole proprietorship.³⁴² For example, one apparent tax professional suggests that deductible expenses might include the cost of phone lines dedicated to contacting sugar daddies, producing photos under

(announcing the amount of 2024 earnings subject to taxation under the Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program).

338. See, e.g., Rachel Krantz, *I'm a Professional Sugar Baby. Here's What It's Like to Get Paid to Hang Out with Rich Guys*, MONEY (July 23, 2018), <https://money.com/what-professional-sugar-baby-makes> [<https://perma.cc/VN9V-EWXU>] (illustrating the potential monthly earnings of sugar babies).

339. User 39, *supra* note 320 (introducing a critical comment on assuming sole proprietorship as a sugar baby and the potentially dangerous implications of bearing the tax burden in this role).

340. *Id.*

341. *Id.*

342. Business deductions under I.R.C. § 162 are limited for employees for the tax years 2018 to 2025. See I.R.C. § 67(g) (making miscellaneous itemized deductions nondeductible until 2026); *id.* § 67(b) (defining unreimbursed employee business expenses as a miscellaneous itemized deduction).

an agreement with a sugar daddy, and the costs of costumes and props to be used in a romantic scene.³⁴³

Transitioning from the practicalities of tax classifications, it is essential to consider the broader implications of tax compliance within the sugaring community. The intersection of tax law, personal relationships, and social and personal perceptions adds layers of complexity to how sugar babies and sugar daddies navigate their financial interactions. This next Part delves into how these dynamics play out among the various stakeholders involved.

IV. TAX CONFUSION MEETS THE GOVERNMENT, SUGAR BABIES, AND INTIMATE RELATIONSHIPS

Regardless of whether one understands sugaring to be like traditional “dating” (albeit with a financial twist) or taxable sex work, the study sample reveals that sugar babies, sugar daddies, and others have strong views on how these relationships should be treated for tax purposes.³⁴⁴ As noted above, the dominant refrain among participants in the sugar bowl is that these relationships should be beyond the reach of the tax law.³⁴⁵ There is an equally identifiable refrain that sugar babies’ receipts are taxable income and that “[j]ust because they don’t [report taxable income], doesn’t mean they’re not supposed to.”³⁴⁶ As another poster analogized, “just because most people don’t get caught doesn’t make it legal. Almost everyone speeds while driving. Speeding is illegal.”³⁴⁷ Indeed, there is no doubt that income from prostitution is subject to taxation under U.S. law.³⁴⁸ Similarly,

343. See User 41, *Post 25*, REDDIT: FORUM 2, <https://www.reddit.com> (“Do you have any expenses to this . . . ? If so, it may be worth preparing a Sch C. Otherwise just report it as other income on line 21, subject to [self-employment] taxes.”).

344. See *supra* Part III.B.1.

345. See *supra* Part III.B.1.

346. User 42, *Post 20*, REDDIT: FORUM 1, <https://www.reddit.com> (directly responding to a commentator who asserts that transfer by a sugar daddy to a sugar baby are not income).

347. User 33, *Post 20*, REDDIT: FORUM 1, <https://www.reddit.com> (responding to commentators who assert that a sugar baby’s receipts are not income).

348. See, e.g., *Smith v. United States*, 257 F.2d 133 (10th Cir. 1958) (affirming a defendant’s conviction for making false or fraudulent statements to the IRS in claiming that he derived no income from prostitution, where defendant clearly received money from women whose selling of sex he facilitated under the

proceeds from operating an account on OnlyFans, a popular subscription-based site for creators and consumers of sexually explicit content, are clearly taxable; the site issues a Form 1099-NEC (for non-employee compensation) for any year in which an account earns more than \$600.³⁴⁹ Whether sugaring is sufficiently like prostitution—a clearly taxable activity³⁵⁰—to be subject to taxation, however, is a matter of debate.

Given that potential taxpayers, purported tax advisors, and others disagree about the tax consequences of sugaring, this Part explores reasons that the Internal Revenue Service should issue clear guidance but is unlikely to do so. Ultimately, sugar babies and sugar daddies must navigate a system that treats them as both invisible and potentially non-compliant with the tax laws.³⁵¹

A. REASONS TO TAX SUGAR

Consider first the advantages of a statement by the taxing authorities that sugaring is taxable work. Practically speaking, the fiscal impact might be relatively small. To make a crude, rough, and (perhaps) high estimate, assume that there are 46 million unmarried sugar babies in the United States and that each receives \$20,000 a year in sugar but has no income from any other sources. Given that the minimum income requirement for filing for the 2024 tax year as an unmarried individual who is not a surviving spouse and not a head of household is

guise of accumulating the money to go into business together). The taxation of prostitution is not unique to the United States, either. *See* Isabel Crowhurst, *The Ambiguous Taxation of Prostitution: The Role of Fiscal Arrangements in Hindering the Sexual and Economic Citizenship of Sex Workers*, 16 *SEXUALITY RSCH. & SOC. POL'Y* 166, 169–70 (2019) (discussing taxation of sex workers in Britain, Austria, and the Netherlands).

349. *See, e.g., OnlyFans Taxes Explained*, GORDON LAW (Feb. 3, 2023), <https://gordonlaw.com/onlyfans-taxes-explained> [<https://perma.cc/D9ZF-GR8A>] (“The IRS has recently started contacting OnlyFans content creators regarding potential criminal investigations OnlyFans content creators can expect to receive one or more 1099 forms at the end of a tax year.”).

350. *See supra* note 21 and accompanying text (citing numerous cases where sex work has been considered taxable income).

351. *See* Crowhurst, *supra* note 348, at 170–71 (discussing an Italian court’s ruling that prostitution is taxable activity, without creating a pathway for compliance, “making it very difficult for sex workers to be able to fill in their tax returns, pay taxes and social security contributions as sex workers, and claim the ben[e]fits that this should entail”).

\$14,600,³⁵² sugaring represents roughly \$248 billion in unreported income. Assuming that these sugar babies would have paid tax at the lowest marginal rate of 10%,³⁵³ that represents \$24.8 billion in lost revenue, totaling to an amount roughly between the annual tax expenditures for recovery rebate credits (\$19.3 billion) and the exclusion of Social Security benefits for retired and disabled workers and spouses and dependents (\$29.8 billion).³⁵⁴ With total federal tax revenue of roughly \$4.44 trillion, this amount of lost tax revenue represents approximately 0.6% of all receipts.³⁵⁵ In an immediate sense, the loss of federal revenue may seem inconsequential, for sure; yet over time, these small amounts add up.

From the perspective of sugar babies, non-taxation has intuitive appeal. As between taxable and tax-free income, most people would prefer the latter. Nevertheless, failing to report and be taxed on sugaring receipts is not necessarily in a sugar baby's long-term financial interests. Those who do not report income are not paying into Social Security and other benefits programs where future payouts depend on the number of years the worker has participated in the paid (and taxed) workforce.³⁵⁶ In short, by failing to declare her receipts as income, the sugar baby

352. See Rev. Proc. 2023-34, 2023-48 I.R.B. 1287, 1292 (providing amount of standard deduction for tax year 2024 income tax returns filed in 2025).

353. See *id.* at 1289 (setting the tax rate for unmarried individuals with taxable income less than or equal to \$11,600).

354. See Off. of Tax Analysis, *Tax Expenditures Fiscal Year 2024*, U.S. DEPT OF TREAS., at tbl.1 (Mar. 6, 2023), <https://home.treasury.gov/system/files/131/Tax-Expenditures-FY2024-update.pdf> [<https://perma.cc/2R38-LPU6>] (showing expenditures of \$19.32 billion for recovery rebate credits and \$29.76 billion for exemption of Social Security benefits for retired and disabled workers and spouses and dependents for the tax year 2022).

355. *The Latest Data on Federal Revenue, Spending, Deficit, and the National Debt*, FISCALDATA, <https://fiscaldata.treasury.gov/americas-finance-guide> [<https://perma.cc/R6HE-BWRB>]. For up-to-date revenue collection figures, see *How Much Revenue Has the U.S. Government Collected This Year*, FISCALDATA, <https://fiscaldata.treasury.gov/americas-finance-guide/government-revenue> [<https://perma.cc/XS3E-QBZL>].

356. See, e.g., Staudt, *supra* note 22, at 1574 (“Tax scholars . . . have failed to acknowledge that exempting household labor from the tax base also denies women important social welfare benefits directly tied to taxation. Thus, in addition to the unfortunate behavioral effects, nontaxation of women’s household labor also causes women to lose important economic benefits, such as social security, disability, and [M]edicare benefits.”).

is not getting “credit” for her years of work.³⁵⁷ At the same time, money a sugar baby receives from a sugar daddy may allow her to engage in unpaid internships that lead to career advancement or to graduate with less student debt, putting her “ahead” in that sense.³⁵⁸

As long as sugaring remains outside the precise ambit of the income tax laws, it should be understood as a kind of tax-preferred work. In other words, if all other factors are equal—that both sugaring and traditional marketplace employment require the same time commitment and similar skills—then from a purely economic perspective, the economically rational-acting sugar baby will always choose sugaring over traditional employment. Admittedly, though, the assumption is problematic. Even putting personal comfort and scruples aside, it is not obvious that there are many jobs comparable to sugaring and, even so, whether the average twenty-five-year-old would be in an equal earning position on an hourly basis in any traditional employment.³⁵⁹

From the perspective of the payor, a sugar daddy might welcome guidance that their transfers to a sugar baby are taxable income. This would eliminate the possibility of any gift tax exposure for the payor.³⁶⁰ Query, though, the actual behavioral and economic effects of such a rule. Suppose that the sugar baby knows that she will pay taxes on her PPM or allowance. In that case, she may raise her prices, putting pressure especially on the

357. See generally Bridget J. Crawford, *Taxing Surrogacy* (making a similar point about the non-taxation of the reproductive labor that is paid surrogacy), in CHALLENGING GENDER INEQUALITY IN TAX POLICY MAKING: COMPARATIVE PERSPECTIVES 95, 101 (Kim Brooks et al. eds., 2011).

358. See, e.g., Mark Alan Porter Webb, *School Optimism: Fast Life and Slow Debt in the Financialized University* (May 2019) (Ph.D. dissertation, City University of New York) (on file with Minnesota Law Review) (describing the “vastly different university experiences” between students without debt, who can freely take unpaid internships that open professional pathways, and students with debt, who instead take on paid work like sugaring).

359. Among salaried workers ages twenty to twenty-four years old, median weekly earnings in the second quarter of 2023 were \$712. *Average Salary in the U.S. by Age and Other Demographics*, CAPITAL ONE (Sept. 4, 2023), <https://www.capitalone.com/learn-grow/money-management/what-is-the-average-salary-in-the-us-by-age> [<https://perma.cc/B7X7-GJXL>]. For salaried workers ages twenty-five to thirty-four years old, that figure was \$1,042. *Id.*

360. See generally *supra* Part III.B.1.

“Splenda daddies” with limited budgets.³⁶¹ That might mean some of the less wealthy sugar daddies drop out of the sugaring market entirely. Alternately, it is possible that sugar daddies will not be price sensitive at all and will simply “true up” the sugar baby’s payments so that she earns, on an after-tax basis, the same that she was earning in a non-taxable context. Finally, it is conceivable that sugar babies would not raise their prices in response to the tax environment and simply earn less, on an after-tax basis, in the context of clear guidance that sugaring receipts are taxable income.

In a larger social context, a public statement from the taxing authorities that sugaring is taxable activity could be understood, at least in some ways, as contributing to the destigmatization of sex work. That is, by taxing sugaring receipts, the law could make sugaring cognizable as dignified labor.³⁶² Given the historic devaluation of intimate labor,³⁶³ taxing sugaring like

361. See *supra* note 129 and accompanying text (discussing “Splenda Daddies” in greater detail).

362. See, e.g., Richards, *supra* note 205, at 313–14 (quoting then-governor Jim Gibbons saying in 2009 that he opposed a Nevada state tax on brothels because “I’m not a supporter of legalizing prostitution in Nevada. So by taxing it, there’s a recognition of the legality of it.”). Bruce Carruthers has observed that a tax system “renders the private economy legible, recognizes some of its moral features, and enacts with precision both approval and disapprobation.” Bruce G. Carruthers, *The Semantics of Sin Tax: Politics, Morality, and Fiscal Imposition*, 84 *FORDHAM L. REV.* 2565, 2579 (2016). Perhaps the best argument that taxing certain activities is not necessarily tantamount to an endorsement of the activity is the Supreme Court’s tax treatment of embezzlement. See *James v. United States*, 366 U.S. 213 (1961) (holding that embezzled funds are included in the gross income of the embezzler in the year the misappropriation occurs).

363. See, e.g., Eileen Boris & Rhacel Salazar Parreñas, *Introduction to INTIMATE LABORS: CULTURES, TECHNOLOGIES, AND THE POLITICS OF CARE 3* (Eileen Boris & Rhacel Salazar Parreñas eds., 2010) (defining “intimate labor” as “care, sex, and domestic work,” and citing as examples “nail manicuring, bill collection, street prostitution, and sperm donation” as well as “bar hostessing and escort service; child and elderly care; domestic work; and various forms of health care”); see also Dorothy E. Roberts, *Spiritual and Menial Housework*, 9 *YALE J.L. & FEMINISM* 51, 51 (1997) (describing the devaluation of women’s work in the home and critiquing the “distinction between spiritual and menial housework” as fostering “inequality among women”); Katharine Silbaugh, *Turning Labor into Love: Housework and the Law*, 91 *NW. U. L. REV.* 1, 18 (1996) (referring to traditional assumptions in academia that “labor occurred outside the home and emotional relationships within”).

traditional work marks it as important.³⁶⁴ On the other hand, taxing sugaring also could be understood as expressing a certain social disapproval, insofar as taxing sugaring likens it to other legal (but scorned) activity like smoking cigarettes, consuming alcohol, or other “sinful” activities.³⁶⁵ Yet taxation itself is not inherently an expression of disapproval; that income from employment as a teacher or a plumber, say, is subject to taxation does not mean that this work is devalued. Rather, taxation—in all its complexity—shapes the relationship between and among the government, its citizens, and social values.³⁶⁶ Thus, any hypothetical governmental statement about the taxation of sugaring receipts could not be understood as clearly expressing either approval or disapproval.

Beyond revenue impacts, changes to taxpayer behavior, or even the expressive value of taxing sugar, perhaps the most significant impact of a clear policy statement that sugaring is taxable work would be on the subjective attitudes of participants in the sugar bowl themselves. With the tax system’s marking of sugaring as taxable work, sugaring would be revealed as a form of paid companionship that often (but not only or always) includes a sexual element more typically associated with escorting.³⁶⁷ In other words, sugar babies who believe that they are not

364. See generally Crawford, *Taxing Surrogacy*, *supra* note 357, at 104 (making a similar argument in favor of “treating reproductive labour like other, traditional work”).

365. See, e.g., Carruthers, *supra* note 362, at 2565–66 (giving as examples of “sin taxes” the “disapproved, but still legal activities” of “alcohol consumption, tobacco consumption, and gambling,” as well as the consumption of legal cannabis in states that permit it and the patronizing of brothels where prostitution is legalized).

366. Isabel Crowhurst makes a similar point in the context of sex work in Italy, which is ostensibly subject to taxation but without procedures to facilitate the filing of a tax return for receipts from the same. See Crowhurst, *supra* note 348, at 166 (explaining that her work “sheds light on the role that fiscal policies play in shaping the relationship between the state and sex workers and it highlights the importance of looking at tax policy to understand how inequality is enforced and reinforced against sexually marginalized populations”); see also INFANTI, *supra* note 205, at 154 (“[W]e *must* make choices regarding what, whom, and how we tax—choices that send distinct messages about what we, as Americans, do and do not value and about those whom we fully embrace as part of our community and, conversely, those whom we have chosen to marginalize.”).

367. See *supra* notes 5–6 and accompanying text (describing sugaring relationships).

engaged in sex work would be confronted with a clear statement by the taxing authorities that this is paid work, not just a minor variation on a traditional dating relationship. For these sugar babies and others who already understand themselves to be sex workers of sorts, such guidance could exacerbate what one sugar baby has called “whorephobia,” or a negative self-image, although there is no evidence that all sugar babies have these feelings.³⁶⁸

Ultimately, taxing sugaring could provide clarity and fairness in the tax system, ensuring sugar babies gain from social benefits tied to taxable income while addressing potential stigmas associated with their work. For reasons discussed in the next section, however, it is unlikely that the government will issue prospective, clear guidance.

B. COMPLEXITIES OF TAXING SUGAR

As much as there is a strong argument that at least the first few payments from a sugar daddy to a sugar baby should be treated as taxable income for services, it is not likely that, under current law, PPMs, allowances, travel opportunities and more would be treated as taxable income by the Internal Revenue Service. The tax law has shown a general reluctance to become involved (in a tax sense) in interpersonal, romantic, non-marital relationships.³⁶⁹ The tax advantages accorded to marital relationships, in contrast, are well documented and explicit in the tax code.³⁷⁰ Furthermore, it is far from evident that taxing intimate labor would be a salutatory policy choice. In other words, if sugaring is taxable work, then is not also the intimate work provided in the context of traditional marriages? In a different context, Professor Nancy Staudt has suggested that the value of nonmarket household labor should be included in the definition

368. As one sugar baby explained, because of her “whorephobia,” she “spen[t] way more time than I wanted to with [sugar daddies] and in the end guess what I am? You guessed it.” User 43, *Post 26*, REDDIT: FORUM 1, <https://www.reddit.com>.

369. See, e.g., *United States v. Harris*, 942 F.2d 1125, 1131 (7th Cir. 1991) (finding that tax law concerning payment to mistresses did not provide sufficient notice to form the basis for a tax evasion conviction).

370. See, e.g., Bridget J. Crawford, *One Flesh, Two Taxpayers: A New Approach to Marriage and Wealth Transfer Taxation*, 6 FLA. TAX REV. 757, 775–84 (2004) (providing an overview of the tax treatment of marital wealth transfers).

of gross income.³⁷¹ Staudt anticipated various objections to her proposal, including valuation, ability to pay, and the potential negative cultural impacts of commodifying household labor.³⁷² In the context of intimate work that includes a sexual component, like sugaring, these concerns are heightened for three reasons.

First, even assuming that a sugar baby's receipts represent accurate value for her services, taxing these receipts would have ripple effects for those who provide companionship (with or without a sexual component) without receiving compensation.³⁷³ Should Spouse 1, for example, be forced to account for the value of having Spouse 2 accompany them to the theater or dinner, or the value of Spouse 2's sexual services? How, if at all, is it appropriate to consider any enjoyment of such activities by Spouse 2? How would these activities be valued? How could such benefits be accurately quantified? Given that psychic income is not subject to taxation, it is difficult to imagine the IRS asserting a right to tax intimate companionship.³⁷⁴

Second, if companionship and sexual services are assigned a monetary value for tax purposes, consider the economic hardship that might impose on taxpayers who have low incomes, high needs for companionship, or both. Inclusion in gross income of the value of intimate work would leave taxpayers with greater tax obligations but no increased ability to pay. If sexual intimacy is taxable, what precisely does "income" even mean?³⁷⁵

371. See Staudt, *supra* note 22, at 1618 (arguing that "broadening the tax base to include the benefits of women's unwaged labor" would allow women to achieve economic independence by providing access to social welfare benefits).

372. See *id.* at 1620–36 (addressing the merits of each objection and providing counterarguments).

373. Some marriages are driven by economic motives on the part of women. See, e.g., Julia Meszaros, *American Men and Romance Tourism: Searching for Traditional Trophy Wives as Status Symbols of Masculinity*, WOMEN'S STUD. Q., Spring/Summer 2017, at 225, 227–28 (noting that marriages between men from the global North and women from the global South are often disparaged because "prevailing cultural norms dictate that economic considerations in a relationship contaminate the purity of the emotional bond"); see also Ellis et al., *supra* note 176, at 488 ("Sugar dating is often conflated with prostitution . . . although it certainly has been argued that some heterosexual marriages could be characterized with similar motivations or enacted roles.").

374. See generally John R. Brooks, *The Definitions of Income*, 71 TAX. L. REV. 253, 255 (2018) (discussing "problems of psychic and capital income" and saying that "[o]nce these forms of income are included [in the definition of income], it is not even clear what income is any more").

375. See *id.*

Finally, from a behavioral perspective, taxing non-sexual and sexual companionship might have the odd effect of distorting the most intimate of decisions regarding how one spends one's time and uses one's body. On the one hand, sexual services are certainly commodifiable; they have a market value.³⁷⁶ On the other hand, there is something unsavory about taxing these services, which can—but do not always—operate as an expression of affection, love, or intimacy. For these reasons, it may be that maintaining the status quo—where sugaring occupies a gray space between taxable income and nontaxable gifts—is an appropriate compromise except in the case of the most transactional arrangements. After all, the tax system cannot, and perhaps should not, accurately account for all aspects of human behavior.

V. WHY TAX TALK MATTERS

Professor Anthony Infanti has argued that the study of a tax system's choices about “what, whom, and how we tax” creates “a portrait of our collective self.”³⁷⁷ Building on this idea, this Article argues that how sugar daddies, sugar babies, and others talk about taxes reveals something about individual and cultural attitudes toward sex work, in particular. There is an ongoing stigma associated with sex work, and sugar daddies and sugar babies have internalized that stigma. This is the reason that gift language dominates the sugar bowl.³⁷⁸

From the perspective of the sugar baby, gift rhetoric should be understood as a double-edged sword. On the one hand, by insisting that she receives “gifts” and not “income,” the sugar baby can distance herself from traditional prostitution. On the other hand, by failing to embrace sugaring as a kind of work, the sugar baby may not fully appreciate what one critic has called the “emotional labor or physical risk” associated with sugaring.³⁷⁹

376. See, e.g., Stef Adriaenssens & Jef Hendrickx, *Sex, Price and Preferences: Accounting for Unsafe Sexual Practices in Prostitution Markets*, 5 SOCIO. HEALTH & ILLNESS 665, 677 (2011) (analyzing data from an Internet-based message board that includes prices charged by sex workers and finding that some segments of the prostitution market “are more prestigious and costly”).

377. INFANTI, *supra* note 205, at 1.

378. See *supra* Part III.B.1.

379. Tapper, *supra* note 99. One Columbia student who had been a sugar baby wrote of her concerns for her own safety and reported that a fellow sugar

Indeed, websites like Seeking Arrangement have a vested interest in making sugar babies think that sugar dating is not work because then more people will sign up to use the website to find someone who will pay for their college tuition, rent, or other expenses.³⁸⁰ This Article has argued that failing to treat sugaring as work disadvantages sugar babies and the government in the long term.³⁸¹

From the perspective of a sugar daddy, the insistence that transfers to sugar babies are “gifts” allows them to avoid thinking of themselves as consumers of sexual services. Indeed, as a “giver,” the sugar daddy is placed in a pseudo-gallant position, as a generous helper of someone who is financially deserving, instead of a purchaser of companionship (with or without sexual services). As one sugar baby has explained, the sugar daddies she has met like to maintain a myth of a romantic relationship, and although she understands herself to be a sex worker, “it’s more so the men that [she meets] who have a problem with that language.”³⁸² The sugar baby reflected on the online conversations that she has with potential sugar daddies:

And they’re like okay, meet me at this hotel room, I’ll give you four hundred dollars. I’m like, so basically you want to do the things an escort does, but you don’t want to label it that way, or you don’t want to have a girl show up who identifies that way. I think it’s a lot of, like, the shame associated with sex work in general, or they think they’re getting better girls if they’re not actually escorts, that they’re getting, like, these perfect virgins. It’s very weird.³⁸³

Indeed, the very existence of sites like Seeking Arrangement—cited in the press in stigma-free tones—depends on the

baby had been drugged by a man she met on a “sugar date.” See Eliza Burns, *Confessions of a Short-Term Sugar Baby*, BLUE & WHITE (May 15, 2023), <https://www.theblueandwhite.org/post/confessions-of-a-short-term-sugar-baby> [<https://perma.cc/KEB2-DKCR>] (“I know that meeting somebody for a sugar date, especially for the first time, can be extremely dangerous.”).

380. See Tapper, *supra* note 99 (“Sugar Baby University presents the sugar baby as doing no work—as getting free money, having someone else pay for college—it acts as though there is no emotional labor or physical risk involved with sugaring. Seeking Arrangement . . . erases the baby’s work and focuses instead on what she gains as a student at Sugar Baby University.”).

381. See, e.g., *supra* Part IV.A.

382. See Death, Sex & Money, *When ‘Daddy Dates’ Pay the Bills*, WNYC STUDIOS, at 15:30 (Apr. 18, 2018), <https://shows.acast.com/death-sex-and-money/episodes/5e07d3a89daebda932dd4cb3> [<https://perma.cc/TT29-RZMQ>] (quoting “Lizzie,” a sugar baby who sugars to pay off her student debt).

383. *Id.* at 15:57.

understanding of sugaring as something other than sex work.³⁸⁴ Frank talk about the tax consequences of the exchange of one commodity (companionship, typically with sex) in return for another (money or other transfers for value) would likely cause many users to disengage with the site.³⁸⁵

The tax talk around sugaring—and the insistence that sugar is not income—functions to propose “a new language for an old practise [sic] (thus transforming the practise [sic] itself).”³⁸⁶ In other words, tax talk about sugaring, and especially the repeated insistence that a sugar baby’s receipts are not income, can be understood as creating rhetorical space for a different type of interpersonal exchange, one not understood in classic “gift” terms, but not like other work, either. Too much focus on the underlying economics threatens the very existence of this new form of relationship. At the same time, the core of the sugaring relationship is the exchange of companionship for payment, which is hardly new at all.³⁸⁷

CONCLUSION

Tax talk by sugar babies and sugar daddies reveals a persistent stigma around sex work, even on the part of sugar bowl participants themselves. The dominant strand of tax discourse—that a sugar baby’s receipts are non-taxable gifts—has two functions. First, the gift discourse encourages and facilitates sugar babies’ thinking of their activities as something other than sex work, which remains socially stigmatized. Decoupled from any negative social valence associated with sex work, sugar “dating” thus is able to acquire a pseudo-innocuous veneer, thereby ensuring an ongoing “supply” of sugar babies. Both sugar daddies, as a group, and sugaring websites, as profit-seeking enterprises, benefit from the existence of a large group of young women (and

384. See, e.g., Tapper, *supra* note 99 (“Because they are choosing to pay for dates and sex using Seeking Arrangement rather than an escort service or what is traditionally labelled prostitution, many daddies have an aversion to labels that classify sex as work.”).

385. See Ellis et al., *supra* note 176, at 488 (“[S]ugar dating blurs the lines of what is considered a gift exchange (as sugar dating includes gift exchanges) and commodity exchange that is considered immoral.”).

386. Iselin Kristiansen, ‘A Practical Way to Have a Sex Life’: Between the Rationality of Sex Work and the Authenticity of Romance 3 (Dec. 2019) (Master’s thesis, University of Oslo) (on file with Minnesota Law Review).

387. See *supra* Part I.

men) willing to act as sugar babies. For that reason, the gift narrative must be understood as a constituent part of that marketplace. Second, gift discourse allows sugar daddies to construct a gallant or even romantic narrative—that they are showering a “girlfriend” with “gifts.” The sugar daddy does not need to confront the fact that he is buying attention, time, and (usually) sexual access. The tax talk thus obscures the underlying economics of the relationship and the fact that any short-term financial benefit to the sugar baby who receives (allegedly) tax-free money is counterbalanced by the fact that she will not receive any credit for her years of sugaring work, in terms of social benefits programs.

From a technical perspective, a sugar baby should report the income she receives from sugaring on a timely filed tax return just as she would be required to do with almost any other paid employment.³⁸⁸ Practically speaking, though, it is not likely that the IRS will ever seek to tax any but the most transactional sugaring relationships. An intrusion by the taxing authorities into such a seemingly “private” matter would be wildly unpopular and have potential ripple effects for the entire tax system if companionship and even sexual services were treated as a kind of bargained-for exchange.³⁸⁹ Despite the unlikelihood of governmental action, examining the intersection of sugaring and taxation has the potential to play a role in both destigmatizing sex work and revealing sugaring as the work it truly is.

388. Certain types of compensation are categorically excluded from income. *See, e.g.*, I.R.C. § 112 (excluding from compensation, income received by members of the Armed Forces of the United States actively serving in certain circumstances).

389. *See supra* note 375 and accompanying text.