

Donald Trump could be hiding his true net worth or that he skirts taxes by not coughing up returns



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Donald Trump is, in all likelihood, hiding multiple bombshells in his yet-to-be-disclosed tax returns, a pair of prominent tax experts told the Daily news Thursday.

The GOP front-runner has repeatedly declined to release the documents – a modern-day norm for presidential nominees – citing the excuse that the Internal Revenue Service is auditing his returns.

There is no legal reason, however, that would prevent Trump from releasing his returns even if he was being audited – itself a dubious claim – leading many insiders within the political and tax worlds to suspect something is seriously amiss.

“If Donald Trump is who he says he is” – a successful business magnate with impeccable business judgment – “then he should have no problem releasing 20 years of tax returns,” David Cay Johnston, a Pulitzer Prize-winning investigative report on tax and economic issues and a lecturer at Syracuse University College of Law, told The News.

But because he’s not releasing them, we’re only left to wonder.



The Donald's tax returns may show that the billionaire is actually worth a lot less than \$10 billion. (ANDREW HARNIK/AP)

Two prominent possibilities, Johnston said, are that the returns could either reveal that Trump is paying no taxes, as a result of savvy (but legal) manipulations of current real estate tax laws or that they could show him to be worth far less than the \$10 billion he claims he is.

“If you’re a full-time real-estate professional, as Trump is, you can list unlimited depreciation (write-offs) against your other income,” Johnston said, diving deep into tax law jargon.

As a result, he said, “if Donald owns as much real estate as he wants us to believe he does ... then he can pay little or no income tax.”

Separately, releasing the returns would force Trump to list income from all sources – including any potentially unsavory and unknown ones – and would attach a tangible value to his net worth – a number that could be far less than the outrageous \$10 billion he contends.

“It may not be anywhere near that.” Johnston said, “and likely isn’t.”

More alarming is that those two possibilities could be easily spun to Trump’s advantage (the mogul has at times said people as rich as him should pay more in taxes; and having less than he claims make could potentially make him more relatable), explained Johnston, meaning that the “real” reason could be far more disconcerting.

Dennis Brager, a Los Angeles tax litigation attorney and former IRS trial lawyers, said that could be any number of potentially nefarious possibilities, including: “Offshore investments which weren’t properly reported,” “investments in dubious tax shelters” or unusual business deductions for his residences.

“Because it is not uncommon to deduct business entertainment expenses the tax returns might reveal a lavish lifestyle that he would prefer not to flaunt,” Brager added.



Another reason he may be hiding them is that he evades paying taxes through savvy but legal manipulations of real estate tax laws. (MARY ALTAFFER/AP)

Another, more interesting, possibility is that the documents could provide a paper trail that might explain how the brash billionaire is, in fact, using his presidential run as a vehicle for growing the worth of his personal brand.

If Trump decides to back off his pledge to self-fund and goes on to raise money for his campaign – he’s said in recent weeks he would – he could end up “relieving himself of most of the operational costs of the campaign if he raises enough,” Johnston said.

“In the end, Trump could argue that his entire campaign was essentially a business expense,” to increase his brand recognition Johnston said, adding that the expenses itself wouldn’t likely be tax-deductible.

“If Donald Trump does not win the presidency, he has positioned himself for a very lucrative television career that could be far more so than the (one he had during NBC’s) “The Apprentice,” he added. “I mean, look what he’s done with his brand.”



Returns could also provide a paper trail that might explain how the brash billionaire is, in fact, using his presidential run as a vehicle for growing the worth of his personal brand. (KAMIL KRZACZYNSKI/REUTERS)

Johnston and Brager were adamant that all of the noted possibilities were speculation.

While there is no legal requirement for presidential candidates to publicly release their tax returns, it became a norm – every major candidate has done so since 1976 – after the tax troubles of former President Richard Nixon, as well as one of his vice presidents, Spiro Agnew, became known.

Johnston and Brager, following countless other tax experts, said it was hard to believe Trump’s excuse that he was being audited to avoid complying with that norm.

“There is absolutely no reason to withhold tax returns because of an audit,” Johnston said.

And if for some reason IRS examiners were performing an intensive audit of the mogul, it “would suggest that there are large, complex issues that the examiners would have serious questions over. Audits don’t take that long,” he added.