

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

2020, according to the returns released by the House Ways and Means Committee...

Dec. 30, 2022



Former US President Donald Trump, joined by former US First Lady Melania Trump, arrives to speak at the Mar-a-Lago Club in Palm Beach, Florida, on November 15, 2022. (ALON SKUY/AFP via Getty Images/TNS)

***By David Lauter and Don Lee, Los Angeles Times (via TNS).***

Former President Donald Trump's seven-year battle to keep the public from seeing his taxes ended in defeat Friday as a House committee released six years of returns documenting his aggressive efforts to minimize what he paid the IRS.

Trump and his wife, Melania, paid \$750 or less in federal income tax in 2016 and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

federal income taxes, with an average rate of about 13%, according to the IRS.

The release of the returns — redacted to hide Social Security numbers and other private information — marked the final act of a saga that outlasted Trump's presidency and included two trips to the Supreme Court as Trump resisted public disclosure of his financial records. It came in the final days of Democratic control of the House.

The disclosures raise multiple questions about whether Trump's tax strategies simply took advantage of the law or broke it. Republicans, who denounced the release of the returns as a violation of Trump's privacy, are unlikely to inquire further once they take over the Ways and Means committee in January. But in the Senate, where the Democrats continue to have a majority, leaders of the Finance Committee have indicated they may pick up where the House Democrats left off.

During the years in which Trump battled disclosure, much of the information he sought to keep secret about his pre-presidential finances became public anyway, largely from a 2020 New York Times investigation.

The picture that emerged showed that for all Trump's claims to be a great businessman, his core businesses — a sprawling network of hotels, golf courses and other properties — has lost millions of dollars year after year.

“He's a staggering loser,” said Steven M. Rosenthal, a senior fellow in the Urban-Brookings Tax Policy Center.

The newly released records, covering 2015-2020, add to that picture.

The returns do not appear to disclose any nefarious sources of income — contrary to speculation over the years by some of Trump's opponents.

While many of his business ventures operated at a loss, Trump received a large

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

One widely used strategy that Trump took extensive advantage of involves carrying over losses from one year to reduce tax liability in another. In 2015, for example, Trump carried over an operating loss of \$105.2 million. Such carryovers, smaller but still in the tens of millions, continued in subsequent years, until they apparently were used up in 2018 with a carryover of negative \$23.4 million.

The source of those carryover losses from 2015 to 2018 is thought to be a \$700 million loss posted by Trump in 2009. In a report on Trump's taxes, the House committee noted that these carryover losses need to be verified, and there are indications that the IRS may still be looking at whether the massive 2009 loss was valid.

Trump's ability to zero out his tax liability highlights the extremely favorable treatment the real estate industry receives under tax law as well as strategies that he and other wealthy individuals use to minimize what they must pay.

Beyond the carryover losses, the returns also show a pattern of questionable claims, the committee report noted.

Those include large business-expense and charitable deductions that in some cases lack documentation; financial transactions with three of his children, Ivanka, Donald Jr. and Eric, that the committee report said may have been "disguised gifts"; and millions of dollars in write-offs related to an estate that Trump owns in the New York suburbs. He initially claimed the estate, known as Seven Springs, as a personal residence, then reclassified as a business investment in 2014. The IRS is investigating whether that claim is valid, according to the committee.

The tax returns show a number of other cases, small and large, that were flagged by congressional staff. In one schedule for the 2015 tax year, Trump reported a \$50,000 speaking fee that was almost entirely offset by \$46,162 in claimed travel expenses.

In 2017, the year Trump paid a net tax of \$750, his return shows he took \$7.4 million

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The panel also revealed that the tax agency had not put Trump's returns under audit during the first two years of his presidency. When it finally did so, it didn't provide enough resources to fully answer questions about Trump's claims, the committee suggested.

Since 1977, the IRS has had a stated policy of mandatory audits of tax returns from presidents and vice presidents. But the IRS did not begin auditing Trump's 2017 and 2018 returns until April 3, 2019, the day that the chairman of the tax-writing committee, Rep. Richard E. Neal, D-Mass., sent the IRS a written inquiry, the panel revealed.

Democrats pointed to the failure to follow the audit policy as evidence of possible political interference with the tax agency during Trump's presidency as well as the broader issue of the agency's lack of resources to go up against wealthy taxpayers and the lawyers and accounting firms they can hire.

Some of the delay may be due to the complexity of Trump's businesses, with multi-tiered partnerships and so-called S corporations in which the entities pass corporate income, losses, deductions and credits through to shareholders.

Over the last 10 years, the IRS had the capacity to audit just one partnership with 100 or more partners in a year, said Richard Prisinzano, a former veteran of the Treasury Department's Office of Tax Analysis who is now at Penn Wharton Budget Model, a think tank.

"I think the IRS is outgunned on this stuff," he said.

At the Biden administration's request, Congress this year approved a major increase in funds for the IRS, \$80 billion over 10 years, mostly to improve its ability to audit wealthy taxpayers.



As a candidate and then as president, Trump repeatedly used the claim about being

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

releasing copies of returns.

Trump's effort to keep his taxes secret began to crumble after Democrats regained control of the House in the 2018 midterm elections. A federal law dating to 1924 allows the congressional tax-writing committees to obtain copies of any individual's tax returns — a seldom-used power, but one that provided Democrats with an opening to demand Trump's information.

When the Ways and Means Committee asked for Trump's returns in 2019, Treasury Secretary Steven Mnuchin refused, setting off a court fight that stretched across more than three years as Trump sought to block the disclosure.

A year ago, U.S. District Judge Trevor N. McFadden, a Trump appointee, ruled against the former president. In August, a federal appeals court in Washington also sided with Congress, saying that the Ways and Means panel had a valid legislative purpose in seeking to know how the IRS was handling Trump's returns and that the disclosure of the tax information was not overly burdensome on Trump. The Supreme Court in November refused to review that ruling.

“Every president takes office knowing that he will be subject to the same laws as all other citizens upon leaving office,” the appeals court panel wrote. “This is a feature of our democratic republic, not a bug.”

---

©2022 Los Angeles Times. Visit at [latimes.com](https://www.latimes.com). Distributed by Tribune Content Agency, LLC.

Income Tax • IRS • Small Business • Taxes

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us