

US political warfare escalates with New York Times release of Trump tax returns

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In a further escalation of the political warfare within the US ruling elite, the *New York Times*, the leading newspaper backing the Democratic Party, has begun publishing an extensive report on President Trump's personal finances, based on the leak of 20 years of Trump's income tax returns.

Trump has refused to release his tax returns, as all US presidential candidates and presidents have done for the past 50 years, and he has waged a bitter legal struggle against the House of Representatives and New York District Attorney Cyrus Vance Jr. over subpoenas for his tax returns in connection with legislative and criminal investigations.

Only three days before, a three-judge panel of the Second Circuit Court of Appeals heard arguments by representatives of Trump and Vance over Trump's effort to quash Vance's subpoena of Trump's financial records from his accountants, Mazar's. In response to questioning by one judge, a Trump attorney admitted that any request for Trump's financial records would be "overbroad" in his opinion. The representative of Vance's office argued that the recipient of a subpoena could not go to court "and demand to be told what an investigation is all about."

The *Times* report, however, could make moot much of the barrage of litigation mounted by Trump over the past four years, since its main purpose was to suppress the disclosure of politically unflattering financial information about the president.

While Trump lamely denounced the *Times* for publishing "fake news," and the chief legal counsel for the Trump Organization claimed there were gross factual errors in the first article posted on the *Times* website Sunday evening, there seems little doubt that the newspaper's account is substantially true. It conforms to prior leaks of individual pages of a handful

of Trump tax returns, as well as to the more general picture of his business affairs given in various media accounts and several of Trump's own ghost-written "business" memoirs.

According to the *Times* account, the team of writers who produced the initial 10,000-word article, the first in a promised series, had nearly all of Trump's personal and business tax returns for the past two decades, with the exception of his personal tax returns from 2018 and 2019. The documents were supplied by people who were legally authorized to possess them, the newspaper said, a category that would include employees of the IRS, the Trump Organization, or Trump's various accountants and legal representatives. The *Times* will not publish the actual returns in graphical form, it said, to protect its sources.

The main revelation in the initial article is the sheer scale of the financial manipulation made possible by the possession of great wealth and a tax code that virtually encourages the wealthy to pay as little as possible. Despite a cash flow in the tens of millions or hundreds of millions yearly, Trump paid no income taxes at all in 10 of the 15 years before he ran for president. He paid only \$750 in income taxes for 2016 and 2017, as his accountants carried out various stratagems so that Trump could say he was paying taxes, even though the amount was derisory.

On two separate occasions, in the early 1990s and in 2009, Trump has filed returns claiming massive business losses—nearly \$1 billion in the first instance, when his casino empire in Atlantic City collapsed; and \$700 million in 2009, when he took advantage of a favorable change in tax laws incorporated into the Obama administration's bailout of Wall Street. He has now accumulated another \$421 million in paper losses, in part as a result of the impact of the COVID-19

pandemic, which the *Times* reports he could use to offset income beginning next year.

Through various accounting gimmicks, Trump claimed and was paid a \$72.9 million tax refund by the IRS in 2010, which amounted to the repayment of all his income taxes from what was his highest income period, 2005-2008, the heyday of his reality television program on NBC, “The Apprentice.” From 2011 on, this gargantuan refund has been the subject of the IRS audit about which Trump rails incessantly whenever asked to divulge his tax returns.

One passage in the article suggests plausibly that Trump’s decision to make a bid for the Republican presidential nomination was connected to these financial strains, and an effort to revive the “marketability” of the Trump name as his long-running television program was fading. The *Times* writes:

The picture that perhaps emerges most starkly from the mountain of figures and tax schedules prepared by Mr. Trump’s accountants is of a businessman-president in a tightening financial vise.

Most of Mr. Trump’s core enterprises—from his constellation of golf courses to his conservative-magnet hotel in Washington—report losing millions, if not tens of millions, of dollars year after year.

His revenue from “The Apprentice” and from licensing deals is drying up, and several years ago he sold nearly all the stocks that now might have helped him plug holes in his struggling properties.

The methods of self-enrichment were endless. Trump claimed business expenses and charitable tax deductions for his Seven Springs estate north of New York City, although the Trump family used it as a summer estate and residence, not a business investment. And Trump’s children, particularly Ivanka, collected six and seven-figure “advisory” fees as “consultants” on various business deals, even though they were themselves executives employed by the Trump Organization (also at six and seven-figure salaries).

Times series has a self-evident political purpose demonstrated above all in its timing. Trump’s tax returns were not dropped through the newspaper’s mail slot last week. The newspaper has been in possession of them for many months, if not longer, in order to analyze them in the detail provided in the first article. The series began appearing only 38 days before the presidential election, and only one day before the first presidential debate.

At least in one respect, the initial exposure seems to have hit its target. Trump gave a press briefing on his nomination of Amy Coney Barrett to the Supreme Court about an hour after the report first appeared on the *Times* website. He was even more disjointed and hysterical in his comments than usual, denouncing criticism of Barrett as attacks on the Catholic religion, declaring that the Democratic Party “has been taken over by socialists, extremists, and probably communists,” and demanding that Democratic candidate Joe Biden take a drug test before the debate Tuesday night.

Asked directly about the tax returns, Trump denounced the *Times* report as “fake news.” He claimed repeatedly “I pay a lot” of taxes, while not actually denying that he paid zero income taxes in 10 of the 15 years before his election.



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