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## **Opponents of GOP Tax Bill Find a Rich Target in Trump**

Ads taken out by groups opposed to the tax overhaul are portraying the president as a beneficiary of the proposed rate cuts and repeals

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Opponents of the Republican tax proposal moving through Congress are focusing in part on one particular billionaire as they seek to rally Americans against it: President Donald Trump.

In more than \$1 million worth of advertising on television, online and even mobile billboards, Mr. Trump is portrayed as a beneficiary even as he has told senators he would be a “big loser” from bills that cut rates on individuals and corporations and end certain tax deductions.

The latest ad, by the progressive coalition Not One Penny, shows someone impersonating the president in a red “Make America Great Again” ball cap and pecking at a mobile phone. The ad asks, “Why is this president at a loss for words” when it comes to explaining how the bill is good for his family and other wealthy Americans.

Mr. Trump has never released his tax returns, making it impossible to calculate precisely how much he stands to gain or lose from the House and Senate legislation. He has said his goals in the tax bill were a middle-class tax cut and a low corporate tax rate—and not tax cuts for high-income households.

Tax experts, however, said the president is likely to see lower rates under either proposal.

“The Trumps have been good investors and employ people, so they would likely see some benefit from either proposal,” said Edward Reitmeyer, a partner in charge of tax services at Marcum LLP in Philadelphia.

Mr. Reitmeyer said the House proposal appears to be better for the Trump family than the Senate plan.

“Every investor would benefit greatly from what the House is trying to do,” he said. “Not just the Trumps, but every real-estate investor.”

The House has passed a version of its bill, and the Senate is hoping to pass its own this week. Republican congressional leaders have set a goal of getting a final measure to the president’s desk by the end of the year.

Mr. Trump, who built a global real-estate, property-management and marketing company, reported assets of at least \$1.4 billion in a financial disclosure filed in June. The president listed more than 500 companies, most of which are structured as pass-throughs. Those kinds of entities don’t face the corporate income tax. Instead, the profits pass through directly to the owners’ individual tax returns.

The White House didn’t respond to questions about whether a House proposal on pass-throughs is helpful to Mr. Trump. When he spoke about tax-law changes in late September, Mr. Trump said: “I don’t benefit. I don’t benefit. In fact, very, very strongly, as you see, there’s no—I think there’s very little benefit for people of wealth.”

Pro-tax bill groups have spent more than \$26 million on TV ads urging passage of the legislation, which they describe as a boon for the economy and middle class. Opponent groups have invested about \$7 million, according to media buyers. Yet a recent Quinnipiac Poll found that 52% of American voters disapprove of the legislation, compared with 25% who approve.

According to the nonpartisan Joint Committee on Taxation, the Senate bill would deliver \$34 billion in tax cuts, or 14% of the total, to households making over \$1 million. Their average tax rate, it estimates, would drop from 32.5% to 30.4%.

Opponents' ads highlight some of the tax-code changes that may benefit the family, or would have in the past. Among them: changes to taxes on pass-through businesses, repeals of the estate tax and the alternative minimum tax, and the preserving of golf-course deductions such as those who he used on some of his properties in the past.

Steven Rosenthal, a senior fellow at the nonpartisan Tax Policy Center who has studied Mr. Trump's leaked tax returns and financial disclosures, said the House's effort to lower the tax rate for certain kinds of revenue from pass-through businesses would benefit Mr. Trump. A portion of Mr. Trump's [2005 tax return leaked in March 2017](#) shows that he paid \$38 million in taxes on \$153 million in income that year.

"The bulk of his income comes from rent and licensing fees, and those would almost all be subject to lower taxes," said Mr. Rosenthal, a critic of the Republican tax plan.

The top tax rate for pass-through businesses now is 39.6% and would be lowered under the Senate plan to about 32% in many cases. The rate in the House plan varies, but Mr. Rosenthal said pass-throughs dealing with royalties, licensing and management fees and rental income—streams Mr. Trump benefits from—all appear to qualify for a new, lower rate of 25%.

The Senate is still tinkering with pass-through language, and some lawmakers want to make it more generous to higher-income individuals. The Senate proposal says that revenue from domestic income such as royalties, licensing and management fees qualifies for reduced tax rates but places limits on those benefits for pass-throughs without employees.

"I don't know what he'll get," Sen. Richard Shelby (R., Ala.) said on Tuesday. "He said today overall it wouldn't help him."

The Trump family also could gain from the House and Senate moves to alter or drop altogether the estate tax, sometimes called the "death tax." The nonpartisan Joint Committee on Taxation estimates that in 2017 just two of every 1,000 estates will owe taxes. But many wealthy families find ways to avoid or minimize it, by moving wealth into a grantor-retained annuity trust, for example.

Mr. Trump's 2005 tax return shows that almost 85% of the \$38 million that he owed the Internal Revenue Service that year was because of the alternative minimum tax. That parallel taxing system, designed to make sure that high-income individuals can't use legal deductions and credits to avoid all income taxes, would be repealed under both the House and Senate bills.

—*Richard Rubin contributed to this article.*