



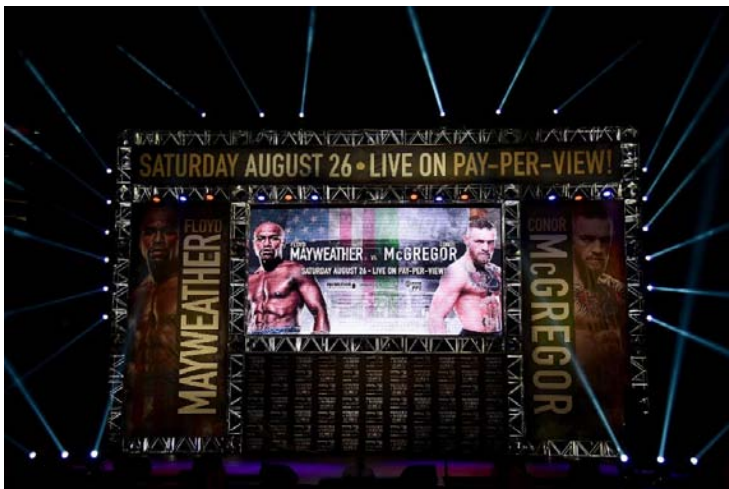
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Floyd Mayweather Denies Tax Problems, Paid IRS \$26 Million Already

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Taxes aren't exactly like an MMA match, but Floyd Mayweather and Conor McGregor might feel otherwise. There's more tax sparring preceding their August 26 bout. After McGregor said pay your taxes, Floyd Mayweather now says he *already paid* \$26 million to IRS for 2015. He suggests there's no tax problem, and that he doesn't get all the hubbub over this:

While everyone is counting my money and assuming the worst, these are the facts... Uncle Sam, received \$26,000,000.00 from me in 2015! What else could they possibly want? I'm sure I would have been notified much sooner if there were any real discrepancies right? Bottom line, everybody just wants to be a part of the 'Money May' show, including the IRS! That's fine, you can crunch numbers all day but in the end, my empire is rock solid and intact! Now Calculate That!"



Sounding almost presidential, Mayweather even said, "Believe half of what you see and none of what you hear, especially when it comes to media in this country." Maybe, but the media does like the story that [Mayweather still owes the IRS his 2015 taxes](#). After Mayweather failed to convince the IRS to let him pay over time, he even filed suit against the IRS, asking for time to pay. Of course, paying \$26 million in taxes is a lot of money. But that doesn't mean the \$26 million is all that he owes. In fact, it might not be even close. We don't know.

However, his earnings were large enough just from the [Mayweather v. Pacquiao](#) fight that \$26 million is

surely only a piece—maybe even a small piece—of the total due. Just how *big* his 2015 tax bill was—and how much remains—has caused much speculation. In 2015 alone, Mayweather reportedly earned [\\$220-230 million](#) for defeating Manny Pacquiao. Once the McGregor fight takes place, Mayweather could have 2017 income from the fight in an amount as much as [\\$400 million](#). He'll have to address those back 2015 taxes too, plus penalties and interest.

Does the IRS like to wait? No, but sometimes it has to. It is common to delay payment, and to deal with IRS over time. However, first let's consider self-assessed taxes (where you file your tax return, report what you owe, but just cannot pay it). That is quite different from a notice of *additional* taxes due after an audit. Mayweather's case appears to be the former, where he may not have planned too well. The "cannot pay" issue is more prevalent (and easier to understand) in the latter situation, where the IRS says you owe *additional* taxes. Many taxpayers who are paid wages might think about withholding.

Didn't Mayweather's employer take out taxes? Not likely. Most of his income is probably via contract without withholding. However, as a matter of simple planning, you might think that he would put aside the portion of that pay anticipated to go to taxes. If you are investing, you arguably wouldn't tie up money that you had to pay the IRS soon. The math would not seem to be that difficult. However, it is not clear what Mayweather—or rather his managers and financial advisers—actually did. Athletes and entertainers often have people that do these sorts of things for them. Perhaps something went awry.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.