



Robert W. Wood

THE TAX LAWYER

Apr. 19 2012 — 6:18 am

Kan Kim Kardashian Deduct Her Campaign Expenses?

The news that Kim Kardashian is entering politics made my day. See [Kim Kardashian Plans To Run For Mayor Of Glendale. Seriously.](#) After politicians like Arnold Schwarzenegger and Jesse Ventura, we need more. And Klever Ms. KK can deliver. She might even be more tax savvy than most politicians, not to mention reality stars and hip hop moguls. See [In Taxes, Kim Kardashian is More Buff Than Buffett](#) and [IRS Takes A Bite Out Of Bow Wow](#).



Photo credit: Wikipedia

But it did get me thinking: Can she deduct her campaign expenses? Ideally, she'll get funded from outside sources and have a veritable political machine. She'd be Klever to avoid spending her own hard-earned money. But if she does lay out Koin of her own, part of the tax puzzle could depend on how she does.

First, the harsh reality. She could pay to attend political conventions, make contributions to a political party, pay for meals, lodging, travel, advertising, filing fees and more. Unfortunately, tax deductions for expenditures in a political campaign or by a candidate for public office are not allowed. A candidate's personal campaign expenditures aren't

ordinary business expenses even though a public office is a trade or business.

In fact, campaign expenses paid from a candidate's private resources are non-deductible personal expenses regardless of election results. However, an elected official defending his right to **stay** in office should be able to deduct expenses of defending a recall campaign. Yet a candidate cannot deduct the cost of defamation litigation for allegations published during a campaign even if his professional reputation was damaged during the campaign.

Other Tax Routes? Some politicians have argued political office is a stepping stone to another business or profession. It doesn't matter. Campaign expenses are not deductible by a lawyer seeking election as a legislator hoping to build his professional practice.

You can't take a tax deduction for job hunting expenses when you're switching careers either. But since some job hunting expenses to stay in the same profession can be deducted, could an existing pol argue that an election amounts to a job hunt for a new position? Clearly, that's a stretch.

Besides, the job hunting deduction is only a miscellaneous itemized one. That means it's subject to various limitations and cutbacks, especially the alternative minimum tax.

Income to Kim? When Kim is feted along the campaign trail, is that taxable income to her? No. The IRS has ruled that campaign contributions and political gifts used solely for the expenses of an election campaign are **not** taxable income to the candidate. Whew!

However, any contributions used for personal purposes must be included in the candidate's taxable income. For example, suppose noted videographer Rielle Hunter shoots a video of Kim used in the campaign for \$100,000. No problem there.

But what if it turns out that Ms. Hunter is also paid \$500,000 for services that benefit only Kim personally? If the campaign pays the entire \$600,000, the IRS could say Kim has \$500,000 of taxable income. Of course, there may be campaign finance law implications too....

For more, see:

[In Taxes, Lindsay Lohan Is No Kim Kardashian](#)

[In Taxes, Kim Kardashian is More Buff Than Buffett](#)

[Kim Kardashian's Wedding Presents: The Gifts That Keep Giving At Tax Time](#)

[Only The Little Kardashians Pay Taxes](#)

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*