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Tony Blair Is Britain's Buffett As Top 50% Tax Rate Teeters

Imagine if you were paying Britain's top 50% individual tax rate! We Americans have plenty of aggressive tax planners to worry about, yet we can't seem to stop obsessing over who is paying what rate. Paying a low rate, as low as the law allows, means you're savvy. Paying more is counterintuitive. See [Gordon Gekko Tax Moves](#).

But our current national debate suggests you don't win bragging rights by having a **low** effective rate. It's politically correct to say how **much** you pay and that you would be happy to pay more. That should make Facebook's Mark Zuckerberg our fave. See [Top Tax Tips From Zuckerberg's Facebook Bonanza](#).

In the U.K., the 50% rate hits earnings above £150,000, though it soon could go the way of the dinosaur. See [U.K. Cuts Taxes on Rich, Businesses](#) and [U.K. Is Set to Decide Fate of Top Income-Tax Rate](#). But the well-advised may not all

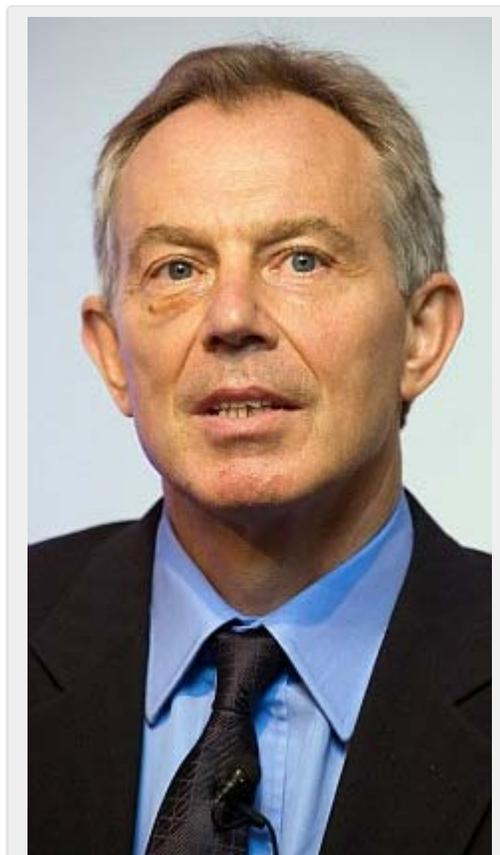


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pay it. Caught up in our own tax dramas, we didn't pay much attention when former Prime Minister [Tony Blair's](#) taxes appeared in the British press and then died down precipitously.

Blair channeled millions through a complicated web of companies, paying just a fraction in tax, it was reported. See [Tony Blair and the £8 Million Tax 'Mystery'](#). Official accounts show Blair's company paid only £315,000 on income of more than £12 million. Blair has been criticized for using Downing Street contacts and goodwill to reap millions.

How can \$20 million in gross revenue come down to less than \$1 million in profit subject to tax? It happens all the time. After all, the British and U.S. systems tax net income, not gross. Many deduction rules are complex, but there's been no suggestion Blair's tax compliance was anything less than Kosher.

Those accused of manipulating taxes on this side of the pond quote famous tax cases saying it's OK to pay less. Most famous of all was this lawful Gordon Gekko rule by [Judge Learned Hand](#):

“Anyone may arrange his affairs so that his taxes shall be as low as possible; he is not bound to choose that pattern which best pays the treasury. There is not even a patriotic duty to increase one's taxes. Over and over again the Courts have said that there is nothing sinister in so arranging affairs as to keep taxes as low as possible. Everyone does it, rich and poor alike and all do right, for nobody owes any public duty to pay more than the law demands.” See [Gregory v. Helvering](#).

For more, see:

[The £12m Tax Mystery: Tony Blair's Earnings Soar by 42% \(But He Only Pays £315,000 to HMRC\)](#)

[Gordon Gekko Tax Moves](#)

[Inside the Intriguing World of Tony Blair Incorporated](#)

[Mitt's Taxes Stoke "Carried Interest" Flames](#)

[Clint Says Manning v. Brady? Think Zuckerberg v. Buffett](#)

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

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