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## Trump Tax Returns Are Still No Holy Grail

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As Tax Day arrives and passes, it seems safe to conclude that the line about [Trump not releasing his tax returns because people don't care](#) turned out not to be true. Adviser Kellyanne Conway may have been right that *some people* do not care. Plainly, though, plenty of people *do care* quite a lot. The April 15 protests show they do, although some in the throngs of protesters may have been protesting considerably more than President Trump's failure to release his tax returns. President Trump was unique in not providing them as a candidate. And he is unique in not providing them as a President, too. The outcry has grown. Yet some of the outcry is surely over the mixed signals that Mr. Trump and his acolytes have given.



U.S. President Donald Trump waits to blow a whistle to start a race during the Easter Egg Roll on the South Lawn of the White House April 17, 2017 in Washington, DC. (BRENDAN SMIALOWSKI/AFP/Getty Images)

During the campaign, it was the audit. The Trump camp was clear for many months that his big tax audit prevented him from releasing his returns. Outside of a Presidential campaign, his audit defense was a pretty good one, whatever the IRS or the public might say. During the campaign, he even injected a [letter](#) from his tax lawyers confirming there was an ongoing tax audit for 2009 and later. Anyone who has ever been through a tax audit might have had some sympathy.

As a candidate for President, the conventional answer was that [Trump should release them](#). Trump said that he has ["very big" tax returns](#), and that his financials "show I'm worth more than \$10 billion by any stretch of the imagination." But would they? We don't even know Trump's income, except for the two pages of his 2005 tax return that were recently trumpeted by Rachel Maddow. In mid-March, she

announced that she had obtained portions of President Trump's [2005 federal income tax return](#). That episode may have hurt her ratings, and it suggested that President Trump was paying significant taxes after all.

Mr. Trump has been consistently unapologetic about his tax returns, and about paying as little in taxes as he can. Trump has said one reason is wasteful government spending. Yet the tax audit defense has now come back, with the statement from White House Press Secretary Sean Spicer that they are [still under audit](#). They still *could* be released, but if they were, surely everyone would pick through the returns mercilessly, including commentators and political foes. The fact that the IRS says that Mr. Trump could decide to release the returns despite an audit does not mean that doing so would be a good idea.

On the other hand, the conventional *political* answer is that [Trump should release his tax returns](#). But Mr. Trump turns convention on its head. Besides, Trump's tax returns might show less of what we might call hard income than he may want us to see. Perhaps the best reason protesters have for wanting to see the returns is the alleged ties to Russia, and the existence of potential conflicts of interest. These are issues far bigger than tax issues. It does not appear that President Trump intends to release his tax returns. Even if he did, it is not at all clear that whatever he released would be the holy grail that protesters hope to find.

They wouldn't show his net worth. They do not show an individual's net worth, not even Donald Trump's. They show income, but some years he may have a loss. He could rake in millions and have a tax loss. In fact, having a tax loss can be attractive. You let non-cash losses (for example, from partnerships) offset your cash income items. Tax returns also won't show market values. Many real estate people get rich with appreciation in value that is not currently taxed.

The tax returns might show big write-offs. Large income (say from rents, royalties, commissions), may be sheltered with big depreciation deductions. The tax returns will show effective tax rates, and Trump's effective tax rates may also not be too high. Trump echoes Warren Buffett and many other tax-savvy investors in saying that he pays as little tax as he can. They could show charitable giving. It is possible that Trump's tax returns will reveal that he is not generous.

Connections may not be apparent unless complete tax returns and schedules are released, and perhaps not even then. Ted Cruz once suggested that Trump's returns may show [mafia ties](#). More recently, all the talk is of alleged Russian connections and potential conflicts of interest.

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