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 Tax Paper

 Taxation is a common issue in the United States as every individual residing in the country is affected by taxation. The individuals considered as non-tax paying person such as children or immigrants also pay taxes and are affected by taxation. Majority of Americans consider taxation necessary and significant as the government needs revenues to finance its activities for maintaining order, peace and justice in the society. Tax returns in the U.S. are the reports filed with the Internal Revenue Service (IRS) to contain the information about income tax or other taxes (Rothwell and Diego-Rosell).

**Donald Trump’s Tax Return Case**

For the past several years, the controversy of Donald Trump’s tax returns his being highlighted. Before announcing his candidacy for the position of President, Trump promised to release his tax returns making pledges in 2011, 2014 and 2015. First, he claimed to release the tax returns after they were being worked on. Then he claimed of his tax returns being audited and that he could not make them public, but he would do so. According to the Commissioner of Internal Revenue, there is no such law that prevents the release of tax returns because of an audit. Later Trump said that his returns are of no interest to the voters and it is none of their business. Since the election of Trump, he has been refusing requests to release his tax returns that has included him among the Presidents of the recent times who do not disclose their tax returns. Since 1976, Trump was the first person not to reveal his tax returns to the public. Several bills have been passed that would require the presidential candidates to release their tax returns so that they can be listed on the ballot of 2020. After refusal by Trump, a case has been filed against him that is still pending.

Between 1985 and 1994, Trump lost almost $1.17 billion which is more than any other American taxpayer. Some parts of Trump’s 1995 and 2005 tax returns were also leaked in 2016 as published by the New York Times. It indicates that a $916 million net operating loss was incurred by Trump for the Federal income tax purposes that could have prevented him from owning any Federal income taxes for up to 18 years. In March 2017, some of Trump’s 2005 Federal income tax returns were leaked that were shown on MSNBC. It stated that a gross income of $150 million was obtained by Trump and only $38 million were paid in the federal taxes. The authenticity and genuineness of the documents was confirmed by White House. Before his presidency, Trump claimed that he wouldn’t have any problem releasing his tax returns if he becomes the President. In April 2011, when Barrack Obama produced his birth certificate and claimed that he would love to release his returns, Trump said that he would release his returns at the appropriate time. In 2012 Trump implored for the tax returns of Mitt Romney released that is necessary for every candidate; Trump said that if a presidential candidate does not release his tax returns, it would make the people to think if something is wrong. Sam Nunberg, the former political advisor to Trump said that Trump has considered releasing tax returns as part of the presidential campaign and believed that showing his little amounts of paid taxes would make people consider him a savvy businessman. He announced his candidacy for President in the year 2015. In 2016, he said he would release his tax returns probably in a few months as they are being worked on. His tax attorneys claimed that his tax returns are under audit since the year 2002. However, Trump made offers of releasing his tax returns in 2011, 2014, and 2015 while he was still under audit. According to the New York University Law School tax experts such as Daniel Shaviro, the lawyers and financial advisors of Trump may advise him not to release his tax returns for purposes related to legal strategy. In an argument to this, an economist Paul Krugman said that Trump should reveal his tax information more willingly if he was really under audit. In May 2016, Trump refused to release his tax returns saying that he had planned to release the returns after the election of November 2016. A lot of criticism was faced by Trump for his refusal of releasing tax information (Rothwell and Diego-Rosell). During the United States presidential debates in 2016, Hillary Clinton, the rival presidential candidate criticized Trump by saying that the tax returns for only a couple of years are available publicly to which Trump directly responded that it is what makes him smart. Further Clinton said that Trump may not have paid any federal income tax for many years to which Trump again replied that the taxes paid by him would be squandered by the government. In January 2017, the people started an online petition “We the People” calling for the release of tax returns of Trump to which the White House gave no response resulting in a march of ten thousand people in New York and several other cities of the country. In May 2019, a separate subpoena to both the Internal Revenue and the Treasury Department by the chairman of the House Ways and Means Committee to hand over the business and personal tax returns of Trump and grant access to them. Trump gave a false statement saying that there is no such law that requires him to show his tax returns to the Congress (Rothwell and Diego-Rosell).

Trump’s lawsuit made an attempt to block a new law that has been passed allowing the Congress to obtain the New York tax returns of Trump. This lawsuit has been rejected by a federal judge but allowed Trump to make another try in future. Trump asked the federal court to grant him “temporary absolute immunity” from any investigation related to crimes when he is in his office. His argument of being immune as a President has been rejected by the three-judge appeals panel in New York saying, “presidential immunity does not bar a state grand jury from issuing a subpoena in aid of its investigation of potential crimes committed by persons within its jurisdiction, even if that investigation may in some way implicate the president.” The judges further said, “We hold that any presidential immunity from state criminal process does not bar the enforcement of a subpoena.” The appeals court ruling has given a green light for obtaining the tax returns of Trump but his attorney, Jay Sekulow claimed that the President would continue his appeal saying, “The decision of the Second Circuit will be taken to the Supreme Court. The issue raised in this case goes to the heart of our Republic. The constitutional issues are significant.” Trump’s assertion of immunity is described by the judge as, “repugnant to the nation's governmental structure and constitutional values.”

Manhattan District Attorney Cyrus Vance Jr. is trying to seek the personal and corporate tax returns of Trump as part of crimes and criminal investigation. Trump tried to block and sue the subpoena and his lawyers and attorneys argued to the appeals panel regarding the issue. William Consovoy, one of the attorneys of Trump presented his argument in front of the judges by saying, “[Trump could shoot another person on Fifth Avenue in New York City and not be subject to arrest and prosecution until after he left office](https://www.cnbc.com/2019/10/23/trump-tax-return-subpoena-case-argued-in-federal-appeals-court.html).” The panel replied to this and wrote, “Any presidential immunity from state criminal process does not extend to investigative steps like the grand jury subpoena at issue here.” Finally Donald Trump lost his case on tax returns.

**Opinion**

The refusal of Trump’s releasing his tax returns is an evidence that something is really wrong that he is trying to hide from the public. In my opinion, Trump’s tax returns will come out revealing three things i.e. unexplained payments from money-laundering, criminal tax fraud and that he is nowhere near as rich as he claims. His team’s argument that a president is immune to investigation could not fly with any court, at any level and he lost his case. He never had any intention of ever releasing them. Trump has paid very little in taxes as a percentage of his overall income (Rothwell and Diego-Rosell). Most high earners actually do pay a lot in taxes (both in percentages and dollar figures), which makes the constant drum beat of the rich needing to “pay their fair share” more than a bit disingenuous. Had he intended to, he would not be blocking their release so assiduously right now, even in the face of multiple court orders to do so. It's necessary for people to pay as little in taxes as they can and figure out how to, but it's the government's job to figure out how people might avoid paying taxes and build laws which prevent it.

**Works Cited**

Rothwell, Jonathan T., and Pablo Diego-Rosell. *Explaining Nationalist Political Views: The Case of Donald Trump*. SSRN Scholarly Paper, ID 2822059, Social Science Research Network, 2 Nov. 2016. *papers.ssrn.com*, https://papers.ssrn.com/abstract=2822059.