



Top News

# White House says Trump paid \$38m in taxes, made \$150m in '05

Associated Press

Posted March 14, 2017

March 14, 2017

*Updated March 14, 2017 9:32pm*



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Snow covers the ground outside of the White House in Washington today.

WASHINGTON >> The White House said today that President Donald Trump made more than \$150 million in income in 2005 and paid \$38 million in income taxes that

year.

The acknowledgement came shortly before [MSNBC host Rachel Maddow reported](#) on two pages of Trump's 2005 tax forms on her show today.

The records were obtained by Pulitzer prize-winning journalist David Cay Johnston, who said he received the documents unsolicited, in the mail.

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The documents have become highly sought-after because Trump refused to release his returns during the campaign, breaking a decades-long tradition. He claimed he was under audit by the Internal Revenue Service and said his attorneys had advised against it — though experts and IRS officials said such audits don't bar taxpayers from releasing their returns.

The White House pushed back pre-emptively today, saying that publishing those returns would be illegal.

"You know you are desperate for ratings when you are willing to violate the law to push a story about two pages of tax returns from over a decade ago," the White House said in a statement.

The unauthorized release or publishing of federal tax returns is a criminal offense, punishable by a fine of up to \$5,000 and up to five years in jail. But Maddow argued that MSNBC was exercising its First Amendment right to publish information in the public interest.

Based on the documents obtained by Johnston, Trump paid \$36.5 million in taxes on \$153 million in income, for an effective tax rate of around 24 percent. That percentage is higher than the roughly 10 percent the average American pays each year — but below the 27.4 percent that taxpayers earning 1 million dollars a year average, according to data from the Congressional Joint Committee on Taxation.

Trump's tax returns spotlight the role of the Alternative Minimum Tax, which was established nearly five decades ago to prevent the wealthy from using deductions and

clever accounting to largely avoid paying taxes.

The AMT is a separate gauge of tax liability that, according to critics, has ensnared more middle-class people than intended, raising what they owe the federal government each year. It requires many taxpayers to calculate their taxes twice — once under the rules for regular income tax and then again under AMT — and then pay the higher amount.

Though opponents of the AMT have focused on the growing number of upper-middle-class earners who pay the tax, Trump's 2005 disclosure shows it prevented him from avoiding most of the taxes he paid in 2005. If not for the AMT, Trump's effective tax rate would have been just 3.5 percent.

Trump, according to his campaign website, has said he wanted to eliminate the tax, which is expected to bring in more than \$350 billion in revenues from 2016 to 2025.

Trump long insisted the American public wasn't interested in his returns and said little could be learned from them. But Trump's full returns would contain key details about things like his charitable giving, his income sources, the type of deductions he claimed, how much he earned from his assets and what strategies Trump used to reduce his tax bill.

The issue was a major point of attack from his election rival Hillary Clinton, who suggested Trump had something to hide.

The White House has not said whether or not the president plans to release his returns while he's in office. More than 1 million people have signed a White House petition urging the president to release them.

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