

## Trump Uses Tax Code As a Shelter for Nearly 20 Years

By Camila Piedrahita Abello, J.D. Candidate 2019 | October 12, 2016

On October 1, 2016, The New York Times [released](#) three pages of Donald Trump’s 1995 tax returns. These documents show that Mr. Trump claimed a \$916 million loss that could have protected him from paying any federal or New York State income taxes for the last 18 years.

The \$900 million-plus of losses would have been enough to offset a [\\$450,000-a-month allowance](#) in personal expenses and various income streams the Republican presidential nominee enjoyed throughout the early ‘90s.

Perhaps most troubling was his use of a [special tax break](#) for commercial real estate developers. By 1990, Mr. Trump had accumulated billions of dollars in debt while also personally guaranteeing \$832 million of debt related to several projects. In taking advantage of this tax break, Mr. Trump could have taken the full amount of debt he had guaranteed as a deduction, even if he had not invested any of his own money. The losses claimed were large enough to cancel out any taxes owed on forgiven debt, which is generally regarded as taxable income by the IRS.

Many were quick to point out this situation as just another example of a rigged U.S. tax code – one that favors the wealthy over ordinary Americans working hard to make ends meet and pay their taxes.

Mr. Trump, however, has [asserted](#) that as a successful businessman, he used tax laws to his advantage for the sake of his business, his family, and his employees. His campaign’s statement went on to say that the Republican candidate understood the tax code better than anyone else and, as such, was in the best position to fix it.

The documents released by The Times represent only a small fraction of the complete tax returns Mr. Trump would have filed that year. The pages in question were the first page of a New York resident income tax, a New Jersey nonresident tax return, and a Connecticut nonresident tax return.

Despite this, the three pages represent the first time the Republican candidate’s tax returns have been released to the public. In a break from traditional notions of presidential campaigns, Mr. Trump has [refused](#) to do so due to an ongoing IRS audit.

The question remains whether these tax returns will have an impact on the Trump campaign as the country moves closer to November 8.