

# Trump Could Receive Millions Of Taxpayer Dollars Thanks To Special Interest Loopholes Snuck Into The Cares Act—And With His Lack Of Transparency We May Never Know How Much He Pocketed

**At Least Four Under-The-Radar Provisions Snuck Into The Cares Act Could Allow Trump To Pocket Tens Of Millions Of Dollars In Bailout Money And Tax Cuts**

**Republicans Snuck In A Tax Provision In The Cares Act That Would Reduce Tax Liabilities For Real Estate Businesses That Are Set Up As Pass-Through Entities—The Exact Corporate Structure That Trump Has Created For His Real Estate Empire**

**Coronavirus Relief Legislation Helped Some Businesses Reduce Their Tax Liabilities, By Suspending A Cap On How Much Pass-Through Business Owners Could Deduct From Their Nonbusiness Income.** “More than 80 percent of the benefits of a tax change tucked into the coronavirus relief package Congress passed last month will go to those who earn more than \$1 million annually, according to a report by a nonpartisan congressional body expected to be released Tuesday. The provision, inserted into the legislation by Senate Republicans, temporarily suspends a limitation on how much owners of businesses formed as ‘pass-through’ entities can deduct against their nonbusiness income, such as capital gains, to reduce their tax liability.” [Washington Post, [4/14/20](#)]

- **Policy Was Applied Retroactively To Losses From The Past Five Years.** “Under the coronavirus relief legislation, the limit was suspended, enabling wealthy investors to use millions in losses to reduce their tax burdens. The policy also applies retroactively so losses in 2018 and 2019 can be ‘carried back’ against the past five years.” [Washington Post, [4/14/20](#)]
- **The Provision Would Primarily Benefit Owners Of Real Estate Businesses.** “The provision, inserted into the legislation by Senate Republicans, temporarily suspends a limitation on how much owners of businesses formed as “pass-through” entities can deduct against their nonbusiness income, such as capital gains, to reduce their tax liability. The limitation was created as part of the 2017 Republican tax law to offset other tax cuts to firms in that legislation. Suspending the limitation will cost taxpayers about \$90 billion in 2020 alone, part of a set of tax changes that will add close to \$170 billion to the national deficit over the next 10 years, according to the Joint Committee on Taxation (JCT), the nonpartisan congressional body. The provision has fueled criticism by congressional Democrats and some tax experts who have called it a giveaway to the wealthy and real estate investors, who frequently face large losses on their investments... Hedge-fund investors and owners of real estate businesses are “far and away” the two prime beneficiaries of the change, said Steve Rosenthal, a tax expert at the Tax Policy Center, a nonpartisan think tank.” [Washington Post, [4/14/20](#)]
- **New York Times: The Trump Organization, Which Trump Retained Ownership Of While In The White House, Included “Hundreds” Of Pass-Through Entities.** “A new 20 percent tax break included in last year’s \$1.5 trillion tax overhaul could wind up benefiting President Trump’s real estate empire given how the Treasury Department plans to implement the provision, several tax experts said. On Wednesday, the Treasury Department issued a sprawling regulation outlining the types of companies and professionals eligible to qualify as ‘pass-through’ entities and get the 20 percent tax deduction. [...] The Trump Organization, which Mr. Trump has retained ownership of while in the

White House, includes hundreds of pass-through entities. Economists estimate that nearly 70 percent of pass-through income flows to the top 1 percent of American earners.” [New York Times, [8/8/18](#)]

### **The Cares Act Had A Little-Noticed Provision That Would Allow Firms To Write Off 100% Of Their Losses Rather Than 80% --A Provision That Will Almost Certainly Lower Trump's Tax Liability**

**Coronavirus Relief Legislation Allowed Firms To Write Off 100-Percent (Instead Of 80-Percent) Of Their Losses.** “The analysis included the impact of another tax change in the coronavirus relief legislation that allows firms to write off 100 percent rather than 80 percent of their losses, reversing another change in the 2017 tax law.” [Washington Post, [4/14/20](#)]

- **COVID-19 Cost Trump Organization Properties Over \$1 Million Per Day And Was Expected To Potentially Hurt The Sale Of Its Washington Hotel.** “The coronavirus outbreak is costing Trump Organization properties more than a million dollars in lost revenue daily and may have hurt the firm’s chances of earning a record price on the sale of its Washington hotel, according to an analysis of industry data and people familiar with the deal talks.” [Wall Street Journal, [4/2/20](#)]
- **Amid COVID-19, Trump Organization Properties Faced Staff Cuts, Closures, And A High Number Of Vacancies.** “More than 500 staff at Trump properties in New York, Washington, Las Vegas and Florida have been laid off or furloughed, say people familiar with the matter and federal disclosures. Several Trump hotels have been closed, and those still running have experienced dwindling occupancies. One day in March, the family’s flagship Trump International Hotel in Washington had just 11 guests in its 263 rooms, according to an employee.” [Wall Street Journal, [4/2/20](#)]
- **Trump On COVID-19: “Is It Hurting Me? Yeah, It’s Hurting Me. [...] It’s Hurting All Of The Great Hotel Chains All Over The World.”** “President Trump acknowledged Saturday that the coronavirus pandemic was hurting his family business. ‘I wouldn’t say you’re thriving when you decide to close down your hotels and your businesses,’ Trump told reporters at the White House when asked about reports his Trump Organization properties were being adversely affected by the virus. ‘I’m very unlevered in everything, so that’s good,’ the president continued. ‘But is it hurting me? Yeah, it’s hurting me, and it’s hurting Hilton, and it’s hurting all of the great hotel chains all over the world.’” [The Hill, [3/21/20](#)]

### **Trump Could Benefit From Cares Act Tax Change That Allows Hotels To Immediately Deduct Renovation Expenses, Rather Than Having To Take The Deduction Over 37 Years**

**Coronavirus Relief Legislation Allowed Companies In The Hotel And Restaurant Industry To Write Off Money Spent On Renovations At Hotels Or Restaurants, “Instead Of Having To Take The Deduction Over 37 Years.”** “The tweak to the tax code sought by the nation’s retailers and grocers could mean \$15 billion a year worth of tax savings for hotels, restaurants, supermarkets and other retailers. Groups representing those industries separately intervened with both Mr. Trump and leaders on Capitol Hill to push lawmakers to include it in the final package. The provision could potentially benefit Mr. Trump’s companies, among many others, by allowing them to immediately write off money spent on renovations at hotels or restaurants, instead of having to take the deduction over 37 years.” [New York Times, [3/25/20](#)]

- **August 2018: Trump International Hotel & Tower New York Announced It Would Be Renovating Its “Guest Rooms, Suites And Common Spaces.”** “Trump International Hotel & Tower New York, a Forbes Five-Star/AAA Five-Diamond luxury hotel in Manhattan overlooking

Central Park, is pleased to announce the renovation of its guest rooms, suites and common spaces.” [Trump Hotels – Press Release, [August 2018](#)]

- **June 2018: The Trump Ferry Point Golf Course Opened A New Clubhouse.** “President Donald Trump’s adult sons, Eric Trump and Donald Trump Jr., celebrated the opening of a new clubhouse at the Trump Ferry Point golf course in the Bronx on Monday. [...] Trump Ferry Point was built on a former garbage dump and took years for the city, which entered into a public-private partnership with Trump to operate and help complete the course, to finish. Bloomberg reported the course cost \$269 million to build.” [Business Insider, [6/11/18](#)]

### **Four Trump Hotels Could Be Eligible For Up To \$10 Million Each In Forgivable SBA Loans Thanks To An Opaque Cares Act Provision That Specifically Made Hotel And Restaurant Chains Eligible To Receive Funding For Each Property Under 500 Employees**

**Coronavirus Relief Legislation Allowed For Big Restaurant And Hotel Chains To Participate In The Paycheck Protection Program, No Matter How Many Employees They Had.** “While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ. Sean Kennedy, executive vice president for the National Restaurant Association, which lobbied for the restaurant-and-hotel exception, says size shouldn’t matter.” [Wall Street Journal, [4/6/20](#)]

- **New York Times: The Provision That Allowed Hotel And Restaurant Chains To Be Eligible For SBA Funds Regardless Of The Overall Number Of Employees “Would Be Impossible For A Casual Reader Of The Legislation To Identify.”** “Many of these special-interest provisions would be impossible for a casual reader of the legislation to identify. For example, on Page 15 of the bill, there is a section with the title “Business Concerns With More Than 1 Physical Location.” It says this change in federal law will apply to companies that fit “a North American Industry Classification System code beginning with 72” — a reference that turns out to mean the hotel and restaurant industry. The provision says that if a company owns multiple hotels, even if the overall hotel or restaurant chain has more than 500 employees — the limit to qualify for treatment as a small business — it will still be able to take advantage of the small-business benefits offered in the rescue package.” [New York Times, [3/25/20](#)]
- **ProPublica: Four Trump Hotel Properties Appeared To Qualify For An Industry Carveout Included In The Bailout Legislation.** “The bailout has a huge loan program to help many businesses with payroll and other costs. While it’s only open to smaller companies, there’s a carveout for hotels: As The New York Times reported, the law says individual hotels can each qualify for separate loans, even if they’re all owned by a single company, so long as the hotel itself has 500 or fewer employees. The provision was pushed by a hotel industry group, which argued it was needed for 33,000 hotels to qualify for the bailout. [...] Each small business — and each hotel — can qualify for up to \$10 million in loans, depending on payroll costs. The loans can then be forgiven if the money is used to cover payrolls and other ongoing expenses. Four Trump hotels appear to qualify: two that Trump owns and two that his company manages.” [ProPublica, [4/8/20](#)]

**Due To The Lack Of Transparency In The SBA Forgivable Loan Program Created Under The Cares Act—And Trump’s Refusal To Release His Tax Returns—We May Never Know The Extent To Which He Benefitted From Taxpayer Bailouts & Special Interest Tax Provisions From The Legislation**

## **The SBA Forgivable Loan Program In The Cares Act Does Not Compel SBA To Disclose Recipients**

**Washington Post: The Cares Act Does Not Compel SBA To Disclose Recipients Of Forgivable Loans Provided Under The Legislation.** “The \$2 trillion Cares Act approved by President Trump last month requires that the names of recipients of some forms of federal aid be published, but those requirements do not extend to significant portions of the relief. Chief among the omissions is the \$349 billion expected to be doled out to small companies in chunks as large as \$10 million. The rescue legislation does not compel the Small Business Administration to disclose the recipients. So far, the agency said, it has received about 487,000 applications seeking a total of \$125 billion.” [Washington Post, [4/13/2020](#)]

## **Trump Has Never Released His Tax Returns And In 2019 His Chief Of Staff Said He Never Would**

**Trump Has Never Disclosed His Tax Returns And In 2019 His Chief Of Staff Mick Mulvaney Said He Never Would.** “President Donald Trump’s tax returns will never be handed over to Democratic lawmakers, White House Chief of Staff Mick Mulvaney said on Sunday, defying an effort in Congress to learn more about the real estate mogul’s personal finances. Asked on “Fox News Sunday” if congressional Democrats will succeed in obtaining the Republican president’s tax returns, Mulvaney said: “No, never. Nor should they.” [Reuters, [4/7/19](#)]