Report: Trump got $413M from his dad, much from tax dodges

NEW YORK (AP) — The *New York Times* reported Tuesday that President Donald Trump received at least $413 million from his father over the decades, much of that through dubious tax dodges, including outright fraud.

The 15,000-word *Times* report contradicts Trump's portrayal of himself as a self-made billionaire who started with just a $1 million loan from his father.

The *Times* says Trump and his father, Fred, avoided gift and inheritance taxes by setting up a sham corporation and undervaluing assets to tax authorities. The *Times* says its report is based on more than 100,000 pages of financial documents, including confidential tax returns from the father and his companies.

The *Times* says the Trump family hid millions of dollars of transfers from the father to his children through a sham company owned by the children called All County Building Supply & Maintenance. Set up in 1992 ostensibly as a purchasing agent to supply Fred Trump's buildings with boilers, cleaning supplies and other goods, the father would pad invoices with markups of 20 percent or even 50 percent, thereby avoiding gift taxes, the newspaper reports.

The *Times* says that before Fred Trump died in the late 1990s, he transferred ownership of most of his real estate empire to his four living children. The value of the properties in tax returns summed up to $41.4 million, vastly less than the *Times* says they were worth.

AP Photo/Pablo Martinez Monsivais, File

A portrait of President Donald Trump's father Fred Trump, and three unsigned executive orders are seen in the Oval Office of the White House in Washington.

The same properties would be sold off over the next decade for more than 16 times that amount.

In total, the president's father and mother transferred over $1 billion to their children, according to the *Times* tally. That should have produced a tax bill of at least $550 million, based on a 55 percent tax on gifts and inheritance at the time. Instead, the children paid $52.2 million, or about 5 percent.

A lawyer for Trump, Charles J. Harder, told the *Times* that there was no "fraud or tax evasion" and that the facts cited in the report are "extremely inaccurate."

The White House dismissed the report as a "misleading attack against the Trump family by the failing *New York Times*." It criticized the newspaper and other media outlets, saying their low credibility with the public is "because they are consumed with attacking the president and his family 24/7 instead of reporting the news."

The New York state tax department told The Associated Press that it is reviewing the allegations in the *Times* and "is vigorously pursuing all appropriate avenues of investigation." The department typically refers findings to the state attorney general's office.

Tax experts cited in the report say that Trump is unlikely to face criminal prosecution in helping his parents evade taxes because the maneuvers occurred long ago and are past the statute of limitation.

The president's brother Robert Trump said that "all appropriate gift and estate tax returns" were filed. "Our family has no other comment on these matters that happened some 20 years ago," he said in a statement to the *Times*, "and would appreciate your respecting the privacy of our deceased parents, may God rest their souls."

MEASURE: Opponents think 103 is too broad, would end local control on taxes

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Umatilla County include the Pendleton Market, J & D's Food Mart in Pilot Rock and the Hermiston Chamber of Commerce, as well as companies that have stores in the area, such as Safeway.

Dave Meade, the manager of Umatilla's Columbia Harvest Foods, said it's a concern for small and large businesses.

"If you're a border town and your store is located at or near the border, I think if there's a tax on food, it would cause folks to spend a little more money in the Tri-Cities," he said.

But he said the bigger concern for him is not the impact on businesses, but on customers.

"For us it's kind of a pass-through," he said. "But the main thing is that it would just be problematic for low- and middle-income families."

He said people come from about a 10-mile radius to shop at Columbia Harvest Foods, and many of those customers fall into the low- and middle-income brackets.

"We're more concerned for our customers," he said. "Everyone eats. It would be a tax on everyone."

He noted that even those who get some sort of food assistance, like EBT (electronic benefits transfer) cards, will still be affected by a food tax.

Some large cities around the U.S. have imposed bans on specific items, like soft drinks.

"I think in small municipalities, it's not a great idea," he said. "Everyone's tax burdens are heavy enough as it is."

Katherine Driessen, the communications director for the "No on 103" campaign, said the measure is much more than a ban on taxes for groceries.

"There is no sales tax on groceries now, and no one is proposing one," she said. "If that's all the measure did, prevent a sales tax on groceries, we'd support that."

Instead, Driessen said the measure provides sweeping exemptions to food and beverages at every stage of production, transportation and sale, while leaving out items that are important to many consumers, like medicines, diapers and feminine products.

"The measure is so broadly written, it includes the whole supply chain," she said. "A trucking company that carries food to a store or a restaurant ... could argue that they should be exempt from a gas tax."

Driessen said the biggest concern for those in the "No" campaign is the removal of local control.

For example, she said, Ashland has a restaurant tax. Under Measure 103, they could neither increase nor decrease that tax.

Driessen said those proposing such a major change to the state constitution should be more cautious, as it's difficult to reverse.

"When we change our constitution, it should be really deliberate, and the policy should be simple and clear, and address an urgent crisis," she said. "Measure 103 fails to meet all those requirements."