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THE TAX LAWYER

Aug. 17 2012 – 10:50 pm

### Like Mitt Romney, Usain Bolt Wants To Pay Only 13%

Usain Bolt is a household name after the London Olympics. His pocketbook is growing fatter too. The 6 feet 5 inch tall Jamaican speedster is doing well, but his tax rate is not as low as Mitt Romney's 13%.

The Wall Street Journal says we should feel sorry for [Usain Bolt's tax lesson](#). Maybe, but it's hard to get too worked up. The U.K. said it would not tax athletes coming to the Olympics, but that's once every four-year fellowship. The rest of the time, the practice of taxing athletes is well-worn.

It's one place U.S. tax rules are more favorable than the U.K.'s. Bolt inflamed the tax debate by taunting, "As soon as the [tax] law changes I'll be here all the time." [Usain Bolt: Tax Stops Olympian Running in the U.K.](#) Britain takes a cut of an athlete's worldwide endorsement earnings proportional to the athlete's time there. That doesn't seem bad until you compare.



; LONDON, ENGLAND - AUGUST 11: Usain Bolt of Jamaica celebrates winning gold and setting a new world record of 36.84 during the Men's 4 x 100m Relay Final on Day 15 of the London 2012 Olympic Games at Olympic Stadium on August 11, 2012 in London, England. (Image credit: Getty Images via @daylife)

Although America is criticized for its global tax system, the British rule is harsher for athletes. While the U.K. taxes a share of endorsement fees, the U.S. taxes nonresident athletes only on endorsement fees from **American** sponsors. And fighting Britain's broader rule is no slam dunk.

Even tough tennis star [Andre Agassi](#) lost a U.K. battle over endorsement income from overseas sponsors. Like Bolt, [Rafael Nadal](#) has cited taxes and stays out of the U.K. except when it's critical, as Wimbledon clearly is. Some argue that the country, sports fans, and the economy suffer when tax fears keep stars away. See [Usain Bolt Refuses to Race in U.K. Until Tax Laws Are Changed](#).

Earning far flung income and apportioning it so you pay tax in numerous places is the norm for professional athletes. A unit of U.K. tax collector Her Majesty's Revenue and Customs known as the [Foreign Entertainers Unit](#) tracks athletes and entertainers. Those who play or perform in the U.K. face systemic taxes.

The IRS too has launched a [special program](#) targeting foreign athletes and entertainers. They generally must pay U.S. tax on their U.S.-source income. That includes pay for performances, endorsements, merchandise sales and other income closely related to the event.

Apart from filing U.S. tax returns, foreign athletes and entertainers are subject to [special withholding rules](#). Some qualify for tax treaty benefits. Even so, disputes over allocations to a particular country are common. Mr. Romney could pay more if he took up sports.

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