

## GoFundMe Campaign Launched To Help Raise \$53 Million For Kanye West

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Kanye West did what Kanye West does best this week on Twitter: he had people talking about him.

This time, however, it wasn't about his music but about his money. In a series of bizarre tweets, West asked Facebook billionaire Mark Zuckerberg for "help."

The rapper and fashion designer claims to be \$53 million in debt, citing struggles to make his music and fund his clothing line as reasons for his money woes. Apparently, the \$500 haircuts and a \$3 million engagement ring had nothing to do with it.

Zuckerberg didn't reach out to West in response to his plea – at least not publicly.

(You can read Rob Wood's assessment of what would happen if Zuckerberg actually did decide to help out Kanye here.)

But West says that many others did, including "hedge fund guys billionaires etc."

And a guy named Jeremy Piatt. Piatt is the Co-founder and Creative Director at [Paul Bunyan Design](#) in Minneapolis, Minnesota. Paul Bunyan Design offers branding, logo and web design services, serving a number of clients – though West isn't one of them.

Following West's Twitter pleas, Piatt took to the web to launch his own campaign to help West. He started a GoFundMe account for West, [saying](#):

Kanye West, prolific entertainer/fashion icon/celebrity/member of the Kardashian family needs our help!

Recently, Kanye let us in on his personal struggle. He is 53 million dollars in debt and it doesn't look like he's going to get Mark Zuckerberg's help that he desperately needs. We must open our hearts and wallets for Kanye today. Sure he is personally rich and can buy furs and houses for his family, but without our help, the true genius of Kanye West can't be realized.

As Kanye West has told us time and time again he is the "greatest living artist and greatest artist of all time". Great artists need to be supported financially to achieve their full potential.

To quote Mr. West, “I am Warhol. I am the number one most impactful artist of our generation. I am Shakespeare in the flesh. Walt Disney. Nike. Google. Now who’s gonna be the Medici family and stand up and let me create more!”

WE MUST BE THE MEDICI FAMILY TO KANYE.

GoFundMe, let us unite!

Piatt’s GoFundMe goal? Just \$53 million. After a day on the site, Piatt had raised over \$2000 so far in pledges to help the rapper out.

Piatt, a West fan, hasn’t ever done anything like this before but, he says, “I wouldn’t say it’s a lark.”

While admitting that it’s “for fun, for sure,” Piatt says he doesn’t want a “single penny.” He says he’s working with GoFundMe to make sure that the money goes directly to West. GoFundMe is used to situations where campaigns are earmarked for beneficiaries, [noting on their site](#) that, “Through GoFundMe they [the beneficiaries] will be given direct access to the money you have raised for them.”

Why would that matter? For one, concerns about fraud. Pitt says that he received a few comments from folks who believed that he was trying to defraud consumers by using West’s name. By working directly with GoFundMe, Piatt never has access to the funds, keeping the site safe for donors.

Another reason? Taxes. If Piatt had raised money with the intent to turn it over to West – money that would have initially been payable directly to Piatt – that could have triggered some tax issues. Assuming there was no business purpose or other non-donative intent, which Piatt assured me was the case, there would be no federal income tax payable upon receipt of the donations. The donations would be considered gifts: there’s no consideration given in return, no services rendered, no products being touted (there are no premiums for donations – and it doesn’t fit the crowdfunding for [business model](#)). The Internal Revenue Service (IRS) defines a gift as “any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money’s worth) is not received in return” based on the provisions found in the Tax Code beginning at [section 2501](#). There aren’t any income tax consequences for the donee upon receipt of a gift but any income generated after the transfer would be taxable.

What about gift tax? Gifts are subject to the federal gift tax rules, which means that the gift giver (not the recipient of the gift) is responsible for the gift tax. You can give up to \$14,000 per person, per year, without being subject to federal gift tax (you can read more on the 2016 federal gift and estate tax limits [here](#)).

That's where chain of control matters. When it comes to gift tax, one of the most important elements is control: did you have control over the money before you gave it away? If I gave my daughter \$50,000, that's a single gift. If, however, I gave my daughter \$50,000 but told her that I really hoped she gave some to each of her siblings, that would result in three separate gifts – but not from me. There's one gift of \$50,000 from me to my daughter and then one gift from my daughter to each of her two siblings, making three gifts in total. Once the \$50,000 landed in my daughter's hands, it became her money. That level of control makes it likely taxable – and it's the reason why estate attorneys caution clients about leaving sums of money to one beneficiary with the “understanding” that the beneficiary will pass it along to others.

If the IRS felt that Piatt had exercised control over the money, it might have been subject to gift tax when he turned it over to West. The gift tax on \$53 million? A whopping \$19,020,000. Piatt could argue that he was simply a middleman – but why even have to make that argument? If, however, as is the case here, the money were paid directly over to West, there are no fraud or tax issues.

So what does Piatt hope to get out of this? He says that funding the arts is important, noting that “without the proper funding, ideas don't get done.” But, realistically, with the GoFundMe account standing at just \$25, the chances of funding West's next project seem pretty far-fetched.

As for West, even without Piatt's fundraiser, he'll likely land on his feet. Some have suggested that his cries for help may actually be designed for publicity. It's worth noting that yesterday – the day West asked for Zuckerberg's help – also marked the 58th Grammy Awards for which West received several [nods](#) but did not take home an award. West wasn't in attendance, after vowing via Twitter, “I'm not going to the Grammys unless they promise me Album of the Year.” He had hoped to win Album of the Year for his recently released (and highly acclaimed) album, *The Life of Pablo*, which did not garner an Album of the Year nomination.