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THE TAX LAWYER

TAXES | 9/25/2013

Bono Apes Mitt Romney On U2 Taxes

You have to hand it to Bono, the U2 frontman and megastar. He transcends the music world, geopolitics and downright coolness. He saves Africans, does rakish adverts for Louis Vuitton, and hobnobs with Presidents. And if anyone can look cool while being poked over vaguely awkward nits about his own clever tax play, it's Bono.

No matter how cool he is, after all, he's been criticized and even booed occasionally. Plus, he's previously had a comeuppance or two over taxes. Back in 2006, he was chided over asking Ireland for money while having a hand in thwarting Irish efforts to collect taxes on U2's music income. Some called it blatant hypocrisy rising to the magnitude of African dictator extremes.

But this time in a long Q&A interview with the UK's Observer, the singer-activist, er activist-singer, morphed from African adviser and fundraiser to policy spokesmodel for the Irish vision of tax policy. See [Bono defends U2's tax set-up](#).



U2 frontman Bono (Image credit: AFP/Getty Images via @daylife)

Winding up an answer to a question about his African activism, Mr. Bono said:

A: “The thing is, I am not an idealist, never have been, I am just quite pragmatic about finding solutions.”

And then the interviewer let him have it.

Q: “The other persistent criticism is about the band’s decision to offshore part of their income through the Netherlands to avoid tax. Was it not hypocrisy for you to try to hold the Irish government to account for its spending while going through fairly exhaustive efforts to avoid paying into the Irish exchequer yourself?”

Bono: “It is not an intellectually rigorous position unless you understand that at the heart of the Irish economy has always been the philosophy of tax competitiveness. Tax competitiveness has taken our country out of poverty. People in the revenue accept that if you engage in that policy then some people are going to go out, and some people are coming in. It has been a successful policy. On the cranky left that is very annoying, I can see that. But tax competitiveness is why Ireland has stayed afloat. When the Germans tried to impose a different tax regime on the country in exchange for a bailout, the taoiseach said they would rather not have the bailout. So U2 is in total harmony with our government’s philosophy.”

Mr. Bono should be in politics. Back in 2006, Bono was the frontman for criticism over U2 morphing into a quasi-Dutch band, for [tax purposes](#), of course. When taxes were too high in Ireland, the shrewd Dutch move for U2’s music publishing revenue sliced millions off their taxes. See [U2 move their assets out of Ireland](#).

My favorite comment at the time was from the band’s lead guitarist, David “the Edge” Evans: “Of course we’re trying to be tax-efficient. Who doesn’t want to be tax-efficient?” This maxim was summarized by the Observer’s Nick Cohen, noting that Evans “sounded as edgy as a plump accountant in the 19th hole.” See [Bono, tax avoider](#).

There are those who find this kind of thing less stirring in the U.S., not even worth mentioning. In America, clever tax plays from Robin Hoods dispensing broad social themes don’t even seem inconsistent. Or if they are perceived as

inconsistent, it's with a kind of understanding that everyone likes to save taxes.

Everyone does it. In fact, you're even some kind of a chump if you don't.

You can't be cool if you're a chump. Even not-so-cool Candidate Mitt Romney pitched the idea that he had to take advantage of the tax law or somehow he'd be violating the spirit (if not the letter) of the law. In America, after all, 8 out of 10 people believe you should do everything you can to pay the lowest tax rate possible, according to [new Washington Post-ABC News poll](#). In that sense, although it seems unlikely that Mr. Bono and Mr. Romney will do a TV spot or a Bill Clinton style Bubba-Bono public appearance for charity, it's possible.

With over 150 million record sales worldwide, U2 could practically print its own money. From 2009 to 2011, U2's 360 world tour was the highest-grossing of all time. Making Mitt Romney's private equity sandbox look provincial, the tour grabbed over \$700 million. In all, the Irish Examiner claims that U2 has accumulated a net worth of approximately 805 million euros — well over a billion dollars.

You can reach me at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.