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THE TAX LAWYER

TAXES 4/11/2016

Could Cameron, Bernie, Trump Be Undone By Taxes? We'll Always Have Panama

Releasing tax returns is a feature of every presidential election. The English are more private, yet as Prime Minister David Cameron recently learned, taxes are not to be trifled with any time of year, or in any country. His Panama connection and fumbled response may be too little too late. But handing over tax returns isn't easy for anyone. Some tax return summaries (think Rubio and Cruz) tell us little. And Mr. Trump has raised eyebrows as big as a comb-over with his 12 year IRS audit excuse for withholding his.

But those issues seem as small as a Central American country compared to those facing David Cameron. He remains on the hot seat over his family's Panama connection. After a bobbled week, Mr. Cameron is now opening his waistcoat amid revelations that [Cameron's mother gave the PM a £200,000 gift](#). Mr. Cameron has released [a summary of his 2009-15 tax returns](#) to defuse the issues. Such a disclosure is a first for a Prime Minister.



But he may have had little choice. After a week of dithering, he admitted he could have [better handled the row over his financial affairs](#). Mr. Cameron may

have benefited from the offshore dealings via his father. But now, with a new evangelism, Mr. Cameron announced a task force to investigate claims of tax-dodging stirred by the [Panama Papers](#). Americans may well expect less.

Down home Bernie Sanders has mostly been transparent, but he brushed off CNN saying, '[my wife does our tax returns](#).' He even noted dismissively that they've been busy. But some observers are not buying it, calling [Sanders's claim 'false' that he has released his full federal tax returns](#). In politics, taxes are for spectators, and summaries are easier to explain than the whole enchilada. Unlike Mr. Trump, who alludes to how vastly complex his huge and big dollar tax returns must be, Sen. Sanders says his are no surprise.

With his Senate salary, how exciting could they be, he asked? Meanwhile, Ted Cruz calls for the abolition of the IRS. One might think Donald Trump should agree given his claimed tax audit over an astounding 12 years. To show his *bona fides*, Mr. Trump published [a letter from his tax counsel](#) regarding the many-year affair. When Trump's critics questioned if one could have 12 years of audits, or 5 years under audit at once, Trump suggested he may have been targeted because of his faith.

All of this may seem a far cry from the Panama Papers, the biggest leak of financial data in history. Only Mr. Cameron seems directly linked to them, so far. Those in the limelight include twelve current or former world leaders, many celebrities, and wealthy persons who are using offshore tax havens to hide their wealth. In scope, this is bigger than Edward Snowden's leak, with [billionaires outed for stashing and hoarding offshore wealth](#).

But it is worth considering this age of global transparency and how it could impact everyone. From a law firm in Panama, the data came Jason Bourne-like to the world at a curious time. The talk now suggests that [the world's favorite tax haven is the United States](#). Perhaps it is like a bit like finding that the heaviest drinking occurs in a dry county. For America loves to hate tax havens. Just look at [FATCA](#), the Foreign Account Tax Compliance Act.

It spans the globe with a network of reporting that is unparalleled in the world. America is requiring foreign banks and governments to hand over secret bank data about depositors. Non-U.S. banks and financial institutions around the world must reveal American account details or risk big penalties. Perhaps a byproduct of FATCA—and of the U.S. quest for more tax revenue—is that the [IRS now has the power to revoke passports](#). The State Department will start blocking Americans with 'seriously delinquent' tax debts.

A new section 7345 was added to the tax code by [H.R.22](#), calling for “Revocation or Denial of Passport in Case of Certain Tax Delinquencies.” That means anyone the IRS certifies as having a seriously delinquent tax debt in an amount in excess of \$50,000. Still, we’ll always have Panama.

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