



Robert W. Wood

THE TAX LAWYER

Feb. 17 2012 — 11:30 pm

A Jeremy Lin Tax? Yup, and Better Than Buffett's

If 1967's [The Graduate](#) were made today, the whispered "Plastics" would probably be "Jeremy Lin." That's the take-away from Linsanity, which is at least more wholesome than [Keeping Up with the Kardashians](#). In tax rates [Kim Kardashian is more buff than Buffett](#), but can NY Knicks point guard and [Time Magazine cover](#) phenom Jeremy Lin fix our economy?

Perhaps. In "[Jeremy Lin: The \\$170 Million Man](#)," The Street posits young Mr. Lin as a one-man economic recovery. Cynics even suggest he's the reason President

Obama stopped for Chinese takeout in San Francisco February 16th. See [Obama Stops for Chinese Takeout](#). Yet however deep the [Linsanity](#), The Street's tally of ripples in the cash pool is impressive.

The Linspending frenzy benefits companies, tax rolls and the stock market. Lin's salary may only be \$800,000, but he's a \$170 million man.

Want Proof? Madison Square Garden ([MSG](#)) stock jumped 7% to close at \$31.87 February 16th, up from \$29.77 February 7th when Lin entered



Image via [miscellanynews.com](#)

the Knicks' starting lineup. That's \$170 million to the company's \$2.4 billion market cap. Add more advertising and higher rates, but like an infomercial, there's more. Linsanity triggers sales and income taxes on merchandise, tickets and more. See [Jeremy Lin Merchandise Booms](#).

So surely it's time to tax it like bottled water from the source. The Lin Tax could replace the Buffett tax, taxing smiles, baskets, and anything connected with Lin, which is a lot these days. It could trump the Buffett Rule's oxymoronic alternative minimum tax ([AMT](#)). Like putting toxics in the water supply, any AMT is hard to stop.

A good Buffett Rule exposé is Janet Novack's [Buffett Rule Proposal Is A Win For Tax Exempt Bonds? And Divorce](#). Sure, it seems like [Warren Buffett](#) and other billionaires should pay a higher rate than their secretaries. At the [State of the Union](#), Buffett's secretary [even sat in First Lady Michelle Obama's box](#). Still, the Buffett Rule is messy and complex. The "Paying a Fair Share Act of 2012" ([S.2059](#)) is one indication what to expect. Think AMT on steroids.

Is a Lin Tax Likely? Why not? Who thought of taxing Botox, tanning, music downloads and more. See [Taxing Gaga?](#) There are *always* new things to tax. There's a 10% [excise tax](#) on tanning and [there's No SPF](#). Some "[sin taxes](#)" raise revenue and decrease bad conduct like alcohol, cigarettes, soft drinks and candy.

Excise taxes on producers or sellers are usually passed on to buyers, so the Lin Tax shouldn't land on Mr. Lin. The Lin Excise Tax just has a nice ring. Even so, Jeremy Lin and his stimulus plan followers shouldn't worry about new taxes just yet.

But in our tax-and-spend economy, listen closely. Congress may just utter a *Graduate*-like key word soon.

For more, see:

[The Economy of Lin](#)

[Is MSG or SINA the Better Jeremy Lin Play?](#)

[Will Everyone Pay AMT Next Year?](#)

[Buffett's Tax Buffet Is No Smorgasbord](#)

[Would Mustache Tax Be Better Than 9-9-9?](#)

[IRS Tax Topics – Topic 556 Alternative Minimum Tax](#)

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached 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.*