Phil Mickelson Pushes Tax Comments Way To The Right . . . Here's His Earnings During The Bush Tax Cuts Era

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Michael Matthew Bloomer, January 25, 2013

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Bush Era Tax Cuts Big Bucks Champion Phil Mickelson[/caption]

On Wednesday. professional golfer Phil Mickelson, who is consistently among the top three highest earning male athletes in the United States, muffed a two-inch putt and caused a bit of a ruckus.[1. For Mickelson, it's not easy being rich, TIM DAHLBERG, Jan. 23, 2013] Phil's muffed putt wasn't on the perks of the green, but on the pains of taxation, taxes of all kinds: local, state, and federal, social security taxes, Medicare, property taxes, and presumably, sales taxes on golf balls, although he likely hasn't paid for a golf ball in a decade or two.Phil was miffed over the recent changes - upward changes - in his state (Calif.) and federal tax bills. He told a questioner at a post-round press conference:

> "I'm not sure what exactly, you know, I'm going to do yet," Mickelson said. "I'll probably talk about it more in depth next week. I'm not going to jump the gun, but there are going to be some. There are going to be some drastic changes for me because I happen to be in that zone that has been targeted both federally and by the state and, you know, it doesn't work for me right now. So I'm going to have to make some changes.
>
> If you add up all the federal and you look at the disability and the unemployment and the Social Security and the state, my tax rate's 62, 63 percent," Mickelson said. "So I've got to make some decisions on what I'm going to do."[2. *Phil Mickelson Taxes: Golfer Plans 'Drastic Changes' Over California, Federal Tax Increases*, JOHN NICHOLSON, Jan. 21, 2013]

This has fueled speculation that he may leave California for a low tax state, or even leave the country altogether, perhaps joining French tax refugee Gerard Depardieu on the Russian tour.

Phil's not a bad guy, but he's a spoiled guy, not unlike many professional athletes. For example, Tiger Woods happily admits that he left California for Florida in 1996 for tax reasons; Florida has *no* income tax at all. Most multimillionaire athletes, though, know enough to not reveal the truth about how they feel about taxes. Mickelson's p.r. firm must be in shock.

Someone, perhaps himself, got him to walk back his comments today:

> "It was insensitive to talk about it publicly," he said, "to those people who are not able to find a job, that are struggling paycheck-to-paycheck. I think it was insensitive to discuss it in that forum, so that's why I issued a statement, because I shouldn't have brought it up at all . . ."[3. Mickelson compares tax remarks to Winged Foot miss, only this time he went right, Cameron Morfit, *Golf.com*, Jan. 23, 2013]

Phil's done well on the PGA tour since his professional debut in 1992 at 21. *Very* well. He's the second highest earning male athlete of the past 15 years, trailing only Mr. Woods. His net worth is estimated in the 180 million dollar range.

And yes, he's paid taxes. As a percentage of his income? We don't know, and a request for his tax returns since 1992 *would* drive him out of the country.

Phil's comments belong in the Mitt Romney 47%er Division of awkwardly revealing truths about what many cento-millionaires believe. We suspect they are penny-pinching and selfish, and like Romney, when they slip up we're left shaking our heads, not at their revelation, but at how disciplined they are in hiding their feelings from the wider public. They resent paying approximately 3% to 4% more taxes than they did last year.That's three jellybeans out of their overflowing jar.

California's top tax rate is 9.3% but it now charges an additional 1% for taxable incomes over $1 million. As a result of the fiscal cliff deal the top federal tax rate goes up from 35% to 39.6%, capital gains rates will rise from 15% to 20%, and then there's the 3.8% Affordable Care Act surtax on investment income that will likely apply to Mickelson. Before you get out your crying towel, here's a conservative estimate of Phil's earnings during the years that Bush's tax cuts were in effect. I'll do the math for you: his pre-tax tournament winnings and his endorsement income are more than $400,000,000. That's *four.hundred*.million.dollars.

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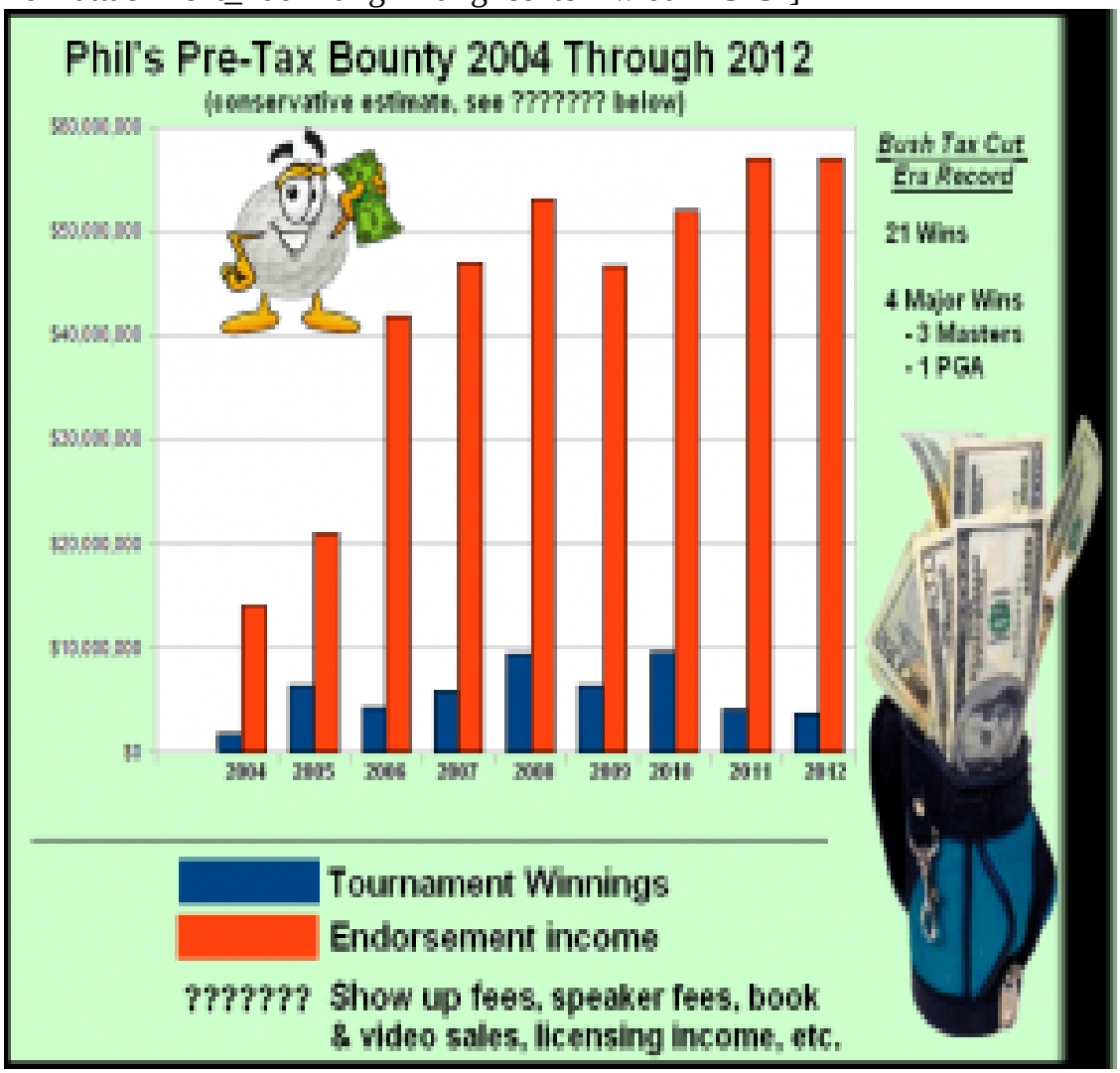

Phil Mickelson Bush era tax cut earnings (2004 thru 2012)[/caption]

And that amount applies only to the 2004 through 2012 Bush tax cut era. His total tournament and endorsement income for his career thus far (1992 to date) is more that $500,000,000. Finally note that his earnings are even higher than that if we include other income unrelated to endorsements or winnings. For example, marquee golfers like Mickelson may receive show up fees from tournament sponsors just to entice them to play in tournaments or locales they wound not otherwise consider. These fees can top $2,000,000 per tournament for golfers like Woods and Mickelson. So next time you notice Phil playing in the Borneo Rainforest Open you'll have a clue why . . .

For more info to help you get your head around Phil's wealth here's how his pre-tax earnings for 2004 through 2012 compare with the earnings for a family making $400,000 per year over the same period[1. I chose $400,000 because it's the income floor for the 2013 federal income tax rate increases.]

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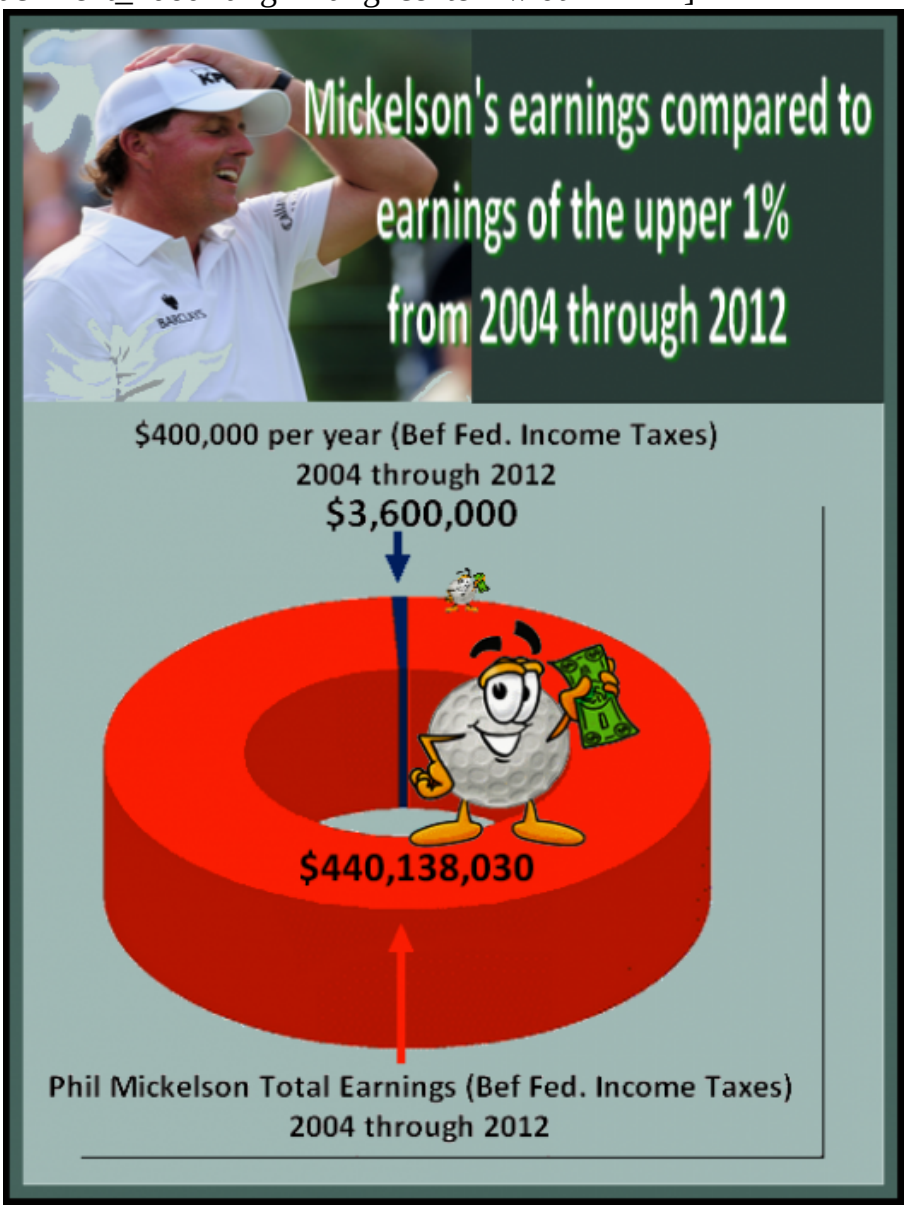

Golfer Phil Mickelson's earnings compared to earning of head of household making $400,000 per yr. 2004 thru 2012, pre-tax[/caption]

And remember, despite having to pay a variety of taxes since he began playing professionally, Mickelson has amassed an estimated net worth of $180,000,000, at 42 years young. Also note, his Romney-level wealth has surely been "seasoned" by exceptional tax attorneys, so who knows what his true net worth is? Or where his investments are stashed? Switzerland, Luxembourg, Caymans, sand traps, in tin cans buried in his back yard like Sam Snead used to do, &c., &c.?

If All Else Fails There's Always Mother Russia

Yes, Phil politely walked back his comments, but next time he considers how poorly he's treated by his state and local, and federal taxes perhaps he ought to follow the barrel chested former French citizen to Russia where *he* landed after leaving his country this month over a millionaire's surtax. They could team up to bring some pizzazz to Russia's only professional golf tournament, the Russian Open.[4. ????????? ????? ????????????? ?????????? ?????? ?????? *(accessed Jan. 25,* 2013)] Or create their own Russian PGA. Imagine. The 2013 Kremlin Backyard Mickelson Depardieu Open!

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