

TECH » NEWS

Elon Musk Paid \$0 in Federal Income Tax in 2018: Report

You might not be as rich as Elon Musk or Jeff Bezos, but you probably paid more in taxes than they did.



Matt Novak
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147

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File photo of Elon Musk at a meeting with former President Donald Trump in the Roosevelt Room at the White House in Washington, D.C. on January 23, 2017.

Photo: Nicholas Kamm/AFP (Getty Images)

Elon Musk, the second richest person in the world, paid precisely \$0 in federal income tax in 2018, according to an explosive new report from [ProPublica](#). And Musk isn't the only one.

ProPublica received highly secretive tax data on everyone from Amazon founder Jeff Bezos to mega-investor Warren Buffett by a method the investigative news outlet hasn't disclosed. And ProPublica promises it will spend the next month exploring the intimate tax avoidance schemes of America's wealthiest people.

ProPublica has already given us a taste of the outlandish tax filings with today's report. Take Jeff Bezos, for example. The Amazon CEO reported \$46 million in income for 2007 but didn't pay anything in federal taxes during that year. How? According to ProPublica, Bezos "offset every penny he earned with losses from side investments and various deductions, like interest expenses on debts and the vague catchall category of 'other expenses.'"

Did you earn money in 2007? If you did, you almost certainly paid more in federal income taxes than the wealthiest man on the planet. And it gets even worse.

From [ProPublica](#):

His tax avoidance is even more striking if you examine 2006 to 2018, a period for which ProPublica has complete data. Bezos' wealth increased by \$127 billion, according to Forbes, but he reported a total of \$6.5 billion in income. The \$1.4 billion he paid in personal federal taxes is a massive number — yet it amounts to a 1.1% true tax rate on the rise in his fortune.

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Or how about Elon Musk? The picture is similarly depressing.

With the exception of one year when he exercised more than a billion dollars in stock options, Musk's tax bills in no way reflect the fortune he has at his disposal. In 2015, he paid \$68,000 in federal income tax. In 2017, it was \$65,000, and in 2018 he paid no federal income tax. Between 2014 and 2018, he had a true tax rate of 3.27%.

Musk is also a beneficiary of enormous government contracts for his company SpaceX, something that makes his tax avoidance really feel like double dipping into the public coffers.

You can read the entire ProPublica report on its website, where you can learn about why some top executives take infamously low salaries. Facebook CEO Mark Zuckerberg, for example, takes just \$1 each year. Why? Wages are taxed at a high rate, while the sale of stocks and bonds are taxed much lower.

There's an important discussion to be had about raising the marginal tax rate on the wealthiest Americans. But there needs to be a serious national conversation about how to make sure people like Elon Musk and Jeff Bezos and Warren Buffett actually pay their fair share.

Does the solution lie in a wealth tax like Senator Elizabeth Warren has proposed? That might help. But whatever gets passed needs to be a major overhaul that doesn't allow the wealthiest to get away with paying nothing in federal taxes. It's obviously a crime that billionaires even exist in a civilized society since there simply aren't enough hours in a day to justify the accumulation of so much wealth.

If billionaires are allowed to exist they can at least pay a tax rate comparable to the average American who can't get away with shady tax avoidance schemes. It's

literally the least we can do.

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Matt Novak is a senior writer at Gizmodo and founder of Paleofuture.com. He's writing a book about the movies U.S. presidents watched at the White House, Camp David, and on Air Force One.

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Today 7:30AM

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