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# Obamas Paid IRS 20.4% on 2013 Gross Income of \$481,098: Taxes

By Richard Rubin April 12, 2014

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President Barack Obama and his wife, Michelle, reported adjusted gross income of \$481,098 for 2013, down 21 percent from last year, according to tax returns released yesterday by the White House.

The Obamas paid \$98,169 in federal taxes, including \$2,310 imposed by the 2010 Affordable Care Act that he signed. That's an effective income tax rate of 20.4 percent.

"In 2013, as a result of his policies, the president was subject to limitations in tax preferences, as well as additional Medicare and investment income taxes, for high-income earners," Press Secretary Jay Carney said in a blog post on the White House website.

The Obamas aren't affected by the higher marginal tax rates that took effect in 2013, because their taxable income is less than \$450,000. He proposed a \$250,000 threshold for higher rates before compromising with Republicans.

They also aren't directly affected by the limits on itemized deductions and personal exemptions that took effect in 2013, because they pay the alternative minimum tax.

The Obamas donated \$59,251 to charity in 2013, down from \$150,034 the year before. As a percentage of adjusted gross income, their donations declined to 12.3 percent from 24.6 percent last year.

They gave \$4,000 to the American Red Cross, \$1,500 to the University of Hawaii Foundation and \$5,000 to Sidwell Friends School, which their daughters attend. Their largest donation of \$8,751 went to the Fisher House Foundation, which provides temporary housing for families near military and veterans' hospitals.

## 'Basic Return'

The Obamas' return is "pretty sterile," said Anthony Nitti, a partner at Withum, Smith + Brown PC in Aspen, Colorado.

"There's decent-sized dollar amounts, but it's a very, very basic return," he said.

The president, 52, made less in 2013 than he did in any year since 2004, when he gave a speech at the Democratic National Convention that made him a national figure.

Obama's income peaked in 2009, his first year as president, when he reported adjusted gross income of \$5.5 million. His \$1.8 million tax bill that year is more than three times his income this year.

“Apparently, the books are not selling like they once were,” said Dorothy Brown, a law professor at Emory University in Atlanta who has written about the Obamas’ tax returns.

Before 2004, even with high incomes, the Obamas were one financial emergency away from serious problems, Brown said.

## Liquid ‘Reserve’

Now, she said, “They have a reserve that’s liquid that they can draw on.”

Obama continues to be a “lousy money manager,” said Steven Bankler, an accountant in San Antonio, Texas. That’s because the president has invested in Treasuries that generate little return and is still paying his mortgage in Chicago.

“Had he not bought the Treasuries and paid off his mortgage he would have saved \$42,000, which is the same as making it,” Bankler said.

The White House also released the 2013 tax returns for Vice President Joe Biden, 71, and his wife, Jill.

The Bidens reported adjusted gross income of \$407,009, the most since at least 1997. The Bidens paid \$96,378 in taxes, including \$1,497 because of the Obamacare tax increases, for a rate of 23.7 percent.

The Bidens donated \$20,523 to charity, including \$15,300 to the USO and \$2,400 to the Catholic Diocese in Wilmington, Delaware.

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