

The Mettle for the Metal in the Medal

By Reg P. Wydeven
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My senior year of high school, we went to the State Basketball Tournament in Madison. We earned our trip after winning the Sectional Final game in the Brown County Arena. For winning the Sectional, we earned gold medals.

My mom sewed my medal on my letter jacket, and I remember being so proud to wear it. I'll never forget, however, walking down the hall in school thinking I was being followed by a cowboy wearing spurs. When I turned around, the cowboy was actually my friend Chad, and instead of spurs, the jingle-jangle-jingling were the dozens of medals on his letter jacket banging together.

Chad was a phenomenal track star, particularly in the hurdles. He earned tons of medals for his success in meets. He had so many, in fact, we worried about his posture because the left side of his jacket was weighed down so much from his awards.

Considering how proud I was to wear my Sectionals medal, I couldn't imagine how proud Olympic athletes would be to have a medal placed around their necks. That is, until it comes time to pay taxes.

The United States Olympic Committee, a non-profit organization based in Colorado Springs, created a program called Operation Gold, which pays athletes \$25,000 for winning gold medals, \$15,000 for winning silver and \$10,000 for bronze.

According to the Americans for Tax Reform, the U.S. is one of only a few countries that taxes citizens on income earned overseas. Accordingly, athletes who earn medals in the London games will have to pay taxes on both their prize money and the raw value of the actual medals. This year's medals are the biggest ever in both size and weight, being more than twice as big as those awarded in Beijing in 2008.

Only a little more than 1% of gold medals are actual gold; the rest of the medal is 92.5% silver and 6.16% copper, and are worth about \$644. The silver medal is the same as gold except for swapping out the 1% gold for more copper, making it worth about \$330. The bronze medal consists of 97% copper, 2.5% zinc and 0.5% tin, meaning it is only worth about \$4.70.

For big-time athletes like Michael Phelps, LeBron James or Serena Williams, their winnings could be taxed in the 35% bracket, as their annual income from earnings and endorsements exceeds \$380,000. Therefore, gold medalists would pay almost \$9,000 in taxes, silver medalists would pay \$5,385, while bronze winners would pay about \$350.

The average Olympic athlete, however, would be in a lower tax bracket and would also be able to reduce their tax liability by deducting any unreimbursed business expenses, such as travel costs, equipment, etc., from their winnings.

But just to be safe, last week Florida Senator Marco Rubio introduced the Olympic Tax Elimination Act, which would make Olympians' prize money and actual medals exempt from income taxes. Rubio, backed by the Tea Party, released a statement saying the current system for reporting winnings is a "complicated and burdensome mess...that too often punishes success."

Rubio went on to say that, "Athletes representing our nation overseas in the Olympics shouldn't have to worry about an extra tax bill waiting for them back at home."

Apparently Rubio believes that training for four years for a small chance to win a medal is taxing enough.

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