

THE PROBLEM ISN'T SO MUCH THAT SHE'S A TAX CHEAT...

The problem is that Sarah Palin improperly billed the state of Alaska so she could cart her children around to events.

Both the NYT and the WSJ confirm what tax bloggers have already concluded. The Palins did not declare the \$43,490 the state reimbursed them for travel costs for Todd and the kids to accompany Sarah on official trips. And they should have—certainly for the funds reimbursing travel for the kids. Here's the WSJ:

While several tax experts have raised serious questions about whether the payments to Gov. Palin are taxable income, they said the case was clearer cut for treating the reimbursements for the children's expenses as taxable income. "The kids are a slam dunk problem," said Robert Spierer, a partner with the accounting firm Perelson Weiner LLP in New York City. "The husband you could make an argument that he had to be there because it was required for spouses to be there."

But not the children, he said. "I don't think I would ever claim that on my clients' returns. I can't think of a real strong argument for it."

[snip]

Bryan Camp, a tax professor at Texas Tech University School of Law and a former Internal Revenue Service lawyer in Washington, said the IRS would ask several questions to determine whether the travel reimbursements were reported properly.

Those questions include whether Mr.

Palin and the children were employees of the state of Alaska, whether they traveling for bona fide business purposes, and whether they would have been able to deduct those travel expenses on their own tax returns for business purposes.

Because the answer to at least one and possibly more of those questions is no, "The Palins should have reported the \$43,000 in family travel allowances received in 2007 as income," Mr. Camp wrote in an analysis.

See, the Palins almost certainly owe taxes on these funds (the NYT says they owe \$6000). Assuming they pay their back taxes, they can just say, "aw shucks, we didn' know." They do that, and we'll stop calling them tax cheats.

(Though, given that the Palins filed their taxes on September 3 this year, **after** Sarah was already the GOP VP nominee, I think it fair to ask how the Palins managed to make this mistake while under the watchful eye of all those GOP handlers.)

So, fine, the Palins pay their back taxes and I'll stop calling them tax cheats.

But that doesn't address the underlying scam here: Sarah Palin is carting her kids (and her husband) around to official events. The state of Alaska clearly doesn't see them as part of that official business—if it did, it would have documented it properly and the Palins probably would have paid their taxes. Yet Sarah is still scamming the state for reimbursement.

That's the story here, it seems: that Sarah has scammed Alaskans into paying for Bristol's \$6000 boondoggle to Manhattan.