



# The ‘Sheldon Adelson Primary’

By Ryan Erickson, Lauren Harmon, and Tiffany Germain      April 23, 2015

On April 25, the Republican Jewish Coalition will hold its spring meeting in Las Vegas. Media outlets have already dubbed this year’s event the “Sheldon Adelson Primary” because of the billionaire businessman’s participation in the meeting and his close association with the coalition, a noted political advocacy group representing Jewish Republicans.<sup>1</sup> The coalition meeting is a chance for 2016 Republican presidential hopefuls to parade before the Las Vegas magnate, who spent “more money than anyone else in American history” funding super PACs and dark-money, outside-spending groups in 2012.<sup>2</sup> 2016 presidential candidate Sen. Ted Cruz (R-TX) and potential contender former Gov. Rick Perry (R-TX) are speaking at the event;<sup>3</sup> other potential Republican contenders, including Gov. Scott Walker (R-WI)<sup>4</sup> and former Gov. Jeb Bush (R-FL),<sup>5</sup> are not participating in this year’s meeting but met with Adelson last year.

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## Sheldon Adelson’s attempts to buy the White House

Along with his wife Miriam, Adelson spent at least \$98 million in the 2012 election cycle—and that’s just the spending we know about.<sup>6</sup> Adelson also reportedly made contributions in the range of \$15 million to \$40 million to at least two outside groups that are not required to disclose donors.<sup>7</sup> Adelson’s money flowed to approximately 34 candidates and organizations,<sup>8</sup> including \$30 million to Restore Our Future, a super PAC that backed Mitt Romney; \$23 million to American Crossroads,<sup>9</sup> a super PAC led by Karl Rove; and major contributions to the conservative Congressional Leadership Fund and the YG Action Fund.<sup>10</sup> However, Winning Our Future—a super PAC dedicated to supporting former Speaker of the House Newt Gingrich (R-GA) in the presidential primary—was perhaps the biggest winner of Adelson’s cash in 2012: Adelson “almost single-handedly bankrolled” the group even as Gingrich’s campaign foundered.<sup>11</sup>

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## Conservative policies for America’s political money king

In hopes of winning the “Sheldon Adelson Primary,” GOP candidates and hopefuls are reaching out to the mogul in Las Vegas to showcase their conservative ideas. Here is a look at the records of four GOP hopefuls with their sights on the 2016 election and what we can expect them to say.

*Former Gov. Jeb Bush (R-FL)*

- **Opposes increasing the federal minimum wage,**<sup>12</sup> even though more than 1 million Florida workers would benefit from an increase.<sup>13</sup>
- **Called himself “probably the most pro-life governor in modern times”**<sup>14</sup> and used his executive authority to intervene in abortion cases, shocking some state officials.<sup>15</sup>
- **Signed Florida’s first-in-the-country “stand-your-ground” law,** which significantly expanded civilian use of deadly force and became infamous after the February 2012 killing of Trayvon Martin.<sup>16</sup>

*Sen. Ted Cruz (R-TX)*

- **Led the federal government shutdown in October 2013,**<sup>17</sup> which cost the economy an estimated \$24 billion.<sup>18</sup>
- **Wants to “repeal every word of Common Core”**<sup>19</sup>—a set of state-level education standards—even though Common Core is not a federal law and cannot be repealed by the federal government.<sup>20</sup>
- **Denies climate change** and compared himself to Galileo by going against the 97 percent of scientist who agree on climate change.<sup>21</sup>

*Former Gov. Rick Perry (R-TX)*

- **Refused to close the Medicaid coverage gap,**<sup>22</sup> blocking more than 1.2 million Texans from receiving health care.<sup>23</sup>
- **Claimed that Social Security is a “Ponzi scheme.”**<sup>24</sup>
- **Questioned the constitutionality of the federal minimum wage.**<sup>25</sup>

*Gov. Scott Walker (R-WI)*

- **Compared his efforts to gut workers benefits and roll back collective bargaining** for public employees in the state of Wisconsin to U.S. efforts to fight the Islamic State of Iraq and al-sham, or ISIS.<sup>26</sup>
- **Made it harder for victims of wage inequality to sue employers,**<sup>27</sup> even though women in Wisconsin make 79 cents for every dollar that men make.<sup>28</sup>
- **Shut voters out of the ballot box** by shortening the early voting period and eliminating weekend voting.<sup>29</sup>

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## Adelson's candidates: Good for the wealthy few, bad for everyone else

The policies that the 2016 GOP candidates and potential candidates are peddling to Adelson will have real consequences for Nevadans and for all Americans. In the areas of health care, tax policy, and wage fairness, each of the GOP hopefuls would move the country backward while giving tax breaks to the wealthy few.

On taxes especially, Adelson stands to gain significantly from many of the 2016 hopefuls' stated policies. Accounting only for dividends paid to Adelson and his wife for stock they own in Adelson's company—Las Vegas Sands Corp.—and his income as CEO and Chairman of Las Vegas Sands, Adelson owed an estimated \$144.1 million in taxes in 2013.<sup>30</sup>

Here is what Adelson and his family would get from the potential GOP candidates if their policies and proposals became federal law

- **Gov. Jeb Bush would give Adelson an estimated \$139.7 million tax break.** During Bush's tenure as governor of Florida, he eliminated a tax on people who have investments worth more than \$250,000,<sup>31</sup> which was "the only progressive tax the state had."<sup>32</sup> Bush has also expressed support for eliminating the federal capital gains tax,<sup>33</sup> which would amount to a colossal tax break for the rich.<sup>34</sup> Eliminating the capital gains tax would have given Adelson and his wife an estimated \$139.7 million tax cut in 2013 on dividends from their shares in Adelson's company alone.<sup>35</sup>
- **Sen. Ted Cruz would completely eliminate Adelson's estimated tax bill of \$144.1 million.** Sen. Cruz co-sponsored a 2013 tax proposal that would replace all income, payroll, and employment taxes with a 23 percent nationwide sales tax.<sup>36</sup> If signed into law, the Cruz-backed proposal would eliminate Adelson's personal income taxes and the Adelson family's capital gains taxes, which amounted to an estimated \$144.1 million in 2013.<sup>37</sup> The legislation Cruz supported would hit low-income Americans the hardest because they spend, rather than save, larger shares of their incomes.<sup>38</sup>
- **Gov. Rick Perry would give Adelson an estimated \$141.9 million tax cut.** Gov. Perry's 2012 tax plan would overhaul the tax system, benefitting the wealthy few at the expense of everyone else. According to the Tax Policy Center, Perry's plan would provide the wealthy with the option of paying a flat tax of 20 percent instead of the top marginal tax rate of 39.6 percent.<sup>39</sup> It would also completely eliminate any taxes on capital gains and qualified dividends.<sup>40</sup> Combined, these two proposals alone would give Adelson and his family an estimated tax break of \$141.9 million, based on Adelson's reported income for 2013.<sup>41</sup>

- **Gov. Scott Walker would shift the tax burden to working families to save Adelson incalculable millions.** Gov. Walker has suggested eliminating Wisconsin's state income tax and raising the sales tax to make up the difference, which would shift tax liability from the rich to working families.<sup>42</sup> A study by the Wisconsin Budget Project found that eliminating the Wisconsin state income tax would mean “a taxpayer in the lowest 20% of the income scale would pay nearly \$750 more in taxes, on average... [while] [t]he top-earning 1% would have received an average tax cut of nearly \$44,000 if this tax shift had been implemented in 2013.”<sup>43</sup> This type of approach would shift the tax burden away from the wealthy few such as Adelson and onto working families.

Here is what Nevadans would get from the potential GOP candidates if their policies and proposals became federal law

- **Loss of affordable health care coverage:** Bush, Cruz, Perry, and Walker all oppose the Affordable Care Act, or ACA.<sup>44</sup> However, the ACA has benefitted Nevada more than almost any other state. The implementation of the law in Nevada cut the state's uninsured rate in half, while the ACA's Medicaid expansion put health care within reach for 208,000 low-income Nevadans.<sup>45</sup>
- **A tax hike:** While the wealthy few such as Adelson would get a tax break, Bush, Cruz, and Perry's expensive tax cuts would either add to the deficit or have to be paid for by hiking taxes on or cutting support for working- and middle-class families. Analysis shows that Cruz' tax proposal would increase taxes for anyone making between \$15,000 and \$200,000 a year.<sup>46</sup> Under Perry's plan, the bottom 20 percent of income earners would see an average tax increase of about \$160 each year.<sup>47</sup>

When they speak to Adelson, the GOP's presidential hopefuls may frame their pitches to the mogul by pledging to grow our economy and attack inequality. But their records reveal their support for policies that will give the wealthy few still more ways to avoid paying their fair share while dismantling supports for middle- and working-class families. These candidates' and potential candidates' policies are a bad deal for Nevada and for America.

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## Endnotes

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- completely zeroed out without a capital gains tax. The Adelsons' capital gains income is estimated using these dividends alone and not any capital gains from other sources—including two trusts bearing Adelson's name that together may have owned as much as 21.6 percent of Las Vegas Sands in 2013—or any other assets the Adelsons own. To calculate Adelson's 2013 income, this analysis uses a reasonable assumption of what Adelson would have been expected to pay in income tax in 2013 based on his "ordinary income" compensation as an executive of Las Vegas Sands Corp. A super wealthy individual such as Adelson undoubtedly has vast sources of income, such as interest income, which fall outside the "ordinary income" category, but only his executive compensation is made public. In 2013, Sands paid Adelson just more than \$14 million for his work as an executive, including salary, bonus, and other compensation; based on what can be inferred from the 2013 breakdown of Adelson's compensation, \$11,186,185 of this income would be taxable in 2013, meaning his tax bill for this income is estimated at \$4,403,552, assuming that Adelson is married and filing separately. For more information, see Securities and Exchange Commission, "SEC Form DEF 14A: Las Vegas Sands Corp.: Executive Compensation and other information" (2014), p. 31, available at <http://www.sec.gov/Archives/edgar/data/1300514/000119312514160074/d707917ddef14a.htm>. Based on just these sources, Adelson's assumed 2013 tax bill was \$144,091,074. This analysis excludes deductions and loopholes that Adelson may have used and which are impossible to determine through public information.
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