

# Analytics of Tax: Success in Professional Sports

February 28, 2014

# List of Bankruptcy filing by Professional Athletes

- [Allen Iverson](#)
- [Antoine Walker](#)
- [Arantxa Sanchez-Vicario](#)
- [Bjorn Borg](#)
- [Bobby Orr](#)
- [Darren McCarty](#)
- [Dennis Rodman](#)
- [Denny McLain](#)
- [Deuce McAllister](#)
- [Dick Lane](#)
- [Evander Holyfield](#)
- [John Daly](#)
- [Kenny Anderson](#)
- [Latrell Sprewell](#)
- [Lawrence Taylor](#)
- [Lenny Dykstra](#)
- [Leon Spinks](#)

# Athletes Musicians, and Entertainments

- How much do they really make?

		California <u>NBA #1</u>	California <u>Actor</u>	California <u>Musician</u>
Earnings		\$ 4,592,000.00	\$ 4,592,000.00	\$ 4,592,000.00
Federal Tax		(\$1,435,168.47)	(1,430,020.00)	(1,053,139.35)
State		(446,242.01)	(444,643.01)	(327,581.45)
Socail security		(7,049.40)	(7,049.40)	(14,098.80)
Medicare		<u>(106,112.00)</u>	<u>(106,112.00)</u>	<u>(120,332.00)</u>
		\$ 2,597,428.12	\$ 2,604,175.59	\$ 3,076,848.40
Agent	0.04	\$ 183,680.00	\$ 459,200.00	\$ 459,200.00
Business Mgmt	0.05	\$ 229,600.00	\$ 229,600.00	\$ 229,600.00
Manager		\$ -	\$ 688,800.00	\$ 688,800.00
		<u>\$ 413,280.00</u>	<u>\$ 1,377,600.00</u>	<u>\$ 1,377,600.00</u>
Net Cash		\$ 2,184,148.12	\$ 1,226,575.59	\$ 1,699,248.40
Free Spending		48%	27%	37%

1	<b>BASKETBALL PLAYER'S CONTRACT ANALYSIS</b>						
2	<b>TEXAS (A TAX FREE STATE ) VS. CALIFORNIA</b>						
3	<b>CASH FLOW ANALYSIS</b>						
4							
5	<b>TEXAS AT \$11.5M</b>						
6		2013-14	2014-15	2015-16	2016-2017	2017-2018	TOTAL
7	Wages	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	57,500,000
8	Less: Tax Liability	(5,008,412)	(5,008,412)	(5,008,412)	(5,008,412)	(5,008,412)	(25,042,060)
9	<b>Total Cash Flow</b>	<b>6,491,588</b>	<b>6,491,588</b>	<b>6,491,588</b>	<b>6,491,588</b>	<b>6,491,588</b>	<b>32,457,940</b>
10							
20							
21	<b>CALIFORNIA AT \$11.5M</b>						
22	Wages	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	57,500,000
23	Less: Tax Liability	(5,656,656)	(5,656,656)	(5,656,656)	(5,656,656)	(5,656,656)	(28,283,280)
24	<b>Total Cash Flow</b>	<b>5,843,344</b>	<b>5,843,344</b>	<b>5,843,344</b>	<b>5,843,344</b>	<b>5,843,344</b>	<b>29,216,720</b>
25							
26	<b>Excess Cash Flow (Texas)</b>	<b>648,244</b>	<b>648,244</b>	<b>648,244</b>	<b>648,244</b>	<b>648,244</b>	<b>3,241,220</b>
28							
29	Assuming a contract of \$11.5M for both Texas and California, the excess net cash flow from playing in Texas is \$648,244 or						
30	5.64% annually.						
31							
32							