

John Paulson May Move To Puerto Rico To Avoid A Gigantic Tax Bill



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Heidi Gutman/CNBC

Another refugee looking to escape U.S. taxes?

According to Bloomberg's Stephanie Ruhle, Katherine Burton, and Zachary Mider, hedge fund manager John Paulson is considering leaving New York to go to Puerto Rico, where a tax loophole would let him reduce taxes on the \$9.5 billion he has in his own hedge fund.

Ten wealthy Americans have already taken advantage of the year-old Puerto Rican law that lets new residents pay no local or U.S. federal taxes on capital gains, according to Alberto Baco Bague, Secretary of Economic Development and Commerce of Puerto Rico. The marginal tax rate for affluent New Yorkers can exceed 50 percent.

Paulson, 57, recently looked at real estate in the exclusive Condado neighborhood of San Juan, where an 8,379- square-foot penthouse, complete with six underground parking spaces, lists for \$5 million. The area is home to St. John's School, a private English-language academy where he and his wife could send their two children, said the people, who asked not to be named because the discussions were private.

Paulson, of course, made a huge fortune during the financial crisis, betting on a housing collapse.

Since then his fortunes have turned, having had several bad years in a row.

Last year he announced a huge gift, offering \$100 million to Central Park.

Read more: <http://www.businessinsider.com/report-john-paulson-may-move-to-puerto-rico-to-avoid-a-big-tax-bill-2013-3#ixzz2vbACwVX9>