

U.S. tax structure could send major boxing bouts out of Nevada

By Steve Carp, Las Vegas Review-Journal

Bob Arum is known for making bombastic statements, and occasionally they even come true. The 81-year-old Top Rank founder and boxing Hall of Famer has made a career of getting people on edge.

So it probably rattled boxing's major players in Nevada last week when Arum said an anticipated fifth fight between Manny Pacquiao and Juan Manuel Marquez in September would not be in Las Vegas – or elsewhere in the United States.

Why not? Because of the increase in federal income tax rates for individuals making more than \$400,000 a year.

“Close to 40 percent goes to the (federal) government. Enough is enough,” Arum said in New York, where he was promoting a Top Rank triple-header Saturday at Madison Square Garden.

The 2013 rise of the top federal income tax rate to 39.6 percent has prompted Pacquiao and Marquez to have Arum seek out venues elsewhere in the world, the promoter said.

“They came to me about it,” Arum said. “As an American, I have to pay taxes regardless. They don't.”

Arum is looking at Mexico City, where Marquez lives and which has a new arena, as a possible location. Macau and Singapore also are being considered.

“Manny has told me he'd be willing to fight Marquez in Mexico City,” Arum said. “They have a beautiful arena, and Manny wouldn't have to worry about taxes the way he would in the

U.S.”

Pacquiao made about \$26 million for the fighters’ fourth clash Dec. 8 at the MGM Grand Garden, and Marquez made about \$10 million. Both were taxed at 35 percent, and spared an even larger bill because Nevada has no state income tax.

Arum expressed concern that other foreign fighters will follow Pacquiao and Marquez in deciding not to fight in the U.S.

“I think Las Vegas should be concerned,” Arum said. “If I was a fighter from out of the country, why would I come fight in Vegas knowing 40 percent of what I make is going to the U.S. government?”

Keith Kizer, executive director of the Nevada Athletic Commission, said he isn’t worried about federal tax rates hurting boxing in the state.

“No, it’s not on my radar,” Kizer said. “If people want to fight in Las Vegas, Reno or Lake Tahoe, we will welcome them; if they want to fight elsewhere, more power to them. Most people wish they had those kind of problems.”