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Here's the Tax Beat broadcast for January 28

Subject Line: Super Bowl Sunday, Sponsored by State Revenue Departments

Every Super Bowl Sunday, America gathers around the TV, passes around the guacamole and wings, and watches a graphic flash on the screen showing the quarterbacks' salaries. Seahawks passer Sam Darnold's base salary and bonuses put him at $27 million this year. New England's Drake Maye is a rookie, so he's "only "pulling in about $4.1 million. One of those two will take home a $178,000 bonus, too. Must be nice.

It is nice. But maybe not quite as nice as people think.

Quarterback salaries aren't magic money. They aren't capital gains. They aren't carried interest. They aren't tucked into some Swiss vault guarded by accountants named Horst. They're wages. Plain vanilla W-2 wages. The same category Joe Sixpack's paycheck lives in, just with more zeros and a better 40-yard dash.

That means ordinary income tax rates apply. It's a quick sprint to the top 37% bracket. And because it's earned income, it's also subject to employment taxes. Yes, even for someone who can throw a football 70 yards while being chased by three defensive linemen built like refrigerators. At those income levels, the Social Security portion phases out quickly. But the 2.9% Medicare tax just keeps showing up like a late hit. And don't forget the 0.9% additional Medicare surtax! Those percentages may sound small – but for Darnold alone, it adds up to over a million dollars.

Then we get to state and local taxes. This is where things start to feel less like a game and more like a geography quiz. Two quarterbacks can sign identical contracts and end up with dramatically different take-home pay, solely based on where their teams are located. Darnold keeps more of every dollar in tax-free Washington State than Maye does in "Taxachusetts." Same passes. Same hits. Very different tax bills.

But wait, there's more! Football players don't just pay tax where they live or where their team is based. Enter the jock tax, one of the most creatively annoying ideas in the history of state revenue collection. In simple terms, states and cities tax visiting athletes for the portion of their income earned while playing games in their territory. If a quarterback plays one game in a high-tax state, that state wants a slice. If he plays several, it wants seconds.

The math behind jock taxes is about as fun as balancing a checkbook. (Who does *that* anymore?) Days worked. Games played. Allocation formulas that make tax pros sigh deeply into their coffee. Every trip creates a new filing obligation. Congratulations on the win. Please file a nonresident return.

By the time the season ends, an NFL quarterback may owe tax returns to a dozen different jurisdictions, each one demanding its own pound of flesh. The contract number on TV still looks impressive, but the actual cash left after federal tax, state tax, local tax, employment tax, and jock tax tells a very different story.

So the next time you see those salary graphics and feel the urge to mutter something about overpaid athletes, remember this. A big chunk of that money never makes it to the quarterback's bank account. It goes straight to the IRS and a rotating cast of state revenue departments, all of them perfectly happy to celebrate Super Bowl Sunday with a direct deposit.

If you're a high earner, even without a Lombardi Trophy in your future, the same lesson applies. Where you live, where you work, and how your income is classified can matter just as much as how much you make. Before you sign your next big contract, or even just renew the one you already have, call us. We promise we won't throw a flag every time you try to keep more of what you earn!

Kevin