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Here's the Tax Beat broadcast for June 24

Subject Line: The Tax-Free Trillionaire

On June 12, a bell rang on the Nasdaq, SpaceX shares started trading, and Elon Musk quietly became the first human being in recorded history worth a trillion dollars. Not a billion. A trillion — with a "T" that stands for "Try comprehending this." Depending on whose tracker you trust, he's somewhere between \$1.1 and \$1.4 trillion, and the number keeps ticking up while you read this sentence. He pocketed roughly \$29,000 a second this year, which means he out-earned your entire 2026 salary in about the time it took you to say "Elon."

How big is a trillion? If you spent a million dollars a day, every day, you'd need about 2,700 years to run through it — you'd have started shopping back when Rome was still a village. On one good Monday this month, Musk's net worth jumped \$164 billion in a single trading day, which is more than the entire annual economic output of Kenya. Stack his fortune in hundred-dollar bills and the pile would pass the International Space Station twice over, then keep climbing.

Which brings us to the man he just dethroned. For a century, the gold standard for American wealth was John D. Rockefeller, the Standard Oil baron whose fortune peaked around \$900 million in 1913. That sounds quaint — until you measure it the honest way, against the size of the whole economy. Rockefeller's pile equaled roughly 2% of U.S. GDP (his biographer Ron Chernow pegs it at 2.5%). Musk's trillion-plus is about 3.5% of today's \$32 trillion economy. The richest American who ever lived, and Musk's slice of the national pie is bigger. So here's the trillion-dollar question: what does a man worth a trillion dollars pay in income tax?

Possibly less than you'd guess — and the reason is the most important rule in the tax code that isn't really written down anywhere. Musk's salary from Tesla is zero. He doesn't draw a paycheck, and he famously doesn't take dividends. His wealth is almost entirely "unrealized" — shares that have ballooned in value but that he simply hasn't sold. And under our system, you don't owe a dime of income tax on something that's gone up until you sell it and "realize" the gain. A stock that quintuples is a wonderful year. It is not, for tax purposes, income.

So how does a guy with no salary buy a superyacht or bankroll a rocket company? He borrows. The ultra-wealthy run a quiet three-step play that planners politely call "Buy, Borrow, Die." First you buy assets that appreciate without throwing off taxable income — growth stocks, real estate, closely held businesses, and permanent cash-value life insurance. Then, instead of selling and triggering tax, you borrow against them. A loan isn't income, so the cash comes to you tax-free, and the interest is a rounding error next to the gains. You live like a king on borrowed money while your assets keep compounding, untouched.

Then comes the elegant, slightly morbid finale. When you die, your heirs inherit those assets at their current market value — the "stepped-up basis" of Section 1014 — and the built-up gain vanishes for income-tax purposes, as if by magic. The outstanding loans get repaid from the estate. And that permanent life insurance? Its death benefit lands in your heirs' hands income-tax-free under Section 101 — often the perfect tool to pay off those loans and cover any estate tax without anyone being forced to sell the family business. Buy, borrow, die. You don't need a rocket company to run the same playbook, just the right assets and a plan.

You'll probably never be worth a trillion dollars — but you don't need a rocket company to borrow the trillionaire's playbook. Call us, and we'll help you pay taxes a little more like Elon: legally, cheerfully, and as close to his \$0 salary as the law will allow.

Kevin

