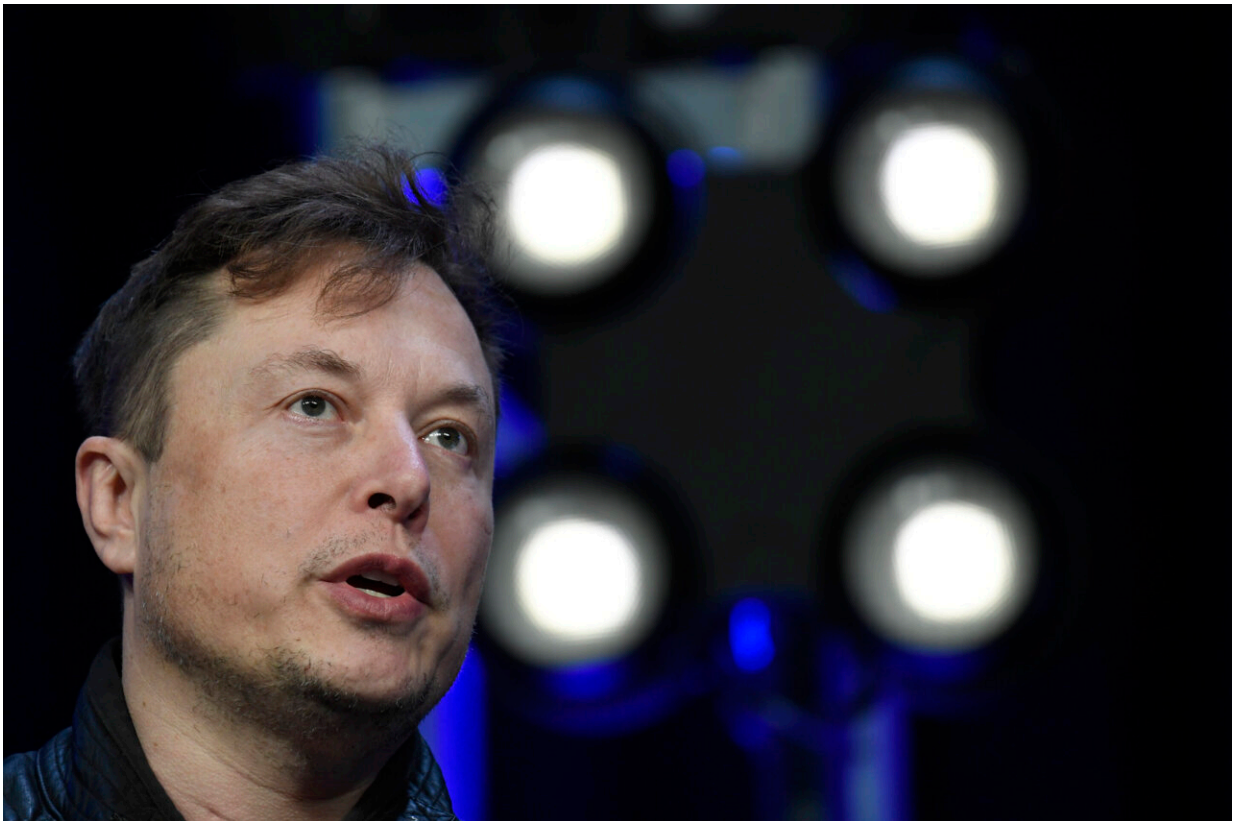


After Twitter poll, CEO Musk sells off \$5B in Tesla shares

November 11 2021, by Tom Krisher



Tesla and SpaceX Chief Executive Officer Elon Musk speaks at the SATELLITE Conference and Exhibition in Washington on March 9, 2020. After making a promise on Twitter, the Tesla CEO has sold about 900,000 shares of the electric car maker's stock, netting over \$1.1 billion that will go toward paying tax obligations for stock options. The sales, disclosed in two regulatory filings late Wednesday, Nov. 10, 2021, will cover tax obligations for stock options granted to Musk in September. Credit: AP Photo/Susan Walsh, File

After making a promise on Twitter, Tesla CEO Elon Musk has sold about 4.5 million shares of the electric car maker's stock, raising over \$5 billion.

The sales, disclosed in 10 regulatory filings late Wednesday, amount to about 3% of Musk's stake in the company.

About \$1.1 billion will go toward paying tax obligations for [stock options](#) granted to Musk in September.

Last weekend, Musk said he would sell 10% of his holdings in the company, worth more than \$20 billion, based on the results of a poll he conducted on Twitter. The sale tweets caused a sell off of the [stock](#) Monday and Tuesday, but it recovered some on Wednesday. The shares were up 2.6% to \$1,096 in extended trading Wednesday, and they have risen more than 50% this year.

The filings also disclosed that Musk exercised options to buy just over 2.1 million shares for \$6.24 each. The company's stock closed Wednesday at \$1,067.95 per [share](#).

The tax transactions were "automatically effected" as part of a trading plan adopted on Sept. 14 to sell options that expire next year, according to forms filed with the U.S. Securities and Exchange Commission. That was nearly two months before he floated the idea of the sale on Twitter.

After the transactions, Musk still owns about 167 million Tesla shares.

Musk was Tesla's largest shareholder as of June, owning about 17% of the company, according to data provider FactSet. He's the wealthiest person in the world, according to Forbes, with a [net worth](#) of around \$282 billion, most of it in Tesla stock.

Wedbush Analyst Daniel Ives calculated that Musk has about \$10 billion in taxes coming due on stock options that vest next summer.

The sometimes abrasive and unpredictable Musk said he proposed selling the stock as some Democrats have been pushing for billionaires to pay taxes when the price of the stocks they hold goes up, even if they don't sell any shares. However, the wording on unrealized gains, also called a "billionaires tax," was removed from President Joe Biden's budget, which is still being negotiated.

"Much is made lately of unrealized gains being a means of tax avoidance, so I propose selling 10% of my Tesla stock," he tweeted Saturday afternoon. "Do you support this?"

Tesla does not pay Musk a cash salary, but has received huge stock options. "I only have stock, thus the only way for me to pay taxes personally is to sell stock," Musk tweeted.

Tesla Inc. is based in Palo Alto, California, although Musk has announced [it will move its headquarters to Texas](#).

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