

[Dems push for tax hike on wealthy](#)

By Bernie Becker - 03/16/11 02:01 PM ET

A group of House Democrats is pressing for legislation that would raise taxes on those pulling in at least seven figures.

Rep. Jan Schakowsky (D-Ill.) and other liberal Democrats argued at a Wednesday news conference that their approach would be a more equitable way to reduce deficits than cutting spending in areas like Pell grants and community health centers.

“This is to inject a different perspective, a different take on the same issues,” Schakowsky said. “How are we going to handle our economy, but do it in a fair way?”

The Fairness in Taxation Act would install incrementally higher tax rates for income over \$1 million. Income between \$1 million and \$10 million would be taxed at 45 percent, and the highest rate, 49 percent, would hit income at \$1 billion and above. For those making more than \$1 million, the measure would also tax dividend income and capital gains as ordinary income.

The current top bracket starts at roughly \$373,000, and the current top rate is 35 percent. Citizens for Tax Justice, which has endorsed the tax proposal, estimates that it would raise roughly \$79 billion in revenue.

Republicans on Capitol Hill have long stressed that they believe Washington has less of a revenue problem than a spending problem. At a separate Wednesday event, House Speaker John Boehner (R-Ohio) reiterated his belief that higher taxes stand in the way of job creation.

“As someone who understands what uncertainty does to small employers, obviously, more regulations, higher taxes creates more uncertainty,” said Boehner.

But Schakowsky declared that the idea of raising taxes on the wealthy is popular, citing a recent NBC/Wall Street Journal poll that found 81 percent of adults [thought](#) it was totally or mostly

acceptable to place a surtax on people over \$1 million a year. (Sen. Bernie Sanders (I-Vt.), who is pushing for a millionaire surtax, has also [referred](#) to that survey to help make his case.)

At their Wednesday event, the Democrats also said they thought their measure could gain some steam, even though the Republicans that control the House have made clear their opposition to tax increases.

Rep. John Yarmuth (D-Ky.) said that a number of his colleagues on the other side of the aisle have indicated to him that they would find it difficult to vote against a tax hike on millionaires.

“So I think it would put people in a very difficult position – and they understand that,” Yarmuth said.

A release from Schakowsky’s office said the measure has nine original co-sponsors, including Yarmuth and Reps. Steve Cohen (D-Tenn.), Keith Ellison (D-Minn.) and Raul Grijalva (D-Ariz.).