

[Jan Schakowsky Introduces Bill To Raise Taxes For Wealthiest Americans](#)

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WASHINGTON -- Rep. Jan Schakowsky (D-Ill.) announced legislation on Wednesday that would create new tax brackets for earners who make significantly more than the baseline for the current top income bracket.

Currently, the top marginal tax rate of 35 percent applies to income starting at \$373,650, and the tax code fails to distinguish between earners making a few hundred thousand dollars a year and those making a few hundred million dollars a year. "LeBron James and LeBron James's dentist: same difference," New Yorker financial columnist James Surowiecki quipped last year during early debate over the extension of the tax cuts enacted under former President George W. Bush.

Meanwhile, income inequality continues to soar, as Schakowsky, one of the 18 members of President Barack Obama's debt commission, noted on Wednesday.

"In the United States today, the richest 1 percent owns 34 percent of our nation's wealth -- that's more than the entire bottom 90 percent, who own just 29 percent of the country's wealth," she said during her prepared remarks at a press conference. "And the top one-hundredth of 1 percent now makes an average of \$27 million per household per year. The average income for the bottom 90 percent of Americans? \$31,244."

Schakowsky's bill would create new tax brackets for earners making between \$1 million and \$1 billion annually, with tax rates starting at 45 percent with the millionth dollar and increasing on a sliding scale. The legislation would also tax capital gains and dividend income as ordinary income for those earning over \$1 million in a given year. A full list of the new brackets appears below:

\$1-10 million: 45%

\$10-20 million: 46%

\$20-100 million: 47%

Story continues below

\$100 million to \$1 billion: 48%

\$1 billion and over: 49%

If enacted in 2011, Schakowsky's Fairness in Taxation Act would raise an estimated \$78.9 billion in its first year, according to Citizens for Tax Justice, a liberal lobbying group. CTJ was unable to provide further projections, however.

Reps. Keith Ellison (D-Minn.) and Raul Grijalva (D-Ariz.), co-chairs of the Congressional Progressive Caucus, partnered with Democratic Reps. Jesse Jackson, Jr. (Ill.), Donna Edwards (Md.), Bob Filner (Calif.), Jerry Nadler (N.Y.), Steve Cohen (Tenn.), John Yarmuth (Ky.) and Peter DeFazio (Ore.) to cosponsor the bill.

"The middle class is shrinking and deficits are rising because Republicans are giving a pass to special interests who aren't paying their fair share," Ellison said at the press conference. "This bill is part of a plan to level the playing field."

As the battle over the budget for the remainder of fiscal year 2011 continues to unfold on Capitol Hill, Schakowsky has been insisting that there are more progressive ways to reduce the country's \$13.7 trillion debt. She said she hopes her bill can broaden the focus of the debate,

and Yarmuth offered similar sentiments in remarks to reporters Wednesday.

"Yes, we have a spending problem," said Yarmuth, "but we also have a revenue problem. We're only asking that those of us who have done extremely well bear our fair share of the problem."

Yarmuth told reporters that a number of his Republican colleagues had told him in confidence that it would be difficult for them to vote against Schakowsky's bill were it to come to a vote. "It will just be very interesting if we can get it up to a vote," he said.

A recent NBC News/Wall Street Journal poll found that the most popular way to reduce the federal deficit was to place a surtax on federal income taxes for Americans making more than \$1 million per year, with 81 percent of respondents agreeing with that statement.

Katharine Myers, a Pennsylvania millionaire who made her fortune off the royalties from the Myers-Briggs personality test created by her mother-in-law, told reporters at Wednesday's press conference that she believes the wealthy should pay substantially higher taxes -- all of them.

"Someone once said, 'Why don't you donate money to the government?' Well that would be like putting a grain of sand in a beach," Myers said. "It needs to apply to everybody."