

[Tax the Rich: Democrats Introduce Deficit-cutting Bill](#)

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According to recent public opinion polls, more than eight in 10 Americans want the rich to pay a fair share to cut the deficit. With Republicans poised to cut everything from Social Security benefits for seniors, to education and food safety inspections, congressional Democrats have introduced a bill that would cut the deficit by \$78 billion by creating a new tax on millionaires and billionaires.

In introducing the measure, its author, Rep. Jan Schakowsky, D-Ill., a member of the president's fiscal commission, said, "In the United States today, the richest one 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."

This vast wealth and income inequality needs to be addressed, she said. "It's time for millionaires and billionaires to pay their fair share, which is why I introduced the Fairness in Taxation Act."

"It's about fairness," she added. "It's about avoiding budget cuts that harm middle class families and those who aspire to it. We can choose to cut education, job creation and health care, or we can choose to ask those who can contribute more to do so."

According to United for a Fair Economy, the current top tax bracket begins at \$373,000 in income and fails to distinguish between the "well off" and billionaires – like the top 20 hedge fund managers whose average income last year was over \$1 billion.

According to analysis of the bill, the proposal would create several new tax brackets for income earners between \$1 million and \$1 billion ranging from 45 percent to 49 percent. The bill would also restore capital gains tax provisions for incomes over \$1 million annually.

Aside from 80 percent of Americans, the proposal is getting support from some unlikely sources. Katharine Myers, a millionaire from Pennsylvania whose income comes from royalties from a company her mother started, praised the measure. "I think very wealthy people like me should pay substantially higher taxes, since we have done exceedingly well in the last few decades," she said. "Our taxpayer-funded government contributed to my success."

The bill has been cosponsored by both progressive and fiscally conservative Blue Dog Democrats. Rep. Raúl M. Grijalva, D-Ariz., who co-chairs the Congressional Progressive Caucus, said, "It's time we treated multi-millionaires the same way we treat working families – by creating a tax bracket to match their income."

"There's no reason to treat the wealthiest one percent of the country any more specially than anyone else," Grijalva added. "And right now that's exactly what our tax system is doing."

Rep. Keith Ellison (D-MN), co-chair of the Congressional Progressive Caucus, told reporters, "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. This bill is part of a plan to level the playing field."

United for a Fair Economy, Citizens for Tax Justice, Citizen Action Illinois, U.S. Action, Campaign for America's Future, Wealth for the Common Good, and The Agenda Project have all endorsed Schakowsky's bill.

Steve Wamhoff, tax expert from Citizens for Tax Justice, praised the tax bill's progressive character. "Millionaires have benefited disproportionately from the tax cuts enacted over the past decade, so it seems entirely reasonable that they share in the sacrifices needed to get our fiscal house in order."

"The budget cuts being debated in Washington shamefully require middle class families to pay the price for the recklessness of the Wall Street bankers and hedge fund managers who broke

our economy," said Brian Miller, Executive Director of United for a Fair Economy. "Instead of punishing middle class families and de-funding America, the Fairness in Taxation Act asks those who have benefitted so heavily from the economic bounce of Wall Street to share responsibility for getting our nation's finances on track."

For their part, Republicans have fought to protect tax breaks for millionaires and billionaires above all other priorities.