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**THIS TAX DAY, NJ WORKING FAMILIES ARE PAYING
THEIR FAIR SHARE BUT NJ BILLIONAIRES ARE NOT**

\$3.7 Billion, or 21% Pandemic Wealth Gain of New Jersey’s 6 Billionaires May Well Go Untaxed, Making Case for President Biden’s Proposed Billionaires Income Tax

Passage of Billionaires Income Tax Could Deliver up to \$1.2 Billion a Year to New Jersey if Distributed Like Current Federal Grants

NEWARK, NJ – New Jersey’s 6 billionaires grew \$3.7 billion, or 21%, richer over the first two years of the pandemic, from March 2020 to April 5, 2022, according to Forbes data analyzed by Americans for Tax Fairness (ATF) and New Jersey Citizen Action (see table below). Despite their increased wealth, it is likely that these richest people in the state paid little if any federal income taxes on those investment gains, unlike working families in New Jersey who pay taxes in each paycheck. New Jersey billionaires are now worth about \$21.3 billion.

Because of loopholes in current law, billionaires often pay little or no federal income tax. An expose last year by ProPublica based on IRS data revealed that Elon Musk, Jeff Bezos and other top [billionaires paid zero federal income tax](#) in several recent years. It determined that the top 25 billionaires paid just a 3.4% tax rate between 2014 to 2018 when the growth in their wealth is counted as income. White House economists have determined the nation’s 400 richest billionaires [paid a tax rate of only 8.2%](#) over a recent nine-year span when the increased value of their corporate stock alone was counted as income. The average federal income-tax rate [for all taxpayers was 13.3%](#) in 2019.

Name	Net Worth Mar. 18, 2020 (\$ Millions)	Net Worth Apr. 5, 2022 (\$ Millions)	24 Month Wealth Growth (\$ Millions)	24 Month % Wealth Growth
NEW JERSEY	\$17,600	\$21,262	\$3,662	20.8%
John Overdeck	\$6,100	\$6,529	\$429	7.0%
Rocco Commisso	\$4,500	\$6,394	\$1,894	42.1%
Peter Kellogg	\$2,700	\$3,610	\$910	33.7%
Larry Robbins	\$1,900	\$1,906	\$6	0.3%
Duncan MacMillan	\$1,300	\$1,617	\$317	24.4%
Michael Price	\$1,100	\$1,207	\$107	9.7%

Source: Forbes data from March 18, 2020, and April 5, 2022, analyzed by Americans for Tax Fairness and available [here](#).

Billionaires and other very wealthy people generate wealth through corporate stock and other investments, but they can avoid paying income taxes on the growth of their investments

because the rising value of their wealth from these assets is not taxed unless those assets are sold. The very wealthy [do not need to sell their assets](#) to turn the increasing value of their wealth into cash income; instead, they use their swelling fortunes to secure special low-interest loans allowing them to live lavishly without paying income taxes. Moreover, a lifetime of such income growth from assets can be [passed onto the next generation tax-free](#).

Congress can close this massive tax loophole through a billionaires income tax, such as [proposed recently by President Joe Biden](#) and earlier by Sen. Ron Wyden (D-OR), the [Senate's chief tax writer](#). A comparison of the two proposals can be found [here](#).

Both proposals would tax investment gains of the superrich more like the wages of workers are taxed now. Requiring billionaires to pay a fairer share on the growth in value of their assets would make the tax system more equitable and generate revenue that would greatly benefit the economy and increase services and opportunities for millions of Americans.

The public overwhelmingly favors a billionaires income tax: 64% of respondents in a recent [national poll](#) supported Senator Wyden's plan. (President Biden's plan was not tested in this poll.)

The billionaires income tax proposed by President Biden would [raise about \\$361 billion](#) over 10 years and the version proposed by Sen. Wyden would raise \$557 billion over 10 years. Nationally, it could do a great deal to help [lower costs for working families](#) by funding access to affordable healthcare and lower housing costs, ensuring the expanded Child Tax Credit benefits that recently expired could be extended for another four years, significantly lower the cost of childcare for working families and more.

If that revenue was distributed to the states based on historical levels of federal grants to state budgets, New Jersey [could gain](#) about \$808 million or \$1.2 billion a year for 10 years, respectively, from the Biden and Wyden billionaires tax plans. This is based on budget data from the National Association of State Budget Officers. Between 2019 and 2021, federal grant funds made up an average of about 28% of New Jersey's state budget.

Federal grant funds to states [pay for numerous programs and services](#): healthcare (Medicaid and CHIP), childcare, food and nutrition (SNAP, WIC), education (Head Start, Title I and IDEA), housing, transportation (highways, airports, and mass transit), public safety and much more. These funds represent nearly one-third of state budgets on average and nearly one-quarter of state and local budgets combined. Additional funds generated by a billionaires' income tax could be used to lower costs to the state's working families for vital services like healthcare, childcare and housing.

The potential of \$808 million or \$1.2 billion a year in federal grants [would add about](#) 1.2% or 1.9% to the state's budget, respectively, based on an average of the state's budgets between 2019 and 2021.

Coming from New Jersey, Congressman Bill Pascrell, who sits on the tax-writing House Ways and Means Committee and is Chairman of the Subcommittee on Oversight, has similarly proposed bills to close two of the federal tax system's worst loopholes. The carried interest loophole (H.R. 1068) allows Wall Street executives to pay lower tax rates than their assistants, and the stepped-up basis loophole (H.R. 2286) allows the very wealthy to avoid paying taxes on inherited wealth – a key driver of the growing economic inequality slowly tearing the US apart.

“The ultra-wealthy abiding by a different set of rules makes our economy weaker and harms millions. As an organization that provides free healthcare enrollment assistance, tax filing, financial coaching, and housing protection services for low- and moderate-income communities, we see firsthand the economic anxieties of ordinary New Jerseyans,” said **Maura Collinsgru, Director of Policy & Advocacy at NJ Citizen Action**. “Congress must take action to level the playing field — the rich will stay rich, but they will contribute fairly to our economic system and workers that their wealth is built on.”

“The failure to tax increases in billionaire wealth from skyrocketing corporate stock and other investments is the worst loophole in our loophole-ridden tax code. Workers pay tax on their income all year, every year. Simple justice demands that billionaires do the same,” said **Frank Clemente, executive director of Americans for Tax Fairness**. “Congress should close this loophole in the legislation members are now negotiating to help families cope with rising prices and make major investments in clean energy, all paid for by more fairly taxing the rich and corporations.”

Over the two years since the national COVID emergency was announced in March 2020, the wealth of America's billionaires has climbed by \$2 trillion, or 70%, to a total of **\$5 trillion, as of April 5**. The total number of billionaires has increased from **614 to 741**. [\[See national table\]](#) Among the notable increases in wealth:

- **Elon Musk:** The driving force behind Tesla and SpaceX saw his wealth skyrocket by over 11-fold, or \$266 billion, to settle at \$290 billion.
- **Jeff Bezos:** The man who started Amazon is now worth nearly \$190 billion, after an \$77 billion leap in wealth during the pandemic.
- **Larry Page and Sergei Brin:** The Google co-founders saw their wealth climb more than 133% – and are now worth \$119 billion and \$114 billion, respectively.

This billionaires' bonanza has played out against the pandemic pall: 2,203,836 New Jersey residents have contracted COVID-19 and 33,246 have died from it. Many small businesses have closed, daily life has been disrupted and the cost of everything from housing to gas has consumed a greater share of household incomes. Although prompt and ample federal action prevented much worse economic consequences from COVID and helped to speed recovery, businesses and families will once again face perils as many of these interventions expire shortly.

Millions of families, for instance, could face [steep increases in healthcare premiums or loss of insurance coverage](#) in the second half of this year as pandemic responses fall away:

- **Medicaid Coverage:** Early in the pandemic, as millions of Americans lost jobs and healthcare coverage, Congress passed the bipartisan Families First Coronavirus Response Act that covered many more people. The federal government increased matching funds to states and ensured that Medicaid enrollees would be continuously covered through the duration of the public health emergency. Once the public health emergency expires—which it is expected to do this year—as many as [13 million people could lose health coverage](#) over the next 12 months. In New Jersey about 300,000 of the state’s 1,800,000 [Medicaid patients](#) will lose their coverage, according to an Urban Institute study (see table 2).
- **Affordable Care Act (ACA) Coverage:** Congress and the Biden Administration also took action to make private insurance more affordable during COVID by passing the American Rescue Plan, which provided enhanced premium assistance to help more people buy ACA coverage. This resulted in [record high enrollment](#) in insurance marketplace plans this year. However, the enhanced premium assistance that saved individuals over \$800 last year, will expire at the end of 2022 if Congress does not take action. This will price [millions nationwide out of coverage](#), among them many of the roughly 270,000 [ACA policy holders](#) in New Jersey.

Continuing affordable healthcare coverage for millions of America’s working families [would cost about \\$50 billion a year](#). That cost could be covered by Sen. Wyden’s tax on just the nation’s 700 or so richest households, preventing hundreds of thousands of New Jersey residents from losing health care.

“It’s time to get our priorities straight. No one in our country, no matter where they live or how much money they have, should lose healthcare because they can’t afford coverage while billionaires get richer and avoid paying any taxes toward supporting the economy,” said **Margarida Jorge, Executive Director of Health Care for America Now**.

New Jersey organizations are calling on the state’s congressional delegation to take a position on increasing taxes for billionaires through the enactment of a billionaires income tax like those proposed by President Biden and Senator Wyden. As Congress prepares to debate a package that will include some tax increases for the wealthy, local advocates are asking every Member of the New Jersey delegation to [endorse a resolution](#) calling for billionaires to pay their fair share.

Current proposals to create a billionaires income tax represent a historic change in direction away from decades of proliferating tax breaks and wider loopholes for the wealthy that have contributed to a growing wealth gap between the nation’s richest families and everyone else. President Trump’s 2017 Tax Cuts and Jobs Act (TJCA), the last major tax legislation passed by Congress, provided \$1.9 trillion in tax giveaways [mainly to the rich and corporations](#) while working and middle income families saw few benefits.