



## WHY SUPPORT A BILLIONAIRES INCOME TAX?

[Polling shows that across the ideological spectrum](#), voters are frustrated by a tax system that seems to be rigged against them, and by the knowledge that they are paying a [higher effective tax rate](#) on their income than the ultra-wealthy pay on theirs. The public's anger at this imbalance is real, and bipartisan, and so is their [support for taxing billionaires](#).

During the pandemic, billionaires have seen their collective [wealth increase by \\$2 trillion](#), but those huge investment gains may never be taxed unless Congress adopts a billionaires income tax like those proposed by [President Joe Biden](#) and [Sen. Ron Wyden \(D-OR\)](#), chairman of the Senate tax-writing committee; and introduced in the House (H.R. 7502) by [Reps. Jamaal Bowman \(D-NY\), Susan Wild \(D-PA\), Danny K. Davis \(D-IL\) and Bill Pascrell \(D-NJ\)](#).

Regardless of what lies ahead for the House-passed reconciliation package under negotiation in the Senate, **calling for a billionaires income tax can be a winning issue in the 2022 elections**. It offers a clear contrast for voters trying to decide which candidate is fighting for their interests. That is why ATF's [coalition of hundreds](#) of national and state organizations has [launched a campaign](#) to make taxing billionaires' an election-year issue.

**Here's why you should support a billionaires income tax, either by co-sponsoring legislation in the House or by [endorsing this resolution](#)**. Go [here to see](#) which senators and members of the House have already said they support this tax.

- 1. A billionaires income tax is very popular with the public.** As this [polling compilation](#) shows, support for taxing billionaires is broad and deep. In one national poll, President Biden's Billionaire Minimum Income Tax was supported by a margin of 59% to 31% with 55% of Independents and 46% of Republicans in favor. In another national poll, Sen. Wyden's Billionaires Income Tax was supported by a margin of 64% to 25%, including 61% of Independents and 47% of Republicans.

Several polls have shown that Wyden's Billionaires Income Tax increases the popularity of the Build Back Better agenda by up to 40 points in [battleground states](#) and [congressional districts](#), especially among undecided independent voters. This tax is not only fiscally responsible policy—it is smart politics. Most Americans may not know the details of how billionaires can turn the increased value of their assets, such as stocks, into tax-free cash income using special loans, but they understand that *billionaires are playing by their own set of rules*, and it makes them angry.

- 2. Taxing the rich—especially billionaires—is not only popular, it has proven to be a winning political message.** As President [Biden's pollster, John Anzalone, wrote](#) in a February memo, *"Raising taxes on the wealthy is more popular than virtually any other Democratic proposal.*

Over two-thirds of voters support raising taxes on the wealthy, including 68% of Independents and 53% of Republicans.” Even former President Donald Trump sought to tap into the public’s support for higher taxes on the wealthy in 2015, 2016, and 2017, [repeatedly promising](#) that his tax plan would raise his own taxes and those of his wealthy friends. (The promises were [false](#), but they [may have helped him](#) win the GOP primary in 2016. By 2018, the truth about Trump’s tax law’s lopsided benefits for the wealthy [hurt the GOP in the midterms](#).)

**Raising taxes on the wealthy, such as through a billionaires income tax, clearly differentiates the values and priorities of the two parties.** As Anzalone noted: *“Perhaps the strongest real-world evidence of the effectiveness of raising taxes on the wealthy as a campaign issue is that both Presidents Biden and Obama made it a core part of their closing arguments in their presidential campaigns. The **most frequently run [ad by Biden’s presidential campaign](#) in the fall of 2020 was on his plan to raise taxes on those making over \$400,000 and close tax loopholes for big corporations.** A big reason that it was the most run ad was because it outperformed every other ad in the campaign’s internal ad testing. It was also very effective in not only rebutting Republican claims that Biden would raise taxes on the middle class but also in helping to **give Biden a critical advantage on which candidate was seen as more likely to help working families.**”*

- 3. Supporting a billionaires income tax provides a strong populist narrative: Democrats want billionaires to pay higher tax rates than nurses and truck drivers. Republicans don’t.** Instead, they want to raise \$1 trillion in taxes on working families as proposed by Sen. Rick Scott’s [11-point plan](#). **With a billionaires income tax, income from wealth will be taxed more like income from work.** Workers’ paychecks are taxed all year, every year. But billionaires [can go a lifetime](#) without their investment income being taxed one penny unless they sell the underlying assets. And they can pass those gains onto their descendants tax-free.

**The House-passed Build Back Better Act lacks a marquee tax on the wealthy that the public will understand. Without that, candidates don’t have as compelling a story to tell voters.** Talking about a billionaires income tax also can help neutralize effective Republican critiques that the BBBA will give huge tax breaks to millionaires on both coasts due to a generous SALT deduction, as exemplified in this [attack ad](#) against Sen. Hassan.

- 4. Billionaires are a uniquely potent face to tell a story that average Americans will understand.** Their collective wealth has shot up by [\\$2 trillion, or 70%](#), during the pandemic alone and they often pay very little in taxes. ([Go here to see a report](#) on your state’s billionaires’ wealth growth.) According to IRS data [revealed](#) by ProPublica, the richest 25 billionaires paid a “true tax rate” of just 3.4% between 2014-18 when the increase in their collective fortune is counted as income. A White House analysis found that over a recent nine-year period, the 400 wealthiest billionaires paid an effective federal income [tax rate of only 8.2%](#) when the growth in the value of their stock holdings is included in their income. In contrast, the average federal income tax rate for [all taxpayers was 13.3%](#) in 2019.

5. **A billionaires income tax could [raise between \\$360 billion \(Biden\) to nearly \\$560 billion \(Wyden\)](#) to help reduce the cost of essentials for working families and create enthusiasm among base voters.** A revised economic package is unlikely to help families afford childcare, pre-K, college and housing, or fund paid leave or an expanded Child Tax Credit, among other top Democratic priorities. Base voters need their faith restored to be motivated to vote. Calling for taxing billionaires and using the money to deliver the party's unfinished agenda provides that hope, a positive message and a realistic vision of how to get it done. **This [ATF fact sheet](#) shows the many services in the original House-passed BBBA that a billionaires income tax could pay for.**

**For skeptical swing voters, a more effective tax on billionaires' income is a critical part of the answer to the concern that, "*these are great investments but how do we pay for them?*"** Our response: "We can pay for these investments in the American people by requiring Jeff Bezos, Elon Musk, Mark Zuckerberg, Michael Bloomberg, Warren Buffett, and 700 or so other billionaires to finally pay taxes on the massive increases in their stock portfolios the same way workers pay tax on their wages every year."

6. **Billionaires income tax proposals have been widely vetted and endorsed by tax experts at Treasury, the Senate Finance Committee, and outside legal experts, and are also supported by hundreds of high-net-worth Americans.** Sen. Wyden's Billionaires Income Tax, the first to be proposed, was reviewed by 220 leading legal experts and economists who [concluded](#) that the bill would be both Constitutional and difficult for billionaires to avoid. Similarly, 250 millionaires [signed a letter](#) expressing their strong support for a billionaires income tax.

**[Go to this website](#) for more about the billionaires income tax, and the plans proposed by President Biden, Sen. Wyden and Rep. Bowman (H.R. 7502).**