



To: Editors and Columnists
From: Frank Clemente, Executive Director
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MEDIA MEMO: MILLIONAIRES SURTAX PROPOSED IN CONGRESS: A GOOD FIRST STEP TOWARD FAIR SHARE TAX SYSTEM

10% Additional Levy on Family Incomes Over \$2 Million Would Raise \$635 Billion

Washington, D.C.—Among many progressive tax reform plans popping up these days on Capitol Hill and along the presidential campaign trail, one relatively modest proposal—a Millionaires Surtax—would provide a good first step toward closing the gap between the wealthy and everyone else by raising substantial revenue to make new investments that protect working families. The surtax could do this without creating new types of taxes or significantly reworking the current tax system.

The Millionaires Surtax, which is being introduced in Congress today, would raise \$635 billion over 10 years by adding 10 percentage points to the top tax rates paid by married couples on their annual income over \$2 million (over \$1 million for individuals). The bills' lead sponsors are Senators Chris Van Hollen (D-MD) and Sherrod Brown (D-OH), a member of the Senate Finance Committee, and Rep. Don Beyer (D-VA), a member of the House Ways and Means Committee. A diverse array of more than [70 national organizations have endorsed](#) the legislation.

We urge you to write an editorial or opinion piece supporting the Millionaires Surtax as a practical first step that would raise substantial revenue and have a better chance of being enacted sooner than more complex reforms, which will take more time to garner support.

The Millionaires Surtax is good policy because it:

- **Raises substantial revenue for critical needs from the richest 0.2%.** The non-partisan [Tax Policy Center](#) estimates the surtax would raise \$635 billion over 10 years, even though it would be paid by only the nation's richest 0.2% of taxpayers, or just 329,000 people in 2020. The surtax does not raise taxes for 99.8% of taxpayers. That \$635 billion could be used to protect and strengthen Social Security, Medicare and Medicaid, and make important new investments in healthcare, infrastructure, education, housing and more.
- **Applies to all forms of income over \$2 million, both from work and wealth.** The 10-percentage point Millionaires Surtax would apply to *all income* of the wealthy above \$2 million for married couples or \$1 million for individuals: salaries, wages and private business profits currently taxed at a 37% rate; and returns on all investments, such as long-term capital gains and dividends, currently taxed at 20%. This universal application is key to successfully taxing the rich, who derive most of their income from wealth rather than from work. For more details on how the surtax works [go here](#), or to [surtax.org](#).

- **Helps close the wealth gap.** The Millionaires Surtax would begin to address the nation’s widening wealth and income gaps that destabilize our economy and threaten our democracy. The United States is one of the most economically unequal nations in the developed world, with income and [wealth gaps not seen here in almost 100 years](#). The richest 0.1% now [own more than the bottom 80%](#), and the richest [1% own more than the bottom 90%](#).
- **Is easy to understand and simple to apply, and it does not contain loopholes for the wealthy to exploit.** The surtax simply adds 10 percentage points onto existing tax rates affecting income above \$2 million for married couples and \$1 million for individuals. Taxpayers won’t be able to game the system since the surtax applies equally to all forms of income above those levels.
- **Recovers a big part of revenue lost from the Trump-GOP tax cuts.** The Millionaires Surtax would raise about one-third of the [\\$1.9 trillion ten-year cost](#) of the Trump-GOP tax cuts passed in 2017. (Note: the [Congressional Budget Offices’ original \\$1.5 trillion cost](#) figure has been updated to \$1.9 trillion.)
- **Enjoys broad public support.** According to a recent [poll by Hart Research Associates](#), almost three in four likely 2020 voters (73%) support a Millionaires Surtax. Just 27% object to the measure. The Millionaires Surtax has great appeal to key swing groups like independents (76% support) and moderates (76% support). Even a majority of Trump voters (57%) and Republicans (53%) favor the policy, despite its being identified explicitly as a *Democratic* proposal.
- **May boost the economy.** Contrary to conservative claims, leading economists [have found no evidence](#) that raising taxes on the rich hurts the economy, and some argue it may actually help it. Upper income tax rates have been trending down for 70 years, and so has economic growth. *Tax hikes* on the rich during the Clinton and Obama presidencies led to [more job growth](#) than the *tax cuts* for the wealthy of the George W. Bush years.

Leonard Burman of the Tax Policy Center has stated in [congressional testimony](#): “There is no obvious relationship between capital gains taxes and economic growth.” Looking at over 60 years of data, he noted that growth rates were often higher when capital-gains rates were also higher, and growth sometimes lagged when capital-gains rates were cut.

The reason may be that wealthy people [already have plenty of cash](#) and not enough places to invest it, so giving them more money through tax cuts doesn’t create economic growth. But increasing taxes on the rich and using the resulting revenue for infrastructure, education, research and other public investments can make the economy more productive and efficient, spurring investment, boosting employment and raising incomes.

The Millionaires Surtax would simply and effectively move us closer to a **Fair Share Tax System**, an essential component of an economy that works for all of us, not just the wealthy few. For more information see [surtax.org](#)

“Almost two years since the Republican tax scam was signed into law, it’s clear that it has done very little for working Americans. Instead of being a boon for hiring and wages, the Trump plan has been a windfall for special interests and big corporations – making the gap between the rich and everyone else in the United States even wider,” **said Senator Chris Van Hollen (D-MD)**. “This isn’t what families in our country want or need. That is why we’re introducing new legislation today to put in place a simple system to ensure the wealthy are doing their part to invest in strengthening America’s future for everyone. The Millionaires Surtax is about making the American Dream more real for all families – and it has widespread support from people across the country.”

"The Millionaires Surtax is a sensible plan to restore fairness to the tax code, fight the rise of inequality, and fund important priorities for the American people," said **Representative Don Beyer (D-VA)**. "The Republican tax cuts, as we feared, led to enormous benefits for the wealthy and budget-busting deficits. Our legislation would address both of these shortcomings in a way which helps working people. It also specifically prevents tax avoidance, which has been an enormous problem in enforcing our tax code. This is an idea whose time has come."

"The Millionaires Surtax is a simple to implement, easy to enforce, laser-targeted plan to tax the extremely wealthy," said **Morris Pearl, chair of Patriotic Millionaires**. "This surtax exclusively applies to individuals making over \$2 million per year, which is just the very top of the 1 percent in this country. Americans want to tax the rich, and this surtax explains precisely who will be getting taxed in the name itself. This is an easy plan to tax the rich and an even easier sell to the American public, so let's get it done."

"The Millionaires Surtax would simply and effectively move us closer to a Fair Share Tax System," said **Frank Clemente, executive director of Americans for Tax Fairness**, a coalition of hundreds of endorsing organizations that is leading the push for a Millionaires Surtax. "It's an essential component of an economy that works for all of us, not just the wealthy few."

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