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Wealth taxes? We could do better than taxing the rich

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A message to those who leaked the tax records of the extremely wealthy who do not pay taxes:

Whoever leaked this report deserves a reward for revealing the information. Access to these tax reports is the right of all working people, who pay a disproportionate share of their income in taxes.

ProPublica released its report, ["The Secret IRS Files: Trove of Never-Before-Seen](#)

[Records Reveal How the Wealthiest Avoid Income Tax,](#)” on June 8. It revealed that:

- In 2007, Jeff Bezos, then a multi-billionaire and now the world’s richest man, did not pay a penny in federal income taxes. He achieved the feat again in 2011.
- In 2018, Tesla founder Elon Musk, the second-richest person in the world, also paid no federal income taxes.
- Michael Bloomberg managed to do the same in recent years.
- Billionaire investor Carl Icahn did it twice.
- George Soros paid no federal income tax three years in a row.

The data provides an unprecedented look inside the financial lives of U.S. capitalist titans, including Warren Buffett, Bill Gates, Rupert Murdoch and Mark Zuckerberg.

A tax rate of only 3.4%

According to Forbes, the 25 wealthiest saw their worth rise a collective \$401 billion from 2014 to 2018. They paid a total of \$13.6 billion in federal income taxes in those five years, IRS data shows. That’s a staggering sum, but it amounts to a true tax rate of only 3.4%.

By the end of 2018, the 25 were worth \$1.1 trillion.

For comparison, it would take 14.3 million ordinary workers in the U.S. put together to equal that same amount of wealth.

The personal federal tax bill for the top 25 in 2018: \$1.9 billion.

The bill for real wage earners: \$1.24 trillion (Center on Budget and Policy Priorities, April 17, 2020).

Wealthy did not earn their riches

The wealthy did not gain their immeasurable riches by some magic elixir they may claim to have cooked up by their “rare genius.” Instead, the source of their wealth is unpaid labor, extracted in profits from the sweat and blood of the workers who have to pay taxes.

Workers earn the miserly wages allotted to them so that they can continue to create more wealth. Then this income is taxed. It can be bitterly joked that the poorer you are, the more it costs to live.

The small, ultra-wealthy sector of society does not pay taxes because they do not report an income. They do not work for wages. Also, they employ tax attorneys who write the tax laws to make sure their profits are exempt.

Biden’s response

In response to the ProPublica report, the [Biden administration announced](#) it was conducting a multi-pronged investigation to determine the source of the IRS leak. They claim the unauthorized disclosure of tax return information is the crime — not the failure to pay taxes.

This is in spite of Biden’s “Made in America” tax plan that vaguely promises more equitable taxation.

Workers have little access to information on the value of the wealth they create. According to the U.S. Treasury Department, they are not even supposed to know that the super-rich are not taxed on the growth of that wealth.

Certainly wage earners who pay income taxes have little control on how the proceeds are spent, including the U.S. military-industrial complex that is destroying the planet, as well as the cost of supporting a murderously racist police force for the protection of the wealthy and their property.

Another tax evasion by the wealthy is hidden in their “philanthropy.” One result of this philanthropy is the privatization of services that are supposed to be provided by the government.

Is the solution a tax on the wealthy? Who would administer that wealth tax? This government is dedicated to and run for the benefit of the ruling capitalist class. It’s a classic case of the fox guarding the chicken house.

How could there be justice without getting rid of the fox?

