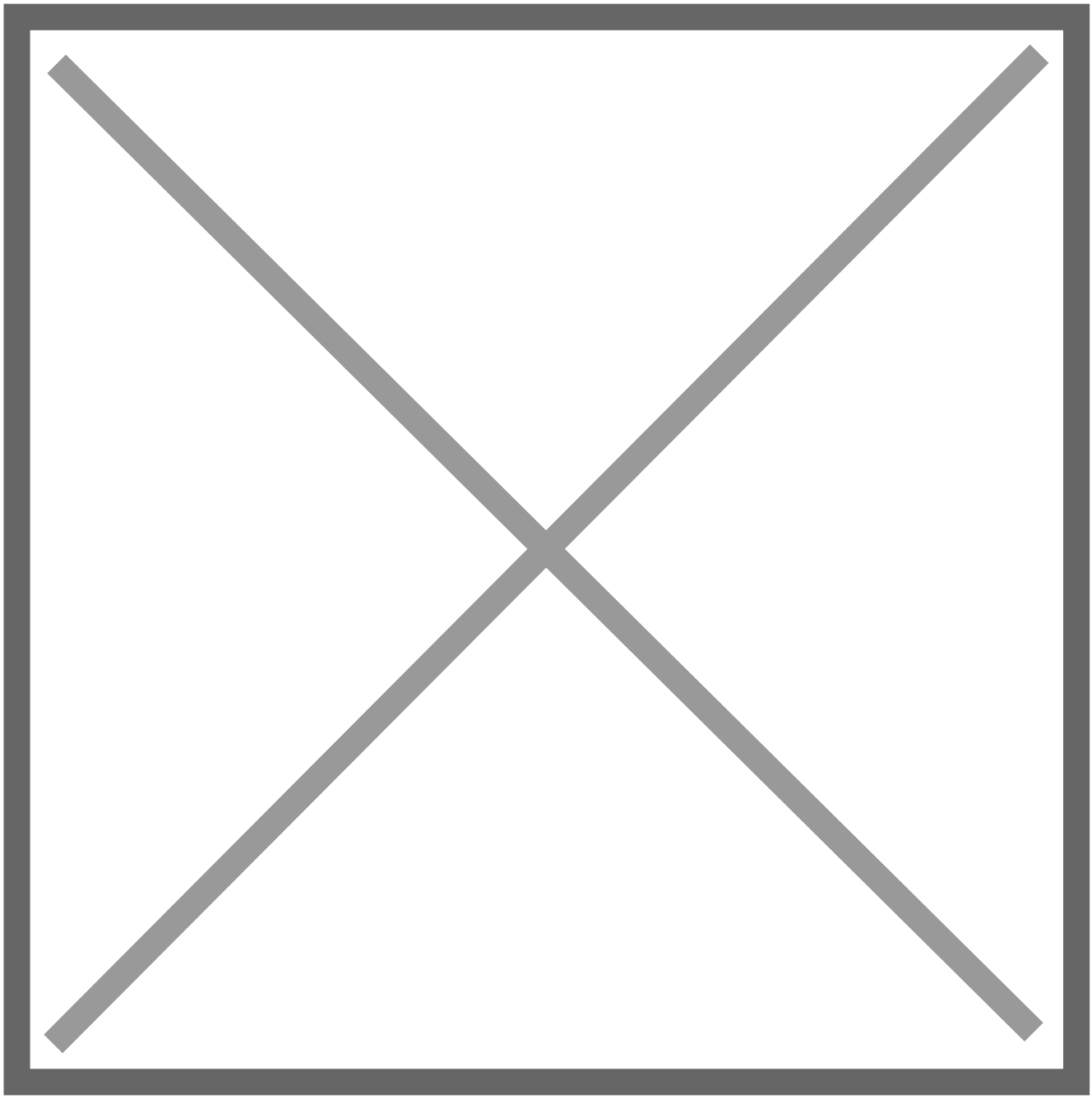
Opinion

News



The word "taxes" is seen engraved on the headquarters of the Internal Revenue Service in Washington May 10, 2021. (CNS/Reuters/Andrew Kelly)



by Michael Sean Winters

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That sound you heard this week is the sound of millions of Americans sharpening their pitchforks.

The ProPublica report "The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax" should become one of those events, like "shot heard round the world" on Lexington green and the storming of the Bastille, that causes a revolution in the structure of our society. The report documents the myriad ways that Jeff Bezos, Elon Musk, Michael Bloomberg, Carl Icahn and George Soros all manipulated the tax code such that their tax bill was 0. Zero. *Niente*.

Has your tax bill ever been zero? Mine hasn't.

And all of the ways these billionaires employed to dodge a larger tax bill were perfectly legal. As the report states, "The IRS records show that the wealthiest can — perfectly legally — pay income taxes that are only a tiny fraction of the hundreds of millions, if not billions, their fortunes grow each year."

I do not care about the specific nature of each individual tax loophole: They may or may not serve a specific public purpose. There are two larger issues here. One is basic fairness, and the numbers speak for themselves. The second, related issue is our society's inability to make needed public investments because the people who

are getting fabulously wealthy are contributing zilch to the public kitty.

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We need to retool our economy on a scale not seen since World War II. Then, the task was converting factories that made cars into ones that make tanks and planes. Now, the task is to convert fossil fuel machines into sustainable energy ones.

We need to invest in public transportation so that it works for the people who need it. It should be easiest to get downtown from a suburb via a subway, not a car. In rural areas, we need to invest in high-speed internet access so that people can find jobs that require a good internet connection. Our aging sewers and water systems need updating.

We need to invest in our people, in education and vocational training. We need to invest in affordable day care so that parents can work without fear that their kids are in an unsafe environment. We need to invest in our public health infrastructure, as we all painfully learned during the past year and a half of battling a pandemic.

What is holding us back? There is not enough money. And, the next time a Republican member of Congress frets about the national debt, urge them to join Democrats in raising taxes on the wealthy to close the gap between tax revenue and public expenditures.

Even more interesting is the situation's politics, which scream for attention. If the Democratic Party knows what is good for it, every elected official and every candidate for office should be running on this issue. It should be the first issue they raise, and the second, and the third. This kind of tax inequity is the gold, silver and bronze medal of winning elections. Bezos' 417-foot super yacht (and the smaller yacht that accompanies it because the principal yacht did not have a place to land a helicopter!) should be featured in every Democratic Party campaign ad.

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The easiest way to level the playing field is to introduce a wealth tax. It was the centerpiece of Sen. Elizabeth Warren's campaign during the 2020 Democratic primaries. A wealth tax is easy for people to grasp and it would, in an instant, make the tax code fairer. As John Cassidy noted in The New Yorker:

> … it is not an exaggeration to say that there are two separate tax systems. One is for ordinary people, who make most of their money in wages and salaries. The other is for members of the gilded class, who make most of their money through the ownership of publicly traded assets, private businesses, and other forms of capital. With one of the major political parties dead set against any changes that would make the system more progressive, and an army of lobbyists for the rich waiting to pounce on any proposal, reforming the tax code to make it fairer will be a big challenge. But, with enough political will, it can be done.

Yes, it can. Remember, it was not her proposal for a wealth tax that tripped up Warren's campaign, but her failure to articulate her stance on health insurance. The wealth tax remains wildly popular: Even a majority of Republicans supported it according to public opinion polls conducted during the campaign.

The AP warns that Democrats fear Joe Biden's agenda has stalled. Bloomberg News says Biden's hopes for bipartisanship are proving illusory. Politico reports that Biden's bold climate agenda is dying in the Senate. Senators Joe Manchin and Kyrsten Sinema remain committed to the filibuster, making much of Biden's agenda impossible to enact in the face of GOP intransigence. What to do? Where to find "enough political will" to enact a wealth tax?

In his historic first inaugural address, President Franklin Delano Roosevelt proclaimed:

> The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Those words were true then, after a decade of gilded excess and the Great Depression that followed, and they can be true again. FDR's ideas were polarizing,

but they were polarizing in ways that helped the Democrats. In the 1934 midterm election, Democrats gained nine Senate seats. When he ran for reelection in 1936, and despite the titans of Wall Street putting gobs of money behind his opponent, FDR captured 60.80% of the popular vote and lost only eight Electoral College votes.

If Democrats — including Manchin and Sinema — commit to a wealth tax and make that the centerpiece of next year's midterm election, they will not have to worry about the filibuster. Democrats need to make Bezos and the other billionaires the face of the establishment and, consequently, make McConell and the GOP defend the Bezos yacht while refusing to spend money for childcare. The Pro Publica report is the best thing to happen to the Democratic Party in years, if only they will snatch it up and run with it.