November 29, 2023

Dear Senator:

The undersigned organizations urge you to support the Billionaires Income Tax proposed by Senate Finance Committee Chairman Ron Wyden. It is a popular, progressive and robust funding source for making vital public investments in working families and communities that will also end the scandal of billionaires paying little or no federal income tax.

The ability of billionaires to dodge taxes under current rules is well documented. According to reporting by ProPublica, Amazon founder Jeff Bezos paid zero federal income taxes in 2007 and 2011, Elon Musk paid zero in 2018, and Michael Bloomberg in “recent years” paid zero several times. When their $400 billion in wealth gains are included as income, the 25 billionaires in the ProPublica report paid a federal income-tax rate of just 3.4% between 2014 and 2018. That means billionaires can not only pay lower tax rates than middle-class workers like teachers, nurses, and firefighters in some years, they can actually pay less in total tax dollars, even during years when their income from their wealth is substantial.

Billionaires can reduce and even eliminate their tax bills because most of their income comes not from a paycheck but from the growing value of their investments in stocks, businesses, real estate and other assets. They don’t owe tax on that increased wealth unless they sell the underlying assets. But they don’t need to sell to benefit: they can live luxuriously off money borrowed against their rising fortunes at ultra-low interest rates available only to them and go mostly or completely tax free. Musk’s April 2022 purchase of Twitter, for example, was financed in part by a $12.5 billion margin loan against his Tesla stock, allowing him to use those assets like cash, without actually cashing them in and paying taxes on the sale.

The Billionaires Income Tax (BIT) would end the shocking phenomenon of tax-free billionaires by taxing the annual growth in their wealth. Tax would be due annually on increases in value of easy-to-price assets like corporate stock. Tax on the growth in value of harder-to-price assets like real estate, private businesses and collectibles would only be due on sale, with an added interest charge assessed to compensate for the years of tax-free growth.

The BIT would raise almost $560 billion over 10 years, exclusively from fewer than 1,000 of the nation’s richest households. That’s money that could be used for public investments in healthcare, childcare, education, clean energy, infrastructure, public safety, and more.

More fairly taxing billionaires is very popular with average Americans, both as a general idea and specifically as envisaged by the BIT. Two-thirds of voters in a 2021 poll supported the Billionaires Income Tax, including half of Republicans.
Because the Billionaires Income Tax would restore fairness to our tax system and raise needed revenue from those best able to pay, we urge your support.

Sincerely,

AFL-CIO
African American Health Alliance
Alliance for a Just Society
Alliance for Retired Americans
American-Arab Anti-Discrimination Committee (ADC)
American Family Voices
American Federation of Government Employees
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers
American Sustainable Business Council
Americans for Democratic Action (ADA)
Americans for Financial Reform
Americans for Tax Fairness
Asian Pacific American Labor Alliance, AFL-CIO
Bend the Arc
Blue Haven Initiative
Blue Future
Brave New Films
Campaign for America’s Future
Center for American Progress
Center for Common Ground
Center for Law and Social Policy (CLASP)
Center for LGBTQ Economic Advancement & Research (CLEAR)
Center for Popular Democracy
The Coalition of Labor Union Women
Coalition on Human Needs
Common Defense
Communications of Workers America (CWA)
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces
Demos
Economic Policy Institute
Economic Security Project Action
ExtendPUA.org
Family Values @ Work Action
First Focus on Children
For Our Future
Franciscan Action Network
Friends of the Earth U.S.
The Friends Committee on National Legislation
Groundwork Action
Health Care for America Now
Healthcare Voter
Hedge Clippers
Housing Works
ICNA Council for Social Justice
Indivisible
Insight Center for Community Economic Development
Institute for Policy Studies - Program on Inequality
Institute on Taxation and Economic Policy
International Association of Machinists and Aerospace Workers
International Brotherhood of Teamsters
International Federation of Professional and Technical Engineers (IFPTE)
The International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW)
Ironpac
Jean-Michel Cousteau's Ocean Futures Society
Jobs With Justice
Justice in Aging
Legal Aid at Work
Main Street Alliance
Missionary Oblates
MomsRising
MoveOn
National Advocacy Center of the Sisters of the Good Shepherd
National Association for Hispanic Elderly
National Association for the Advancement of Colored People (NAACP)
National Center for Lesbian Rights
National Education Association
National Employment Law Project
National LGBTQ Task Force Action Fund
National Organization for Women
National Urban League
National Women's Health Network
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
Omidyar Network
Our Revolution
Oxfam America
Patriotic Millionaires
People's Action
Presente.org
Pride at Work
Progressive Change Campaign Committee
Progressive Democrats of America
Prosperity Now
Public Citizen
Responsible Wealth
RESULTS
RootsAction.org
Service Employees International Union
Small Business Majority
Social Security Works
South Asian Network
Strong Economy for All
Take on Wall Street
Tax Justice Network US
Tax March
UltraViolet
Union for Reform Judaism
Unite Here
The United Methodist Church - General Board of Church and Society
United Church of Christ Justice and Local Church Ministries
United for a Fair Economy
United Steelworkers
Voices for Progress
Women's March
Working Families Party