

## **Welfare benefits for the well off**

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I had written the following before the Superior Telegram's July 11 front page article, Wisconsin tax cuts benefit top 1 percent. There's no doubt about it.

Can't we correct this unfairness?

We hear very little about U.S. welfare going to the rich. Welfare is associated negatively with the poor, the unlucky in life's struggle. We often hear, "If only the down and out were willing to work, they wouldn't need our help."

That criticism of the down and out, and their lack of get up and go, ignores the benefits received by the well off.

Let's look at the other side. What are some of the many, many ways the wealthy receive welfare:

\* The U.S. Accountability Office points out a 35 percent federal tax rate for corporations, the median effective tax rate is 10 percentage points below the statutory rate.

\* A 2012 New York Times story by Louise Story points out states, county and cities subsidize companies to the tune of an estimated \$80 billion each year. A full accounting is not possible because grants from come from thousands of government agencies and officials, the report states.

\* Cato Institute estimates that federal business subsidies cost taxpayers more than \$100 billion every year.

I was pleasantly surprised to read Charles Koch, one of the very, very wealthy, finally coming to the conclusion that our democracy has gone astray in Time magazine in 2015.

He wrote: "Consequently, our country is increasingly divided between the 'haves' and the 'have-nots.' As the gulf between these two gets larger, we are creating a permanent underclass while doling out welfare for the wealthy ... The tax code alone contains \$1.5 trillion in exemptions and special-interest carve-outs. The federal government also uses direct subsidies, grants, loans, mandates, bailouts, loan guarantees, no-bid contracts and more to help the lucky few with the most lobbyists."

A few of the additional benefits given to the wealthy include:

\* Social Security contributions only apply to income received up to \$118,500. Social Security estimates that removing this cap would reduce the Social Security long-term deficit by 86 percent.

\* For the five million households making more than \$200,000, mansions and second homes get more housing aid than do the 20 million living on less than \$20,000.

\* If you have a yacht and loan it out on a charter basis for part of the year, you can deduct purchase price, insurance, maintenance and slip fees. Interest paid in the purchase is also deductible.

Many people would say that voters in our democracy make our democratic system work, but that is too simple an answer.

Money is a very scarce commodity for many voters and voting does not make money for them in the short-run. Information and advertising for voters comes at a cost. The cost of needed supplies causes relatively poor people to be doing things to make what money they have go further and takes precedent over the time and cost of going to vote. The money spent for lobbyists, advertisements and the whole ball of wax on an election is staggering and bolsters the rich when the facts are revealed.