



Study: Dem Tax Policy Driven by Hatred for Rich

Louis DeBroux ·

Oct. 9, 2019

Last month, the Cato Institute released its 2019 Welfare, Work, and Wealth National Survey, and it offers a fascinating insight into the motives of those demanding ever higher taxes on the productive class in America.

The study surveyed 1,700 Americans to determine why some support socialism, tax increases on the wealthy, and wealth redistribution; is it compassion or resentment?

To determine compassion, they were asked if they agreed or disagreed with statements like “I suffer from others’ sorrows,” or “I feel sympathy for those who are worse off than myself.” To measure resentment toward successful people, they were asked if they agreed/disagreed with statements like “Very successful people sometimes need to be brought down a peg or two even if they’ve done nothing wrong,” or “It’s good to see very successful people fail occasionally.”

The study found resentment toward successful people is a far stronger motivator than compassion for the poor when it comes to support for raising taxes on high earners.

This philosophy of hatred for high achievers is rampant within the modern Democrat Party, evidenced by how the frontrunners for the 2020 presidential nomination are eagerly promising to punish the wealthy.

Massachusetts Senator Elizabeth Warren has called for an additional 2% tax on the wealth of all households with incomes over \$50 million. To be clear, this is not a tax on new income, but on all wealth accumulated over a lifetime — investments, savings, assets, inheritance, etc., which has already been subject to income taxes, payroll taxes, capital gains taxes, property taxes, etc.

The 16th Amendment was ratified on the promise that it would only punish the ultra-rich, but today it impacts every American. Warren promises her new tax will only hurt the very wealthy, but past experience shows us it won’t be long before government agents are digging through our homes, assessing the value of the wedding ring grandma passed down so we can be taxed on it.

Not to be outdone, cranky septuagenarian socialist Senator Bernie Sanders (who owns three homes in upscale areas of Vermont and DC) is calling for even more Americans to be taxed at higher rates, with a 1% tax on net worth above \$32 million, topping out at 8% for those with assets over \$8 billion. He has also proposed a new tax on corporations based on the wage gap between CEO pay and that of the median worker.

This is wrong as a matter of sound tax policy, and it is morally reprehensible.

As a matter of tax policy, it has been tried and it has failed. Higher taxes lead to lower productivity, a shrinking economy, and less prosperity. Those most in need suffer the most because the wealthy have plenty of ways to shield their money from confiscatory tax rates, including simply moving, as New York Governor Andrew Cuomo discovered the hard way.

For Democrats, taxes aren't about raising revenue for the legitimate functions of government. For them, taxes are about "leveling the playing field," ending "income inequality," and making the rich "pay their fair share."

Barack Obama was a master at stoking class hatred, inciting poor and middle-income Americans to support punishing the "rich," even if that meant hurting themselves.

In 2008, ABC's Charlie Gibson noted that Obama was calling for a doubling of the capital-gains tax rate, but pointed out that "in each instance, when the rate dropped, revenues from the tax increased; the government took in more money. And in the 1980s, when the tax was increased to 28 percent, the revenues went down... So why raise it at all, especially given the fact that 100 million people in this country own stock and would be affected?"

Obama refused to back down, declaring that (even if it meant less tax revenue to fund programs for the poor and needy) he would do it "for purposes of fairness."

Fairness for whom? The more than five million small-business owners who risked their life savings to start a business, worked 70-80 hour weeks for years to make it successful, employing tens of millions of their fellow Americans in the process, only to be hammered by taxes as a "reward" for their hard work, dedication, and sacrifice? How is it "fair" or moral to punish someone for working harder, working smarter, being more innovative, sacrificing more, and risking more than their neighbor?

The beauty of the free market is that, in order for someone to become a millionaire or billionaire, they must provide a good or service that millions of people desire. In a true free market, you simply can't get wealthy without improving the lives of countless others.

Bernie Sanders declares his view that "There should be no billionaires." But would Americans truly be better off if Sam Walton had not revolutionized commerce with his high-volume, low-margin model that allows tens of millions of Americans to afford goods previously out of reach? Would Americans today be happier without iPhones? Would we be better off without the millions of jobs created thanks to Bill Gates and his Windows software?

Would we be better off without these millionaires and billionaires?

No. So why punish them, and ourselves in the process?