

Biden's new budget includes massive tax hike on workers

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The Biden administration recently released a \$5.8 trillion-plus budget proposal. The president's "billionaire tax" proposal and its terrible economics have received the most attention.

Yet there's also a big tax hike on workers slipped into the fine print of President Joe Biden's plan. That pesky fact didn't stop the president from repeating his big lie that only "the rich" will pay more under his plans.

But consider the facts. The plan includes a proposal for raising the corporate tax rate from 21% to 28%, which Biden said "ensures that corporations pay their fair share." I know what you're thinking: Boohoo, who cares if corporate bigwigs have to pay Uncle Sam more?

In reality, however, most economists agree that the corporate tax is in part born by the working class through lower wages. Studies have consistently found that more than 50% of the burden comes out of workers' wallets. As for Biden's corporate tax hike proposal specifically, a Tax Foundation analysis found that it would lead to lower wages, lower economic growth, and 159,000 fewer jobs.

Biden's plan would also make us less competitive internationally. We would have one of the highest corporate tax rates among developed countries, making the United States less attractive for investment and encouraging offshoring. A tax hike on workers that further handicaps American industry and empowers global competitors — how's that for "Build Back Better," folks?

Biden's plan has all these downsides, but it's unclear what, if anything, it would actually accomplish.

Despite the president's misleading rhetoric, there's no burning need to make "the rich" and "Big Business" pay their fair share. We already have an extraordinarily progressive federal tax system. According to the Cato Institute, the top 0.1% pays more than 30% of all federal income taxes! Most estimates suggest the top 10% pays 70% of all federal income taxes.

What's more, the federal government is doing a pretty terrible job with the money we're already giving it to spend. The government lost fives time more to stimulus fraud than it spent developing the COVID-19 vaccines, for example. That's Big Government in a nutshell.

Biden's \$1.9 trillion stimulus legislation?

It failed so spectacularly that we ended up with fewer jobs than we were projected to create without it being passed at all. The only thing it actually "stimulated" was runaway inflation.

Put simply, Biden should be looking to cut federal spending — not slipping more hikes on the working class into his budget proposal.