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The Government Should Stop Giving Rich People Money

Posted By [John Payne](#) On August 22, 2011 @ 9:14 am In

Warren Buffet caused a stir last week when [he argued](#) ^[1] that he and other wealthy individuals should pay a higher tax rate. Now, as a libertarian, I prefer to balance the budget exclusively through spending cuts. However, if that's not politically feasible, I support higher taxes today over deficit spending and the interest it entails.

But before we go raising taxes on every high-income individual, why don't we just stop giving tax dollars away the most politically connected among them? Stephen Slivinski of the Cato Institute estimates that the federal government [spent \\$92 billion in corporate welfare](#) ^[2] (i.e. subsidies to business) in 2006, a figure that has likely exploded upward with the rest of the budget. By comparison, eliminating the Bush tax cuts on the wealthy [would raise \\$67.8 billion annually over the next decade on average](#) ^[3]—a quarter less than we spend on corporate welfare.

Until our government cuts corporate welfare queens such as Archer Daniels Midland and Monsanto off from the federal teat, I have a feeling that any revenue raised from increasing the marginal income tax rate will just come out of the pockets of one group of rich men and end up in the pockets of other, even richer men, whose only skill is knowing how to play the political system.

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[1] he argued: <http://www.nytimes.com/2011/08/15/opinion/stop-coddling-the-super-rich.html>

[2] spent \$92 billion in corporate welfare: http://www.cato.org/pub_display.php?pub_id=8230

[3] would raise \$67.8 billion annually over the next decade on average: <http://super-economy.blogspot.com/2011/08/bush-tax-cuts-lower-revenue-by-15-of.html>

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