

Add Tax Brackets for the Super-Rich: Budget Expert

Monday, 23 Aug 2010 | 3:16 PM ET

By: [Michelle Lodge](#)



The U.S. should add income tax brackets for those making \$1 million, \$5 million and \$10 million, a tax and federal budget expert from the think tank the [Center for American Progress](#) told CNBC Monday.

"It doesn't really make sense that somebody making \$500,000 pays the exact same marginal tax rate on their last dollar of earnings as somebody making \$10 million or \$50 million," said Michael Linden from the center, which is headed by John Podesta, White House chief of staff under Bill Clinton.

"The richest 400 Americans in 2007 made an average of \$138 million, and they paid an effective tax rate that was lower than most people making \$150,000 to \$200,000."

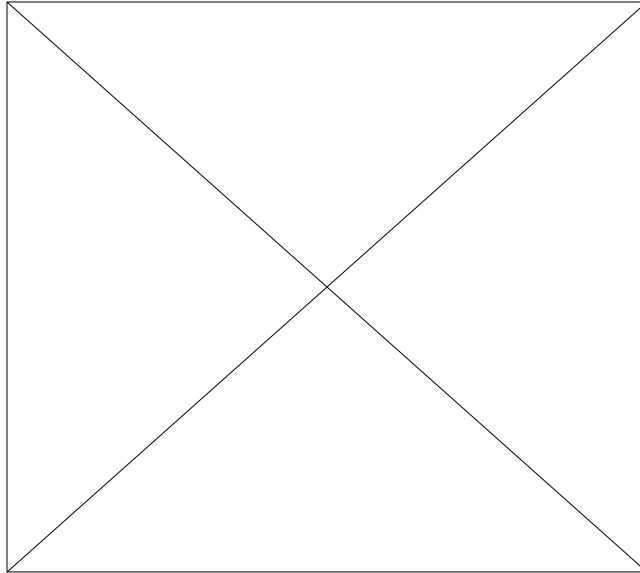
Michael Linden

Center for American Progress

"In fact, the richest 400 Americans in 2007 made an average of \$138 million in one year and they paid an effective tax rate that was lower than most people who were making \$150,000 to \$200,000."

As the Bush tax cuts are set to expire at year's end, experts of different political views are weighing in on taxes.

Nobel laureate and economist Paul Krugman argued in the New York Times on Monday in favor of [letting the Bush tax cuts expire](#) and for taxing the rich at a higher rate. New Yorker business columnist James Surowiecki, who in an August 16 piece called ["Soak the Very, Very Rich."](#) called for more tax brackets that would tax the extremely wealthy so they pay more taxes.



However, Dan Mitchell, a senior fellow at the conservative think tank the [Cato Institute](#), told CNBC Monday that the problem was not taxes, it was the initiatives of both George W. Bush and Barack Obama, under whom government spending has “skyrocketed.”

He called for a 15 percent flat tax for all Americans and a reduction in government spending. Mitchell also said raising taxes for the rich would punish investors and entrepreneurs.

Mitchell was with the George H.W. Bush/Quayle transition team in 1988.