



As Buffett Renews Push for Billionaire's Tax, Critics Tell Him to Pay More Now

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Super investor Warren Buffett and his political group, Patriotic Millionaires for Fiscal Strength, have renewed their push to pressure President Obama and Congress to raise federal taxes on Americans making \$1 million or more.

But Rep. Michele Bachmann, R-Minn., a 2012 presidential contender, said she has a suggestion for Buffett: "Write a big check today," she said Tuesday at a campaign rally in Spartanburg, S.C. "There's nothing you have to wait for."

Buffett's renewed push comes as a congressional committee gets ready to scour the budget for \$1.5 trillion in savings over 10 years as part of a deal to raise the nation's borrowing limit. Democrats favor a mix of tax increases on the wealthiest Americans and spending cuts. But Republicans refuse to consider any tax hikes.

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If the 12-member panel cannot produce a plan by Thanksgiving, then that gridlock will trigger automatic across-the-board cuts that will affect programs and services both parties hold dear.

On Sunday, The New York Times published an **opinion article** written by Buffett titled "Stop Coddling the Super-Rich."

"While the poor and middle class fight for us in Afghanistan, and while most Americans struggle to make ends meet, we mega-rich continue to get our extraordinary tax breaks," he wrote, explaining that his riches stem from dividends and capital gains instead of income, which is taxed at a much higher rate.

Buffett said he would immediately raise tax rates on Americans making more than \$1 million, including dividends and capital gains. He argued he has never seen in his 60 years of working with investors anyone pass up a "sensible" investment because of the tax rate. Buffett also suggested an additional rate increase for those making \$10 million or more.

"My friends and I have been coddled long enough by a billionaire-friendly Congress," he wrote. "It's time for our government to get serious about shared sacrifice."

Obama cited Buffett's opinion article during his speech in Iowa on Monday as he urges voters to press their representatives into compromising.

But Dan Mitchell, a senior fellow at the libertarian Cato Institute, said Buffett isn't telling the whole story when he argues for a billionaires' tax.

"When Buffet receives dividends and capital gains, it is true that he pays 'only' 15 percent of that money on his tax return," Mitchell said in a **blog posting**. "But dividends and capital gains are both forms of double taxation. So he wants honest effective tax rate numbers, he needs to show the 35 percent corporate tax rate."

Mitchell also said that Buffett ignores the impact of the estate tax, which will allow the federal government to seize 45 percent of his assets.

"But this entire discussion is a good example of why we should junk the corrupt, punitive, and unfair tax code and replace it with a simple flat tax," he wrote. "With no double taxation and a single, low tax rate, we would know that rich people were paying the right amount, neither too much based on class-warfare tax rates nor too little based on loopholes, deduction, preferences, exemptions, shelters, and credits."

Leo Hindery, head of InterMedia Partners, a New York-based private equity fund and a member of Buffett's group, told Fox News that he also thinks the tax code is unfair but he focused his criticism on tax breaks for the wealthy.

"Beginning in 1986, we specifically took action to enrich the wealthy on the false premise that a wealthy person would pass that extra money down into the system," he said. "How is it that 50 percent of income is now earned by 3 percent of the taxpayers?"

Hindery said the wealthiest Americans have a "moral as well as an economic obligation to resuscitate this economy."

"The thing that I know most assuredly is the only thing that works in the American economy is a vibrant middle class, which we don't have," he said.

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