



FOR IMMEDIATE RELEASE:

March 9, 2023

## **BIDEN'S BUDGET & TAX PLAN FAVORS WORKING FAMILIES AND DRAWS STARK CONTRAST WITH GOP PRIORITIES**

WASHINGTON, D.C.— Sticking to his commitment since the 2020 campaign to make the rich and corporations start paying their fair share of taxes and use that money to create an economy that works for all of us, President Biden today released a budget that would [raise \\$4 trillion in tax revenue](#) over the next ten years and end the scandal of tax-free billionaires; close tax loopholes benefiting the rich in order to strengthen Medicare; raise corporate taxes to reduce the cost of child care, housing, college, and pre-K and to provide paid leave for workers and renew the expanded Child Tax Credit; and reduce the deficit by nearly \$3 trillion without raising taxes on anyone making less than \$400,000 a year.

Biden's budget stands in sharp contrast with the policies of Congressional Republicans, who want to [slash services vital to working families](#) and [hike deficits by up to \\$3 trillion](#) by extending Trump tax cuts benefiting the rich.

**“President Biden’s budget plainly shows whose side he’s on: working families struggling with the high cost of healthcare, childcare, housing and more—not the wealthy elite and their big corporations rolling in dough and dodging their fair share of taxes,”** said Frank Clemente, executive director of Americans for Tax Fairness. **“Republicans have already made clear they’re on the side of the 1 Percenters and Big Corporations by trying to shield rich tax cheats and endangering Social Security and Medicare with deficit-busting tax cuts for the wealthy and corporations. The contrast couldn’t be sharper.”**

Leading the Biden budget's tax reforms is a [Billionaire Minimum Income Tax](#) (BMIT) that would ensure households worth over \$100 million pay at least a 25% rate by finally taxing all their income, including the growth in their wealth. By that measure, billionaires now pay [an average rate of just 8%](#)—and sometimes they [pay nothing at all](#). The average federal tax rate paid by all taxpayers [is about 14%](#). The 25% billionaires' tax would raise \$437 billion over 10 years for improved public services and debt reduction.

Biden's budget makes sure [Medicare is fully funded for the next 25 years](#) by increasing the Medicare tax rate on income above \$400,000 to 5% from 3.8%, by closing a tax loophole that lets a select group of wealthy business owners avoid this tax, and by expanding Medicare's ability to negotiate prescription drug prices. Not a penny in benefits will be cut.

Biden's budget raises the domestic corporate tax rate to 28% from 21% and raises the foreign tax rate on US corporate profits to 21% from 10.5%. This combined with closing other tax loopholes that encourage corporations to shift jobs and profits offshore will raise more than \$2 trillion—much of that money essentially directed to helping working families.

Biden's budget flatly rejects GOP plans to permanently extend tax cuts enacted under Donald Trump that are scheduled to expire in 2025 and [overwhelmingly benefit the wealthy](#). If the Trump tax cuts were renewed, households making over \$4.5 million a year would enjoy [an average tax cut of \\$175,000](#) in the first year alone. Most Americans, who make less than \$75,000 a year, would get less than a dollar a day.

Biden knows the debt piled up by extending the Trump tax cuts would be used by the GOP as an excuse to cut funding for Social Security, Medicare, Medicaid and other public services working families rely on. Leading Republicans are already [on record threatening](#) Social Security and Medicare, the bedrocks of middle-class economic prosperity.

The president's plan raises taxes exclusively on the rich and corporations, unlike the proposal of leading Republicans to slap a [30% national sales tax on everything Americans buy](#), from groceries to healthcare to cars. Biden sticks to his pledge to not raise taxes on anyone making less than \$400,000 a year.

Biden's budget beefs up tax enforcement to go after rich and corporate tax cheats who [evade hundreds of billions of dollars](#) in taxes they owe every year. The president and Congressional Democrats restored adequate IRS funding in last year's [Inflation Reduction Act](#). Republicans, in their first legislative action upon gaining control of the House of Representatives this year, [voted to claw that funding back](#) to give rich tax cheaters a free ride and lose \$100 billion in net revenue.

###