

Do the Wealthy Pay Fair Share?

A constant refrain repeated lately by President Obama and the Democrats is that the wealthy need to pay their “fair share” of taxes and they don’t.

“This jobs bill is fully paid for by asking millionaires and billionaires to pay their fair share,” Obama said.

“Republicans will be hard-pressed to explain why they’d let teachers and firefighters to be laid off rather than have millionaires and billionaires pay their fair share,” Sen. Chuck Schumer, D-N.Y., said.

But no matter how often they make those claims, Pete Sepp, vice president of communications for the National Taxpayers Union, said the facts show the opposite is true.

Weighing the Numbers

“The top one percent of earners in America pay almost 40 percent of all federal income taxes, yet they account for about a 20 percent slice of the earnings,” he said.

“That means they’re pulling about twice their share of the tax load relative to what they earn,” Sepp explained.

The actual number: the top one percent earn 20 percent of the nation’s wealth, but pay 38.2 percent of the total taxes.

Expanding that figure to the top 10 percent and they pay about three-fourths of all the federal income taxes paid.

Compare that to the bottom 50 percent.

“The bottom half of income-earners in America account for about 13 percent of the earnings but less than three percent of the federal income taxes,” Sepp said.

"The statistics show that the federal tax system is already sharply skewed toward the wealthy paying more," he pointed out.

Soaking the Rich

However, top Democratic leaders want to increase that tax level.

Senate Majority Leader Harry Reid, D-Nev., is pushing for an additional 5.6 percent surtax on millionaires.

The taxes would be placed on top of current tax rates, which are soaring back up to what they were before the Bush-era tax cuts.

The proposal would also sharply reduce deductions for things like charities and surtaxes to pay for Obamacare.

"Put all those together and you have top tax rates of over 50 percent," Sepp said.

Discouraging Wealth & Jobs

Colin Hanna, president of Let Freedom Ring, Inc., said history shows the rich won't put up with it.

"They are very mobile. And if you were to substantially increase the tax burden on the rich, guess what? They would either change their behavior or they would up and leave," Hanna explained.

"Over time they will be discouraged from creating that wealth," Sepp said.

"And that would be completely counterproductive," Hanna agreed.

If the Democrats plans to soak the rich somehow do become law, critics say it's likely to send the already high jobless rate even higher.

"If they have less money to create jobs, what's going to happen? Fewer jobs," Sepp explained.

Fomenting Class Warfare

Polling shows to reduce the deficit, 68 percent of Americans would raise taxes on the well-to-do.

But Matthew Spaulding, vice president for American studies at the Heritage Foundation, said all-in-all, Americans are pro-prosperity and not anti-wealth.

"I think it's important to understand the extend to which the concept of class warfare goes against the whole grain of how Americans think about these things," Spaulding told CBN News.

"The American dream is about achievement. Class warfare is attacking achievement," he said.

"I think there's a lot of demagoguery going on here and not a lot of good economic thinking," Hanna said.