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THIS TAX DAY, RHODE ISLAND'S WORKING FAMILIES ARE PAYING THEIR FAIR SHARE BUT AMERICA'S BILLIONAIRES ARE NOT

\$2 Trillion, or 70%, Pandemic Wealth Gain of Nation's 740 Richest May Well Go Untaxed, Making Case for President Biden's Proposed Billionaires Income Tax

Passage of Billionaires Income Tax Could Deliver up to \$334 million a Year to Rhode Island if Distributed Like Current Federal Grant Funds

Providence, RI – On Tax Day, April 18, 2022, Rhode Island working families are once again paying their fair share and billionaires are not. American billionaires saw their net worth climb by a collective \$2 trillion, or 70%, during the first two years of the pandemic to a staggering \$5 trillion, according to Forbes data analyzed by Americans for Tax Fairness (ATF). [\[See table below and all data here\]](#) But none of that wealth growth—the main source of billionaire income—may ever be taxed.

The total number of U.S. billionaires increased from **614 to 741** over the two-year period from March 18, 2020 to April 5, 2022. Among the notable increases in wealth:

- **Elon Musk:** The driving force behind Tesla and SpaceX saw his wealth skyrocket over 11-fold, or \$266 billion, to settle at \$290 billion.
- **Jeff Bezos:** The man who started Amazon is now worth nearly \$190 billion, after a \$77 billion leap in wealth during the pandemic.
- **Larry Page and Sergei Brin:** The Google co-founders saw their wealth climb more than 133% – and are now worth \$119 billion and \$114 billion, respectively.

Loopholes often allow billionaires to pay little or no federal income tax. An expose last year by ProPublica based on IRS data revealed that Elon Musk, Jeff Bezos and other top [billionaires paid zero federal income tax](#) in several recent years. It determined that the top 25 billionaires paid just a 3.4% tax rate between 2014 to 2018 when the growth in their wealth is counted as income. White House economists have determined the nation's 400 richest billionaires [paid a tax rate of only 8.2%](#) over a recent nine-year span when the increased value of their corporate stock was counted as income. The average federal income-tax rate [for all taxpayers was 13.3%](#) in 2019.

Billionaires and other very wealthy people overwhelmingly generate income not from a job or small business, but from the growth in the value of their investments. But that form of income is never taxed unless the investments are sold. Yet the very wealthy [do not need to sell their assets](#) to turn the increasing value of their wealth into cash income; instead, they use their swelling fortunes to secure special low-interest loans allowing them to live lavishly without paying income taxes. Moreover, a lifetime of such income growth from assets can be [passed onto the next generation tax-free](#).

Name	Net Worth Mar. 18, 2020 (\$ Millions)	Net Worth Apr. 5, 2022 (\$ Millions)	24 Month Wealth Growth (\$ Millions)	24 Month % Wealth Growth
Number of Billionaires	614	741		
TOTAL	\$2,947,500	\$5,002,720	\$2,055,220	69.7%
Elon Musk	\$24,600	\$290,290	\$265,690	1080.0%
Jeff Bezos	\$113,000	\$189,827	\$76,827	68.0%
Bill Gates	\$98,000	\$135,022	\$37,022	37.8%
Warren Buffett	\$67,500	\$124,193	\$56,693	84.0%
Larry Page	\$50,900	\$119,037	\$68,137	133.9%
Larry Ellison	\$59,000	\$116,162	\$57,162	96.9%
Sergey Brin	\$49,100	\$114,297	\$65,197	132.8%
Steve Ballmer	\$52,700	\$99,576	\$46,876	88.9%
Mark Zuckerberg	\$54,700	\$82,713	\$28,013	51.2%
Michael Bloomberg	\$48,000	\$82,000	\$34,000	70.8%
Jim Walton	\$54,600	\$69,644	\$15,044	27.6%
Alice Walton	\$54,400	\$68,694	\$14,294	26.3%
Rob Walton	\$54,100	\$68,368	\$14,268	26.4%
Charles Koch	\$38,200	\$62,971	\$24,771	64.8%
Julia/David Koch	\$38,200	\$62,971	\$24,771	64.8%

Source: Forbes data from March 18, 2020, and April 5, 2022, analyzed by Americans for Tax Fairness and available [here](#).

Congress can close this massive tax loophole through a billionaires income tax, such as recently [proposed by President Joe Biden](#) and earlier by Sen. Ron Wyden (D-OR), the [Senate's chief tax writer](#). A comparison of the two proposals can be found [here](#). Both proposals would tax investment gains of the superrich more like the wages of workers are taxed now. Requiring billionaires to pay a fairer share on the growth in value of their assets would make the tax system more equitable and generate revenue that would greatly benefit the economy and increase services and opportunities for millions of Americans.

President Biden's Billionaire Minimum Income Tax would [raise \\$360 billion](#) over 10 years exclusively from the richest 0.01% of Americans, each worth at least \$100 million. The Billionaires Income Tax proposed by Sen. Wyden [would raise \\$555 billion](#) over 10 years from about 700 billionaires

If that revenue was distributed to the states based on historical levels of federal grants to state budgets, Rhode Island [could gain](#) about \$216 million or \$334 million a year for 10 years,

respectively, from the Biden and Wyden billionaires tax plans. This is based on budget data from the National Association of State Budget Officers. Between 2019 and 2021, federal grant funds made up an average of about 44% of Rhode Island's state budget.

Federal grant funds to states [pay for numerous programs and services](#): healthcare (Medicaid and CHIP), childcare, food and nutrition (SNAP, WIC), education (Head Start, Title I and IDEA), housing, transportation (highways, airports, and mass transit), public safety and much more. These funds represent nearly one-third of state budgets on average and nearly one-quarter of state and local budgets combined. Additional funds generated by a billionaires income tax could be used to lower costs to the state's working families for vital services like healthcare, childcare and housing.

The potential of \$216 million or \$334 million a year in federal grants [would add about](#) 1.9% or 2.9% to the state's budget, respectively, based on an average of the state's budgets between 2019 and 2021.

"The nation's 700 billionaires collectively control more wealth than the bottom half of the American population. They don't just have way more money than the rest of us though, they have enough power to live by a different set of rules than everyone else so that they don't have to pay taxes on their wealth. As a democracy, we deploy our shared resources to build a better country for everyone. It's time for billionaires to live by the same rules as the rest of us and pay what they owe to help get the country back on track and make sure we can meet the needs of ALL Rhode Islanders. We should all be able to get and stay healthy and live with dignity. We need action at the federal level to advance legislation to ensure that billionaires pay their fair share to support more affordable healthcare, education and housing." Jocelyn Foye, Director, The Womxn Project

"The failure to tax increases in billionaire wealth from skyrocketing corporate stock and other investments is the worst loophole in our loophole-ridden tax code. Workers pay tax on their income all year, every year. Simple justice demands that billionaires do the same," said **Frank Clemente, executive director of Americans for Tax Fairness**. "Congress should close this loophole as part of the legislation members are now negotiating to help families cope with rising prices and make major investments in clean energy, all paid for by more fairly taxing the rich and corporations."

The public overwhelmingly favors a billionaires income tax: 64% of respondents in a recent [national poll](#) supported Senator Wyden's plan. (Biden's plan was not tested in this poll.)

This billionaires' bonanza has played out against the pandemic pall: 361,508 Rhode Island residents have contracted COVID-19 and 3,522 have died from it. Many small businesses have closed, daily life has been disrupted and the cost of everything from housing to gas has consumed a greater share of household incomes. Although prompt and ample federal action prevented much worse economic consequences from COVID and helped to speed recovery, businesses and families will once again face perils as many of these interventions expire shortly.

Millions of families, for instance, could face steep increases in healthcare premiums or [loss of insurance coverage](#) in the second half of this year as pandemic responses fall away:

- **Medicaid Coverage:** Early in the pandemic, as millions of Americans lost jobs and healthcare coverage, Congress passed the bipartisan Families First Coronavirus Response Act that covered many more people. The federal government increased matching funds to states and ensured that Medicaid enrollees would be continuously covered through the duration of the public health emergency despite income fluctuations or other factors that would ordinarily disqualify them. Once the public health emergency expires—which it is expected to do this year—as many as [13 million people could lose health coverage](#) over the next 12 months, according to an Urban Institute study. In Rhode Island about 50,000 of the state’s 308,000 [Medicaid patients](#) could lose their coverage, according to an Urban Institute study (see table 2).
- **Affordable Care Act (ACA) Coverage:** Congress and the Biden Administration also took action to make private insurance more affordable during COVID by passing the American Rescue Plan, which provided enhanced premium assistance to help more people buy ACA coverage. This resulted in [record high enrollment](#) in insurance marketplace plans this year. However, the enhanced premium assistance that saved individuals over \$800 last year, will expire at the end of 2022 if Congress does not take action. This will price [millions nationwide out of coverage](#), among them many of the roughly 31,000 [ACA policy holders](#) in Rhode Island.

Continuing affordable healthcare coverage for millions of America’s working families [would cost about \\$50 billion a year](#). That cost could be covered by Sen. Wyden’s tax on just the nation’s 700 or so richest households, preventing hundreds of thousands of Rhode Island residents from losing health care.

“It’s time to get our priorities straight. No one in our country, no matter where they live or how much money they have, should lose healthcare because they can’t afford coverage while billionaires get richer and avoid paying any taxes toward supporting the economy,” said **Margarida Jorge, Executive Director of Health Care for America Now.**

Rhode Island organizations are calling on the state’s congressional delegation to take a position on increasing taxes for billionaires through the enactment of a billionaires income tax like those proposed by President Biden and Senator Wyden. As Congress prepares to debate a package that will include some tax increases for the wealthy, local advocates are asking every Member of the Rhode Island delegation to [endorse a resolution](#) calling for billionaires to pay their fair share.

Current proposals to create a billionaires income tax represent a historic change in direction away from decades of proliferating tax breaks and wider loopholes for the wealthy that have contributed to a growing wealth gap between the nation’s richest families and everyone else. President Trump’s 2017 Tax Cuts and Jobs Act (TJCA), the last major tax legislation passed by Congress, provided \$1.9 trillion in tax giveaways [mainly to the rich and corporations](#) while working and middle income families saw few benefits.

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[Health Care for America Now \(HCAN\)](#) is a grassroots coalition of state and national groups that led the fight to pass the landmark Affordable Care Act (ACA). **Healthcare Over Wealthcare** is a campaign of Health Care for America Now that advocates for prioritizing investments in equitable, affordable healthcare for everyone over tax breaks for the rich and corporations. Follow us on Twitter @HCAN.

[The Womxn Project \(TWP\)](#) is a statewide organization dedicated to building a strong movement that harnesses the power of art, activism and advocacy. We believe that together we can dismantle systems of oppression and uplift the voices of people in our communities throughout Rhode Island in order to shift power and shape the policies that impact our lives and the lives of our neighbors. Follow us on Twitter @WomanProjectHQ.