



FOR IMMEDIATE RELEASE: April 15, 2024

## **THIS TAX DAY, IOWA WORKING FAMILIES ARE PAYING THEIR FAIR SHARE BUT IOWA'S BILLIONAIRE IS NOT**

*Billionaire Harry Stine Has Grown \$5.8 Billion, or 148%, Richer Since 2017 Trump-GOP Tax Overhaul—But Those Gains May Never Be Taxed*

*Democrats' Proposed Special Billionaire Taxes Could Deliver Up to \$559 Million A Year to Iowa If Distributed Like Current Federal Grants*

DES MOINES, IOWA – Iowa's sole billionaire, Harry Stine, has grown \$5.8 billion, or 148%, richer since enactment in 2017 of the Trump-GOP tax law that was heavily slanted towards the rich, according to Forbes data [analyzed by Americans for Tax Fairness](#) (ATF). But in what may come as a shock to people in Iowa who've just finished filing their taxes, under current law, none of those billions of dollars in wealth gains may ever be taxed.

Nationwide, America's billionaires [were collectively nearly twice as rich](#) on April 1 of this year as they were when the Republican tax law was enacted a little over six years ago: their collective fortune doubled from \$2.9 trillion to \$5.8 trillion. Harry Stine was worth roughly \$9.7 billion on April 1.

"In Iowa and across the country this Tax Day, hard-working Americans know in their gut that the tax code isn't fair," said David Kass, ATF's executive director. "The untaxed explosion of billionaire wealth is a prime indicator of a rigged system. President Biden and congressional Democrats want to start more effectively taxing billionaires and other unimaginably wealthy Americans, while Donald Trump and Republicans want to give them more tax cuts. The contrast in priorities couldn't be more clear."

[Trump](#) and his [fellow Republicans](#) want to permanently extend parts of their law that expire at the end of next year, which would only further lock in the ability of billionaires and other ultra-wealthy people to dodge their fair share of taxes. Meanwhile, [President Biden](#) and [Congressional Democrats](#) are pulling in the opposite direction: they want to start annually taxing the wealth gains of the nation's very wealthiest households—including most prominently billionaires—a reform that could result in up to \$559 million more in federal grants every year for a decade for Iowa (based on the recent distribution of federal funds to the states).

Because of loopholes in current law, billionaires often pay little or no federal income tax. An expose 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.

| Name        | Net Worth<br>Dec. 30, 2017<br>(\$ Millions) | Net Worth<br>Apr. 1, 2024<br>(\$ Millions) | Wealth Growth<br>(\$ Millions) | Wealth Growth<br>(Percent) |
|-------------|---|--|--------------------------------|----------------------------|
| IOWA        | \$3,900                                     | \$9,683                                    | \$5,783                        | 148.3%                     |
| Harry Stine | \$3,900                                     | \$9,683                                    | \$5,783                        | 148.3%                     |

Source: Forbes data from Dec. 30, 2017, and April 1, 2024, analyzed by Americans for Tax Fairness and available [here](#).

Under current rules, increases in asset values (“capital gains”) are only taxed when the asset is sold. But billionaires and other hyper-wealthy people [don’t need to sell to benefit](#): they can use their rising fortunes to secure low-interest loans and live luxuriously tax-free. And when those gains are inherited by the next generation, [thanks to another loophole](#), they simply disappear for tax purposes.

[President Biden](#) and the chief tax writer in the U.S. Senate, [Ron Wyden](#) (D-OR), have both put forth legislation to annually tax the wealth gains of the nation’s very wealthiest households. The president’s plan would raise \$503 billion in tax revenue over 10 years, while the proposal from Wyden, the chairman of the Senate Finance Committee, would raise \$557 billion.

**If that revenue was distributed to the states in accordance with recent historical levels of federal grants, Iowa [could gain](#) every year for 10 years about \$505 million—from the Biden plan—or \$559 million, from the Wyden proposal.** This is based on budget data from the National Association of State Budget Officers. Between 2021 and 2023, federal grant funds made up an average of 36.9% of Iowa’s state budget.

Federal grants to states help [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 all these vital services.

That \$505 million or \$559 million a year (depending on the plan adopted) in federal grants [would add about](#) 1.7% or 1.9% to the state’s budget, respectively, based on an average of the state’s budgets between 2021 and 2023.

The ultra-rich in Iowa and around the country have flourished under the Trump-GOP tax law because it [mostly benefited the wealthy](#). It has failed to offer the benefits to working families that were promised and will wind up adding some [\\$2 trillion to the national debt](#). That figure

would be larger if Republicans had not disguised the true cost of their tax giveaway by making several provisions temporary. Most of those temporary measures are due to run out at the end of next year, but [Donald Trump](#) and [congressional Republicans](#) have vowed to make them permanent. Permanent extension of all the expiring provisions [would add almost \\$4 trillion](#) more to our debt.

Among the expiring provisions that would mostly or exclusively benefit the very wealthy, including billionaires, if they were permanently extended:

- A cut in the tax rate charged on the highest income households (in 2024, [over \\$730,000 per couple](#)), from 39.6% to 37%;
- An enfeebled estate tax that allows inheritance of huge family fortunes (in 2024, over \$27 million per couple and slated to rise each year) to go completely untaxed. If this provision is allowed to expire on schedule, the estate-tax exemption would revert to a still quite generous but somewhat more reasonable [estimated \\$14.5 million per couple](#).
- A weakened Alternative Minimum Tax, which is meant to prevent the highest-income households from exploiting loopholes and special breaks to whittle down their tax bills.
- A special rule that allows non-corporate businesses to subtract 20% of their profits before figuring their taxes. In 2019, over half of this tax cut went to business owners in households with [over \\$800,000 in annual income](#).

In stark contrast, President Biden and his fellow Democrats want to allow tax cuts for those households making over \$400,000 a year to expire on schedule. Moreover, the president and his party in Congress have already [raised taxes on the biggest corporations](#) and on wealthy investors and cracked down on wealthy tax cheats. They have proposed further reforms that would result in the rich and corporations paying more in taxes, not less.

Among the reforms President Biden [has repeatedly proposed](#):

- Boosting the corporate tax rate from 21% to 28%, half way back to where it was before the Trump-GOP tax law. (This reform alone would raise \$1.35 trillion over 10 years)
- Increasing a wealthy investors' tax from 3.8% to 5%. (\$797 billion)
- Cracking down on the offshoring of corporate profits. (\$715 billion)
- Ending the nearly half-off tax discount on investment income over \$1 million. (\$289 billion)
- Expanding restrictions on excessive corporate pay for top executives. (\$272 billion)

Iowa organizations are calling on the members of the state's congressional delegation to take a stand this Tax Day. Do they support:

- The goal of Donald Trump and fellow Republicans to permanently extend tax cuts that mostly benefit the wealthy and will increase deficits by almost \$4 trillion over 10 years, thereby endangering the funding of Social Security, Medicare and other vital public services; or

- The aim of President Biden and fellow Democrats to more effectively tax billionaires and other hyper-wealthy people by taxing their annual wealth gains just like wages are taxed every year now. Members of the Iowa delegation choosing this option can officially [endorse a resolution](#) calling for billionaires to pay their fair share.