Taxes - "that's where the money is . . .

Author : michaelbloomer

http://www.taxpolicycenter.org/numbers/displayatab.cfm?Docid=2417

http://www.timesfreepress.com/news/2010/apr/15/fp3-income-tax-tipping-point/?opinionfreepress

By Robert Reich How Democrats Can Become Relevant Again (And Rescue the Nation While They're At It)

The richest 1 percent's share of national has doubled -- from around 9 percent in 1977 to over 20 percent now. The richest one-tenth of 1 percent's share has tripled. The 150,000 households that comprise the top one-tenth of one percent now earn as much as the bottom 120 million put together.

Given this explosion of income at the top you might think our tax system would demand a larger share from them. But you'd be wrong. You're not taking account of the power of the super rich. As income and wealth have risen to the top, so has political power. As a result, their taxes have plummeted.

From the 1940s until 1980, the tax rate on the highest earners in America was 70 percent or higher. In the 1950s, it was 91 percent. Even if you include deductions and credits, the rich were paying a far higher share of their income than at any time since.

Under Ronald Reagan the top rate dropped to 28 percent. Under Bill Clinton it rose to 39 percent and then under George W. Bush dropped to 36 percent. As you recall, Republicans have managed to keep it there. Their avowed aim is to keep it there permanently.

Meanwhile, estate taxes (which hit only the top 2 percent) have been slashed, as have taxes on capital gains -- which comprise most of the income of the super rich. In the late 1970s, capital gains were taxed at well over 35 percent. Under Bill Clinton, the capital gains rate was 20 percent. Now it's 15 percent.

mmmmmmmmmmmmmmm
Equally interesting to the 47% paying no federal tax is that the bottom 50% of Americans control/own only 2% of the nations wealth. That's right,they have nothing but the shirts on their backs. The wealth,the big money,is piled up at the top. The upper 10% have almost all of the wealth.

Many people would agree that from the early 1950s to the early 1970s was America's golden age.

During that time wealth disparity was at it's lowest,America's middle class was thriving,we had a trade surplus and little debt. So what was different? The US had much higher marginal tax rates and that meant that getting rich took a little longer. Sure there were other things,but nothing so important as a fairer tax base.

The reason to increase marginal tax rates on the rich should be clear and obvious...that's where the money is. The bottom 50% in America haven't had an increase in real earnings since the 1970s. That's more than 150 million people living on the edge and this NFP editorialist wants blood out of a turnip. These are the working poor who have no money.